

**HOUSE OF ASSEMBLY**  
**Thursday, 17 July 2014**  
**ESTIMATES COMMITTEE A**

**Chair:**

Ms F.E. Bedford

**Members:**

Hon. S.W. Key  
Ms V.A. Chapman  
Mr J.A.W. Gardner  
Mr J.P. Gee  
Mr C.J. Picton  
Mr D. Speirs

*The committee met at 09:01*

*Estimates Vote*

**DEPARTMENT OF THE PREMIER AND CABINET, \$91,807,000**  
**ADMINISTERED ITEMS FOR THE DEPARTMENT OF THE PREMIER AND CABINET,**  
**\$2,079,000**  
**LEGISLATIVE COUNCIL, \$5,963,000**  
**HOUSE OF ASSEMBLY, \$8,894,000**  
**JOINT PARLIAMENTARY SERVICES, \$11,324,000**  
**AUDITOR-GENERAL'S DEPARTMENT, \$16,191,000**  
**STATE GOVERNOR'S ESTABLISHMENT, \$3,406,000**

**Minister:**

Hon. J.W. Weatherill, Premier.

**Departmental Advisers:**

Mr J. Hallion, Chief Executive Officer, Department of the Premier and Cabinet.  
Ms S. Pitcher, Deputy Chief Executive, Department of the Premier and Cabinet.  
Mr J. Moule, Executive Director, Department of the Premier and Cabinet.  
Mr A. Martin, Executive Director, Corporate Services, Department of the Premier and Cabinet.  
Mr R. Crump, Acting Clerk, House of Assembly.  
Mr K. Nelson, Chief Finance Officer, Legislature.  
Mr S. Campbell, Acting Executive Director, Business and International Development.  
Mr S. O'Neill, Auditor-General, Auditor General's Department.

**The CHAIR:** The estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. The committee will determine an approximate time for consideration of proposed payments to facilitate a change of departmental advisers. I understand that the minister and the lead speaker for the opposition have agreed on a timetable for today's proceedings. That is correct?

**The Hon. J.W. WEATHERILL:** Yes.

**The CHAIR:** Changes to committee membership will be notified as they occur. Members should ensure the Chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 26 September 2014 for inclusion in the *Hansard* supplement.

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 be giving the call for asking questions, based on about three questions per member, alternating each side, and supplementary questions will be the exception rather than the rule. A member who is not part of a committee may, at the discretion of the Chair, ask a question. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the assembly *Notice Paper*.

There is no formal facility for the tabling of documents before the committee; however, documents can be supplied to the Chair for distribution to the committee. The incorporation of material in *Hansard* is permitted on the same basis as applies in the house, that is, that it is purely statistical and limited to one page in length. All questions are to be directed to the minister, not the minister's advisers. The minister may refer questions to his or her advisers for a response.

I also advise that for the purposes of the committees television coverage will be allowed for filming from both the northern and southern galleries. I declare the proposed payments open for examination. I call on the minister to make a statement, if he wishes, and to introduce his advisers. I will call on the lead speaker of the opposition to make a statement, if the member wishes, after that, and then we will call on members for questions. The Premier.

**The Hon. J.W. WEATHERILL:** Thank you, Madam Chair. I begin by first introducing the people who are sitting with me: the chief executive of the Department of the Premier and Cabinet, Mr James Hallion and, in terms of the order in which we will have people assisting me, initially it will be the House of Assembly and Legislative Council Joint Parliamentary Services, Mr Rick Crump, Acting Clerk of the House of Assembly, and Kent Nelson, Chief Finance Officer. Then, once the questions have been exhausted on that matter, we will then be inviting representatives from the Auditor-General's Office, then the State Governor's Establishment and, finally, DPC. If members can direct their questions in that fashion, we can release the various officers to go back to their duties.

I will begin with some opening remarks, first concerning the budget. The government's budget upholds the commitments we made to the people of South Australia at this year's election. It is also framed as a response to the obvious challenges that exist with the closure of Holden's in 2017—indeed, the cessation of all car production in Australia by that date. This has required us to frame a budget that focuses on the sustainability of the budget, of course, but also supporting the transformation of the automotive sector, as well as focusing on infrastructure to maintain jobs in our economy.

The decisions made by our government in this budget reflect the way we want to support the community, work with business and create opportunities in South Australia. The budget maintains funding required under intergovernmental agreements, including important national partnerships, partnerships that were signed by our state government with the commonwealth government.

Unfortunately, the same cannot be said for the federal government with its most recent budget. The Abbott government's budget unleashed a raft of cuts to programs and benefits that will hurt the most vulnerable people in our community. We have seen changes that directly affect the financial situation of the lowest income earners in our community.

It seeks to make the cost of obtaining a university education much more expensive to prospective students. It also cuts funding for training and for pensioner concessions and, most damagingly, without consultation and just a few weeks before we delivered our state budget, the federal government's budget tore up signed contracts with the states on hospital and education funding.

The decisions of the federal government set out in the federal budget are a substantial challenge to South Australia, and they do not assist us in one single respect with the major challenge we have in front of us in relation to jobs. The commonwealth's funding cuts equal \$898 million over four years, and the health and education cuts equal \$5.5 billion over the next 10 years. The impact of the commonwealth's failure to maintain growth in hospital funding will see a significant increase in waiting lists in emergency departments, and we expect that elective surgery waiting times will also more than double if these cuts do come into existence.

As we made clear on state budget day, the South Australian government will not be rushed into making decisions on how we respond to this massive challenge. I am determined to place pressure on the federal government to reverse these cuts; they are unfair, and they hurt the most vulnerable people in our community.

On 2 July 2014, I convened the first meeting of the federal government response task force, which includes representatives from a range of leading businesses and community groups and employee associations. Task force members conveyed consistently strong concerns about the impact of the federal budget cuts on South Australians. They particularly highlighted the effects of the cuts on health, the education sectors, welfare recipients, social welfare service providers and senior citizens.

Our concern is that the federal budget represents only the tip of the iceberg. As Joe Hockey said in his budget speech, 'this is the first step' and, ominously, just last night, Mr Hockey said that, if he cannot get his measures through the Senate, he will find other mechanisms for imposing these cuts. I believe that the commonwealth government will seek to devolve further responsibilities to the states through the white paper on reform of federation and the white paper on taxation reform, two incredibly important documents that are about to be produced.

Of most concern to South Australians is that these processes will put at risk Australia's system of horizontal fiscal equalisation. This is a very important principle. It is a principle that no matter where you live in Australia you can expect the same level of service; it equalises the capacity of each state and territory to provide that level of service, having regard to their capacity to raise revenue and having regard to the needs of their citizens.

Any attempt to undermine the horizontal fiscal equalisation arrangements would not only have serious consequences for South Australia, putting up to \$1.1 billion in annual funding at risk, but also forever change the nature of our federation, and it is something that the South Australian government needs to stand up and fight against. I will continue to campaign strongly on these important issues, and I call on the opposition to support our efforts to reject measures that will hurt South Australians. There is absolutely no reason why there should not be a bipartisan approach on these questions. I hope that all members of the South Australian parliament will support us in these efforts.

**The CHAIR:** Before we continue, Premier, could you help the table and direct us to the page where the lines sit that we are about to open questioning on?

**The Hon. J.W. WEATHERILL:** It is Budget Paper 3, Appendix C on page 170, the last four lines: House of Assembly, then skip a line, Joint Parliamentary Services and then Legislative Council.

**The CHAIR:** So, it is Budget Statement, page 170.

**The Hon. J.W. WEATHERILL:** Yes.

**The CHAIR:** Member for Bragg, are you going to make a statement?

**Ms CHAPMAN:** Just briefly, if I may. I have received notice from the government that all officers for all the agencies are going to be present throughout the entire time. I will not be dealing

with all those, but other members of the committee may. I am a little disappointed that we do not have some breakdown, and I apologise in advance for all those who are here from the various agencies who are apparently going to be spending the full time here. Historically, it has been identified in certain categories so that they are not inconvenienced, but—

**The Hon. J.W. WEATHERILL:** Let's be clear about that. I have just done that: we have the House of Assembly, the Legislative Council and the Joint Parliamentary Services line. I have the officers and we are available to answer your questions.

**Ms CHAPMAN:** I have before me correspondence from the Chief of Staff of the Premier, confirming that everyone will be in attendance the entire time, in response to our request to identify if there were certain areas. I appreciate that the Premier is having everybody here all the time, and that is noted and there is no dispute in relation to that. I just apologise in advance for those who might be sitting here during the entire time.

**The CHAIR:** Member for Bragg, before you continue, the table has exactly what is going to happen, so this could not have been a secret.

**Ms CHAPMAN:** We have a list of the publication of the estimates committee which lists the six areas of jurisdiction which are up for questioning. There is no identification of time.

**The CHAIR:** One can only presume there has been a problem in communication then.

**Ms CHAPMAN:** Can I see what you have?

**The CHAIR:** It is not a secret. I have not prepared that myself; it has been prepared by the table, which means they have known about it for quite some time, I think.

**Ms CHAPMAN:** Indeed, that confirms exactly what I have said, and I will say it again for the record—that is, that for all the six areas of jurisdiction that are up for questioning all members of the department are here, and the parliament, but none has been identified for a period of time. I just make that point. Having done so, I will try to make it easier for them and indicate that I do not have any questions on the Legislative Council (other members may have) and on the House of Assembly.

**The CHAIR:** I have just been advised, member for Bragg, that if you want us to we can open all the lines, but I am advised that this is not abnormal procedure. Perhaps if you just go on with your opening statement, as we do not have a lot of time and I want you to be able to ask as many questions as you can.

**Ms CHAPMAN:** We do have; everything is open for the whole period. That is what I am saying.

**The CHAIR:** I can officially read that, if that is what you want.

**Ms CHAPMAN:** Can I identify what has been published: the Legislative Council, House of Assembly, Joint Parliamentary Services, State Governor's Establishment, Department of the Premier and Cabinet, Auditor-General's Department. That is what we had published.

**The Hon. J.W. WEATHERILL:** Yes, and what I am inviting you to do, because I have officers next to me, is to direct questions on the House of Assembly, Legislative Council and Joint Parliamentary Services first, and then we can dismiss these people as we go.

**The CHAIR:** That is right. I do not see that as a problem.

**Ms CHAPMAN:** It is not a problem, except that we have had it confirmed to us that all would be available throughout the entire period. I just place that on the record.

**The CHAIR:** We can do that if you wish, but we are trying to make it easy by having each section individualised. If you do not have your questions sorted that way—

**Ms CHAPMAN:** We have.

**The CHAIR:** Why not get started with your opening statement and we are away.

**Ms CHAPMAN:** I have made my opening statement.

**The CHAIR:** Do you have a question then, member for Bragg?

**Ms CHAPMAN:** I do. I start at page 170 for the House of Assembly. Will the Premier confirm to the committee whether there has been any appointment made for the Clerk of the House of Assembly?

**The Hon. J.W. WEATHERILL:** I am advised that, to the best of the knowledge of the officers, there has been no appointment made.

**Ms CHAPMAN:** Has any recommendation been received from the panel?

**The Hon. J.W. WEATHERILL:** I think the officers we have probably would not be aware of that. That would be a question best directed to the Speaker. I certainly have no knowledge.

**Ms CHAPMAN:** I will refer to this now because of the opening statement: Budget Paper 1, page 7 refers to the whole of agency and, in your opening statement, Premier, you indicated your disquiet (I think that is the most kind description) at the approach of the federal government and the financial contribution that it has made through its budget.

My question is: given the lead-up to the federal budget with the audit commission and your campaign in the media both prior to and post the federal budget, is it correct that prior to the federal budget you and your office did not send one piece of correspondence to the federal government, the Prime Minister or any federal minister on the audit commission or the federal budget itself, lobbying against the looming cuts?

**The Hon. J.W. WEATHERILL:** I do not know where the honourable member was, but I based a whole election campaign on the question of standing up to the Abbott government. I do not think we could have communicated more clearly our warning about the cuts or the fact that I would stand up against those cuts. Indeed, when the audit commission handed down its recommendations I think we were scathing about its recommendations and sought to campaign against it. Although I must say that, as ferocious and damaging as the audit commission's recommendations were, we were taken by surprise at the depth of the cuts that were made in the federal budget, especially given that only a few short weeks before that all the state and territory ministers were meeting at a COAG meeting with the Prime Minister where not one inkling was given of the fact that these cuts were on the way.

Indeed, the public remarks that were made by the federal government, such as they existed about the audit commission report, were that it was merely a report and that it did not represent government policy. So, in all respects we were being encouraged to believe that those cuts were not imminent and that they were still the subject of consideration and representation. It was with some degree of surprise and obvious anger that every state and territory minister greeted the federal budget, which went in some respects even further than a number of the cuts foreshadowed in the audit commission report.

**Ms CHAPMAN:** Notwithstanding that Premier, having had the audit commission report published in the lead up to the budget, no correspondence has gone from your office either as Premier or Treasurer according to the freedom of information responses received by us. My question is: given the notice of the audit commission and statements made at the federal level, why didn't you spend or send any correspondence or any submission in relation to these imminent cuts?

**The Hon. J.W. WEATHERILL:** I think it misunderstands the nature of the relationship between the commonwealth and state government and how the commonwealth government has sought to manage that process.

There are two very important processes that are underway: there is the White Paper in relation to both the financial system—the commonwealth/state financial arrangements—and also in relation to federation. When we raised our concerns at COAG concerning these issues, we were advised that the proper forum for the resolution of our concerns about those matters were those processes, and, completely inconsistent with that advice, the federal budget was handed down which pre-empts a number of the critical decisions that need to be taken in that matter.

Just consider it for a moment: \$5.5 billion worth of cuts that have been made into the health and education sector from South Australia alone—\$80 billion across the nation—there is no serious commentator that believes that those cuts were imposed in a way that could be absorbed by states

and territories. No state and territory minister believes that. They are obviously a transparent attempt to force the states to come back to the commonwealth and ask for an increase in the GST. Everybody accepts that that is the strategy.

In that sense, they are an attempt to pre-empt the very processes the federal government laid down for the state and territories to engage in the process of discussion about taxation reform and the processes of the reform of the federation. That is why you got the anger that you got from every state and territory minister. That is why they all met together, at my request, in Sydney, to express the strongest possible opposition to these pre-emptive cuts that were made by the commonwealth government in the budget.

**Ms CHAPMAN:** Thank you for that Premier. Obviously, the days of hearing the Premier waltz into this house brandishing a letter, 'I have written to the Prime Minister' over and over again is clearly not going to be part of your agenda. Can I then move to Budget Paper 6, page 90.

**The Hon. J.W. WEATHERILL:** I cannot leave that without comment. I do not accept what the Deputy Leader of the Opposition has said about our level of communication with the commonwealth government concerning the commission of audit. I have spoken about the arrangements that we put in place at COAG for our contribution to these matters.

I can also confirm that the government did indeed write to the senate inquiry in relation to the commission of audit, and put forward a South Australian submission in relation to that matter, and in the context of our deliberations at COAG the whole question of the commission of audit was subsumed within the various arrangements for state and territory governments to have input in relation to the question of taxation reform and the shape of federation.

**Ms CHAPMAN:** Budget Paper 4, Volume 3, page 171 in the program on business: will the Chief Executive, Mr James Hallion, be supplied with additional resources to undertake his new role announced as the Private Sector Development Coordinator as at 8 July?

**The Hon. J.W. WEATHERILL:** It is not strictly within this portfolio line, but the answer to the question, to save you having to ask it through the Department of Planning, Transport and Infrastructure, is that we will be consolidating resources within the Department of Planning, Transport and Infrastructure to support Mr Hallion in relation to his role as Coordinator-General in relation to those private sector developments.

**Ms CHAPMAN:** How many projects is Mr Hallion estimated to handle per year in this role?

**The Hon. J.W. WEATHERILL:** It depends who comes forward, really. It is an invitation to people who have projects over \$3 million that are stuck in some form of barrier and they approach the government, so it really, I suppose, depends on the nature and extent of the approaches to government. We have not been able to estimate that. We only have anecdotal evidence of projects which are job-creating and which are stuck in some system, whether it be commonwealth, state or local government or through some other reason they are unable to reach finalisation, and we are anxious to hear about those. That is why we have created this process.

**Ms CHAPMAN:** Do we have any idea how many are in that bureaucratic hurdle impasse at the moment?

**The Hon. J.W. WEATHERILL:** No.

**Ms CHAPMAN:** Can I just ask, then, how developers or those who are wanting to avail these services of this new position are able to contact Mr Hallion? Are they going to be able to ring him up or make an appointment with him? Is there some office or support staff that are going to screen it?

**The Hon. J.W. WEATHERILL:** Yes, really we have made an open invitation. Obviously, we are contacting employer associations and developers directly—we are obviously aware of projects just through representations that are made to various ministers—so direct communication with Mr Hallion. He is being proactive about it; he is also having meetings with groups of organisations and seeking to send the message out. Obviously, we are seeking to communicate this publicly and they can contact Mr Hallion directly at the Department of Premier and Cabinet.

**Ms CHAPMAN:** In the process, then, for this project, is there going to be any register kept of those who identify themselves as requiring assistance in this capacity?

**The Hon. J.W. WEATHERILL:** There will obviously be a list kept and they will be dealt with as and when we are able to deal with their issues. As I said at the time of announcing this, some people may well have had projects that have been rejected in the past for good reasons and they might seek to relitigate their issues. Obviously, we are not interested in those sorts of projects. There may be others that are on a lengthier process of approval for good reason, just because of the nature or complexity of the particular development, but there may be others that are stuck for reasons where the government can use its good offices to unstick the project.

It may be that it is not a state government problem. It may be a local government problem or a commonwealth problem or maybe actually a problem that is not even the responsibility of government—it may be a financing issue that we may be able to assist with. But in any event, whatever it is, if it is job-creating and it is of a substantial size, we are anxious to hear from these businesses so that we can make sure that we accelerate the rate of job creation in our economy.

**The CHAIR:** Just before I call the deputy leader again, can I just establish if there are any questions to my right? Deputy leader.

**Ms CHAPMAN:** So there will be a list kept, yes, but will there be a register that is publicly accessible or available to identify who has made applications and essentially, ultimately, what the result has been?

**The Hon. J.W. WEATHERILL:** I think we will be anxious to tell people when there have been successes, I suppose, of these projects. I do not think there is any plan to keep another piece of bureaucracy which will require maintenance. This is meant to be a process that really has very little formality around it.

**Ms CHAPMAN:** I understand, of course, you might want to make announcement of the successes, but in relation to those who apply for support in this regard, will there be any restriction on that information being available, as to who has applied and what the outcome has been?

**The Hon. J.W. WEATHERILL:** It will be accessible in the ordinary way.

**Ms CHAPMAN:** Thank you. Just so I have the process clear: is the support staff for this going to be placed in Planning, Transport and Infrastructure?

**The Hon. J.W. WEATHERILL:** Yes.

**Ms CHAPMAN:** Under whose area of responsibility are they? Is that in Infrastructure, or Planning?

**The Hon. J.W. WEATHERILL:** Sorry, could you just repeat that question?

**Ms CHAPMAN:** Under whose area? Is that under Transport, Infrastructure or Planning, or Major Projects?

**The Hon. J.W. WEATHERILL:** Well, they will be within the Planning agency, within the Department of Planning, Transport and Infrastructure.

**Ms CHAPMAN:** The Planning agency; thank you. Is there a budget allocated for it?

**The Hon. J.W. WEATHERILL:** It is existing resources that will be transferred across.

**Ms CHAPMAN:** While we are on the Department of Planning, Transport and Infrastructure, when—

**The CHAIR:** I am just advised by the table staff that that line is not actually open.

**Ms CHAPMAN:** No, I understand that, but in relation to the support services that are coming from it, I am referring, actually, to—

**The CHAIR:** As long as the Premier is happy to continue, that will be fine.

**Ms CHAPMAN:** Premier, you are responsible for the appointment of and dismissal of chief executives of all the departments. When Mr Hook's services were terminated a few months ago,

apart from his entitlements there were some \$300,000 paid out to him in advance as part of the termination arrangements. Was that \$300,000 cost of your decision to terminate Mr Hook paid out of your resources or met within the DPTI budget expenses?

**The Hon. J.W. WEATHERILL:** All agencies meet the cost of their chief executive out of their budgets.

**Ms CHAPMAN:** So, even if you make the decision to terminate that person, you do not take it into your portfolio of cost?

**The Hon. J.W. WEATHERILL:** No.

**Ms CHAPMAN:** That is just imposed upon the department that has that head?

**The Hon. J.W. WEATHERILL:** That is right.

**Ms CHAPMAN:** Was the cost of terminating Mr Fred Hansen as CEO of Renewal SA similarly applied to another department under Planning, and, if so, how much was it?

**The Hon. J.W. WEATHERILL:** He was employed within Renewal SA and it is borne by that budget.

**Ms CHAPMAN:** Do you know what the termination payment was?

**The Hon. J.W. WEATHERILL:** I think those matters have already been made public, but they are matters for the various ministers in those portfolios.

**The CHAIR:** The member for Bright.

**The Hon. J.W. WEATHERILL:** Can I just clarify; if there are not to be any questions on the Joint Parliamentary Services or House of Assembly, I could—

**The CHAIR:** Yes; are there going to be any questions?

**Ms CHAPMAN:** Not from me, but I do not know about other committee members.

**The CHAIR:** So, we do not know. What budget paper are you going to refer to?

**Mr SPEIRS:** Budget Paper 4, so it is not—

**The CHAIR:** What we are trying to establish is whether we could let these officers go.

**Ms CHAPMAN:** We invited them to do that a month ago, actually—to identify what times that they would want to be here, and not be here for the whole time. But, given that our response was that they would be here throughout the whole time, we have not given a breakdown of that. So, that was my point, Madam Chair. I am indicating that I do not have any other questions of the Legislative Council or the representative from the House of Assembly or Joint Parliamentary Services.

**The Hon. J.W. WEATHERILL:** If we could just ask these two gentlemen to—they will not be very far away, obviously, because they work in this building, so maybe if we were to ask them to return?

**The CHAIR:** We are just anxious to try to close a line somewhere to keep some sort of form happening here. Are you happy for us to close the line?

**Ms CHAPMAN:** As long as other members are happy with it. We try to be helpful.

**The Hon. J.W. WEATHERILL:** Look, I do not want to be awkward. If somebody then thinks of something, we can always quickly recover things.

**The CHAIR:** Our problem is we cannot close the line—that is what I am being told. So, we are going to have to leave it open, obviously, if we cannot get an indication from the member for Bright or the member for Morialta as to where their questions lie.

**Mr GARDNER:** I do not have any questions on the House of Assembly or the Legislative Council, ma'am.



**The CHAIR:** Very well. Are we going to close this line? We will close the Legislative Council, the House of Assembly and the Joint Parliamentary Service, and I thank the officers for their attendance. Member for Bright.

**Mr SPEIRS:** My question is from Budget Paper 4, Volume 3, page 164, on program 1, which refers to cabinet advice and support. In particular, in relation to the Emergency Management Council of cabinet and State Emergency Management Committee, which is chaired by your CEO James Hallion, can the Premier now confirm that the State Emergency Management Committee met on Wednesday 25 June to discuss issues of escalated contamination at Clovelly Park?

**The CHAIR:** Can we just have a recap of where you are at, member for Bright?

**Mr SPEIRS:** Page 164, Budget Paper 4, Volume 3, program 1. That is due to the fact that the secretariat of the State Emergency Management Committee sits within the cabinet office.

**The Hon. J.W. WEATHERILL:** I think we took that question on notice on the last sitting day, and we will be bringing back an answer.

**Mr SPEIRS:** Yes, I understand that the Premier took that question on notice on 3 July in question time, but are you able to provide an answer to that now?

**The Hon. J.W. WEATHERILL:** The question has been asked, it has been taken on notice, and we will bring back an answer.

**Mr SPEIRS:** I will continue with that line of questioning. Was the meeting of the State Emergency Management Committee called with just two days' notice?

**The Hon. J.W. WEATHERILL:** As I said, we will bring back our answers.

**Mr SPEIRS:** Did the Premier have discussions with the chief executive of his department on Monday 23 June that led to notice of the State Emergency Management Committee being given that day for Wednesday 25 June?

**The Hon. J.W. WEATHERILL:** I am referring any questions about the Clovelly Park issue to the Minister for the Environment. He is the relevant minister who has responsibility for these matters. Any other matters that touch on questions for cabinet will not be answered in this place.

**Mr SPEIRS:** I am continuing with this line of questioning, as the chief executive of the Department of the Premier and Cabinet chairs that committee. Did cabinet discuss the Clovelly Park contamination on Monday 23 June?

**The Hon. J.W. WEATHERILL:** Obviously, we do not answer questions about what is discussed in cabinet.

**Mr SPEIRS:** Did the Emergency Management Council of cabinet meet to discuss escalated contamination at Clovelly Park prior to 2 July when the opposition first raised this issue in parliament, and when were these meetings held?

**The Hon. J.W. WEATHERILL:** As I say, we do not discuss cabinet deliberations or decisions. It is out of order, apart from anything else, and there is a practice of not talking about those matters.

**Mr SPEIRS:** Premier, why is escalated contamination at Clovelly Park so serious that the State Emergency Management Committee was convened at two days' notice, but not so serious that residents have to wait for a public relations plan before being advised?

**The Hon. J.W. WEATHERILL:** It is the same question, and I do not accept the premise that is contained within the question. At all times, the government has had one thing on its mind; that is, to make sure that the health and safety of residents, and ensuring that they have proper information in a timely fashion, was paramount.

**Mr SPEIRS:** Can the Premier advise how many times the State Emergency Management Committee has met in the last 12 months?

**The Hon. J.W. WEATHERILL:** I will take that question on notice and bring back an answer.

**Mr SPEIRS:** In relation to escalated air contamination at Clovelly Park, why did the government spend 48 days developing a public relations strategy when there is standard EPA protocol for advising the public?

**The Hon. J.W. WEATHERILL:** It is a question that should be directed to the other minister, but I do not accept the premise and it was not 48 days spent developing a public relations strategy.

**Mr SPEIRS:** Why did the government not follow the standard EPA protocol on their website which states:

The EPA's first steps are to place notification on the EPA public register, the EPA website and a public notice in the local media.

This protocol goes on to say:

...urgent information to be communicated face-to-face and with follow up letters.

**The CHAIR:** I am concerned that we are continuing down an area that has already been indicated is not part of this morning's questioning.

**Mr GARDNER:** That is an argument. It is still in the budget papers.

**The CHAIR:** I am being advised.

**Ms CHAPMAN:** Can I just clarify this? At this stage the Premier has taken some questions on notice and indicated that some issues should go to specific ministers, and the others he has declined to answer—I accept that—but there has been no consistent rejection of the question, which is in relation to the provision of support to cabinet and cabinet committees.

**The CHAIR:** We will continue and see what happens.

**Ms CHAPMAN:** I appreciate we do not have very many answers, but—

**The Hon. J.W. WEATHERILL:** This question has no relationship with anything within this budget line—

**The CHAIR:** No, we have been indulging.

**The Hon. J.W. WEATHERILL:** —and it is a transparent attempt to ask questions about matters that should be directed to the relevant minister.

**Mr SPEIRS:** Deputy Speaker, I would argue that because the State Emergency Management Committee and the secretariat for that sits within the cabinet office the support and knowledge and understanding of some of these issues would also be within this budget line.

**The CHAIR:** We will have to listen to each question then and see.

**Mr SPEIRS:** Is it an appropriate standard for your government that the social housing minister was made aware on 11 June of Clovelly Park contamination rising above acceptable levels yet did not inform the affected Housing Trust tenants?

**The Hon. J.W. WEATHERILL:** Once again, this is directly a matter for the Minister for Social Housing. You should direct the question to her.

**Mr SPEIRS:** When did the Premier first become aware of Clovelly Park contamination rising above acceptable levels?

**The Hon. J.W. WEATHERILL:** I am not going to disclose cabinet deliberations.

**Mr SPEIRS:** Was the Premier aware that the government rejected a request from the Local Government Association representative on the State Emergency Management Committee to inform the City of Marion of the contamination?

**The Hon. J.W. WEATHERILL:** Once again, this is directly a matter for the Minister for Environment who, on the public record, has said the reason that request was rejected is so that the first people who heard about it would be residents, but of course the opposition decided that they knew much better and decided to go down and scare those residents, who are some of the most vulnerable citizens in our community and, unfortunately, we are left with what we now have.

**Mr SPEIRS:** When was the local member, the member for Elder, advised of the escalated air contamination in the Clovelly Park area?

**The Hon. J.W. WEATHERILL:** This is a question that was already asked in parliament and bears no relationship to any of my responsibilities.

**The CHAIR:** And it has already been part of question time. Was it last week? I am sure there was a question on that last week.

**Mr SPEIRS:** Did the Minister for Health refuse the request of the Minister for Environment to co-sign a document prepared for cabinet in relation to escalated contamination at Clovelly Park?

**The Hon. J.W. WEATHERILL:** The member knows that that is not a question that is proper to be asked or answered.

**Mr SPEIRS:** Given that the government has been aware of dangerous contamination in the Clovelly Park area for six years, why was no relocation strategy put in place for residents in that area?

**The Hon. J.W. WEATHERILL:** I do not accept the premise of the question, and that question should be directed to the relevant minister. What we do know, from the considerable history of this matter, is that residents have been consistently informed all the way along the process of the steps that have been taken concerning contaminated groundwater, and that has been occurring over a number of years.

Tests have occurred and as relevant information has become known it has been provided to those residents. It is very sad fact that this matter is now being seized upon by the opposition in a way to score a political point, but it also has the effect of scaring and unnerving a range of residents in a way which I think is quite inappropriate.

**Mr SPEIRS:** Why are Clovelly Park residents of contamination zone homes only now being evacuated, given that they were left in their homes in 2009 when contamination first reached trigger levels?

**The Hon. J.W. WEATHERILL:** Almost none of what the member recounts as facts, as the premise for his question, do I accept. The emotive use of the phrase 'evacuation', the use of the phrase 'trigger levels', none of those matters has any basis in fact. I invite him to direct his questions to the relevant minister where he will be set straight.

**Mr SPEIRS:** Can you advise why there has been no contamination testing for people living in the area of the contamination zone in both Clovelly Park and Mitchell Park?

**The Hon. J.W. WEATHERILL:** Can I say that people who live in those areas are thrilled at the way the opposition is talking down their property values by suggesting that there are dangerous contaminants which are affecting the health and wellbeing of those residents. I am sure they will be getting significant communication soon from those residents thanking them for the downward spiral in their property values and the difficulty of moving from their houses by the way in which they are talking up this issue in an alarmist and inappropriate fashion.

**The CHAIR:** Before we continue, member for Bright, could we perhaps establish with the deputy leader and the members for Bright and Morialta whether they have any questions on the State Governor's Establishment, which is a line of \$3,406,000.

**Ms CHAPMAN:** No, I do not.

**The CHAIR:** Perhaps we will shut that line, if that is in order with everyone. We will close the line. There being no further questions, I declare the examination of the proposed payments completed.

**Ms CHAPMAN:** We all wish the Governor well after it is redecorated at, I think, about \$3½ million.

**The Hon. J.W. WEATHERILL:** Chair, might I also inquire whether there are any questions concerning the Auditor-General.

**The CHAIR:** Deputy leader, member for Bright, member for Morialta?

**Ms CHAPMAN:** I do not have any at this stage, but I may.

**Mr GARDNER:** I think there may be later.

**The Hon. J.W. WEATHERILL:** We will leave that then.

**The CHAIR:** Member for Bright, are you continuing?

**Mr SPEIRS:** Thank you, Chair. In 2009, when the Premier was minister for environment and conservation, 12 deep groundwater monitoring wells were drilled in the vicinity of Woodland Road, Mitchell Park, and a number of these wells returned elevated groundwater contamination levels. The government was aware that groundwater movement heads in a north-westerly direction, yet why was no testing of Mitchell Park undertaken?

**The Hon. S.W. KEY:** Madam Chair, I am just wondering what line of the budget papers the member for Bright is referring to. My understanding of what happens in estimates is that we refer to the budget papers quite specifically. I know he is a newer member, so I understand that he may not be aware of the protocols, but I would ask you to rule on that because it is a bit hard to follow if we do not know what his reference is.

**Mr SPEIRS:** I opened this group of questions referring to Budget Paper 4, Volume 3, page 164, program 1, which refers to cabinet advice and support, because the State Emergency Management Committee is served by officers within the cabinet office.

**The Hon. S.W. KEY:** I understand that, but these questions are not germane, particularly when we are talking about the Premier when he had previous portfolios. I am not really sure how that relates particularly to your most recent question. Admittedly, I interrupted it, but I do not understand what the connection would be, even with that reference.

**Mr GARDNER:** All will be clear.

**The CHAIR:** We are struggling here as well, so how soon will it be clear, I guess, is the question.

**Mr SPEIRS:** This is my final question on this—

**The CHAIR:** This is your final question on this line.

**Mr SPEIRS:** —first frolic into estimates, yes.

**The CHAIR:** Let's not interrupt the flow then.

**Mr SPEIRS:** Did the Premier get that question or shall I repeat it?

**The Hon. J.W. WEATHERILL:** I will refer it to the relevant minister.

**Ms CHAPMAN:** That is you—in 2009, you were the minister.

**The Hon. J.W. WEATHERILL:** No, it is not me—

**The CHAIR:** Not now.

**The Hon. J.W. WEATHERILL:** The relevant minister is the Minister for the Environment.

**Ms CHAPMAN:** I have a question.

**The CHAIR:** Deputy leader, and it refers to?

**Ms CHAPMAN:** Same section. Has the secretariat to the Emergency Management Committee and the Emergency Management Council been cut, from two FTEs to 1.6 FTEs, and will the reduction in the number of staff in this area reduce the capacity of the state to respond to these emergencies?

**The Hon. J.W. WEATHERILL:** Yes is the answer.

**Ms CHAPMAN:** Can the Premier expand as to why, or is it just that, yes, it has been cut and that, yes, it will affect the capacity to be able to act in this area.

**The Hon. J.W. WEATHERILL:** No. I was answering yes to the first part of your question. There is a savings initiative that all agencies have to meet, and this is the way in which the savings initiative has been allocated.

**The CHAIR:** Do you have—

**Ms CHAPMAN:** Yes. Budget Paper 6, page 90.

**The CHAIR:** Page 90.

**Ms CHAPMAN:** While I am turning to it myself, I am wondering whether, at some stage, the Premier is going to announce what line the reference is to Tony Abbott and the federal Treasurer, but I am sure that he will let me know in due course why he did an opening statement on it.

**The Hon. J.W. WEATHERILL:** I am happy to do that: it is intergovernmental relations.

**Ms CHAPMAN:** Is that right?

**The Hon. J.W. WEATHERILL:** Obviously, the cabinet office and the Department of the Premier and Cabinet have substantial responsibilities in relation to responding to the federation white paper and also the taxation reform white paper, which have profound effects on the commonwealth/state financial relations. The federal budget makes no bones about the fact that it is seeking to fundamentally reshape the nature of commonwealth/state financial relations, so that is why we made those remarks in the opening statement.

**The CHAIR:** In the absence of a page number, I will move to my page number 90. My question is: in respect of the savings task, Mr Hallion told the Budget and Finance Committee, on 28 May 2013, that the FTE reductions associated with DPC's entire savings task at the time were 277 in 2013-14, 334 in 2014-15, and 387 in 2015-16. Can the committee be updated with the new numbers and advised what proportion of these are (a) identified and how these cuts will be made; and (b) yet to be identified?

**The Hon. J.W. WEATHERILL:** We will endeavour to hunt that out for you. It is worth mentioning, though, just so that you are comparing apples with apples, that those savings targets were associated with the agency in its extended form before the machinery of government changes, which obviously put a number of those agencies in a different place. The way in which the department is managing the budget savings in the future, though, under the current configuration of the Department of the Premier and Cabinet in 2013-14 I think we better take on notice. The numbers I have are pre machinery of government changes, and we may have to make some applicable changes so that they make sense with the common agency, so I will take them on notice.

**Mr SPEIRS:** Referring to the same part of the budget, Budget Paper 6, page 90, Premier, can you advise the number of targeted voluntary separation packages within the Department of the Premier and Cabinet which were given out in the 2013-14 financial year?

**The Hon. J.W. WEATHERILL:** I will supply a number, bearing in mind that some of these will not be in my portfolio: they will be in areas that are covered by the whole of the department. These are the numbers as at 30 May 2014, for the financial year 2013-14, within the whole of the Department of the Premier and Cabinet: 39 TVSPs were accepted.

**Ms CHAPMAN:** As a follow-up to that, we are now in July, so does the chief executive have knowledge of any other TVSPs in the last month?

**The Hon. J.W. WEATHERILL:** The number we have, which is not necessarily individuals because these are full-time equivalent numbers, is 84.6 as at 30 June 2014.

**Mr SPEIRS:** In addition, would you be able to give a monetary value on those 84.6 TVSPs?

**The Hon. J.W. WEATHERILL:** The monetary value of what?

**Mr SPEIRS:** How much was paid out in total.

**The Hon. J.W. WEATHERILL:** This number appears to be \$13,682,415. We might take the opportunity to take it on notice, but that is our best estimate at this point. It might include accrued

leave, so it may not be the actual TVSP number. In fact, the number which is just TVSP looks like \$10,516,024, but we will clarify that.

**Ms CHAPMAN:** Budget Paper 4, Volume 3, page 160 refers to the State Strategic Plan: when can we expect the next project report on the State Strategic Plan targets, and are you planning on changing any of the targets?

**The Hon. J.W. WEATHERILL:** Apparently the Audit Committee report is due this year and there are no present plans to change any of the targets—but that may occur through that process.

**Ms CHAPMAN:** What is the annual cost to government of monitoring, updating the community consultations, etc. in regard to the Strategic Plan? In particular, how many full-time equivalents are allocated?

**The Hon. J.W. WEATHERILL:** It would be difficult for us to give you a number on that because it is embedded really in the work of all agencies because every agency has a responsibility for monitoring and implementing elements of South Australia's Strategic Plan.

**Ms CHAPMAN:** I am happy to accept that—that each of the agencies in some way annually report as to how they are going with the strategic targets that are relevant to their portfolios—but my understanding of the budget is that your department is responsible for the monitoring, going out for consultations, providing the audit, etc. Perhaps I have not been clear in my question: what is the total cost of your department for that role?

**The Hon. J.W. WEATHERILL:** There are no officers who are dedicated solely to the task of monitoring and implementing South Australia's Strategic Plan; it is embedded in the duties of a number of officers within the Department of the Premier and Cabinet.

**Ms CHAPMAN:** So is the Audit Committee just simply a paid consultation?

**The Hon. J.W. WEATHERILL:** Could you repeat that question.

**Ms CHAPMAN:** So the Audit Committee that does the review, for example, is that not in-house; is it paid a consultancy fee?

**The Hon. J.W. WEATHERILL:** There are public servants who have responsibilities for, amongst other things, supporting that committee, and then there are committee members who, if they are not public servants, would be entitled to a fee associated with that if they are not otherwise remunerated by government. I think our best estimate of the total cost for remuneration of the South Australian Strategic Plan Audit Committee members in 2013-14 was \$1,416.

**Ms CHAPMAN:** Essentially then, apart from the Audit Committee meeting for the purposes of giving its assessment, there is no dedicated personnel in your department in charge of the monitoring and review of the Strategic Plan?

**The Hon. J.W. WEATHERILL:** There are people who are responsible for this, it is just that they are responsible for it amongst other duties.

**Ms CHAPMAN:** Thank you.

**Mr SPEIRS:** This just continues the line of questioning on the Strategic Plan from Budget Paper 4, Volume 3, page 160. Former premier Rann was very keen to let it be known that there would be regular updates of the plan, and they were very rigorous updates. The plan was released in 2004, updated in 2006 and then 2010, which would, I suppose, logically figure that an update would be required in 2014. I think the thinking behind that was that it would follow a state election. Are there plans to undertake an update of the plan in the same way that it was undertaken in 2006 and 2010?

**The Hon. J.W. WEATHERILL:** The premise of the question is based on a set of arrangements that were not available to the previous premier that are available now. We have taken a very conscious effort to engage the community in a much more regular and extensive fashion, so rather than seeing the update of the South Australian Strategic Plan or communicating with the electorate as being something that occurs on a four-yearly basis, or an irregular basis, we are attempting to inculcate this into the daily work of agencies.

The approach that is going to be taken is perhaps more likely to be evolutionary rather than the approach that has been taken previously because of the change in the nature of the way in which we communicate with people. The website, yourSAy, is a centralised online consultation hub for government to engage the public in the public sector on issues that matter for them and that is changing the way in which we do the business of government and its relationship with the citizen.

There have been a range of other initiatives arising out of the government public sector reform agenda such as Simplify and the Citizens' Jury. There is a whole range of mechanisms for communicating with the public which are quite different from the days when the previous premier was constructing those arrangements. It is also worth pointing out that since I have been in the role we have selected seven key areas of focus—our seven priorities for action—which sit as choices and are the key focuses for action in South Australia, and we will maintain that focus.

**Mr SPEIRS:** I commend the Premier for his good work around consultation, but my question was: has the South Australian Strategic Plan fallen in its relevance, because my understanding is that chief executive performance contracts and things like that are structured around the achievement of the targets in the plan, and the plan has quite a bit of currency across government. If we move towards a plan that evolves behind the scenes, does it correspondingly then lose its relevance and will it be updated? I guess when you are dealing with measurable targets you have to say, 'Okay, from 1 August 2014 we have to kick off a whole range of new targets so we can measure them.' If we are going to ease them in and out in a very haphazard way, does that essentially kill the plan?

**The Hon. J.W. WEATHERILL:** Just because you do not change your targets all the time does not mean that that reduces the relevance or importance of the plan. In fact, strategy should change rarely—what should be changing is implementation. Given that this covers 100 targets, we are covering most areas of endeavour within the state government. Quite a lot of work and effort has gone into not only constructing these targets, but then updating them. Because many of them are long-term stretch targets, I think we would be subject to criticism from the other angle, that is, if we were routinely changing our strategies with shifting the goalposts, that would indicate a lack of resolve and commitment to the South Australian Strategic Plan.

So, I do not accept that, just because we are not proposing some massive rewrite of South Australia's Strategic Plan, South Australia's Strategic Plan has lost its relevance. It still remains a key focus for government. But it is true though that we have grafted onto South Australia's Strategic Plan seven areas of focus which we have said are really our priorities for action in government. That does not mean that government is just those seven things; there are obviously a hundred areas of endeavour that we pursue.

**Ms CHAPMAN:** Having identified, then, that the State Strategic Plan remains intact and that it remains an obligation of your heads of department to monitor the progress as to the achievement and how their operations within each department are achieved in each year (and they have detailed that in their annual report), that all being intact, and whilst you have indicated that there is a further new and different way of adding more regularly data as to how you might be progressing in that regard, the audit is twofold. One is to identify how the targets are tracking, and the second is to give any recommendation if the targets need to be changed or recommended to be changed.

If these are a significant key performance indicator for which your departments are to account, then surely this audit is not just a question of saying, 'What do the public say and what should we be amending for it?': it is an audit as to the effectiveness of whether the strategies your government are currently implementing are actually working towards the achievement. I think you said in the opening to these questions that the Audit Committee had met and you expect it to give a report at the end of the year, so my question is: given the answers you have given in between, is it going to give an audit as to how your government is tracking against these targets?

**The Hon. J.W. WEATHERILL:** The first thing is that South Australia's Strategic Plan is not a plan for the government: it is a plan for South Australia. It has always been a plan for South Australia. It has been constructed through a broad process of consultation. Of course, the government has a key role in it, but it is a stretch target for the whole of South Australia. For a party that is dedicated to essentially minimising the role of government and maximising the role of the

private sphere, to be always placing all of the responsibility and burden on the government I think misses the point about this plan.

I think that one of its key strengths is that it is a call to action for the South Australian community. Of course, that does not mean to say that we should not be audited as a community against it, and we are committed to doing that. I answered that question in the affirmative earlier. The quite precise mechanism for doing that is something that is yet to be established, but we are committed to doing that this year so that we can monitor our progress as a community against these targets.

**Ms CHAPMAN:** So has the Audit Committee met yet for this year?

**The Hon. J.W. WEATHERILL:** Yes.

**Ms CHAPMAN:** When you say you are expecting their report this year, presumably before the end of December?

**The Hon. J.W. WEATHERILL:** Well, I did not suggest that it would be necessarily they that would be doing the reporting. We do have a process for reviewing all of our boards and committees, so either they or some other process will ensure that an audit is produced.

**Ms CHAPMAN:** I made a note; perhaps I got it wrong, but I think to the first question, 'When next do you expect a progress report against the Strategic Plan?' your answer was that the Audit Committee report will be during this year.

**The Hon. J.W. WEATHERILL:** That is right.

**Ms CHAPMAN:** Will that Audit Committee report include an assessment of how we are tracking against each of the targets?

**The Hon. J.W. WEATHERILL:** Yes.

**Ms CHAPMAN:** Thank you. In respect of the boards and committees, which are at page 179, the government has also made some announcements about calling on a number of these committees to present their case as to why they should remain. Does your government pledge to abolish the following boards: the Capital City Committee; the Child Death and Serious Injury Review Committee; the Economic Development Board; the South Australian Government Finance Advisory Board; the WorkCover Board; Regional Communities Consultative Council; Premier's Council for Women; health advisory councils; Teachers Registration Board; South Australian Multicultural and Ethnic Affairs Commission; Motor Accident Commission Board; State Procurement Board; Advanced Manufacturing Council; EPA Board; Renewal SA Board; SA Water Board; Aboriginal Advisory Council; and/or the Motor Sport Board?

**The Hon. J.W. WEATHERILL:** No, we do not pledge to remove those boards, although they will abide by the process that we have put in place.

**Ms CHAPMAN:** Will it be cabinet who ultimately decides which of these boards remain and which go?

**The Hon. J.W. WEATHERILL:** Yes.

**Ms CHAPMAN:** Is there a budget for any board member severance fees?

**The Hon. J.W. WEATHERILL:** Generally speaking, there may be some rare exceptions but most board members would not be entitled to a severance fee for the abolition of a board.

**Ms CHAPMAN:** I accept that for some of these, because some of those are meeting-only fee payments but, if we were to take something like the SA Water Board, that is an appointment; it is to a certain time (usually over a period of years) and it is for an annual payment.

**The Hon. J.W. WEATHERILL:** Most boards are paid an annual fee, and some are paid sessional fees, so the sessional fee is an obvious answer. I was just asking whether annual fees are paid incrementally (quarterly, for instance) and what the situation would be if a board was abolished partway through the course of a year. I will take that question on notice; I do not think I have the



answer. Apart from that question and the answer to that question, my advice is that there is no severance payment that would exist for a board member.

**Ms CHAPMAN:** In any event, there is no budget allocated in this budget for the forthcoming year for any kind of provision for severance?

**The Hon. J.W. WEATHERILL:** No, there is no provision for a severance payment in the budget.

**Ms CHAPMAN:** In relation to the savings that are expected to be made, is there any budgeted amount of savings as a result of the abolition or streamlining of the boards and committees that you are to have in your government?

**The Hon. J.W. WEATHERILL:** There was already a pre-existing savings initiative that was booked to the budget, I think, some time ago. As part of the 2012-13 Mid-Year Budget Review, we approved savings of \$1.3 million per annum by reducing the cost of government-funded boards and committees, and that \$1.3 million in 2013-14 rises to \$1.4 million in 2017-18, but that is not the entire explanation for the process that we have now adopted.

Obviously, we are seeking to realise those savings, but if we were to abolish a larger number of boards there would obviously be a larger amount of savings. The principal motivation is not the savings, but rather the streamlining of the process of government; although, of course, it would make a useful contribution to a savings task for an agency.

**Ms CHAPMAN:** So having made the assessment under the mid-year budget announcement of \$1.3 million that year and \$1.4 million for this year for that initiative, what is the budgeted amount of savings for this forthcoming financial year of the new initiative?

**The Hon. J.W. WEATHERILL:** Well, there is none, because we do not know where we are going to land—whether we will achieve more than what has already been budgeted.

**Ms CHAPMAN:** But there is no estimate?

**The Hon. J.W. WEATHERILL:** There is no estimate.

**Ms CHAPMAN:** On page 164 in program 1, why is there an increase of 5.8 full-time equivalents in the 2014-15 budget?

**The Hon. J.W. WEATHERILL:** Is that the number from 75 to 80.8?

**Ms CHAPMAN:** Yes.

**The Hon. J.W. WEATHERILL:** In the budget, there were two new arrangements that were put in place: one was additional full-time equivalent staff for the Economic Development Committee of Cabinet.

**Ms CHAPMAN:** How many was that?

**The Hon. J.W. WEATHERILL:** Three, and there were three additional FTEs for the cabinet implementation and delivery unit, so an extra six.

**Mr GARDNER:** Why was there an increase from 64.2 in last year's budget to 75 as the estimated result from the 2013-14 year?

**The Hon. J.W. WEATHERILL:** The increase in FTEs reflects:

- the transfer of the economic analysis division from Program 3: Business Competitiveness and International Engagement to program 1, 11 FTEs;
- an understatement of the 2013-14 budget, 10 FTEs;
- an increase in corporate FTEs allocated across programs, four FTEs;
- additional FTEs transferred into the cabinet office from the office of state/local government relations, three FTEs;
- the inclusion of the office of the deputy chief executive in program 1, three FTEs;

- an overstatement the of 2013-14 estimated result, three FTEs, partly offset by the abolition of the office for state/local government relations effective 1 August 2013, 14 FTEs;
- transfer of government communications advice unit from program 1 to Program 2: Strategic Engagement and Communications, five FTEs; and
- transfer of the participation partnerships team from program 1 to Program 2: Strategic Engagement and Communications, four FTEs.

I think all those ins and outs leave you with the net effect.

**Ms CHAPMAN:** On the same page 164, why is there that increase of \$616,000 in supplies and services?

**The Hon. J.W. WEATHERILL:** Supplies and services expenses of \$1,804,000 to \$2,420,000—that is the question. The increase in expenses primarily reflects:

- an increase in corporate expenditure allocated across programs, \$341,000;
- funding for the social impact bonds initiative, \$200,000;
- a reclassification of employee benefits budgets to the services and supplies budget, \$166,000;
- funding for the public integrity initiative, \$100,000;
- full-year impact of the Crown Solicitor's new billing model, \$32,000;
- indexation between financial years partly offset by a one-off transfer of funding in 2013-14 from Program 3: Business Competitiveness and International Engagement to program 1, \$200,000;
- transfer of the supplies and services budget for participation in partnerships team from program 1 to Program 2: Strategic Engagement and Communications, \$44,000; and
- allocation of savings targets, \$15,000.

**Ms CHAPMAN:** Within the cabinet office, Premier, what is the ratio of executive to non-executive positions?

**The Hon. J.W. WEATHERILL:** Ten South Australian Executive Service positions out of a total of 75 full-time equivalents, so whatever that ratio is.

**Ms CHAPMAN:** Relative to other departments, Premier—

**The Hon. J.W. WEATHERILL:** I will just clarify that. Program 1, that is cabinet office, yes—2013-14 that is.

**Ms CHAPMAN:** Perhaps we are at cross-purposes, Premier. The program 1 is Premier and Cabinet advice and support, which has approximately 80 full-time equivalents in it.

**The Hon. J.W. WEATHERILL:** It is 75 FTEs and 10 of those are senior executive service. It is described as Premier and Cabinet advice and support, but it includes the economic analysis division and the Office of the Deputy Chief Executive and some corporate. There are some vacant positions there which might account for the difference between the number of FTEs.

**Ms CHAPMAN:** Anyway, there are 10 executives out of 75 approximately.

**The Hon. J.W. WEATHERILL:** Yes.

**Ms CHAPMAN:** And that is into the whole of that program 1. Given the high number of the executives within cabinet office, why are these positions quarantined from the recent cuts to cabinet office and why were four ASO8s redeployed and no executive positions reduced?

**The Hon. J.W. WEATHERILL:** It really depends on which year you look at. There have been a number of savings rounds. This year they have focused on non-executive positions. In previous years, there have been a number of executive positions that have been removed, so the

overall objective obviously is to try to meet the savings target. In global, though, I think the effort has been shared between executive and non-executive positions.

**Ms CHAPMAN:** So you would say of the executive positions, it just happens that in this recent cut they were not targeted but they are under consideration continuously?

**The Hon. J.W. WEATHERILL:** Of course, yes.

**Ms CHAPMAN:** The financial commentary section here refers to \$1.3 million—an increase being due to the establishment of an across-government implementation unit. What is the role of this unit and how many FTEs does it have?

**The Hon. J.W. WEATHERILL:** It is an arrangement that really exists in many other jurisdictions we have considered, including within the Department of the Prime Minister and Cabinet in Canberra and also a similar unit in the UK. Obviously, successful implementation requires itself the design of best practice structures and policies to ensure that projects that are announced by government, decisions that are taken by government, are carefully monitored through to implementation, and that is what this project is all about. It will have three FTEs.

**Ms CHAPMAN:** What is the role of the Senior Management Council?

**The Hon. J.W. WEATHERILL:** The Senior Management Council is a group of chief executives. The role of the Senior Management Council itself is undergoing some change. It has traditionally been a means by which all chief executives come together and share information, receive communications and deliberate on whole-of-government initiatives.

It is a means by which the chief executive of Premier and Cabinet communicates directly with chief executives about budget decisions and cabinet decisions and whole-of-government initiatives. Once again, the Senior Management Council is body that I think could be more effective. We are seeking to reform it in a way that it becomes more a board of directors for government rather than just simply a group of disconnected agencies.

**Ms CHAPMAN:** At the moment, though, does it come together once a month?

**The Hon. J.W. WEATHERILL:** Every two weeks.

**Ms CHAPMAN:** At present, what is used to measure the effectiveness of this council?

**The Hon. J.W. WEATHERILL:** I think it is less grand than perhaps the name 'council' suggests. It is the bringing together of various chief executives from each of the principal agencies to share information and to work on areas of common challenge. Really, the outcomes are the ones that we take for ourselves in terms of budget performance and the collective performances that are reflected in chief executive agreements. Each minister has an agreement with their chief executive, and the performances of those chief executives are monitored and measured through that process, but they do come together to deal with collective performance, which is also reflected in chief executive performance agreements.

**Ms CHAPMAN:** At the moment, it meets two-weekly, and it has, obviously, significant information sharing as part of its agenda and how each of the departments might be progressing. Did I understand your earlier answer to indicate, Premier, that you have it in mind to make it more into a board?

**The Hon. J.W. WEATHERILL:** I certainly think that it could play a more strategic role than it does at the moment. One of my ambitions is to lift the role and function of the Senior Management Council.

**Ms CHAPMAN:** Will it become a board?

**The Hon. J.W. WEATHERILL:** No; I use 'board' in contradistinction to a group of people that comes together with the perspective of their own responsibilities at stake. When boards of directors come together, they are not necessarily just looking after their own particular areas of responsibility. The chief financial officer, or somebody who that might be an operations officer, not only comes bringing the concerns and imperatives of their own particular unit, but they come with the perspective of the whole of the organisation. It is that process that I have been seeking to

encourage. It is at the heart of the changes that I have sought to bring into play in relation to collective performance that is reflected in chief executive agreements.

**Ms CHAPMAN:** What measurable outcomes were achieved by the Senior Management Council during 2013-14?

**The Hon. J.W. WEATHERILL:** Really, the way in which chief executives and the Senior Management Council are capable of being judged is by the performance of each of their agencies and how they are able to effectively meet the strategic objectives of each of their agencies. The truth is that individual agencies do things which bear on the effectiveness of other agencies' work. I think an important example of that is the seven strategic priorities, none of which can be delivered by one agency alone.

We have been advancing on each of those seven strategic priorities for South Australia: the advanced manufacturing, the mining and services, creating a vibrant city, and premium food and wine from our clean environment, as well as the social issues: an affordable place to live, every chance for every child, safe communities and healthy neighbourhoods. It can be seen from each of those strategic priorities that there is no one agency that owns the whole of the effort in relation to those matters.

**Ms CHAPMAN:** These strategic priorities, Premier, of your government, I am assuming that these are not seven strategic priorities that came at the recommendation of the council to government.

**The Hon. J.W. WEATHERILL:** In fact, they did occur through a collective process. One of the first things I did when becoming Premier was to bring together all of the chief executives, all of the chiefs of staff and all of the ministers at a day-long planning session, where there was substantial preparation before that. What emerged from that were our seven strategic priorities and, really, they have been driving the priorities of government since that time.

**Ms CHAPMAN:** I accept, Premier, that heads of departments and others contributed to your development of the seven strategic priorities of your government, but that was not a resolution of the Senior Management Council. My question really was: what are the measurable outcomes they achieved as a council in the last financial year?

**The Hon. J.W. WEATHERILL:** They have been working to implement those seven strategic priorities. They are the government taking action. That is what the Public Service is: it is the implementation arm of the government policy. We lay down policies, and they administer and implement those policies and, more than that, they add initiatives which elucidate and pursue those overarching priorities. That is the work they have been doing: developing policies which further those strategic goals.

**Ms CHAPMAN:** I now move to Budget Paper 4, Volume 3, page 165, the sixth dot point, which highlights the Future Fund. In establishing the Future Fund, why did the government go against the Under Treasurer's advice—and I quote from the Under Treasurer, 'Any new reviews, including those received from mining, should be committed to paying off existing obligations in the first instance?'

**The Hon. J.W. WEATHERILL:** We take all advice on board and give it due consideration, but government makes policy decisions. The policy decisions that we take as a government are informed by advice but are not dictated to by it. Of course, the way in which this fund is constructed is that any contributions to the fund are first made only once there are surpluses that are available. The way in which the fund is constructed is that it creates a financial asset, which sits in the South Australian government books invested by Funds SA. In that way, it ensures that it makes a contribution to protecting the finances of the state.

**Ms CHAPMAN:** Who will be supervising it? Will it have a board, or will it be a person nominated in Treasury or your department?

**The Hon. J.W. WEATHERILL:** Those are all matters that are matters for the Treasurer. He has responsibility for the establishment of that fund.

**Ms CHAPMAN:** When is it anticipated that it will be established?

**The Hon. J.W. WEATHERILL:** They are matters for the Treasurer. But, as I have said, it does not become relevant until a surplus is established.

**Ms CHAPMAN:** Premier, you have issued a \$22,000 contract for Future Fund analysis—was this issued because you did not like the advice of Treasury or for some other reason? Essentially, if you have the report on this, can we have some understanding about the analysis that has been received and what the results were?

**The Hon. J.W. WEATHERILL:** They are all matters, I think, for the Treasurer to answer.

**Ms CHAPMAN:** When is the government intending to introduce the Future Fund legislation?

**The Hon. J.W. WEATHERILL:** Once again, they are matters for the Treasurer.

**Ms CHAPMAN:** I refer to the same budget paper, page 165, seventh dot point: what is the government's plan for social impact bonds?

**The Hon. J.W. WEATHERILL:** This was a particular initiative which I referred to minister Snelling for investigation and implementation. I can provide some advice about those matters. We released a discussion paper in December last year on the social impact bonds to explore the potential for the trial of social impact bonds in South Australia. There has been very strong interest in response to the discussion paper. More than 50 written submissions have been received and approximately 100 people attended a stakeholder consultation forum in February, representing not-for-profit service providers, potential investors and the general community.

The next step is to build capacity in the NGO sector to participate in a trial that will take place through a series of workshops. Following an open tender process, the government has selected Social Ventures Australia to deliver the workshops and develop online training materials. So, that is the next phase, if you like, in the arrangement.

**Ms CHAPMAN:** Thank you, Premier. That has been referred to—of how you had the forum attended by 100 people to explore the potential of the social impact bonds—but what services are in the scope for delivery via the social impact bonds? I am referring to the seventh dot point under your targets for the forthcoming financial year.

**The Hon. J.W. WEATHERILL:** There has been no settled view about that yet, although potential focus areas in the discussion paper include child protection, preventing the placement of children in out-of-home care, reducing recidivism, reducing unnecessary transfers from nursing homes to hospital emergency departments and homelessness.

**Ms CHAPMAN:** Can you explain how the social impact bond is going to work? Who pays into it and what do they get?

**The Hon. J.W. WEATHERILL:** They are essentially philanthropic investors who are prepared to accept potentially lower rates of return in return for also getting some collateral social purpose.

**Ms CHAPMAN:** So, cheap labour in exchange for the common good. Is that what we are talking about?

**The Hon. J.W. WEATHERILL:** No, not at all. In fact, trials of social impact bonds in the United Kingdom and New South Wales have shown some encouraging early results, but it is too early to say with certainty how effective they are. Some people are actually prepared to make a private sector investment which might achieve a rate of return for themselves, but they are also interested in achieving a collateral social benefit.

I suppose it is a bit like some people who choose to invest in ethical investments in their superannuation fund which, interestingly enough, have a higher rate of return than the market rate of return, I was very pleased to read from my statement the other day. So, you can do good things and also make money. Isn't that a wonderful thing? I think that is what these people have in mind. If the programs are successful, the government pays a return to the investor commensurate with the level of success, using agreed measures of outcomes.

**Mr GARDNER:** The New South Wales trials are in relation to child protection and juvenile justice. The main British trial going on at the moment is in relation to the corrections area. Why is minister Snelling leading this work for us?

**The Hon. J.W. WEATHERILL:** He had a particular interest in it. Obviously there are significant opportunities in the healthcare system, which is our largest area of expenditure, so it does represent the largest area of opportunity. However, they are all things that will perhaps be clearer in the fullness of time.

**Mr GARDNER:** So there is no proposal on the table at the moment to have that transfer specifically in the health sector, or are we just waiting to see what happens?

**The Hon. J.W. WEATHERILL:** No, it is early days. I am not aware of any specific health proposal, except for the one canvassed in the discussion paper about avoiding the inappropriate placement of people in hospitals from nursing homes.

**Ms CHAPMAN:** At the forum last year was it, for 800 people to come together and talk about the ideas? What has happened since?

**The Hon. J.W. WEATHERILL:** I think we decided, as I mentioned, that it was necessary before we moved to the next step to build the capacity in the non-government sector so that they will have the capacity to participate in the trial. I think there was a view that if we launched upon this without that capacity then it had a greater risk of failure. The organisation that we have selected to help with that has been involved in the Social Benefit Bonds Trial in New South Wales.

**Ms CHAPMAN:** What is the agency in South Australia that has been identified?

**The Hon. J.W. WEATHERILL:** It is called Social Ventures Australia.

**Ms CHAPMAN:** They are not a South Australian operation, are they?

**The Hon. J.W. WEATHERILL:** I do not think it is based in South Australia but I think it has South Australian links to the people who will be providing support and services in South Australia.

**Ms CHAPMAN:** How much is allocated in this financial year to develop this or to support capacity-building activities?

**The Hon. J.W. WEATHERILL:** One might have to direct that question to minister Snelling.

**Ms CHAPMAN:** Thank you. He has it as the Minister for Health?

**The Hon. J.W. WEATHERILL:** Yes.

**Ms CHAPMAN:** Or has he been deputised to do it as part of your division—Health, alright. In Budget Paper 4, Volume 3, page 165 talks of the COAG highlights. How many full-time equivalents are employed by the COAG secretariat within cabinet office?

**The Hon. J.W. WEATHERILL:** Once again, there is no dedicated COAG resource or even a dedicated intergovernmental relations resource, but there is an executive director in that particular area who is in the executive service and heads up the intergovernmental relations area.

**Ms CHAPMAN:** So there is an executive director but no staff?

**The Hon. J.W. WEATHERILL:** No, she would draw on a team across the whole of the cabinet office to perform her work.

**Ms CHAPMAN:** Given the reduction in the number of COAG meetings in recent years and the abolition of the COAG reform council, are there plans to reduce the duties for your executive director in this role?

**The Hon. J.W. WEATHERILL:** Courtesy of the Prime Minister, it might be a fewer number of meetings, but he certainly created a significant amount of work for us. In some respects this intergovernmental relations element of government has assumed profound importance and, if anything, I imagine we will be allocating more resources rather than fewer resources.

**Ms CHAPMAN:** On page 167 in program 2, the first dot point is in relation to 'a strategy to defend the current approach to regional engagement'—why do we need that?

**The Hon. J.W. WEATHERILL:** Well, we do not, because there is a typo there. It was meant to be 'a strategy to defend the current approach to horizontal fiscal equalisation', and then the rest of them were commas. Sorry about that; that is an error.

Obviously, horizontal fiscal equalisation is a \$1.1 billion proposition for our state, and it is critical that we win that argument nationally. It is obviously the small states that are at great risk although, interestingly, even Queensland has had to dip into it and has become a net receiver of resources because of recent natural disasters. It demonstrates that it is a bit of a shock absorber within the federal system about the allocation of resources. We think there are powerful arguments, but they have to be run and at the moment the prevailing wisdom is that horizontal fiscal equalisation just represents essentially a drag on the competitiveness of the national economy.

Sadly, we have Senator Bob Day running around saying that we all need to be exposed to the harsh breezes of—I think he was extolling the virtues of suffering, if I recall. It seemed that somehow that made people stronger. It was a bit of a frightening glimpse of what the world might look like if Senator Day was running things.

Nevertheless, we have some very powerful arguments about HFE which are directed at the efficiency of the nation. Indeed, if resources were allocated purely on the basis of the HFE of population share, what you would find is a massive reallocation of resources to Western Australia, which would be inefficient, because Western Australia would be able to drive down the general level of business taxation. So there are powerful economic efficiency reasons for horizontal fiscal equalisation, leaving aside the equity questions.

**Ms CHAPMAN:** Still under Program 2: the More than Cars campaign. Is it correct that the More than Cars T-shirts were made in China?

**The Hon. J.W. WEATHERILL:** You should ask Steven Marshall—he was wearing one.

**Ms CHAPMAN:** I am asking you.

**The Hon. J.W. WEATHERILL:** He should just look on his collar and just work out whether it says 'Made in China' or not.

**Ms CHAPMAN:** Given your government's commitment to the opportunities for local enterprises, I am asking you.

**The Hon. J.W. WEATHERILL:** I do not know. I think we sourced them from a South Australian business, Add Value Promotions, which is a member of the Australasian Promotional Products Association. The company managed the purchase of the T-shirts and printing process on behalf of the Department of the Premier and Cabinet.

The demand for the More than Cars T-shirts increased during the campaign. Therefore, the number of print runs required and printing quotes were sourced for each run. This resulted with some of the T-shirts being printed interstate and some being printed within South Australia. The decision was made on the basis of price and ability to deliver the T-shirts within the required time frame. Really, it depends which T-shirt you got, and that is why you should look on your label.

**Ms CHAPMAN:** I am assuming, Premier, that you did not sell these, so that is a giveaway as part of this campaign, and I expect they were gratefully received. Will you take on notice and make some inquiry as to whether these T-shirts were sourced from China?

**The Hon. J.W. WEATHERILL:** As I have said, it depends on which T-shirts you are talking about. Some were printed interstate and some were printed in South Australia. I doubt whether the shirts themselves—if that is what you are asking—were made in Australia, but we can take that on notice.

**Ms CHAPMAN:** What was the cost of this campaign?

**The CHAIR:** \$1.2 million.

**Ms CHAPMAN:** There is \$1.2 million. I think Madam Chair is trying to be helpful with this contribution. Is there \$1.2 million payment for campaign costs?

**The CHAIR:** For T-shirts?

**Ms CHAPMAN:** Right.

**The CHAIR:** Yes, the question was not clear, but I do understand.

**Ms CHAPMAN:** Is that part of that \$1.2 million for this program?

**The Hon. J.W. WEATHERILL:** No, the budget was \$1.2 million but we spent \$635,922. Sorry, it was the other way around.

**Ms CHAPMAN:** So you had a budget of \$635,000 and spent \$1.2 million?

**The Hon. J.W. WEATHERILL:** It is similar: the number we spent is \$709,154.14 and the budget appears to be \$1.2 million.

**Ms CHAPMAN:** Can you give us a breakdown then? If the total amount is the \$709,000 figure, what was T-shirts, what was the website, and what was advertising or any other part of that campaign?

**The Hon. J.W. WEATHERILL:** We will take that question on notice.

**Ms CHAPMAN:** Is it appropriate that anyone who now visits this website (that is, [www.morethancars.com.au](http://www.morethancars.com.au)) is now directed to the Labor Party's political website?

**The Hon. J.W. WEATHERILL:** No, I do not think there is any reference to an ALP website. From what we can gather, it is a reference back to the state government's policy on Building a Stronger South Australia, which is the state government policies which were all announced and promulgated well before caretaker.

**Ms CHAPMAN:** That is the website that has all your proposals and policies for the election?

**The Hon. J.W. WEATHERILL:** No, these were government decisions well before the election. There were no Building a Stronger South Australia policies announced during caretaker.

**Ms CHAPMAN:** When was the More Than Cars website shut down—before or after the election?

**The Hon. J.W. WEATHERILL:** Well, the More Than Cars website is still there, so in some sense it is not shut down.

**Ms CHAPMAN:** It has no content, Premier. You say you still have the website, but there is nothing on it.

**The Hon. J.W. WEATHERILL:** It refers back to the Jobs Plan, which is government policy. Essentially, if you go to the website it refers you back to the Jobs Plan, which is essentially the response, if you like, to the closure of Holden. So, it exists there in that form.

**Ms CHAPMAN:** How many staff have been made redundant or will be made redundant at Carr Components, where the More Than Cars campaign was launched?

**The Hon. J.W. WEATHERILL:** That is really a matter for the relevant minister, although I think what we did discover is that, despite the Leader of the Opposition coming in here and telling everybody that there had been this redundancy, in fact what emerged was that the Carr Components company was in discussions with another company about the sale of their business, of the consolidation, if you like, of their business. I do not think we yet know what the ultimate result of that will be, but I will refer those matters to the relevant minister to give you an update, who will be minister Close.

**Ms CHAPMAN:** Premier, you have given us and you are going to give us a breakdown for the \$700,000 you have spent but, given the \$700,000 that was budgeted in 2013-14 for the More Than Cars campaign in the MYBR released on 3 December, why was another \$450,000 needed, given that Holden announced its exit eight days later, on 11 December?

**The Hon. J.W. WEATHERILL:** There were basically a number of phases in this campaign which were to be pursued, and then ultimately there had to be substantial modifications once the closure of Holden had taken place. That explains why a substantial chunk of the funding was not ultimately expended.



**Ms CHAPMAN:** I now move to Budget Paper 4, Volume 3, page 168, and refer to the second dot point under Targets. What aspects of the government advertising spend need reform? The whole quote, Premier, is:

- Continue to reform the oversight of the Government of South Australia's advertising expenditure.

**The Hon. J.W. WEATHERILL:** It is largely a savings initiative because we have a very large savings task. The 2010-11 state budget included a reduction of expenditure in government advertising of \$18 million over four years, so it does require some management because this is a very substantial savings initiative. There is \$4 million in 2011-12, \$6 million in 2012-13 and \$6 million in 2013-14.

**Ms CHAPMAN:** That was the 2010 announcement for the \$18 million cut; is that right?

**The Hon. J.W. WEATHERILL:** Yes, that's right.

**Ms CHAPMAN:** What is the total government spend on advertising for the 2013-14 year?

**The Hon. J.W. WEATHERILL:** The total forecast media expenditure in 2013-14 is \$27 million, which amounts to a \$5.3 million spending reduction.

**Ms CHAPMAN:** From the previous year?

**The Hon. J.W. WEATHERILL:** From the previous year.

**Ms CHAPMAN:** Last year, during estimates you were asked, Premier, about the \$186 million Master Media Agency Services contract that expired on 30 June 2013. You said at that stage that this was being extended by two years, and you committed to provide the value of the extension. Are you now able to provide that answer?

**The Hon. J.W. WEATHERILL:** On 1 July, agreements for both MEC and Starcom MediaVest were extended by two years and are due to expire on 30 June 2015; that is the 'two years' that was spoken about. Media advertising expenditure through MMA agreements for the current five-year contract period is estimated to total \$155 million based on projected expenditure to the end of 2013-14.

**Ms CHAPMAN:** What are the outcomes, Premier, of the \$300,000 spend on the public awareness campaign associated with cyber safety and the impact of digital technology on children?

**The Hon. J.W. WEATHERILL:** This is best understood as part of the Children, Technology and Gambling policy, which has a very substantial set of initiatives. We pulled together a panel of leading experts in problem gambling psychology and child development to recommend actions to address the potential issues in this area.

The panel made three recommendations. The first was the running of a community awareness campaign. The second was establishing classifications of warnings about games that included simulated gambling. That is now being handled at a national level—we pursued that. We also accepted a recommendation to create a watch list to alert parents about apps that contain simulated gambling, which was launched in April this year. We also issued a public awareness campaign that was directed at cyber-safety as well.

**Ms CHAPMAN:** How much of the \$300,000 was spent on consultants?

**The Hon. J.W. WEATHERILL:** We will bring back an answer to you.

**Ms CHAPMAN:** Thank you. The member for Bright has some gambling initiative questions.

**Mr SPEIRS:** On the same topic, specifically the anti-gambling website, how much did it cost to create the website [www.gamblingisnogame.sa.gov.au](http://www.gamblingisnogame.sa.gov.au)?

**The Hon. J.W. WEATHERILL:** We do not have that breakdown, but we will bring back an answer to your question.

**Mr SPEIRS:** I just have a couple of other questions that you will probably have to take on notice as well. On what date was that website launched, and how many hits has this website had from its launch to 30 June 2014?

**The Hon. J.W. WEATHERILL:** We will bring back that answer.

**Mr SPEIRS:** Thank you.

**Ms CHAPMAN:** I refer to Budget Paper 4, back to page 167, on Strategic Engagement and Communications. In the 2012 Mid-Year Budget Review, the former treasurer, the member for Playford, announced that the government communications would be centralised into a hub within the DPC. It was claimed that this would save \$13.3 million over three years and reduce communications staff by around 50 full-time equivalent positions. This was to start from 1 July 2013. What has happened, Premier, to this initiative? Is it on track to make the anticipated savings? Have the 50 positions to be cut been identified, in which case, which departments are involved?

**The Hon. J.W. WEATHERILL:** It has been booked into each agency's budget, so each agency has had to handle that savings initiative in their own portfolio area. They are expected to meet their savings target.

**Ms CHAPMAN:** We are at the end of the first financial year of this strategy. Is it working?

**The Hon. J.W. WEATHERILL:** Agencies have to come up with the savings, so it is a matter for them how they manage that. It is working from the point of view of Treasury.

**Ms CHAPMAN:** I suppose the question is: how many of the 50 have been identified to be cut?

**The Hon. J.W. WEATHERILL:** Each agency has made their own arrangements to meet their savings task, and I do not have the details of each individual agency.

**Ms CHAPMAN:** Aren't you or your department responsible for getting any feedback on whether this has actually been achieved or not?

**The Hon. J.W. WEATHERILL:** As I say, each agency has responsibility for their own savings initiative.

**Ms CHAPMAN:** What is the status, Premier, of the red tape reduction program Simplify?

**The Hon. J.W. WEATHERILL:** It has actually been a very successful program. It has identified through a public communication process a series of important changes to the way in which we run government. We launched it in November last year. We sought ideas through a number of channels from the public sector workforce and the broader community. About 700 ideas were submitted, and the top ideas were presented to cabinet for endorsement. Many of the ideas offered innovative ways to streamline the internal workings of government and improve government's interaction with the community.

There are also ideas to reduce red tape for business which will complement a separate process being delivered by the Department of State Development. The majority of ideas focus on reducing the complexity of government. Simplify was a Change@SA 90-day project. Its engagement with the community is now part of the modern Public Service policy that we announced before the election.

The online engagement tool on the government's yourSAy website allowed you to submit ideas and vote on it. There were suggestion boxes in the Service SA centres. 'Idea bank' sessions were held within government agencies or submitted directly by email. It has been a very beneficial process and one that we are seeking to build on.

**Ms CHAPMAN:** We understand that, six months later, Mr Hallion has a new job to make it available for business enterprises to streamline red tape, and your announcements of 8 July, and you made a commitment to have a 90-day turnaround which you have referred to, but what else has actually been done as a result of this Simplify program?

**The Hon. J.W. WEATHERILL:** I could give you a very long answer to that question. These are some of the government ones. Streamline the annual adjustment of government fees and charges to account for inflation: this has been a very long and extensive exercise producing many cabinet submissions which could be more simply dealt with. Retain specific savings made and process improvements for an innovation fund. Phase out paper publications.

**Ms CHAPMAN:** Yes, but these have all come in the last six months.

**The Hon. J.W. WEATHERILL:** Yes. One government by default. Establish a common human resources policy across government and host it centrally online. Standardise transaction of human resource functions across government and host centrally online. Reduce boards and committees across government.

**Ms CHAPMAN:** That's where it came in. Thank you.

**The Hon. J.W. WEATHERILL:** Establish a 'gov hub' innovation ideas servicing space. One government, one single template for ministerial and chief executive briefings and minutes which would be very helpful. Produce a whole-of-government organisational chart. Change the Motor Vehicles Act to enable more flexible transactions. Streamline and update the approval and design process for grants depending on size. Introduce rolling contracts for grants across government. Establish generic grants agreements with standard legal clauses. They are the top 10; there have been lots of others.

**Mr GARDNER:** I have a series of questions that I will be asking of all ministers in relation to all agencies and departments reporting to those ministers. I will read through them and you can take them on notice.

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 in 2013-14 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 employment?

2. For each department or agency reporting to the minister in 2013-14, please provide the number of public servants broken down into heads and FTEs 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 the financial year 2013-14, for all departments and agencies reporting to the minister, what underspending on projects and programs (1) was and (2) was not approved by cabinet for carryover expenditure in 2014-15?

4. Between 30 June 2013 and 30 June 2014, will the minister list the job title and total employment cost to 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 budget of all grant programs administered by all departments and agencies reporting to the minister and, for 2013-14, 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 15.

6. For each department or agency reporting to the minister, what is the budget for targeted voluntary separation packages for the financial years 2014-15, 2015-16, 2016-17 and 2017-18?

7. What is the title and total employment cost of each individual staff member in the minister's office as at 30 June 2014, including all departmental employees seconded to ministerial offices and ministerial liaison officers?

**The Hon. J.W. WEATHERILL:** I will take those questions on notice.

**The CHAIR:** There being no further questions I declare the examination of the proposed payments for the Auditor-General's Department closed. I declare consideration of the proposed payments to the Department of Premier in Cabinet and Administered Items for the Department of the Premier and Cabinet adjourned until later today. In accordance with the agreed timetable, I advise that the committee will stand suspended until 11.30.

*Sitting suspended from 11:15 to 11:32.*

**COURTS ADMINISTRATION AUTHORITY, \$92,158,000****Membership:**

Mr Tarzia substituted for Mr Speirs.

**Minister:**

Hon. J.R. Rau, Deputy Premier, Attorney-General, Minister for Justice Reform, Minister for Housing and Urban Development, Minister for Industrial Relations.

**Departmental Advisers:**

Mr C. Kourakis, Chief Justice, Courts Administration Authority.

Ms J. Burgess, State Courts Administrator, Courts Administration Authority.

Mr S. Matters, Director, Corporate Services, Courts Administration Authority.

Mr T. Pearce, Manager Finance, Courts Administration Authority.

Mr M. Church, Management Accountant, Courts Administration Authority.

**The CHAIR:** The estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. The committee will determine an approximate time for consideration of proposed payments to facilitate a change of departmental advisers. I understand that the minister and the lead speaker for the opposition have agreed on a timetable for these proceedings in the next hour. Is that correct?

**The Hon. J.R. RAU:** Yes.

**Mr GARDNER:** We have not agreed; we have been told.

**The CHAIR:** Well, all I am trying to establish, so that we do not have any problems, is that we have an hour for the Courts Administration Authority. Changes to committee membership will be notified as they occur. Members should ensure the Chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 26 September 2014 for inclusion in the *Hansard* supplement.

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, and supplementary questions will be the exception rather than the rule. Can I just establish from the government, will there be any questions in this section?

**The Hon. S.W. KEY:** No.

**The CHAIR:** A member who is not part of a 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 at the beginning of the question. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the *Assembly Notice Paper*.

There is no formal facility for the tabling of documents before the committee; however, documents can be supplied to the Chair for distribution to the committee. The incorporation of material in *Hansard* is permitted on the same basis as applies in the house, that is, that it is purely statistical and limited to one page in length. All questions are to be directed to the minister, not the minister's advisers. The minister may refer questions to advisers for a response.

I also advise that for the purposes of the committees television coverage will be allowed for filming from both the northern and southern galleries. I declare the proposed payments open for examination. I ask the minister to introduce his advisers, before I call him to make an opening statement.

**The Hon. J.R. RAU:** Thank you very much, and good morning. I will make a few very brief remarks, and then, obviously, go to questions. Can I say a particular welcome to the new members of parliament, who are enjoying their first day of estimates. I am sure that you will remember it for a long, long time, and I hope that your paper is coming along nicely.

First of all, I acknowledge Mr Gary Thompson, who retired from his position during the last year. Gary spent a great deal of time as the state court's administrator, and he provided a great service to the Courts Administration Authority, and I would like to place that on the public record.

I will also touch on a few things. The report on government services in 2014 highlights that, although some jurisdictions recorded decreases in criminal lodgements for the 2012-13 financial year, the District Court had an increase of 15 per cent from 2011-12 to 2012-13; similarly, civil lodgements increased overall. It shows that our court system remains under pressure from demand perspectives.

The courts precinct urban renewal project, which is aimed at reducing that pressure, represents the largest justice precinct redevelopment in South Australia and provides a significant opportunity to assist in creating a more sustainable courts system. The project will provide courtrooms and associated facilities for the Supreme Court, the District Court, the ERD Court and the Coroner's Court.

The government has also implemented the Statutes Amendment (Courts Efficiency Reforms) Act 2012, which increases the jurisdiction of the Magistrates Court in order to reduce the backlog of criminal cases in the District Court and delays in the finalisation of criminal matters, with the goal of improved court efficiency.

The pressures facing, and the performance of, South Australia's court system is also a major focus of the justice reform portfolio. I have to say that, in the few months since the election, there have been some very positive meetings of the Criminal Justice Reform Council, which includes the Chief Justice, the senior judge of the District Court, the head of the Magistrates Court, the head of Corrections, the Commissioner of Police, legal services and so on. So, all of the main institutional players in the criminal justice system are participating in that project, and I have high expectations that it will produce some very good outcomes in terms of improved service delivery and efficiency in the justice system over the next year or so. That is probably all I need to say by way of an opening comment.

**The CHAIR:** Deputy leader?

**Ms CHAPMAN:** I do not have an opening statement, Madam Chair, but I indicate that the member for Morialta has some penetrating general questions to place on the record if he may.

**The CHAIR:** On record? You want to place on record—

**Mr GARDNER:** In lieu of the opening statement being waived by the deputy leader, perhaps we could do the omnibus questions quickly now and get through them so that they are on the record for all of your departments and agencies.

**The CHAIR:** That is a complete departure from the norm, but you go ahead.

**The Hon. J.R. RAU:** Just for those who are new, this is unusual; it normally happens at the end, but why not?

**Mr GARDNER:** Hansard has expressed some interest in having this sheet, and we have only one copy.

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 in 2013-14 for all departments and agencies reporting to the minister, listing the name of the consultant, contractor or service supplier—

**The Hon. J.R. RAU:** Does he really have to read this out; can't he just give it to you?

**Mr GARDNER:** We have established in previous years that that unfortunately is a necessity.

**The CHAIR:** Unfortunately, he must read it out, as I must read the opening remarks to you at each session.

**Mr GARDNER:** I will go back to make sure that that the Deputy Premier did not trickily ensure that not all of the question was asked.

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 in 2013-14 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 2013-14, please provide the number of public servants (broken down into heads and FTEs) that are tenured and on contract and for each category provide a breakdown of the number of executives and non-executives.

3. In the financial year 2013-14, for all departments and agencies reporting to the minister, what underspending on projects and programs was and was not approved by cabinet for carryover expenditure in 2014-15?

4. Between 30 June 2013 and 30 June 2014, will the minister list the job title and total employment cost of each position (with a total estimated cost of \$100,000 or more) which has been abolished and 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 2013-14 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 target voluntary separation packages (TVSPs) for financial years 2014-15, 2015-16, 2016-17 and 2017-18?

7. What is the title and total employment cost of each individual staff member in the minister's office, as at 30 June 2014, including all departmental employees seconded to ministerial offices and ministerial liaison officers?

The member for Bragg, I think, has more questions.

**Ms CHAPMAN:** Good morning, Attorney, Chief Justice and senior personnel. I will be referring to Budget Paper 4, Volume 1, and Budget Paper 6 today. I will start at page 164 of the Agency Statement. At about point 3 on page 164 is reference that one of the objectives of the Courts Administration Authority (CAA) is to improve court facilities. My first question is in relation to the courts precinct urban renewal project. Can the Attorney first outline what involvement the CAA has had in relation to the development of that project?

**The Hon. J.R. RAU:** I will invite the Chief Justice to say a few words about this in a moment, because he has had more direct involvement in the matter than me. Essentially, the courts have been intimately involved in the formulation of the design parameters in terms of functionality and the requirements of the courts. Obviously, if they are going to have a new facility, it needs to be able to deliver the sorts of outcomes that they require and see themselves as hoping to have into the future.

So, there has been a very intensive involvement of the courts. They are, if you like, the customer and there has been, I believe, a pretty good system developed whereby they as the customer, working through the Attorney-General's Department, have been involved all along the way in the formulation of what you might call the design brief in that sense. I do not know if the Chief Justice wishes to add anything further, or something along those lines, if that would be of assistance.

**Chief Justice KOURAKIS:** Soon after the announcement was made that expressions of interest would be sought, the courts established internal user groups, ranging from judicial support staff who work with judges in chambers, registry staff, through to judges, to consider the functionality

that we would want. Those groups were formalised under a process that worked towards the development of a brief to provide to developers so that they could respond with expressions of interest. That led to the selection of three developers who just in this week have provided presentations on their concepts as to design, functionality and financing. Their proposals will be evaluated by an evaluation panel, which includes the State Courts Administrator and judges.

Before reaching that point, as I say, there was a formal process, and the court established an executive user group with senior administrative staff and the heads of the jurisdictions involved—that is, the courts that will move into the building—and that group in fact sought and obtained feedback from many judges and administrative staff on what was required. It led to the production of a brief which was described by some of the respondents to that brief as the best brief they had ever encountered in a project like this, and it enabled them to very quickly obtain a solid understanding of what was required. I think that is probably reflected in the responses that have now been given.

**Ms CHAPMAN:** Chief Justice, I think you have given a fair indication that the CAA has actually been quite involved in the consultation and development process of the brief as it has gone out for tender. Deputy Premier, who in the department is in charge of this project?

**The Hon. J.R. RAU:** I believe my chief executive is the person who is the responsible person within the Attorney-General's Department.

**Ms CHAPMAN:** Is there a representative from DPTI who is managing this?

**The Hon. J.R. RAU:** That, I am not sure. I do not know if the Chief Justice knows who it is.

**Chief Justice KOURAKIS:** It is a DPTI project.

**Ms CHAPMAN:** Yes, that is why I am asking who is actually in charge of it.

**Chief Justice KOURAKIS:** Yes, it is a DPTI project. It will be a leaseback arrangement. At this stage, what is proposed is that the land, which is crown land, will be leased to the developer to develop and then leased back—or at least that is one of the proposals, and I suspect that is the one that is going to go forward.

Essentially, it will be privately built with private finance and leased back. It is a DPTI project, and it is Amanda Thomas with whom we liaise generally, but she no doubt reports to someone more senior in the department. It was essentially Mr Hook before the election, but I do not know what the position is now.

**Ms CHAPMAN:** Prior to the demise of Mr Hook, a sketch of the new court precinct was published in *The Advertiser*, and on the information we had, when we were briefed on it, this was just something drawn up by the department at the time to show an option. Was that drawing put before the CAA administration for consideration?

**The Hon. J.R. RAU:** I think I need to make something clear. There is no design as such that has been settled upon at the present time. As the Chief Justice has explained, there are still three contending bids, if that is the way to put it. I have not even seen what those three bids are proposing; the Chief Justice has, I believe, as have some of my departmental officers, but I have not. However, I suspect that each of them is quite different and none of them necessarily would have anything in common with what I think you would have to describe as an artist's impression of what a building might look like on the site, which is basically the status of the image that was published.

**Ms CHAPMAN:** I accept, Attorney, that really was just what it was—an artist's impression—and that it had not been presented as any sort of option that was being presented under this process.

**The Hon. J.R. RAU:** Not to my knowledge, no. As I said, my understanding of the process is that there was an original call for expressions of interest from the marketplace; that elicited a number of bids or people expressing interest. That was then honed down to a final three who were invited to take their proposal to a further stage. Those final three have very recently presented to the Chief Justice and other people who are intimately involved in the process and, at some point, that will then be, as the Chief Justice explained, evaluated through a process. At the end of that process, we will have a preferred business model, a preferred design and a preferred builder. At that point, I

assume there will be something that can be put in the public domain that will show what the building will ultimately look like, but we have not reached that point.

I am absolutely confident in saying that if anything that was appearing in the paper as a 'might be' for that site does have any resemblance to the ultimate winner is more a matter of accident or anything else other than planning.

**Ms CHAPMAN:** Your announcement, Attorney, during the period prior to the March election that you anticipate that process to be concluded by the end of the year, commence build in the first quarter of next year, to be completed in 2017, is that still the case?

**The Hon. J.R. RAU:** That is my understanding, yes; that is what we are all hoping for.

**Chief Justice KOURAKIS:** The presentations we saw yesterday were premised on that sort of time line, which is a tight one but one which they say they can meet.

**Ms CHAPMAN:** Are we still talking about the site on King William Street behind the old Supreme Court building?

**The Hon. J.R. RAU:** Yes. You say 'behind the old Supreme Court building', I think again this is subject to what each of the proponents may or may not have put up, and I have to put a caveat there, that I have not seen them. Aside from the heritage buildings on that whole city block, my understanding is that any and all of that block might potentially be used as part of this project. The existing heritage buildings will obviously be retained inasmuch as they have their heritage features, but they may undertake some form of alternative re-use or they may be reincorporated back into whatever it is that the final redevelopment looks like. Again, that is a matter which I guess would be one of the moving parts in the various bids.

**Ms CHAPMAN:** Given that it is going to be on that site and that a whole part of the old Supreme Court building may be demolished in that process, why is there no provision in the forthcoming budget for the continuation of Supreme Court and administrative services on that site, given that it is anticipated that the build will commence in this forthcoming financial year?

**The Hon. J.R. RAU:** I am not sure I understand exactly what that question is. Could you just repeat it?

**Ms CHAPMAN:** If the time line you have proposed, and hope still to achieve, involves the commencement of the development of this project halfway through this current financial year, why is there no provision in the budget for the costs of ongoing provision of services either in temporary courts or facilities for that to occur?

**The Hon. J.R. RAU:** I am not sure that the budget addresses that particular topic.

**Ms CHAPMAN:** That is why I am asking you—because it does not seem to be evident that there is any provision for that.

**The Hon. J.R. RAU:** I do not know whether the Courts Administration Authority can enlighten us on that; if not, we will take that on notice and get back to you.

**Chief Justice KOURAKIS:** Whether or not there will be what has been called a 'decanting' of the judges is one of the issues that the developers have to address, and there are different proposals with respect to that. If the judges do have to move, then that will be a cost. It is likely to be a cost perhaps at the end of this financial year or perhaps just after it. Of course, it is not clear whether it is necessary at all; it just depends on which developer is chosen and what that proposes in terms of where the building will be placed.

I know, and I can say, that for the judges of the Supreme Court noise is a really important factor because of the capacity to interfere with hearings, so it is a matter the judges will obviously be very concerned about. As I say, until a particular developer is chosen and their proposed construction is considered, we will not know whether we have to move out or not, but we might have to and we have started thinking about a number of options, and some of those options or just about any option will require an additional cost.

**Ms CHAPMAN:** My question back to the Attorney: why is there no provision in this forthcoming year's budget for the cost of relocation, not just of the judges, but obviously leasing of



other courtroom/administrative staff space, people who are in the records department or people who are in the probate office. I appreciate the judges are responsible in the courtroom, and of course their own chambers are in this building, but there are many people who occupy the buildings on that site at present.

**The Hon. J.R. RAU:** I understand, but I think, as the Chief Justice has said, exactly what needs to be done and in what order is at present unclear and therefore it is very difficult to budget for something which is at this point an unknown. For example, depending on the order in which things are done there may be opportunities in the Riverside building or there might be opportunities in the Sir Samuel Way Building for temporary accommodation of people. These are all matters that need to be looked at and will be looked at.

**Ms CHAPMAN:** The reason I ask, Attorney, is simply that it is your time frame which suggests that, as of the commencement of next year, one of these projects will be selected and underway, which means that in the first half of next year one or more of the functions and personnel will need to at least temporarily leave that site. There is absolutely no provision for that to occur, and clearly I think you and I would agree that nobody can start doing anything, especially demolitions, until the people are out, and that does mean Riverside or other courts buildings or else the Samuel Way having the area scheduled or leased for occupancy and fit-out.

**The Hon. J.R. RAU:** Yes, I have just been provided with some advice that might assist us a little further. What I am advised here is that it is only anticipated in this financial year that there will be early works. We would expect the budget to be probably therefore in next year and the year after, and one would expect it to be found in DPTI, I am advised, not in A-G's.

**Ms CHAPMAN:** So I can ask in DPTI whether they have any provision for this, which would be the relocation and refitting for temporary facilities for CAA.

**The Hon. J.R. RAU:** That is what I am advised, but I think you may find—you may find; you ask them by all means—that they do not have anything for this year because they are only anticipating early works, but by all means ask them. I am advised they are the people who would have it in their budget.

**Ms CHAPMAN:** I am assuming, and perhaps the Chief Justice may be more familiar with this, as he has seen the proposals to date, that there is no proposal in the brief that the party who is going to progress this PPP will be making provision for that cost. It will be a government cost, whether it is in your department or DPTI's, for the relocation of current personnel.

**Chief Justice KOURAKIS:** I do not know whether they have made provision for it or not. That would be dependent on the financial arrangements. I suppose it would be possible for the cost to be included and paid later as part of the rental down the track.

**Ms CHAPMAN:** But it has not been part of the brief to date. In the brief that you have supervised or been participatory in, it has not been a requisite for the party who is successful to present a proposal as to how they are going to relocate you somewhere pending their build.

**Chief Justice KOURAKIS:** I do not know anything about the financial arrangements. Treasury, the Attorney's and DPTI do all that.

**Ms CHAPMAN:** What I meant was that in the specifications you have presented for consideration by anyone bidding for this there has not been a requirement in it that they provide for the temporary facilities of the judges and staff from that site.

**Ms BURGESS:** The briefing has outlined that if decanting is required the consortia turn their mind to that, so there may be some proposals that are not proposing to decant buildings.

**Ms CHAPMAN:** Isn't that the exercise of the logistics, that they have to turn their mind to the fact that their build may interfere with various current activity and therefore they need to think about who needs to be out and who needs to be in, and what buildings they might demolish, not the cost of putting judges in a hotel or somewhere else.

**Ms BURGESS:** That is correct.

**Ms CHAPMAN:** Correct, okay. If I just go back to the Attorney: in relation to that, I am happy to follow it up with Department of Transport to consider what provision they have got. You have set the time frame, which you are aiming to be successful at, and if in fact there is no physical decanting of the site in preparation to be clear for the purposes of the build until the 2015-16 year, it raises the question of how this is possibly going to be finished by 2017.

**The Hon. J.R. RAU:** I think there are a couple of things to say: the first one is, as I have indicated before, I am advised there would only be early works anyway in this current year; secondly, in any event, it would appear in the DPTI budget, not in ours, so that is the place to pursue the question. Third point is that—again, I have not seen all of these, or in fact any of these proposals—but if you turn your mind to that site, hypothetically you could have a build on the corner of Wright Street and King William Street which proceeded without any physical disruption to the existing site. You could then complete that, move everybody out of the existing site, and put them in there.

That may or may not be desirable from a noise point of view, and a whole bunch of other points of view, but you should not necessarily assume that every proposal requires the immediate evacuation of all personnel from the existing buildings, and then a period where those buildings are totally vacated. That is the only point I make.

**Ms CHAPMAN:** I think you said there are three concept plans that have been presented this week. What is the time frame for the approval—or selection, I should say—of those?

**The Hon. J.R. RAU:** I am advised that the evaluation is intended to be completed by the end of August.

**Ms CHAPMAN:** And from there?

**The Hon. J.R. RAU:** I do not have the next dates here, but we will get them for you. I think the evaluation leads then to the selection of the final partner in the process, and then there are a series of dates that I cannot presently bring to mind, but they end up with a completion date in 2017. But, I will get those for the honourable member and have them provided.

**Ms CHAPMAN:** Of the brief to date, the one that's the 'best they've ever encountered', I think your words were, Chief Justice, which courts does it include?

**Chief Justice KOURAKIS:** For housing in the new building?

**Ms CHAPMAN:** Yes.

**Chief Justice KOURAKIS:** The Supreme Court, the District Court, and the Coroner's Court—sorry, and the ERD Court.

**Ms CHAPMAN:** Sorry?

**Chief Justice KOURAKIS:** The Environment, Resources and Development Court. The Youth Court was considered for inclusion but is not now.

**Ms CHAPMAN:** Any reason?

**Chief Justice KOURAKIS:** The suitability of having within the one building youths and children as well as adults, and the extra circulation flow in terms of maintaining some separation and the cost of that. There are a couple of other reasons, but that is the primary reason.

**Ms CHAPMAN:** And boards to be included?

**Chief Justice KOURAKIS:** Boards?

**Ms CHAPMAN:** The Parole Board, or anyone like that?

**The Hon. J.R. RAU:** That is a different matter. The court building, again, as I understand it—I have not seen the brief that the Chief Justice has prepared, but my understanding was that the court building itself is a dedicated court building; it is not intended to be a multifunction building. Again, I have not seen the proposals, but that does not mean there could not be another building, as part of this redevelopment, which perhaps did contain some other functions. But, that is a matter that is not, I think, a settled matter at the present time.

**Chief Justice KOURAKIS:** Can I say, having seen the presentations, we are still bound by commercial confidentiality, and that is one of the reasons why we—

**Ms CHAPMAN:** All I am asking at this point, Chief Justice, so I am clear about it, is: what are the terms of reference you have put out there, not necessarily what they have come back with?

**Chief Justice KOURAKIS:** I can tell you that and more on this question of buildings. There will be a dedicated court building housing courts that I just mentioned. There is a separate building which is being referred to as the Attorney-General's building, which—

**Ms CHAPMAN:** Yes, the John Rau memorial building. Is this what we are talking about?

**Mr GARDNER:** Not memorial yet.

**Ms CHAPMAN:** It will be by the time it is done.

**Chief Justice KOURAKIS:** That will obviously hold the Attorney's officers, the Director of Public Prosecutions and the like. It might also hold a number of other bodies and boards, but that is just a matter for government.

**Ms CHAPMAN:** Right. So, in your presentation to date, you have said we need a court building which will have the four jurisdictions you have referred to, and the separate administration building, if I can call it that, which may have a number of government departments and boards or anything of that nature. Have you got a view as to what should or should not be in that building?

**The Hon. J.R. RAU:** With all due respect, I am not sure how the Chief Justice's view about what sort of neighbours he would like fits within the parameters of estimates.

**Ms CHAPMAN:** Because he is in charge of improving court facilities.

**The Hon. J.R. RAU:** Yes, he is, and I think he has explained it. He has spent a lot of time preparing a very detailed brief, for which he has received plaudits, and that brief talks all about what the courts want. I can say for my part that, obviously, we would be intending to discuss with the Chief Justice in due course what sort of government agencies would be accommodated there but, ultimately, that will be a decision for government.

**Ms CHAPMAN:** Sure. Let us separate this. Your department, the DPP and the Crown Solicitor's Office are a matter for government to decide whether to throw them in the package or not. In relation to other tribunals and boards, going back to the administration of justice for the courts, I am interested to know what the Chief Justice's terms of reference are there. Are they just the four core jurisdictions he has referred to as being requisite to be accommodated? In which case, I will ask you in a minute the number of court rooms and prison cells, etc., you see as a requisite, or whether you have a view about whether any other judicial functions or roles are appropriate to be in there.

**The Hon. J.R. RAU:** I am not sure how much the Chief Justice is able to say about some of these things, having regard to the commercial aspect of it, but I am happy to invite him to say whatever he can say about the basic requirements that he has set forth—

**Ms CHAPMAN:** That is what I am asking, yes.

**The Hon. J.R. RAU:** —to the various people who are bidding.

**Chief Justice KOURAKIS:** Can I just say generally that the court is concerned about the general environment and what other buildings are around, but there is no reason to think that anything in the AG's tower is not going to fit with the court precinct that we are establishing. I am just trying to get the number of courtrooms for you, Ms Chapman.

In the first build, there will be 39 courtrooms, but there will be a capacity for five additional courtrooms because, initially, the courts building will house the Courts Administration Authority, but the provision for expansion really is to then move those officers out and have a building designed to be capable of a refit for the construction of another five courts.

In coming to those numbers we looked at projected population increases and we were helped by figures from Treasury on that. We also looked at the growth in lodgements over time in South

Australia and effectively balanced those considerations. It is not easy to predict, because the other trend over the last decade or so has been to increase the jurisdiction of the Magistrates Court, which affects the work of the superior courts, District and Supreme, which will be housed.

As I say, having tried to draw a line through all that data, that is what we came up with. You will find that the 39 courtrooms are not a very large increase over the total number of courtrooms available to the Supreme Court and the District Court at the moment.

**Ms CHAPMAN:** That is currently how many there are, including plus one for the coroner.

**Chief Justice KOURAKIS:** Yes. I did a rough count, and I had about 37 or so. I have a jot of that now on this paper that I am looking at. What you have to remember is that there are a number of civil courts included in the number I have just given you which are not used and are underutilised. Our pressure point at the moment is in criminal courts, and we have increased substantially the number of criminal courts that will be available within that total number that I mentioned.

**Ms CHAPMAN:** In presenting the brief of availability of courtrooms and what you require to provide your services, did you look at the Victorian model where the chief justice every morning works out which courtrooms they will lease for the day?

**Chief Justice KOURAKIS:** Yes, we did look at that, and that building and that model was often discussed. I do not think that would work here, because of the numbers. They had mediations; there are a large number of mediations and commercial arbitrations that occur on the eastern seaboard which we basically do not get because we do not have the head offices here in Adelaide, so much of the use is taken up there, so that allows it as a viable economic model. I personally turned my mind to having private mediation suites and perhaps renting them out commercially as a way of futureproofing, if you like, but in the end after discussion that was not really viable.

**Ms CHAPMAN:** If, under your design, the CAA was part of the courts tower—if I can describe that first—with a view of ultimately moving across to the administration tower, is it proposed that the judges' chambers would remain in the courts tower?

**Chief Justice KOURAKIS:** Yes.

**Ms CHAPMAN:** Irrespective of the administration side of it moving across?

**Chief Justice KOURAKIS:** Yes.

**The Hon. J.R. RAU:** Can I just add something? I have been provided with some advice in relation to those dates that the member for Bragg was asking about. As I understand it, the evaluation panel assessment should be completed on or about 15 August. The steering committee is expected to make a decision about the panel's recommendation on or about 19 August. It should be possible for the matter then to go to be considered by cabinet in early September. Assuming that proceeds according to plan, then the next stage is called the early developer involvement (EDI) phase which would occur between September of this year and the middle of February next year, with the final approval and agreement to be settled in early March of next year. So at that point it is basically ready to go.

**Ms CHAPMAN:** Is the site in question actually owned by the Attorney-General's Department?

**The Hon. J.R. RAU:** Whether it is the Attorney-General's Department, I am not—

**Chief Justice KOURAKIS:** It is the state. The Courts Administration Council; it is Crown, but I am not sure—

**Ms CHAPMAN:** Does the courts administration council, whatever that is—I am not sure what it is—actually own property?

**Chief Justice KOURAKIS:** Yes.

**The Hon. J.R. RAU:** I understand that there is a number of different titles. It was with the courts department. The Minister for Infrastructure, I think, did have some, and now the Courts Administration Authority is on the title, as I understand it. The titles are in different ministers' names, but they are on the balance sheet of the CAA, but it is government land.

**Ms CHAPMAN:** I appreciate that, but it is a question of whether I ask you questions, Attorney, or whether I ask minister Mullighan, because he has got infrastructure, and his department is really running the show as far as the development of this goes.

**The Hon. J.R. RAU:** True.

**Ms CHAPMAN:** I appreciate that there is the professional contribution from your department and from the Chief Justice, but I just want to know who is doing the work other than that, and, if that is being done, I will ask you to make it clear whether you or your department or the CAA are doing any work for the preparation of the site of that property—remediation of soil, cleaning up contamination, and so on.

**Chief Justice KOURAKIS:** The council is responsible for any of that. There have been cores taken but no remediation work.

**Ms CHAPMAN:** Which department has been doing that soil testing?

**The Hon. J.R. RAU:** I assume that is DPTI again.

**Ms CHAPMAN:** DPTI?

**The Hon. J.R. RAU:** Yes.

**Ms CHAPMAN:** Thank you; I will deal with them on that.

*An honourable member interjecting:*

**Ms CHAPMAN:** It is alright; I do not mean that disrespectfully.

**The CHAIR:** It is a bit scary.

**Ms CHAPMAN:** I just want to know who owns what and who is actually in charge. In relation to the premises, when is it expected that the successful tenderer for the project—which on all accounts is still to be a PPP model—is going to be disclosed to the extent of going through public works, on the books of account, or is it going to be like the Royal Adelaide Hospital where it disappears off the balance sheet?

**The Hon. J.R. RAU:** I will take that on notice, because I suspect the answer to that depends very much on the final form of the relationship between the developer and the government that is settled upon, but I will take that on notice.

**Ms CHAPMAN:** Is the Courts Precinct Urban Renewal Project title—I appreciate this might be some urban renewal because it is covering metropolitan courts; I accept that—the title that is going to continue?

**The Hon. J.R. RAU:** Well, I think it is as good a title as any for what we are doing. If the member for Bragg has another title she thinks would be better, I am happy to—

**Ms CHAPMAN:** At this stage, Attorney, I have got indication, I think from you and your public statements and the Chief Justice, that it is going to be a courts tower and/or an administration tower, which obviously is going to have a number of government departments or agencies in it. I appreciate the details are to be determined yet, depending on what prospective investors want to have on a rental payment, no doubt. In any event, it is clearly more than just a courts renewal as such, or a courts rebuild.

**The Hon. J.R. RAU:** We are sort of moving out of Attorney-General's or even CAA here—we are really in the planning portfolio—

**Ms CHAPMAN:** Well, I understand that.

**The Hon. J.R. RAU:** —but I am happy to answer it. There is no doubt in my mind that the construction of a new model court building and associated government administrative offices, and perhaps some private concerns—who knows; I do not know who else might be involved—will bring a total refreshing change to the south-western edge of Victoria Square. It will reinvigorate the southern aspect of King William Street as it heads south from Victoria Square. There are a number

of other substantial landholders in that immediate vicinity, including, for example, the Adelaide City Council, which is the owner of significant parcels of land in that area.

My expectation is that, with the advent of the new courts and the associated administrative functions, and the fact that that will bring some hundreds, if not more, new people to that part of the city on a daily basis, as employees or whatever, it is reasonable to anticipate that there would be some private sector knock-on effects, so to speak, in terms of perhaps private investment in development in that area, with the opening of restaurants, cafes, retail outlets and so on. The fact undoubtedly is that, if you transport a substantial number of people to that precinct, you are going to change the daytime and probably the night-time economy of that part of the city, and I think that will be a very positive change for what is already a fairly active, vibrant part of the city of Adelaide.

**Chief Justice KOURAKIS:** Can I say that we received presentations from town planners associated with each of the respondent developers, and they were conscious of the impetus that this building might have on the development of not just the south-western square but the south of Adelaide and have thought about that in designing a court building, that is, thought about designs which will fit in and encourage development along that southern end. So, that was certainly a feature of the town planners' presentations. The other thing to remember, of course, is that this project involves the District Court leaving the Sir Samuel Way Building, and the question will arise as to the future use of that building, which might also have an effect.

**Ms CHAPMAN:** It reminded me, Chief Justice, of the similar sentiment expressed at the time that Mr Solomon Lew (Myer) said when he missed out on the Sir Samuel Way Building and that development. Nevertheless, it does raise the next question of what is to happen with the Sir Samuel Way Building. Is it the government's intention that, once there is a relocated, dedicated precinct, that property will be sold?

**The Hon. J.R. RAU:** The Sir Samuel Way Building, once it is no longer required for the courts, is obviously then available for alternative use of some description. The government is actually not the owner of that building as such; I think it is the state superannuation fund if I am correct. Presently, the government is occupying that building by reason of a lease arrangement between, I believe, the Court Administration Authority and Super SA or state super or whatever they are called. It would be a matter for the owner of the building to determine what future the building should have, but it clearly does offer the potential for some additional new function to be added into Victoria Square, subject to its being satisfactory from the owner's point of view.

**Ms CHAPMAN:** I have covered most of the other matters. In relation to the backlog indicated on page 168 for the District Court, Magistrates Court and Youth Court, it shows that targets have been missed by a long way; for instance, the target of the Magistrates Court lodgements pending greater than 12 months, the goal was zero, an estimated result of 12 per cent. Are the FTE reductions and efficiency dividend requirements impacting on the processing of matters in these courts?

**The Hon. J.R. RAU:** The answer to that is not easy to give because everyone looking at these numbers can speculate as to what the actual cause of any particular figure might be. I think that the Chief Justice has already indicated that many of the courts efficiency matters that have been basically passed through the parliament in the last year or two have impacted on the number of matters being heard in the Magistrates Court. I do not have any reason to believe that the Magistrates Court is not capable of managing those matters and improving its management of those matters, but it is something that we have to keep an eye on.

One of the important roles of the Criminal Justice Reform Council is actually to look at each of the levels of the courts in South Australia, but in particular, obviously, the Magistrates Court and the District Court, to see what we can do to improve the efficiency of those courts and to relieve pressure on the lists. That is work we are progressing with presently. There have been some encouraging signs in relation to what I think we would probably call 'early intervention' or triaging-type models, which essentially identify those matters which are most likely to be resolved by way of a plea of guilty and to pull them out of the list by way of resolution, by way of a plea earlier rather than later. Every one of those that occurs is a saving to the system at all levels and a good outcome for victims.

We have to keep our eye on these numbers, and they are some of a number of indicators we have of the ongoing performance of the courts. I can say that the Criminal Justice Reform Council at its most recent meeting spent some time on the vexed topic of statistics. I think we have all come to the conclusion that, particularly when you are looking at something as complex as the justice system, the simple quotation of a statistic is usually not very helpful and occasionally quite misleading.

**Ms CHAPMAN:** I refer to Budget Paper 6, page 34, the efficiency dividend. According to the 2012-13 Mid-Year Budget Review, the 2013-14 state budget and this year's state budget, the courts are required to achieve a million dollars in savings over the forward estimates to meet efficiency dividends. How will this million dollars be cut?

**The Hon. J.R. RAU:** The situation with the Courts Administration Authority is that, unlike other government agencies, the Courts Administration Authority is its own boss in that sense. It is a matter for the CAA over the course of the year to work out how they wish to prioritise matters; that is entirely a matter for them. I am not in a position to dictate to the Chief Justice or the Courts Administration Authority where and how they should be making—

**Ms CHAPMAN:** Last year, he was obviously presented with this obligation, as I have referred to in those other two documents identified, and that was going to be attended to. I am happy to ask again: how was it attended to in 2013-14, and has there been some determination yet about how it is going to be in the future year?

**Chief Justice KOURAKIS:** I am sorry, I am not—

**Ms CHAPMAN:** What did you cut last year and what are you going to cut next year?

**Chief Justice KOURAKIS:** What we started to cut for this year I can tell you. These are budget cuts which really come down from the state budget, ultimately. It is, as the Attorney said, for the council to determine these things. We have been very open about the ways in which we propose that the budget cuts might be met. We have had discussions with the Attorney about what we proposed and invited suggestions about alternative ways of meeting the budget cuts.

In essence, the main way in which it has been met in the Supreme Court and District Court is by judicial reduction. For this coming year, Justice Parker was appointed to the Supreme Court, both as a judge of that court and as president of the SACAT. In effect, he will spend half his time in each of those offices, and that is a cut of a half a judge for the Supreme Court. Judge Cole, the senior judge of the Environment, Resources and Development Court, has also been appointed to SACAT. That will take some 25 per cent of her time.

In the Supreme Court and District Court, that is a major source of budget saving. That means there will be some pressure on dealing with the case lists. As the Attorney has said, there are a number of measures we always look at to try to make up for that, but there is no doubt, though, that it is a pressure we have to face.

There have been some other reductions. The Supreme Court no longer has tipstaves. The last two tipstaves took packages a few months ago, and so that is a saving. There are constant reductions in library services for the higher courts, such that hard copies are not being continued, hard copy law reports; we are moving to electronic versions, and judges are tooling up and skilling up very quickly to cope with that.

In the Magistrates Court, there have been reductions in the Drug Court program to meet the cuts. There has been a variety of cuts throughout all other areas, including our corporate division, Sheriff's officers and court transcription services.

**The CHAIR:** There being no further time—

**Ms CHAPMAN:** Can I just ask one more question?

**The CHAIR:** Is this your final question on this line?

**Ms CHAPMAN:** I will make it my final question. This is particularly pertinent now that the Attorney-General has taken over SafeWork SA; I see that the Premier has flicked that to him. I would like to know about the current accommodation at the old Supreme Court house. The information

given to me just this winter is that there are multiple buckets catching water in the building. We have heard in many previous estimates hearings that there have been multiple assessments by SafeWork SA to identify areas of occupational health and safety and risk. More concerning, recently I heard that there is a mattress in a stairwell in the old building which is to make sure that somebody, if they slip on the stairs, does not injure themselves. It is a foam mattress to make sure that they are cushioned.

These are the sorts of things that may be either legendary or are, unfortunately, annual circumstances that cause concern not only for those who occupy it as workplace but for those who visit as a litigant, witness or member of the public. Is there any urgent work that needs to be done on that building which has not been provided for, pending the fact that we are a few years away from a new facility?

**The Hon. J.R. RAU:** To take it at its worst, I do not believe there are any current orders or improvement requirements attached to that building. That said, I have never run away from the fact, and I am sure the Chief Justice would not, that a building as old as that one requires a great deal of maintenance and, indeed, so does Samuel Way for that matter, and there is ongoing maintenance occurring. There are budgets for ongoing maintenance. If I recall correctly, I think Samuel Way was the subject of funding in the last budget for some—

**Ms CHAPMAN:** The facade, yes.

**The Hon. J.R. RAU:** —facade work.

**Ms CHAPMAN:** But I am talking about strictly occupational health and safety. Could you look into that, Attorney, and provide a list of what SafeWork SA assessments there have been on this building and, indeed, on the Sir Samuel Way; there may well be some there. I appreciate there are no housing improvement orders/building improvement orders issued by the government or by Adelaide City Council, but I am interested to know the notices that have been given in respect of unsafe areas in the premises and also—when you can, having accepted that we are a few years away—what program is going to be put in place to remedy that.

**The Hon. J.R. RAU:** I have just been advised that there are no such orders in respect of either of those buildings. The other thing I can say is that obviously in the context of the redevelopment my expectation is—and, again, I have not seen those things—that those buildings would be brought to contemporary standards for a whole range of things, whether it is fire, access or whatever it might be, and that they would be then usable, whether it be as a court function or some other function again, whilst retaining their heritage. So, they are going to be repaired. The member for Bragg may be disappointed to hear, though, that it is my expectation that the library building will not be retained and—

**Ms CHAPMAN:** It might be something we agree on for a change.

**The Hon. J.R. RAU:** —and that magnificent testimony to 1960s and 1950s architecture will be a loss to the Adelaide skyline.

**The CHAIR:** Perhaps on that note of unanimity, we might call the examination of the proposed payments concluded and thank the advisers for their attendance here today.

#### **ATTORNEY-GENERAL'S DEPARTMENT, \$97,446,000**

#### **ADMINISTERED ITEMS FOR THE ATTORNEY-GENERAL'S DEPARTMENT, \$125,951,000**

#### **Minister:**

Hon. J. Rau, Deputy Premier, Attorney-General, Minister for Justice Reform, Planning, Housing and Urban Development, and Industrial Relations.

#### **Departmental Advisers:**

Mr R. Persse, Chief Executive, Attorney-General's Department.



Mr A. Swanson, Executive Director, Finance, People and Performance, Attorney-General's Department.

Ms C. Mealor, Deputy Chief Executive, Attorney-General's Department.

Mr J. Ovenstone, Director, Fines Enforcement and Recovery, Attorney-General's Department.

Mr T. Anastasiou, Manager, Financial Services, Attorney-General's Department.

Ms T. Brooks, Principal Accountant, Treasury and Parliamentary Reporting, Attorney-General's Department.

**The CHAIR:** I declare the proposed payments open for examination, and I ask the Attorney to introduce his new line-up of advisers, before making his opening statement.

**The Hon. J.R. RAU:** There are a range of different issues in the Justice space provided by the budget. These include:

- The Disability Justice Plan—an additional \$3.2 million over four years to enable the criminal justice system to be more responsive to the needs of people with a disability. This funding will cover specialist training for police and other interviewers working with vulnerable witnesses, a communication assistant scheme to support people in the police interview and court processes, and resources to deliver a community awareness and information program.
- The South Australian Civil and Administrative Tribunal (SACAT)—an additional \$3.1 million over four years to provide for the expansion of SACAT to include adjudication of consumer disputes. Previously, a consumer who wished to have a dispute with a trader adjudicated had to commence proceedings in the relevant court.
- CCTV grant program—an additional \$2 million over four years to provide grant payments of \$500,000 per annum to local councils to install CCTV systems, security lighting and other technologies to improve safety. This commitment is in addition to the Safe City Policy which is creating a safe pedestrian corridor through the city and improving the live monitoring of cameras.
- Intervention program for young offenders—an additional \$1 million over two years for the trial of an intensive intervention program for young offenders. This program will be an intense learning experience that will build positive life skills and encourage alternatives to a life of crime.
- Additional support for the Ombudsman—an additional \$830,000 over four years to ensure the Ombudsman is properly resourced to investigate matters related to education and related complaints.
- Victims of Crime compensation—an additional \$9.7 million over three years to provide increased payments for victims of crime with the maximum compensation payable to victims of crime increasing from \$50,000 to \$100,000 from 2015-16. Payments for grief and funeral expenses will also increase.

So that is an overview.

**The CHAIR:** Deputy, do you have an opening statement?

**Ms CHAPMAN:** No.

**The CHAIR:** With the indulgence of the committee, I would like to defer to the Speaker, who just has some questions to put on notice.

**The Hon. M.J. ATKINSON:** My question to the Attorney is: has the state government obtained cost orders in court against the Cheltenham Park Residents Association or the Save St Clair Recreation Park Association that have not been paid partly or in full and what is the sum unpaid, if any?

**Ms CHAPMAN:** What is the line in the budget?

**The CHAIR:** I am sure he will bring it to our attention in just a moment.

**The Hon. J.R. RAU:** I will take that on notice.

**The Hon. M.J. ATKINSON:** Is the state government represented in the judicial review proceedings brought by the Save St Clair Recreation Park Association and what is the estimated cost of that representation and solicitor work?

**The Hon. J.R. RAU:** Again, I will take that on notice.

**The Hon. M.J. ATKINSON:** Has the state government sought security for costs against the Save St Clair Recreation Park Association and, if not, why not?

**The Hon. J.R. RAU:** Again, I will have to take that on notice.

**The Hon. M.J. ATKINSON:** Thank you, Attorney.

**Mr GARDNER:** Point of order.

**The CHAIR:** Yes, member for Morialta.

**Mr GARDNER:** I am just wondering, given your ruling that budget lines may be provided later, is that going to be something that we are able to—

**The CHAIR:** I will defer that to the Speaker and I am sure he will get back to all of us later. Deputy, do you have questions?

**Mr GARDNER:** A fine ruling.

**The CHAIR:** The deputy leader has the call and she has questions, I am sure.

**Ms CHAPMAN:** I do, Madam Chair, but I am not sure how a cost order that has not yet been recovered on is going to show up in the budget papers, but nevertheless we will see.

**The CHAIR:** It will all be made clear to all of us I am sure at a later date.

**Ms CHAPMAN:** While we are on the Courts Precinct Urban Renewal Project, I note that your agency in this area of responsibility provides the legal services to it. That is its continued intention. This is at page 19. I noticed also on page 18, I think it might be, that there is a new billing model that you now have through your Crown Solicitor's Office, which is to send out to all the departments—they get higher bills. I think the Premier has just told me in one of his divisions he has got an extra \$35,000 that he has to pay in legal fees for part of his area of responsibility. So, what is the new model? What are you charging more of or are now charging for that you did not before, or both?

**The Hon. J.R. RAU:** It is an interesting point, actually. It, I guess, proceeds from the truism, in my observation, that if something is free people tend to use it a lot, whether they need to or not. In 2012 there was a PricewaterhouseCoopers review of the Crown Solicitor's Office operations which in turn was commissioned in response to the Sustainable Budget Commission's earlier analysis. The review generally found the Crown Solicitor's Office to be doing quite well, but it did actually recommend the development of a new billing model which defines categories or types of legal services which are billable irrespective of the agency requesting the service.

A working group comprising of Treasury, AGD and the Crown Solicitor's Office developed that new billing model. The model was approved, as I understand it, on 3 February this year, with an effective date of 1 February, which is interesting, but there you are.

**Ms CHAPMAN:** Approved by—cabinet?

**The Hon. J.R. RAU:** Cabinet, yes. Budget adjustments to reflect the estimated cost to agencies under the billing model have been made by Treasury. The estimated costs were based on agencies' previous legal services usage. The budget provided to pay for CSO legal services cannot be used for other purposes. The billing model encourages agencies to ration and prioritise their use of legal services.

The billing model does not vary the very longstanding policy that legal services must be obtained from the Crown Solicitor's Office unless otherwise approved under Treasurer's Instruction No. 10. A preliminary review of the implementation of the model will need to occur at the end of the first part of financial year 2013-14. Following that analysis, any issues or adjustments arising can be discussed between the CSO, the agencies and Treasury.

**Ms CHAPMAN:** So, in the provision of legal services for the renewal project, DPTI, which is in charge of this project, unless it gets the Treasurer's approval, has to use the Crown Solicitor's Office to prepare its documents and all of the legal documents surrounding the development of that project?

**The Hon. J.R. RAU:** I am advised that the Deputy Crown Solicitor is actually on the steering committee, and through him the Crown is providing legal assistance presently.

**Ms CHAPMAN:** Excellent; but, in any event, as you say, the Treasurer's Instruction No. 10 requires your Crown Solicitor's Office to be used, rather than external legal advisers, for preparing all of these contracts and things which are clearly going to happen over the next 12 months. That is my understanding. You have not asked for any exemption on that? The Department of Transport, to the best of your knowledge of this court, have not asked for any exemptions on that, and they are using your Crown Solicitor's Office?

**The Hon. J.R. RAU:** Not that I am aware of.

**Ms CHAPMAN:** It says also on page 19 that one of the targets of 2014-15 is to 'provide legal services to the Courts Precinct Urban Renewal Project'. Given that the Treasurer's direction is there, and there is not really any opportunity to go outside the Crown Solicitor's Office, and you are making, I think, just on this year an extra \$3.9 million in extra billings as a result of this new model, can I ask the question: is the model that you say that you operate now commercially competitive with other legal costs?

**The Hon. J.R. RAU:** There are a number of elements to that. The first element is that I need to make it clear that there is no reason why any government agency cannot request to be exempted from TI 10, and such a request would be considered and dealt with. To the best of my knowledge, there has been no request in respect of this particular matter for an exemption from TI 10 to be offered. As to the broader question, I think—and I am sure Mr Swanson will correct me if I am wrong—the effect of the billing model is not so much to create a stream of income for the Attorney-General's Department or the Crown Solicitor's Office; it is to reveal exactly what the value of work performed by the Crown Solicitor's Office on behalf of other agencies is, so as to provide an opportunity for everyone to see, in a transparent fashion, what is going on.

The work was always being done—it was not being notionally accounted for anywhere other than being consumed within the overall budget of the Crown Solicitor's Office. So, basically this is as much as anything—and I do not mean to say this in a disparaging way—an accounting exercise, whereby what was opaque becomes transparent. The actual value of work delivered by the CSO to other agencies is revealed by means of what we are calling a 'billing method', but as much as anything it is an accounting exercise.

**Ms CHAPMAN:** But, Attorney, it is not a question of transparency: it is a question of full cost recovery, which is already in the obligations in relation to the other departments using your Crown Solicitor's Office services. That is not new; that is already to be done. You say that PWC have identified that there are some areas, basically, that are not being charged or charged enough, and that they could be and should be, and that is another \$3.9 million in the last year that has been added on because of introducing that new, transparent model that you talk about. The reality is that that is there in any event. My question though is: given that it is not as simple as a department saying, 'Look, I will go and use someone else'—they have got to get permission to be able to do that—are the fees that are charged for these other departments commercially competitive?

**The Hon. J.R. RAU:** I believe they are. Another point is, of course, that there was no actual change in the rates by reason of this thing being made transparent: it was just that it became transparent as opposed to something that was lost.

The other thing, too, is that there are some pieces of work which could possibly be very easily done outside of government, and quite often they are. For example, the member for Bragg would no doubt be aware that it is quite routine for public servants who are involved in Coroner's Court matters or other things to be independently represented outside of the Crown where there is a perception of a conflict of interest or whatever else might exist. There is no reason in the world why private sector lawyers cannot deliver those types of services quite well.

On the other hand, there are a number of particular services where the government is actually the biggest repository of a skill set. Those things are around administrative matters, around constitutional matters and around some of the government's commercial activities. Of course, there is the question of the security of information that might be around the place. There are many considerations, but I do not believe that there is anything to suggest that the Crown Solicitor's Office is not delivering a good service at a reasonable rate to government customers.

**Ms CHAPMAN:** On page 18, you have provided as one of your highlights for 2013-14 the provision of legal services to government agencies in relation to the Royal Commission into the Institutional Responses to Child Sexual Abuse. How much was that?

**The Hon. J.R. RAU:** The unit incurred costs, I am told, of \$893,000 in 2013-14, and an amount of \$800,000 has been allocated for 2014-15—that is the unit itself. It is not just legal. It is probably worth saying that the actual resourcing of the unit, in total, is five FTEs. Two part-time FTEs are engaged for the purpose of coordinating all royal commission matters on behalf of the state and responding to summonses in accordance with royal commission practice directions.

Resourcing includes a project director and two outposted lawyers from the CSO, and funding also covers costs of representation of government or ex-government employees called as witnesses to give evidence before the first royal commission public hearing in Adelaide (case study No. 9), which was provided through the CSO Crown Counsel section.

**Ms CHAPMAN:** On the work to participate in partnership with agencies on major projects such as the Riverbank Precinct, health and medical precinct and Casino redevelopment, how much money has been spent on the Riverbank Precinct legal advice?

**The Hon. J.R. RAU:** We will try to get that. We do not have anything broken down by reference to projects like that, but we will see what we can do.

**Ms CHAPMAN:** I refer to Budget Paper 4, Volume 1, page 60, Expenses—accommodation costs. What is the total cost per year to the Attorney-General's Department of leasing 45 Pirie Street?

**The Hon. J.R. RAU:** Again, we do not have it, but we will try to get it for you.

**Ms CHAPMAN:** When does the lease expire?

**The Hon. J.R. RAU:** I am advised that it is probably in the latter part of 2017, but we will check.

**Ms CHAPMAN:** If you could provide the lease details and expiry date for each of your agencies, in particular the Crown Solicitor's Office and the DPP, and—

**The Hon. J.R. RAU:** They are all in the same place.

**Ms CHAPMAN:** Yes, but if there are any outposts. I think the Parole Board sits in another premises.

**The Hon. J.R. RAU:** That is not under me; that is under Corrections, I believe.

**Ms CHAPMAN:** Are all your agencies currently at 45 Pirie Street?

**The Hon. J.R. RAU:** Well, there are things like PT and whatnot that are elsewhere.

**Ms CHAPMAN:** They are in rented premises, aren't they?

**The Hon. J.R. RAU:** Yes.

**Ms CHAPMAN:** If there are other agencies for which you are responsible, could I have the current lease and expiry of those, please?

**The Hon. J.R. RAU:** Okay, yes.

**Ms CHAPMAN:** The victims of crime levy, page 70, the inflows during 2013-14 year, was any money recovered from the perpetrators of the victims of crime fraud that was revealed in August 2012?

**The Hon. J.R. RAU:** Sorry, I did not get that. What was the—

**Ms CHAPMAN:** Did you get any money out of those who were charged and some convicted of the victims of crime fraud from 2012?

**The Hon. J.R. RAU:** Recoveries from offenders, in other words.

**Ms CHAPMAN:** No, this is the fraud in the department, not general offenders, a different issue. In 2012, you will recall that there were employees in the department who were charged with fraud.

**The Hon. J.R. RAU:** Yes.

**Ms CHAPMAN:** My question is: during that 2013-14 year that had been dealt with, was any money recovered from the perpetrators of that victims of crime fraud?

**The Hon. J.R. RAU:** I understand the question now. I am advised that a claim has been made to the South Australia Government Financing Authority insurance in respect of the loss to the VOC Fund resulting from the fraud. The insurance arrangement requires AGD to pay a maximum of \$10,000 in respect of each claim. As the prosecution has yet to be finalised, only \$17,000 has been recovered to date. However, assets owned by the accused have been restrained.

**Ms CHAPMAN:** So that I am clear about this, \$17,000 has been recovered from SAFA?

**The Hon. J.R. RAU:** No.

**Ms CHAPMAN:** No. It is from—

**The Hon. J.R. RAU:** The accused.

**Ms CHAPMAN:** From those who have already been dealt with.

**The Hon. J.R. RAU:** Yes, one of them.

**Ms CHAPMAN:** Have you actually received any money out of the SAFA insurance?

**The Hon. J.R. RAU:** A claim has been made, I am advised, but not settled. Can I make this point again: when the prosecution in this matter is finalised, I am advised it is our expectation that there will be assets which may be realised to recover moneys.

**Ms CHAPMAN:** As to the resolution of the male party to the fraud, has it not yet been concluded or are there others?

**The Hon. J.R. RAU:** I am of the understanding that there are a number of people and there are matters in contests which will not be resolved until a trial is concluded.

**Ms CHAPMAN:** Has there been only one plea entered from which you got the \$17,000?

**The Hon. J.R. RAU:** I am advised that at the moment the DPP is prosecuting eight people on a total of 57 charges. The former CSO employee and four other persons have pleaded guilty to a total of 44 charges and are awaiting sentence presently. Their submissions have been adjourned pending the trial of the accused who have pleaded not guilty. Three accused are awaiting trial on a total of 13 charges. The trial is listed to commence on 15 September this year and estimated to last between six and eight weeks. Seven of those charged were interviewed or arrested by police in August or September 2012, with the court issuing restraining orders sought by the DPP between September and November 2012. An eighth person, who resides interstate, was arrested in February 2013.

**Ms CHAPMAN:** I suppose it shows, Attorney, how concerning the trial list is, that it is a two-year wait for trial.

**The Hon. J.R. RAU:** Yes, but I have discovered that the deeper you peer into what appear to be concerning matters the more interesting they become, because some of these delays have nothing to do with the court system and often have to do with a whole bunch of other things.

**Ms CHAPMAN:** I accept that. In any event, in the PwC investigation in relation to the victims of crime fraud that was initiated after they had been detected, was there any uncovering of any other fraudulent activity?

**The Hon. J.R. RAU:** No; I am advised, no.

**Ms CHAPMAN:** In relation to the hours of legal services in Budget Paper 4, Volume 3, on activity indicators, this is identifying those who are outposted lawyers; some are in-house, some are out in departments. In terms of the outposted lawyers, which is estimated to be 52,800 hours' worth in 2012-13, which agencies received assistance for these personnel? I think the DeBelle inquiry tells us fairly clearly that some were posted to the Department for Education. I would like to know about others.

**The Hon. J.R. RAU:** I am advised that as at 30 June 2014 the following agencies hosted the Crown Solicitor's Office's outposted solicitors. These solicitors have practising certificates and are employed and managed by the Crown Solicitor. The Attorney-General's Department, Consumer and Business Services, have two outposted solicitors; Defence SA and Renewal SA share one solicitor; Department for Environment, Water and Natural Resources, one; Department of State Development, nine, four of whom also provide legal services to TAFE SA; Department of Planning and Infrastructure, nine; Department for Education and Child Development, four; Environment Protection Authority, two; Department for Health and Ageing, five, and two outposted investigators; Department of Primary Industries, two; Public Trustee, four; South Australian Government Financing Authority, seven; and Super SA, one.

These solicitors are outposted to agencies for different periods of time. In the case of some senior solicitors, outposting can be for a number of years. All the solicitors are part of the Crown Solicitor's Office's outposted lawyer section, which is managed by an assistant crown solicitor, who is responsible for ensuring efficient, accurate and timely provision of legal advice to the host agencies. Solicitors from the Crown Solicitor's head office are rotated with outposted solicitors on a regular basis to ensure that as many of the Crown Solicitor's legal staff as possible have an opportunity of being outposted.

**Ms CHAPMAN:** Attorney, can you explain why there is a projected significant reduction in the number of hours' work done by the Crown Solicitor's Office?

**The Hon. J.R. RAU:** You are talking about—

**Ms CHAPMAN:** Last year, it was projected at about 182,000 hours—this is just for the in-house lawyers—and it ended up 219,000, and the projection for this year is 157,000. It is even fewer than what you projected last year, which was way out.

**The Hon. J.R. RAU:** I will take that on notice.

**Ms CHAPMAN:** The other aspect, in relation to the activity indicated, is the number of files opened and closed. Consistent with last year, you have estimated that 7,000 will be opened this year, which does raise the question of the previous question, of course. Underneath, it refers to a massive number of cases that are going to be closed. It states:

...the Crown Solicitor's Office intends to close a large number of inactive files during 2014-15.

My first question is: if they are inactive, why are they remaining open? How is that going to address that issue?

**The Hon. J.R. RAU:** Again, I will take that on notice. The Crown Solicitor's Office, you need to understand, has been in the process of doing a lot of modernising of itself and has been looking at ways of improving its performance, and I have to say that the new Crown Solicitor has taken to that task with some degree of enthusiasm and energy. My suspicion is that what we are seeing there is evidence of good housekeeping. But I will take it on notice.

**Ms CHAPMAN:** Page 18 and 19 are the highlights and targets respectively, and they relate to ex gratia payments for victims of crime from the sexual abuse while in state care, both for the preceding year and anticipated more this year. Can you provide the amount of ex gratia payments that was paid out in the 2014-15 year and what is budgeted to be paid out this year?

**The Hon. J.R. RAU:** I am advised that the amount in 2013-14 was \$187,000. As for the budget for this year, there is no specific budget. I am not, off the top of my head, aware of where we are with those, but I would not mind wagering that we are getting towards the end of them. There was quite a large build-up of them, and I think that we are well and truly past the hump in that, and we are really just dealing with the tail, which I do not expect would be very significant.

**Ms CHAPMAN:** On page 69, we have the ICAC and the Office of Public Integrity operating payments. An amount of \$4.6 million was spent in 2013-14 on staff of the ICAC and OPI. How many people are employed in these offices now?

**The Hon. J.R. RAU:** I will take that on notice.

**Ms CHAPMAN:** How does the staffing level compare with interstate corruption bodies?

**The Hon. J.R. RAU:** I did mention before that some of these numbers are a bit unhelpful. We need to appreciate that each state which has an anticorruption body has one which is different. What is the line they say when you get into a plane: each aircraft is subtly different. Well, each ICAC is very different

In Queensland, for example, their ICAC has a completely different range of functions from ours, likewise in New South Wales and Western Australia and, of course, being larger jurisdictions population wise, one would expect their budgets to be larger. I do not know what the budgets are for those agencies; it is not a matter within my knowledge. It was probably available on the web somewhere.

I would make the point that any comparison between the actual budget, or even the budget divided by the population of the jurisdiction of those and our budget, is going to be pretty unhelpful in any respect. One has to have a look at the functions; just because they are called an ICAC or something else, does not mean they are the same thing.

**Ms CHAPMAN:** I accept that there are distinguishable features as to the function of each of the relevant integrity entities around the country. Nevertheless, I ask if we can have a number of those, both for the Office for Public Integrity and ICAC.

**The Hon. J.R. RAU:** Again, I am not sure that it is within the scope of the estimates committee for me to ask officials in the Attorney-General's Department to go around chasing up figures from interstate about things there. However, I am perfectly happy to chase up the numbers for our office here. Can I point out that I do not think any other state has an OPI for a start, so that underscores the problem.

**Ms CHAPMAN:** How many complaints were received by OPI in 2013-14?

**The Hon. J.R. RAU:** Complaints? Sorry, where are we?

**Ms CHAPMAN:** ICAC.

**The Hon. J.R. RAU:** What is the question?

**Ms CHAPMAN:** My question is: how many complaints were received by OPI in 2013-14?

**The Hon. J.R. RAU:** I am not quite sure how that fits into this.

**Ms CHAPMAN:** Page 69.

**The Hon. J.R. RAU:** Yes, I can see it mentions OPI.

**Ms CHAPMAN:** You can see it there. You have got what you spent, what you budgeted for last year and what you are budgeting for this year. One of its tasks is to process applications to the OPI. I am asking how many did it do?

**The Hon. J.R. RAU:** I am afraid that is a matter that really is within the knowledge of the commissioner and not me. I point out that there is a distinct parliamentary committee which has the capacity to examine his annual report. I assume that this information will be in the annual report published by the commissioner, which will be produced to the parliament. I am not sure I can help the honourable member with that sort of detail.

**Ms CHAPMAN:** If it is available, I would ask that it be provided to the committee. We might not have the annual report for a long time and the committee that you refer to has not met yet and may not for some time. That is why I am asking now. You spent \$3.9 million on it, which was an underspend for last year, and you have \$4.72 million provided for this financial year. That is what I see as a payment out. Isn't that what you have?

**The Hon. J.R. RAU:** I can say this: I will ask the commissioner if he can assist me with helping the member for Bragg and, if he can, I will help.

**Ms CHAPMAN:** The second and third part of that question then is: how many resulted in a referral to ICAC and, of those, how many matters have been finalised and referred for prosecution, as at 30 June 2014?

**The Hon. J.R. RAU:** I think I will have to repeat the same thing: that is not something within my knowledge, but I will raise it with the commissioner and he may choose to assist us.

**Ms CHAPMAN:** Thank you. Page 20 makes provision for the DPP's services, which are obviously an important part of our management of criminal behaviour in the state. One of the matters that was raised by the DPP in his 2013 report was the view that he should—this is as at 30 October last year. Mr Kimber claimed that it was his view—and, to use his words, 'cannot be questioned' as to why there should not be some change to the prosecution of serious cases (this is major indictable cases) that are currently in regional areas; instead of coming to his office after committal to a superior court, there should be earlier management from his office. He sees it as providing more rapid and efficient outcomes, and claims that there is no longer sufficient reason based on the regional proximity because, of course, there is videoconferencing available. Is there any provision in this year's budget for his division to take over that responsibility?

**The Hon. J.R. RAU:** I do not think there is any specific allocation to the DPP for that purpose but, that said, as I mentioned before when the Chief Justice was here, we do have this Criminal Justice Reform Council. The DPP is a member of that council and the DPP, through one of its senior prosecutors, has been involved in a project called the Early Resolution Pilot. This is one of the pieces of work that the reform council is proceeding with. It was designed to develop a model for early intervention and resolution and it was trialled at Holden Hill. The initial feedback we have had from that project has been very encouraging. We are now looking at whether or not we can roll that model out on a more systemic basis to use the outcomes of that pilot across the system.

The aim of the pilot was basically to encourage early guilty pleas. The objects are to find suitable files to identify them and select them as soon as possible, make sure that accused people get representation at an early stage so that all decisions are made with legal advice, make sure that accused people get details of evidence against them, and make sure that there is encouragement for them to plead guilty, if they are guilty of the offences, as early as possible or, if not, to see whether alternative offences have been committed and can be charged and so forth.

Like many of these things, the critical thing is the early intervention, the early seizing of the matter and somebody putting some attention and effort into it. It requires the cooperation of everybody, not just the DPP.

**Ms CHAPMAN:** Is the Holden Hill court trial continuing pending your decision about whether you are going to expand it or not, or has it just been actioned for last year and is now closed down?

**The Hon. J.R. RAU:** I am advised that the early resolution thing that I was just talking about is the growth or the development of the Holden Hill project. The Holden Hill project was the initial test pilot, if you like, and the plan is to expand it into a broader system-wide project.

**Ms CHAPMAN:** But it is continuing as it is at Holden Hill in the meantime.

**The Hon. J.R. RAU:** I see, is it still going as a pilot at Holden Hill?



**Ms CHAPMAN:** Yes.

**The Hon. J.R. RAU:** No, it is not; the pilot itself is not continuing. I am advised that the original project was the DPP just by itself. We are now engaging other parties in the justice system as well. I will give you an example: something as simple as the Legal Services Commission providing an early indication that a person's grant of aid has been forthcoming means that they have a lawyer, which means the prosecutor has a lawyer with whom to have a conversation about the charges; the client has a lawyer who can advise on the merits or otherwise of them pleading guilty and the implications of an early plea of guilty in respect of discounts on penalties and suchlike.

This whole area is highly interactive. To get the best value out of it we have to have all of the elements, so the Legal Services Commission makes sure that the person has a lawyer so that early intervention is possible. It is not much good trying to intervene early, for instance, with someone who does not have a lawyer. It really requires everyone to step up to the plate.

**Ms CHAPMAN:** It was described as one of your highlights in 2013-14 and it seems rather disappointing that it has closed down pending further expansion.

**The Hon. J.R. RAU:** That was the test tube, the experimental trial. It was very well received and now we are so impressed with it that we have decided we are going to roll it out and wrap all the other agencies around it as well. It was promising from the point of view of showing great promise, but—

**Ms CHAPMAN:** Not enough to keep it going in the meantime?

**The Hon. J.R. RAU:** No, because we have broader ambitions now. We do not wish it to be a little pilot—we would like it to be a much bigger thing.

**Ms CHAPMAN:** Budget Paper 6, page 16—the efficiency dividend for this part of your portfolio. In this year's budget the department is being asked to find \$3.7 million in savings over the forward estimates for efficiency measures. What is the total efficiency saving required over the forward estimates, taking into account previous budgets and mid-year budget reviews?

**The Hon. J.R. RAU:** I think that is a very good question. The short answer is: quite a bit or, as my chief executive would say, 'Lots'. I am advised that between now and the year 2017-18 the total is the cumulative total.

**Ms CHAPMAN:** This is from 2014 to 2027?

**The Hon. J.R. RAU:** What year do you want to start at?

**Ms CHAPMAN:** In this year's budget you are asked to find \$3.7 million. I am asking what are each of the total amounts, not only this year but also cumulative from last year and the Mid-Year Budget Review. What is the amount you have to save this year and the next three years for the forward estimates? What is the total amount?

**The Hon. J.R. RAU:** I think am going to answer your question correctly if I have understood what it is—I will do my best. I understand that in the year 2014-15, the total savings required are \$8.899 million; in 2015-16, \$11.596 million (cumulative); in 2016-17, \$14.51 million; and in 2017-18, \$17.7 million.

**Ms CHAPMAN:** Given the size of your total payment, which is less than a billion, there are fairly large amounts of money to be achieved.

**The Hon. J.R. RAU:** Would you mind taking that up with the Treasurer? I would be happy for any help I can get, and so would those who sit behind me.

**Ms CHAPMAN:** I am sure they would minister, but you sit in the cabinet and, given the amount of money that is being asked to be found for the purposes of minimising expense, relatively that is quite a lot of money on anyone's assessment. My question then is: have any of the savings measures been identified for any of those years and, if so, what are they? Like the Chief Justice, I will ask again next year what they were if they have not yet found any when we get to the end of the year.

**The Hon. J.R. RAU:** Yes—what can I say to you that will be helpful? I have been provided with some examples of things. You would appreciate that, particularly as we go into the outer years, the opportunity to have some flexibility about how you achieve them is still considerable. The closer you get to the present, obviously, the more you have to have concrete plans. Some examples of how the savings will be achieved include the following: 30 TVSPs—this would achieve a saving of around \$2.4 million. I am advised that these officers, which is 24.7 FTE, have already separated. Then, there are savings in corporate services of around \$1 million, savings in the IR Court and Commission of around \$500,000.

**Ms CHAPMAN:** In the IR Court?

**The Hon. J.R. RAU:** Yes. There is also a reduction in the allocation of indexation across the department, \$337,000; changing funding arrangements between Forensic Science SA and Flinders University, \$180,000; reduced expenditure on boards and committees, \$126,000; and there are other strategies which are presently being worked through but are not yet finalised.

**Ms CHAPMAN:** What boards are proposed to go in this area that would have a saving of \$126,000?

**The Hon. J.R. RAU:** I am not sure if I have even got a list of all of the boards that sit in this area. We are certainly having a look at it. We are looking at it in all portfolios, and each chief executive has been asked by their respective ministers to have that conversation. Fortunately, I think from our point of view, the Guardianship Board and the Residential Tenancies Tribunal have been subsumed or will be very shortly subsumed into SACAT, so that deals with them.

**Ms CHAPMAN:** But minister, really that does not resolve any extra costs. In fact, obviously costs need to transfer over, but at this point these people will get re-employed or you are still having all these services that are going to be done in the new SACAT model. In fact, they are both staying in the same premises. In fact, I think you are taking more premises to fit in the new judges.

**The Hon. J.R. RAU:** Indeed, but we are getting rid of boards and committees.

**Ms CHAPMAN:** But the \$126,000 would not be getting rid of the Guardianship Board, would it?

**The Hon. J.R. RAU:** Let me see.

**Ms CHAPMAN:** That, as I understand it, effectively will be gone in the next month anyway, if the bill goes through, etc. I think you have already advertised and are starting to sign up the new lot.

**The Hon. J.R. RAU:** Indeed, we are trying to—

**Ms CHAPMAN:** So I am talking about in the 2014-15 year, you have got an \$8.899 million saving.

**The Hon. J.R. RAU:** I do not think boards and committees are going to manage the whole of that. We will be looking at the boards and committees presently. I just cannot tell you exactly where we will land with those. The obvious ones are the Guardianship Board and the Residential Tenancies Tribunal but, as you say, and it is quite reasonable, they are being sort of folded in. I guess one thing is the registry multiplicity will be no longer a problem—that is something—and they will have a single registry. We are expecting that over time there will be efficiencies coming out of the SACAT, but maybe I have to just get back to you on where we are up to with that.

**The CHAIR:** Member for Bragg, are there any further questions?

**Ms CHAPMAN:** I do just in relation to the SACAT, which is near the end. The Guardianship Board, as I understand it, will stay at this stage at the ABC building at Collinswood?

**The Hon. J.R. RAU:** For the time being, yes.

**Ms CHAPMAN:** When does their lease expire?

**The Hon. J.R. RAU:** I will have to get back to you on that.

**Ms CHAPMAN:** Thank you. The Residential Tenancies Tribunal has rented premises where I gather they are going to remain in situ with some extra space for the new judges to be accommodated?

**The Hon. J.R. RAU:** They are staying in Pirie Street for the time being as well.

**Ms CHAPMAN:** And could we have an expiry date on their lease, please?

**The Hon. J.R. RAU:** Yes. Can I just say to the member for Bragg that, because the SACAT project is intended to have several layers to it, the SACAT will not be in its final form for a little while yet, and it is obviously having regard to the fact that their existing leased premises are fitted out for particular purposes, and that the SACAT is not yet a concluded jurisdiction, it was thought prudent to leave people where they are for the time being whilst we sort out where things are going.

**Ms CHAPMAN:** Thank you, Attorney, and thank you to the members of your staff.

**The CHAIR:** There being no further questions I declare the examination of the proposed payments, Attorney-General's Department and administered items for the Attorney-General's Department, are suspended.

### **ELECTORAL COMMISSION OF SOUTH AUSTRALIA, \$2,895,000**

#### **Membership:**

Mr Marshall substituted for Mr Tarzia.

#### **Minister:**

Hon. J.R. Rau, Deputy Premier, Attorney-General, Minister for Justice Reform, Minister for Planning, Minister for Housing and Urban Development, Minister for Industrial Relations.

#### **Departmental Advisers:**

Ms K. Mousley, Electoral Commissioner, Electoral Commission of South Australia.

Mr D. Gully, Deputy Electoral Commissioner, Electoral Commission of South Australia.

Mr R. Persse, Chief Executive, Office of the Chief Executive, Attorney-General's Department.

Mr I. Clayfield, Chief Financial Officer, Electoral Commission of South Australia.

**The CHAIR:** Is there an opening statement?

**The Hon. J.R. RAU:** No.

**Mr GARDNER:** I have a question in relation to Budget Paper 4, Volume 2, page 49, under Highlights—and we might refer to this one a couple of times, potentially—regarding the conduct of the 2004 state election.

**The Hon. J.R. RAU:** It is 2014.

**Mr GARDNER:** The 2014 state election would be an even better idea. A number of constituents have come to members of the opposition since the election complaining that they received what I refer to as the 'please explain' letters—the notice of apparent failure to vote letters—from the Electoral Commission asking why they did not vote and identifying that they might be about to receive an expiation notice for not voting, although those constituents say they did. I note that the Speaker of the House of Assembly received such a letter, and he tweeted:

I'm innocent of this charge that I failed to vote on 15 March. I suppose everyone who voted at Kilkeny has got one.

I am willing to believe the Speaker, for the record. How many please explain letters went out after the 2014 election?

**The Hon. J.R. RAU:** I will let the Electoral Commissioner take that question.

**Ms MOUSLEY:** While I do not have the exact number, I believe it is in the vicinity of some 45,000 electors.

**Mr GARDNER:** So that is 45,000 please explain letters sent. You may not be able to answer this immediately, but can you tell me how many people were sent expiation notices, and how many people who received please explain letters were in fact found to have voted and therefore excused from expiation?

**The Hon. J.R. RAU:** Again, I will refer that to the Electoral Commissioner.

**Ms MOUSLEY:** We are still in the very early stages of that process. It was only on Tuesday of this week that we sent out the expiation notices to some, I think, 25,000-odd electors, but we can confirm those numbers for you.

**Mr GARDNER:** Can I bring to your attention one of those electors, Emeritus Professor David Lockett AM, who is a constituent of mine, who received the original please explain letter on 4 June. He wrote to the Electoral Commission on the same day and also submitted the necessary paperwork indicating his voting details. He received a response from the manager of the community awareness and research branch on 13 June identifying that there was an extensive investigation.

There had been a technical issue with certified roles for a few polling booths in some electoral districts, data was not transferred to the master database and the database was being corrected to ensure he would not be receiving any further notices. It went on to say, 'My apologies to you for the system problem which we will analyse extensively in order to implement improved quality control to prevent a recurrence of this problem.' This was fine, except that today Emeritus Professor David Lockett AM received an expiation notice, and we are wondering why.

**Ms MOUSLEY:** Obviously, it is an administrative error. I am aware of that actual instance, and I was aware of the response we had sent to Mr Lockett. It should have been removed from the database, so I will take measures to ensure that it is remedied straightaway.

**Mr GARDNER:** Thank you for that. While you are doing that, perhaps you can find out how many other people have been in this situation. I assume that, for example, the Speaker did not receive an expiation notice this morning. He tells me that he has not received one yet, and I hope that will be the case.

**Ms MOUSLEY:** If it is of any comfort, I also received a failure to vote letter.

**Mr GARDNER:** Did you sign that letter?

**Ms MOUSLEY:** I have not returned it, but I have remedied the situation by saying that, as Electoral Commissioner, I do not vote at elections.

**Mr GARDNER:** I am pleased that you are not going to receive a fine, but this is of significant concern to a number of people. For the record, while you are getting the data for us, we would be pleased to know how the numbers compare to the 2010 election and what the equivalent numbers were for each of those categories at the 2010 election. How is it possible that this technical issue happens, with 45,000 letters being sent, minister or commissioner?

**The Hon. J.R. RAU:** I will refer this to the commissioner.

**Ms MOUSLEY:** When we do the scanning of our rolls after each event, it is done by a contractor, and they scan each of the rolls from each of the polling places within the state. It appears that, when they were uploading the data to put them onto the database to collect those who had failed or appeared to have failed to vote, there were rolls from a couple of polling places that were not uploaded to the main database.

When we had the first couple of inquiries, we found that there was a repeating pattern in two different areas, so we investigated those issues. That is where we found that they had been marked off the rolls, but they were not then loaded onto the main database that recorded those who had

failed to vote and those who had voted. That is why we are now going to put extra steps in place for the next event to ensure that there is a reconciliation for each of those marked off each of the polling place rolls with the master data file.

**Mr GARDNER:** So, there were two polling places where this seems to have happened?

**Ms MOUSLEY:** I believe there were two suburbs where it was happening. There was one in the Croydon area, hence the Speaker getting a notice. We subsequently found out that there was another minor issue at Valley View.

**Mr GARDNER:** Turning to a different item, I refer to the same page, but the target is to conduct operational reviews. When will the commissioner's report on the 2014 state election be finalised and presented to the parliament and the public?

**The Hon. J.R. RAU:** Again, I will let the commissioner answer.

**Ms MOUSLEY:** We intend to commence the preparations of the election report in early 2015, so I would hope that by the middle of next year we will have our report into the conduct of the election completed.

**Mr GARDNER:** Sorry, did you just say the middle of next year?

**Ms MOUSLEY:** Yes.

**Mr GARDNER:** Turning to page 59 and the appropriation of \$570,000 for the Electoral Districts Boundaries Commission, what is the time frame for the EDBC to get underway, hold hearings, produce a draft report and deliver a final report?

**The Hon. J.R. RAU:** Again, I think the commissioner would probably best take that, but I recall we changed it for the last election. Some of us have mixed views about whether or not that was an improvement. Now is probably not the time for that, but it is as it was last time.

**Ms MOUSLEY:** The response is that the Constitution Act requires the boundaries commission to commence proceedings within two years of the date of the preceding election, so we would be expecting to commence that sometime before March 2016.

**Mr GARDNER:** You have \$570,000 identified in this year's budget for that, so presumably the legislative requirement is to begin before March 2016; I appreciate that. Presumably, there must be some thought that has been given to when things will get underway, when the judge will be appointed as the Chair and when hearings might begin. Perhaps I can rephrase the question, rather than getting the same answer: what work is expected to take place in this financial year?

**Ms MOUSLEY:** There will be no work at all undertaken in this financial year, unless of course the Chief Justice gets in touch with me then to appoint the senior puisne judge as chairman of the boundaries commission. We are not anticipating much work to be happening in the financial year because our main focus within the office is to conduct the council elections, which we are currently preparing for, and then do our election report for the state election on 15 March, and we follow that up with the election report for the council elections as well. My preference, as the Electoral Commissioner, one of the boundary commissioners, would be to defer a lot of that work until a bit later on, so I would not expect that anything would be happening in this financial year.

**Mr GARDNER:** What then is the purpose of the appropriation for \$570,000?

**Ms MOUSLEY:** From an understanding that was given to us by Treasury in that year and it has not been rolled through into any future years and that is something we will be making adjustments for at the appropriate time.

**Mr GARDNER:** That is in this financial year 2014-15 that it has been identified. You are saying that that will then be rolled into the following year.

**Ms MOUSLEY:** That is correct.

**Mr GARDNER:** What is the expected total cost of the redistribution process over the period of what now sounds like three years?

**Ms MOUSLEY:** I would suggest it would be in a very similar amount to the amount that has been put in the budget for us, and a lot of it depends on whether we have access to the Federal Court for our hearings. There are a number of factors that are taken into account as to the final cost of the redistribution process.

**Mr GARDNER:** To be clear, the amount in the budget that is provided, or at least the papers that are provided for us, identifies only the \$570,000 for the coming year, it does not identify any in the forward estimates, or perhaps you could point me to some. Would that be \$570,000 per year?

**Ms MOUSLEY:** No, that would be in total and that would be spread out over the intervening years for the period of time that the boundaries commission will be sitting.

**Mr GARDNER:** So \$570,000 is the total cost of the redistribution.

**Ms MOUSLEY:** That is correct.

**Mr GARDNER:** In undertaking that redistribution, you obviously must do so in accordance with the constitution, maintaining the numbers of electors and section 83.1, which is colloquially known as the 'fairness clause', which requires the redistribution endeavours to ensure the group which achieves more than 50 per cent of the vote at the election should theoretically be able to form government. Perhaps if I ask the question this way: is it your view that that is possible?

**The Hon. J.R. RAU:** I do not think that estimates is a vehicle for asking the Electoral Commissioner, or me for that matter, to speculate or commentate on the provision in the constitution that provides for that provision.

**Mr GARDNER:** Well, you are asking us for \$570,000 in order to carry out this task. If it is an impossible task, then maybe we should be looking at it.

**The Hon. J.R. RAU:** Some time ago, I think it was in 1988 or whenever it was, there was an election where the then government of Mr Bannon was returned and there was a clamour for something called the 'fairness principle', which if my memory serves me correctly was something which was requested by and delivered at the request of the Liberal Party of the day. There was a referendum because the Liberal Party at the time considered it important that that fairness principle was to be so sacrosanct and so significant that they wanted it entrenched in the constitution.

So, we went through a thing called special manner and form-type activities—in other words, a referendum—which means that that particular piece of the Constitution Act, along with one or two others, is now entrenched. What that means is that it can only be removed by a referendum after there has been the passage through both houses of this parliament a bill seeking to achieve that, whereas the rest of the Constitution Act can be amended simply by means of an amendment running through both houses just like any other act of parliament can.

Since that time, that provision in the constitution has been the subject of interpretation at every electoral boundary commission that has been convened, which means one per electoral cycle since that time. There is quite a bit of jurisprudence sitting in those reports, where the boundaries commission, chaired by whoever the senior puisne judge of the day might have been, has gone in to print explaining exactly what that provision means and how it should be applied. That is the law. One may have different views about whether one agrees with the law, but it is pretty clear what it means. All you have to do is read the reports; they tell you what it means.

**Mr GARDNER:** Well, having read the report, I can tell you that the 2012 report identifies a different application to previous reports. It identifies that the relocation of 174,000 electors is material to preferring the end result, which would only relocate 88,000 electors, rather than putting the fairness clause, in its previous interpretation, in front of that subsidiary consideration. I understand the Electoral Commissioner on a number of occasions has spoken publicly; in fact, the report identifies the difficulties of applying the fairness clause to deliver the result that is sought by it.

Therefore, the question is: given that 53 per cent of the two-party preferred vote at the last election was for the Liberal Party and 47 for Labor, and a 2.9 per cent swing to the Labor Party would see, if it was uniform, 26 Labor seats with less than 50 per cent of the vote at the next election, is it the view of the commissioner that it is possible to conduct a redistribution under the current

arrangements over the next three years, with this \$570,000, that will deliver a fair result, as preferred by the constitution?

**The Hon. J.R. RAU:** The answer to that question is that in every instance the electoral boundaries commission, however constituted, has done its very best to make sure that a provision, which in my personal opinion is slightly odd, but nonetheless was not authored by me, or indeed anyone on the Labor side, but authored by the Liberal Party, is to be applied. I have said this on many occasions and I say it again: the notion of the two-party preferred vote is a mathematical construct. It does not exist in the real world. For instance, in the case of a seat where a person other than a member of the Labor Party or the Liberal Party is returned, it involves the artificial exercise of removing the winning candidate from the contest and counting through—I think the description is—on the fictional basis that the actual winner was not in the contest, and you then throw the seat between Labor or Liberal. It is—

**Mr GARDNER:** So the law does need to be changed, in your view?

**The Hon. J.R. RAU:** No; hang on, just let me explain.

**Mr GARDNER:** Because that is what it requires at the moment.

**The Hon. J.R. RAU:** Hang on—well, no, no, no. I am just saying to you that the idea that there is anything inherently and magically fair about the fairness test, which is in the constitution, involves you putting a hell of a lot of faith in what is a mathematical construct; it does not exist in the real world—the two-party preferred vote—

**Mr GARDNER:** Well, the constitution does not think it is possible. You do not think—

**The CHAIR:** The member for Morialta, could we just have the Deputy Premier finish his answer before you ask your next question?

**The Hon. J.R. RAU:** The two-party preferred vote does not exist in the real world—it does not exist in the real world—it is a construct. It was a construct thought of by the Liberal Party, put in the constitution and entrenched in the constitution at the behest of the Liberal Party.

**Mr GARDNER:** Under a Labor government, when I was 10 years old—

**The CHAIR:** Order!

**The Hon. J.R. RAU:** That is point number one. Point number two is that, had the Liberal Party, if you want to persist with this idea of a construct, won all of the Liberal seats at the last election, according to the artificial method by which one comes up with this construct, then the Liberal Party would have had two additional seats at the last election, being Frome and Fisher. So, the redistribution which occurred in 2012 would have delivered to the Liberal Party a working majority in the House of Assembly. The fact that the Liberal Party voters in those two seats preferred to have somebody other than the endorsed Liberal candidate win those seats is not the fault of the constitution and it is not the fault of the Labor Party.

The third point I would make is that the fact that the member for Flinders is so beloved in his electorate that he is virtually carried around in a sedan chair and showered with rose petals as he wanders around Port Lincoln and he receives in excess of 80 per cent of the two-party preferred vote, with that fiction again, and that the member for MacKillop, interestingly enough, is almost as beloved by the people of MacKillop, and that the opposition chooses nevertheless to spend money making sure that the member for MacKillop nudges the 90 per cent—

**Mr GARDNER:** Completely irrelevant.

**The CHAIR:** Order!

**Mr GARDNER:** It is supposition on matters on which you do not have any idea, let alone any responsibility for.

**The CHAIR:** Order! I am calling the members to my left to order and asking them to listen to the answer, and then they will have the opportunity to ask another question.

**The Hon. J.R. RAU:** I am getting to the third point, if you persevere with this mathematical construct. The second point is that you cannot even win your own seats. The third point is that, if you campaign and spend a great deal of money in seats where (a) you could win them if you put a dead person as the candidate or (b) you will never win them no matter how good the candidate is, why do you whinge about the constitution and why do you whinge about the Labor Party when that sheer incompetence is entirely within your control? I do not know how much money was invested in trying to defeat the member for Croydon.

**Mr MARSHALL:** What has that to do with anything?

**The Hon. J.R. RAU:** I do not know how much money—

**Ms CHAPMAN:** Point of order.

**The CHAIR:** Order! What is your point of order, deputy leader?

**Ms CHAPMAN:** The question was in relation to whether the fairness test can be applied. All we have had from the Attorney-General is the John Rau version of the election defeat, which is not only inaccurate but is his own little fantasy world about what he wants to argue. It has nothing to do with the question that has been asked.

**The CHAIR:** I cannot help that the Deputy Premier/Attorney-General is John Rau. He has the ability to answer the question in his roles, and I need to listen to the whole answer before you ask your next question.

**Ms CHAPMAN:** So far we have had three reasons why he claims—

**The CHAIR:** I am sure he is winding up and then—

**Ms CHAPMAN:** —the opposition lost the election, and that—

**The CHAIR:** —you will have the opportunity to ask—

**Ms CHAPMAN:** —was not the question.

**The CHAIR:** —another question in a moment. The Attorney.

**The Hon. J.R. RAU:** As I have said, I do not know how much money was spent trying to remove the member for Croydon from his spot. I do not know how much money was spent—

**Ms CHAPMAN:** How can this possibly be anything to do with the fairness test in the constitution, as to what money is spent in a campaign?

**The CHAIR:** He is discussing the artificial construct of the two-party system, which then leads to all sorts of other artificial constructs within the gamut—

**Ms CHAPMAN:** Oh, come on!

**The CHAIR:** All I can do is—

**Ms CHAPMAN:** That is a joke.

**Mr MARSHALL:** Absolutely hopeless.

**The CHAIR:** I am asking you to listen to the end of the question—

**The Hon. J.R. RAU:** Madam Chair, this is the Liberal Party's test, which they wanted in the constitution. It has been known how it has been applied for years. The Liberal Party cannot even garner enough support from its own voters in some of its own seats to win a Liberal Party-endorsed candidate in the seat. We had two of those at the last election, we had three or four the election before. So, they have a history of having Independent Liberal or non-aligned candidates winning what, according to this fiction, is a Liberal Party seat. If they could win those seats, they would be sitting where I am right now, not where they are right now. That is point number one. Point number two is that they have all these votes in places like Eyre Peninsula and the South-East, and they are spending money trying to dislodge people like me from the parliament, which they are perfectly entitled to do.

**The CHAIR:** That is a reiteration of what you have already said.



*Members interjecting:*

**The CHAIR:** Order! That is a restatement of the same set of points, so do you want to have another question?

**The Hon. J.R. RAU:** Hang on, I just want to get to the final point.

**Mr GARDNER:** Please do not undermine the ruling from the Chair.

**The Hon. J.R. RAU:** The short answer is yes.

**Mr GARDNER:** I refer to Budget Paper 4, Volume 2, page 49, the conduct of the state election. What is the process for how complaints are handled during an election campaign?

**The Hon. J.R. RAU:** The complaints, as I understand it, go to the Electoral Commissioner, who does her best with her staff to manage those in the course of the election. I understand that a number of matters relevant to this have been the subject of a resolution in another place, which has established a committee, populated by people hostile to the government—

**Mr GARDNER:** Your people will not show up.

**The CHAIR:** Order!

**The Hon. J.R. RAU:** —designed to operate as some sort of kangaroo court looking into this matter. The government has responsibly attempted to make this a mature conversation.

**The CHAIR:** We draw the Attorney's attention to not reflecting on the other place.

**The Hon. J.R. RAU:** Okay, I will not. The government has tried to put forward a sensible alternative to this, which was to have a joint house committee, with representations from both government, opposition and crossbenchers.

**Mr GARDNER:** I do not think this is relevant to the question of how complaints are handled during a campaign.

**The CHAIR:** Order, member for Morialta! I would like to hear the answer to the question and then you are able to continue.

**The Hon. J.R. RAU:** That committee will be an excellent forum in which all of these matters can be ventilated.

**Mr GARDNER:** Given that there is, in fact, a budget for running an election campaign and we are here at estimates to go through these lines, perhaps I could ask the question in a different way: does the commissioner obtain legal advice from any source outside of her own office during the course of the election campaign?

**The Hon. J.R. RAU:** The advice is received from crown law.

**Mr GARDNER:** Is there somebody from the Crown Solicitor's Office seconded to the office—

**The Hon. J.R. RAU:** No.

**Mr GARDNER:** —or does she send an email or give them a phone call?

**The Hon. J.R. RAU:** There is communication, I assume, with the Crown Solicitor or someone nominated—the Deputy Crown Solicitor.

**Mr GARDNER:** On 12 March, the commissioner wrote an email to an elector in which she admitted that conduct by a polling booth officer-in-charge at a Glenelg polling booth was inappropriate. The conduct in question took place the previous day and involved the ECSA officer loudly telling an elector in front of 40 other electors that that elector needed to vote either Labor or Liberal, and that Labor supported the underprivileged and that the Liberal Party looks after the rich. In responding to the complaint received from one of the witnesses, the commissioner wrote—

**The Hon. J.R. RAU:** It is hard to disagree with it so far.

**Mr GARDNER:** —and I quote:

...the lapse in judgement cannot be justified and as a consequence, Mr Abbot has been reprimanded and counselled about his actions. I have instructed his [returning officer] to visit the centre regularly and monitor his performance.

On 14 March, the State Director of the Liberal Party asked that this response be reviewed on the basis of how this person could possibly continue in that role. What review was undertaken and how serious does a breach of a polling booth official's duties have to be before they are removed from their position?

**The Hon. J.R. RAU:** The Electoral Commissioner does not have any specific recall of the matter, but it sounds, if accurately reported, to be a breach and she will follow it up. Although, I have to say, if the quoted words were actually used, they do appear to have a ring of truth about them.

**The CHAIR:** Are there any further questions, member for Morialta?

**Mr GARDNER:** Yes. The Deputy Premier can take these on notice if he wants. Given that the Electoral Commissioner will find, when she checks her email, that she identified that the person in office had been reprimanded and counselled—and I look forward to finding out whether there was a further review—can we have an identification of what form the reprimand and counselling took, who did the reprimanding, who did the counselling and what report was given to the commissioner by the returning officer as a result of having visited the centre regularly, we are told, to monitor the officer's performance?

**The Hon. J.R. RAU:** We will take that on notice.

**Ms CHAPMAN:** I have one last question, if I may.

**The CHAIR:** One last question from the deputy leader.

**Ms CHAPMAN:** During the election campaign there was a complaint about the former member for Hartley sending materials seeking donations and volunteer support to a public servant at their work address. The Electoral Commissioner identified that it was a matter for the Caretaker Reference Group. The Chief Executive, Jim Hallion, responded that it was inappropriate for a public servant to provide a workplace address to receive party political material and that the CRG 'considers it to be a minor breach of the public sector code of ethics by the public servant'.

On this basis is it the government's position that during an election campaign a minister can write and provide electoral material, fundraising material and volunteer encouragement material to public servants at their workplaces and, if anyone is to be censored, will it be the public servant and not the MP?

**The Hon. J.R. RAU:** I suspect that is properly a matter to be directed towards the Premier, because the person concerned is the chief executive of the Premier's department. That said, I will take it on notice and, if there is anything usefully I can add, I will.

**The CHAIR:** There being no further questions to the minister I declare the examination of the proposed payments to the Attorney-General's Department and the Electoral Commission of South Australia concluded.

*Sitting suspended from 14:01 to 15:00.*

**DEPARTMENT OF PLANNING, TRANSPORT AND INFRASTRUCTURE, \$501,908,000**

**ADMINISTERED ITEMS FOR THE DEPARTMENT OF PLANNING, TRANSPORT AND  
INFRASTRUCTURE, \$10,022,000**

**DEPARTMENT OF THE PREMIER AND CABINET, \$91,807,000**

**ADMINISTERED ITEMS FOR THE DEPARTMENT OF THE PREMIER AND CABINET,  
\$2,079,000**

**DEPARTMENT OF TREASURY AND FINANCE, \$49,379,000**

**ADMINISTERED ITEMS FOR THE DEPARTMENT OF TREASURY AND FINANCE,  
\$1,392,192,000**

**Membership:**

Mr Tarzia substituted for Ms Chapman.

Mr Griffiths substituted for Mr Marshall.

Mr Wingard substituted for Mr Gardner.

**Minister:**

Hon. J. Rau, Deputy Premier, Attorney-General, Minister for Justice Reform, Planning, Housing and Urban Development, and Industrial Relations.

**Departmental Advisers:**

Mr J. Hanlon, Acting Chief Executive, Department of Planning, Transport and Infrastructure.

Mr A. McKeegan, Acting Deputy Chief Executive, Department of Planning, Transport and Infrastructure.

Ms J. Tepohe, Director of Finance, Department of Planning, Transport and Infrastructure.

Mr C. Zafiroopoulos, General Manager Planning, Department of Planning, Transport and Infrastructure.

Mrs G. Vasilevski, Director, Performance and Culture, Department of Planning, Transport and Infrastructure.

Mrs S. Smith, General Manager, Investment, Department of Planning, Transport and Infrastructure.

Mr R. Pitt, Chief Executive Officer, Adelaide Cemeteries Authority.

**The CHAIR:** I declare the proposed payments open for examination and I call on the minister to make an opening statement if he wishes and to introduce his advisers beforehand.

**The Hon. J.R. RAU:** On my right-hand side I have Mr John Hanlon who is the Acting Chief Executive of DPTI and on my left-hand side I have Mr Andrew McKeegan who is the acting chief executive and commissar of all things to do with planning, so they are both very important gentlemen.

I would like to put on the record that the minister assisting, minister Mullighan, was here but given that I am accountable in respect to the budget lines and with the kind indulgence of opposition members, he has now returned to sign letters to them instead of sitting here watching me. He was here, but he has been permitted to go. So I thank the opposition for letting minister Mullighan get on with his duties this afternoon. That is all I have to say.

**The CHAIR:** Does the member for Goyder have an opening statement?

**Mr GRIFFITHS:** Not an opening statement, but to go straight into questions if I may?

**The CHAIR:** I was supposed to read all of that but you understand that we are going to be as informal as possible. Is there any indication of questions on the government's side? So it is *carte blanche* for you until 4 o'clock.

**Mr GRIFFITHS:** I am sure the minister would recognise, given that there are only two-and-a-bit scant pages in the budget, some things will be relatively broad. I have tried to identify them back to a reference point, to assist. Minister, to start off with the Development Assessment Commission, I am rather intrigued to find out mid last week that they do not seemingly exist at this stage?

**The Hon. J.R. RAU:** I think as of today they do.

**Mr GRIFFITHS:** Gazetted today, were they?

**The Hon. J.R. RAU:** Yes. I am happy to explain what is going on with the DAC. There was a bit of interest, puzzlingly enough, last week about this; a couple of journalists seemed to be interested in it. As members would probably be aware, some time ago we established a committee led by Mr Brian Hayes QC to look into planning changes.

His committee is expected to provide an interim report shortly, and I am expecting, amongst other things, attention to be given the whole idea of DAC and what not in that report. I was tossing up in my own mind whether to think about making changes to the existing DAC or just let things stay in a stasis sort of situation until whatever it is that the Hayes Report recommends can be brought before the parliament.

In that context, I think what happened was that it got past the due date without our having re-appointed people, but what we have done is roll over exactly the same group for an additional nine months; I could have rolled them over for more. If they are abolished, so be it, but I just thought, so that it is clear to everybody, that the rollover of those people is intended to convey that we are leaving them there in a holding pattern pending whatever the Hayes report might recommend. It may well recommend something different; if it does, those individuals may or may not be the appropriate individuals to be considered for that.

**Mr GRIFFITHS:** I understand the reasoning behind that, with Mr Hayes' report to come out fairly soon, but I just seek some clarification. As I understand it, there were still the expressions of interest that closed on 12 May or thereabouts, so were no interviews undertaken for any potential candidates as replacements?

**The Hon. J.R. RAU:** I am advised that apparently it is a statutory requirement to put out a call, so that was why it was done. In the end, for the reasons I have just mentioned, we just decided to roll the existing personnel over for a period of time.

**Mr GRIFFITHS:** Just for the record, in that 16 or 17-day period, when there was no DAC membership, was anything held in abeyance? Normally, there would be a meeting in that period, or were all applications reviewed and up to date by that stage?

**The Hon. J.R. RAU:** I am advised that there was a change of one week, I think, between when a meeting might have occurred and when it has occurred, so I do not think there has been any material inconvenience to anybody.

**Mr GRIFFITHS:** Chair, I should actually reference that against Budget Paper 4, Volume 3, and page 77. I am using the description objective of land use planning. Minister, I note that several different committees report to you and, given the announcement by the Premier I think about a week ago of the intention to remove committees and boards, what is occurring with all those? I quote examples such as the Building Rules Assessment Commission, the Development Policy Advisory Committee, the Building Advisory Committee, and so on; what is occurring with them?

**The Hon. J.R. RAU:** First of all, the general proposition—the Premier has indicated that all boards and committees will be abolished unless it can be demonstrated they have an essential purpose that cannot be fulfilled in an alternative way. There are a number of things that come underneath that, I suppose, and I have asked all the chief executives who report to me to provide me with a list of boards and committees so that we can make our way through that in an orderly fashion. The object is to remove duplication and red tape and give a more direct line of communication between the community and the government.

In particular, in my areas there are a number of considerations. Some of the bodies in the planning area will undoubtedly be affected by whatever the Hayes committee recommends. That is a piece of work that is bubbling along in its own space, I guess, and functioning quite independently of the Premier's general announcement, but it will affect, I am sure, some governance issues within the planning area. Exactly how it will affect them, we are not sure yet because Mr Hayes' report has not been finalised.

As for others, the general way I am approaching the thing is to ask about whether there is some essential purpose that the body has and, if there is not, then there is a question about whether it can either be dispensed with altogether or whether it might be collapsed into some other suitable body that is able to discharge more than one function.

That is broadly how I am looking at it. I do not yet, I believe, have a complete list of all boards and committees in the planning area. As I said, I have asked Mr McKeegan and Mr Hanlon—well, Mr McKeegan, presently, because Mr Hanlon is not specifically busying himself with planning issues at the moment—to give me that list, and I will just work my way through it.

**Mr GRIFFITHS:** Can I ask a question, though, as an example. With the planning regulation changes you implemented last year and the impact upon rim council areas, and therefore, as I understand it, the establishment of the Inner Metropolitan Development Assessment Committee as a subcommittee of DAC—

**The Hon. J.R. RAU:** Correct.

**Mr GRIFFITHS:** Does that group still exist and therefore are they—

**The Hon. J.R. RAU:** Yes, they do.

**Mr GRIFFITHS:** They are on the list?

**The Hon. J.R. RAU:** Yes, that is my understanding. What we have is the current DAC people. I have reappointed former commissioners for nine months, as from 1 July, and they are: Mr Ted Byrt, who is the presiding member; Megan Leydon, who is the deputy presiding member; Geoff Loveday; Simone Fogarty; Andrew Ford; Carolyn Wigg; and Damien Brown. Then, the Inner Metropolitan Development Assessment Committee, which is the one to which I think you are probably referring—

**Mr GRIFFITHS:** Yes.

**The Hon. J.R. RAU:** —which is the subcommittee of that, comprises all the members of DAC I have just named and a representative from each of the six affected councils, being councillor Michael Llewellyn-Smith from Adelaide, Mr Brenton Burman from Unley, Mr Ross Bateup from Burnside, Ms Jenny Newman from Norwood Payneham and St Peters, Mr David Cooke from Prospect, and Mr Wayne Stokes from West Torrens.

**Mr GRIFFITHS:** I thank the minister for putting those names on the record; I know they are easily available. I ask a question about that committee, especially about a press release I think you put out earlier this week which talked about development that is occurring within the CBD, and therefore I did not know if they would be involved in that. I am sure you did not want to do anything that would actually hinder the appropriate time lines being met—

**The Hon. J.R. RAU:** No, absolutely not. The feedback we have had is that the development community has been very pleased with the notion of being able to deal with DAC and very pleased with the notion of being able to get design review and that sort of case management model operating. I think in future we will see outcomes that the people of the City of Adelaide will be more happy with because there has been this early attention by the planning department to working with developers very early on to make sure they have a better product by the time they put things in for assessment. I think it is working well, and we have had pretty positive feedback about it.

At the moment, I think we are really poised in this situation where, at least for the city itself—I am talking about the CBD—and the inner rim councils, we have the planning and assessment settings pretty good. Mr Hayes might ultimately say that we can make them better, but I think they are pretty good already. We are really waiting now for developers to decide, 'Yes, I want to invest in

a project.' Some of that, in turn, devolves to questions government has no control over, for example, about demand for particular types of product, or bank lending policies, which of course affect whether they have to have a certain number of people signed up before they start and all those sorts of things.

**Mr GRIFFITHS:** My last question on the committee section is: given that there are eight, nine, 10 or thereabouts that report to you, do you have some sort of time line in your own mind when you would like to have it decided which ones continue or which ones change structure?

**The Hon. J.R. RAU:** The Premier has indicated that he has this sort of drop-dead date; I cannot remember exactly when it was, but it was October or something this year. That is why I have been asking all the people to please tell me what we have on our list because we do not have long.

**Mr GRIFFITHS:** The next question is on the Vibrant City initiatives. I note on page 77, under Financial Commentary, there was additional expenditure of \$2.8 million.

**The Hon. J.R. RAU:** Yes.

**Mr GRIFFITHS:** My understanding is that comes from the Planning and Development Fund. Is that correct?

**The Hon. J.R. RAU:** Yes, it is.

**Mr GRIFFITHS:** Okay. Minister, are you able to give me an outline for the 2013-14 year where that \$2.8 million was expended, and has it, indeed, been fully expended?

**The Hon. J.R. RAU:** Here is the summary of it. First of all, in Leigh Street, \$290,000 was spent. There were permanent public realm upgrades, trees, infrastructure, uplighting, irrigation and so forth. One of the problems in Leigh Street was, amongst other things, planting those trees. You might recall that Leigh Street previously had planter boxes. Obviously, the desired outcome was to have a permanent tree arrangement like some of the ones already there, and I certainly have been asking the department to deal with that for some time.

**Mr GRIFFITHS:** They are very expensive trees though, minister.

**The Hon. J.R. RAU:** What was expensive was the fact that we were, firstly, upgrading the public realm, but also, as soon as you go underground anywhere, I have discovered, in the city, you hit services, and you have got to start moving services around, so that starts to change the economics of it. Nonetheless, I do not regret the trees having been done. I think, in time, they will be seen as a great asset to the street.

Incidentally, not only is that street taking off but Peel Street next door has taken off, and now they have punched that hole through there. I have not been there yet, but I read in the paper that that little area there is also now opened up, so you have got new venues in there. It has been a very successful project.

The information we have is that this area is now getting national recognition. There are 9,000 people visiting Leigh Street on a major AFL game day now. There are increases in outdoor dining. Six traders now have outdoor dining and an additional 46 tables and 174 chairs are in the open space. There has been an increase in lunchtime dining traffic, and an increase in the numbers spending time there, whether it be to stop and have lunch or coffee or whatever it might be.

There has been a 50 per cent increase in the number of cyclists, and an improvement to pedestrian movements. Of users surveyed, 90 per cent indicate that they prefer the permanent closure and 85 per cent want to see similar projects rolled out in other small streets or lanes across Adelaide.

The public reaction to what has gone on in Leigh Street has been excellent. The trader participation has been excellent. The major property owner in the area has really put his back into it and started to invest in his own properties in order to, I guess, generate a greater effect. It is all coming together very well and, as I said, Peel Street is an example of how that is rippling out.

The next one is Bank Street. An amount of \$214,450 involves public lighting, pedestrian counts, traffic evaluation, design review, parklet maintenance and CCTV as well. We are now getting 21,000 people moving through Bank Street on a major AFL game day, which is extraordinary for that

tiny little street. The parklets are having a positive effect on business and encouraging more people to stay in the street. There is an improved perception of safety in Bank Street.

On business growth, CIBO—which, as you would appreciate, is there—has indicated a 55 per cent increase in business, which is pretty good. Zambrero—I hope I have pronounced that correctly for the owners of Zambrero—has hosted events in the parklets and has reported a 50 per cent increase in evening sales for an event last year, so it appears that stuff is happening there.

In Peel Street, \$55,000 has been spent on traffic calming, place making, consultancy and activation. We have seen the establishment of seven new small licensed venues in Peel Street, which is extraordinary. This time a year or so ago, there were tumbleweeds rolling down Peel Street; now, it is just chock-a-block full of activity. There is almost \$2 million worth of investment going into that street and the CBD as a result of what is happening in Peel Street, and about 50 new jobs have been created by the activity in Peel Street.

For Riverbank events and coordination, \$1,049,200 has been spent. This involves the Blue Hive concept and design and construction of that, events and activation, marketing and communications, volunteer support and management.

To date, the Blue Hive has hosted 25 events; 115 stallholders consisting of South Australian small businesses, wineries, entertainers and community groups; and approximately 18,000 visitors to events held within the space. The Blue Hive activates an area which was basically a dead area at the back of the InterContinental Hotel, an area which was an obvious blank spot in that area. Other Vibrant City funding: \$512,000 Adelaide City Council District Plan; Good Evening Adelaide forum; reDISCOVER Hindley Street; Renew Adelaide grant funding; Hub Adelaide fellowship program.

With the Hub Adelaide fellowship program, nine new start-up businesses have been created out of that and, if you have not had the chance, I say to members please go down again into Peel Street, walk upstairs and have a look at the hub. It is a great little area. I can arrange for any members who want to go and be taken around where young people are paying to become members of the hub. It is a collaborative working environment and it is linked to similar collaborative working environments in other cities around Australia and around the world.

**Mr GRIFFITHS:** So, minister, in summarising that, I note there are a lot of projects but you have talked about Adelaide City Council and how there was \$500,000 for a plan, but the rest of it is basically for infrastructure. There is no money that has been expended out of that for any of the openings or parties associated with the industries?

**The Hon. J.R. RAU:** I think some of it would have been. Some of the events on the Riverbank area would have been to do with that. I think reDISCOVER Hindley Street, for example, had the shape and feel of a street event. I have some more detail here. For example, the Blue Hive thing, the concept, design and construction was \$424,000. Now, the events: Sunday Sessions with food and activation, \$69,000. That is over what period?

**Mr GRIFFITHS:** Yes, how many Sundays is that?

**The Hon. J.R. RAU:** That is what I am asking. That is over a six-week time frame, I am told, so that sounds like six Sundays. Would that be correct? Yes. Then Noodle Nights activation—I did not realise there was so much going on there, it is fantastic! Noodle Nights, \$40,000; that is every Friday night. Unveiling of light and water features, \$2,000; that was the opening of the bridge—the much opened bridge. Then Footy Day activation, \$3,000; that was 29 June. What was so special about that? Was Port Adelaide playing that day?

**Mr GRIFFITHS:** You will get the detail on that one back to me, I am sure.

**The Hon. J.R. RAU:** Yes. I can certainly get you more of this sort of detail, if that—

**Mr GRIFFITHS:** No, well, I must admit the reason I have asked the question is that in planning and development the funding comes from development costs associated predominantly with greenfield sites.

**The Hon. J.R. RAU:** Yes.

**Mr GRIFFITHS:** And I hope that the minister is conscious of the fact that it adds to cost of development, building costs, impacts upon young homeowners and all that sort of stuff. How much does the \$2.8 million represent as a total fund then from the 2013-14 year?

**The Hon. J.R. RAU:** It is normally about 14 through there of any given year. Let's see. The way the fund works is that it is constantly being topped up and constantly being drawn down. It is usually about 14.

**Mr GRIFFITHS:** In taking dollars from the fund for the Vibrant City initiative, did that diminish the amount of dollars that was available for other normal projects that are funded from the Planning and Development Fund?

**The Hon. J.R. RAU:** I have just been shown some figures. The actual expenditure for 13-14 is \$22.976, so it is more that I said—nearly \$23 million.

**Mr GRIFFITHS:** Okay, so that is the expenditure. What was the inflow for 13-14?

**The Hon. J.R. RAU:** The inflow—\$18,141,000.

**Mr GRIFFITHS:** Were there any substantial cuts that had to be taken to previously existing funding programs to create the \$2.8 million for the vibrant city's agenda?

**The Hon. J.R. RAU:** No; the way I have worked it basically is this: I have approached it on the basis that I do not offer recurrent funding out of that fund, because otherwise all you do is wind up with these permanent claimants, and they are very hard to get rid of once you get them. The view I have taken is that you do not create a permanent, or any, expectation of continuing drawdowns on that fund.

We try to find things which we think are going to produce real impact. If there is anything that I have done in my time as minister, there used to be to some extent a policy of spending that money in penny packets, which I thought was layering it too thin. I would rather layer it a bit thicker in fewer places and get big impact out of it than spread it wafer thin across a whole bunch of places and it be lost in the mix. I think you would probably find, if you looked at the number of projects that have been picked up in recent times, that there are less of them but there is probably more being spent on them, and they are all about open space and public realm.

The division goes something like this: 50 per cent of the fund is allocated presently by local government making competitive applications, and the other 50 per cent is strategic investment, which is largely driven by recommendations to me and me considering why I think it would work. The fact is that I have made a point of saying the vibrant city agenda is something that I personally think is really important, and I have tried to focus a lot of recent investment into promoting that agenda.

**Mr GRIFFITHS:** Vibrant communities per se are really important no matter where they are from, and I know that local government has benefited from it in the past. In your earlier answers you referred to Brian Hayes and his team's review. You have been somewhat reluctant to do things, seemingly, before the recommendation has come out and then you consider what you wish to pursue from it. However, late last year in the development of the metropolitan area regulations that you brought into force, why did you decide to do it then, given that it is presumably all part of the review being undertaken by the Hayes team?

**The Hon. J.R. RAU:** Are you talking about the rim council stuff?

**Mr GRIFFITHS:** Yes.

**The Hon. J.R. RAU:** A couple of things: I have to say the Hayes committee review has been something that I think was necessary and long overdue, but it has actually presented me with this dilemma that I do not want to do things that are too radical or start tinkering around with the existing system too much, because I have asked Brian and his team to have a look at that. By the same token, I have to manage the system in an ongoing way and cannot put it into deep-freeze while Brian and his team work on it for 18 months; so there is a tension between those two points.

What I can say about those regulations that went through last year is a couple of things. First of all, with the Adelaide City Council, when we introduced that \$10 million threshold and design review and case management we saw a big improvement in the quality of product and in the uptake



by the development industry. We basically have taken a fair bit of stick from particular parts of the community over it going through that rezone of the rim. I was determined that we would not be frustrated, having gone through all that pain, by leaving the development assessment proposals in potentially, in some cases, hostile hands.

**Mr GRIFFITHS:** But even so, minister, we acknowledge the councils' CDAPs have to use the development plans which are in place and the zoning that it creates and the allowable heights as the guide for what they are meant to consider there.

**The Hon. J.R. RAU:** With the exception of one, all the councils were involved in the setting of those policies, so they had input at the beginning. One council was not really interested in that and they sort of hid in a cupboard and pretended 'we are not here'. Eventually, we had to drag them out and get them involved, but the rest of them were completely cooperative and they were involved in setting those policies.

The nub of the problem is this: in my personal opinion, a DAP is okay if you are dealing with a carport or a new fence—probably fine—maybe even a tennis court, unless you happen to be in the principality of Burnside, because I know of people who have taken two years to get permission to put a light on their tennis court in that part of the universe, believe it or not. You would believe that, wouldn't you?

**Mr HANLON:** You are the minister.

**The Hon. J.R. RAU:** The idea was: let us get a uniformity of application of these new zoning changes; let us have one body making all of the decisions about those things; let us not take it away from councils at very low levels, but if it is five storeys or above (I think that is what we said) then we are starting to talk about a complex building, a building in respect of which probably they do not have a lot of experience anyway, in any of those areas. They would not have a lot of buildings over five storeys in any of those councils, so why not actually make sure the building goes through design review, there is consistency in the application of the planning rules, and every person who makes an application is going to have the same body hearing it and there are not going to be these local differences?

One of the big things we have been hearing from business is that you go to two different councils and, even though the zoning is exactly the same, you will get two completely different interpretations about what that zoning means. I would encourage you to have a chat to some of the people around town who are building things all over the place. They are building a supermarket or some other establishment, which is basically the same thing rolled out here, rolled out there and rolled out somewhere else. You speak to them about some of the horror stories they have of going from one part of the city to another and having a completely different set of rules, or interpretation of the rules, apply to them. Even though the wording is exactly the same, some individual in one particular council has decided, 'Nuh-uh, it doesn't mean that; I think it means this,' and away you go.

**Mr GRIFFITHS:** The individual interpretation opportunity is there when it includes words such as 'should' and 'may' instead of 'must' and 'shall'. I know you need flexibility when considering development applications and to consider them on the merit and all those sorts of things—I appreciate that. I just wanted to get it on the record from you, given that you focused on recommendations that will come from Hayes and that has delayed some actions, but in this case you saw an opportunity and a need and just decided to take action for the regulations.

**The Hon. J.R. RAU:** Yes. To be fair, as I said, with the exception of one council, we had been working with these people for 18 months on this policy, so there was nothing out of the blue about this policy. I have said this publicly several times, and I say it again: I have serious reservations about DAPs being capable of dealing with complex matters, particularly matters which have a very high local sensitivity, in any consistent manner.

**Mr GRIFFITHS:** Given that, do you see regional DAPs as being part of a solution?

**The Hon. J.R. RAU:** They are an option, yes, as a general concept. I think that is a concept worth looking at. How exactly it would look, a bit of work would need to be done on that, and I am hoping that the Hayes report will at least turn its mind to that.

Ideally, you would want to be in a situation where, if you want to build a supermarket in a commercial zone and it is a commercial zone in Payneham or a commercial zone in O'Sullivan's Beach or a commercial zone in Gawler—or Mitcham or Burnside, that is where a real challenge comes in—then you should expect to get exactly the same treatment from the system wherever you go. Assuming the zoning is the same, the treatment should be the same—and I can tell you that is not the case.

**Mr GRIFFITHS:** From a planning viewpoint there is a consistency, it is just the interpretation you believe of individual officers.

**The Hon. J.R. RAU:** A lot of it is, yes.

**Mr GRIFFITHS:** And councils, yes. I had always thought that in reality very few applications should even be considered by the DAPs because most should be considered under delegated authority within the confines of the development plan.

**The Hon. J.R. RAU:** Yes, I think that is fair comment; a large number are. However, it is always the hot ones that wind up in the DAPs, and that is the place where it gets—

**Mr GRIFFITHS:** If we can move on, minister, I am interested in the 30-Year Plan for Greater Adelaide.

**The Hon. J.R. RAU:** Sorry, just one more point John made, and it is a very good point. If somebody like Aldi, for example, wants to come to Adelaide and build umpteen stores—I do not know how many stores, but say it is five, 10, 15, 20 or whatever it might be—for the state that represents an investment in South Australia of tens if not hundreds of millions of dollars in construction and then full-time employment for a whole bunch of people who are going to work in those shops.

As a government, we would like to be able to say, 'You are a \$300 million investor in our state. We want to provide you with case management to help you negotiate your way through the system and be able to invest that money and employ people.' But then they have to go to each individual council and ask them for permission to do that on the land and, for the councils, they are just one application; they do not see the big picture, nor do they see the fact that in the adjoining council a similar proposal is being made and it is getting a completely different treatment even though the zoning is the same. There are real issues here.

**Mr GRIFFITHS:** Minister, I can see your point, but can I lead into Mr Jim Hallion's appointment as the Coordinator-General, which I think was the term given.

**The Hon. J.R. RAU:** Yes.

**Mr GRIFFITHS:** In the example you just gave about Aldi, is he involved in that because it is above the \$3 million threshold?

**The Hon. J.R. RAU:** Yes, on my expectations it will be because it would certainly be above the \$3 million. Quite frankly, we know that there are a number of investors with money in their pockets who want to build and invest in South Australia. I have met with them recently, as have other ministers, and one of them told me that but for the experiences they are having with local government they would have had two more substantial building projects either completed or underway right now. As it is, they are five, six, 12, 15 months behind their own schedule.

They are also people who deal with these types of applications across the country, and their experience of trying to deal with it in Adelaide is not good. Part of the reason it is not good is that they have this sort of almost lucky dip situation happening about who is going to be assessing their matter. There is no consistency at all. There is nothing quite as destructive of business confidence as a lack of consistency and transparency, and that is exactly what we have at the moment in the development assessment process when it comes to complex projects and local government.

**Mr GRIFFITHS:** I appreciate the complexity of it all and the need for a level of consistency but, given your comment that Mr Hallion appears to be or might be involved in that in the example you quote and that it is beyond the rim councils where the regulations exist for a different body to make decisions, are you considering another impact from a planning viewpoint upon councils beyond that line?

**The Hon. J.R. RAU:** I think that the effect of the Coordinator-General's role is that he is able, in effect, to call in a matter; I think that is what they call it. If one of these investors comes to Mr Hallion and says, 'I want to invest this money, and I'm getting the run-around,' he is going to be able to say, 'Rightio, I'm going to hand you to a case manager,' who would most likely be Mr McKeegan or one of the people in his team. That case manager would then try to clear all the government obstacles out of the way. We will just have to see how many obstacles remain there and what is required to move them.

I do not see the announcement the Premier made about Mr Hallion being the end of this process; that is a way of jump-starting a number of projects that basically have got stuck in the works at the moment. We are looking at a more complete and fundamental change to the system, but I am not really ready for that until I have seen what Mr Hayes comes up with.

Perhaps I should put on the record here too that I am not running away from the fact that it is not just local government. There are some government agencies which could be much more responsive than they are, and that is something which Mr Hallion can do something directly about. There are some agencies which have probably delegated decision-making far too far down the pyramid, to the point where the individual who has the decision-making discretion lacks the seniority to do anything other than an absolutely risk-averse outcome, which more often than not is to do nothing.

**Mr GRIFFITHS:** Minister, it is interesting that further down my list I have a question about major projects and, indeed, one I am aware has been declared a major project which is in my own electorate but which has been sitting there for years. I think that you might have had discussions about that; it is at Port Wakefield.

**The Hon. J.R. RAU:** Wakefield Waters.

**Mr GRIFFITHS:** Yes. I am rather interested to hear that because, as I understand it, it was someone fairly high up the tree within a government department who was saying no.

**The Hon. J.R. RAU:** With Wakefield Waters?

**Mr GRIFFITHS:** Yes.

**The Hon. J.R. RAU:** We have gone from the general to the particular, but I am happy to explore that. Wakefield Waters was granted major project status some years ago, well before my time. When I became minister, I was concerned that there had been a number of major project declarations made, more than I felt was comfortable. To me, using major project applications for most things (and I will leave aside things such as ports and mines and stuff) is an indication that the planning system is not sufficiently responsive to be able to deal with it in its ordinary terms, which should be like a canary in the coalmine.

I called all these things in to have a look of them, and some of them we got rid of and said, 'This is not going to happen.' We gave the people an opportunity, 'Do you want to go on with this or do you not?' They were given a chance to say whatever they wanted to say, and some we revoked their status and some have gone on. Then we have ones like that, which are sitting there in this sort of twilight zone, where the original proposal required certain land to be made available to the developers, land which was owned by DEWNR. DEWNR did not wish to part with the land for what they say are environmental reasons. Without that land, that project as conceived was not, as I understand it, a viable project.

**Mr GRIFFITHS:** It is challenged when it comes to broader access issues.

**The Hon. J.R. RAU:** Yes. Their challenge is to get hold of the land. They already have an existing approval, which is sitting there by reason of that major project declaration process.

**Mr GRIFFITHS:** On the portion of the land that is freehold, I think that is already appropriately zoned for a commercial site to be established there. I do not want necessarily this forum to discuss the details of this application either, but I am interested about Mr Hallion's appointment and the potential impact of those major projects that have been stuck for some time.

**The Hon. J.R. RAU:** He may well be able to help them. If you are speaking to them, perhaps they might get on the phone.

**Mr GRIFFITHS:** Interestingly, I did provide them with Mr Hallion's details earlier this week.

**The Hon. J.R. RAU:** Well, there you are. Can I say this too: not everybody who has sought or obtained a major project declaration is exactly the same. Some of them are completely serious about doing something and they have money in the bank and are ready to go. Some of them are using the major project declaration they hoped to achieve as a way of pulling themselves up by their bootstraps because they are going to say, 'Well, now I have this I am going to hawk it around to financiers. Based on the fact I now have this approval, you finance me.'

Then you have others who are basically taking a lucky dip: 'I have an idea and I'm going to try and get a major project approval on this idea. Once I've got the approval, I'm then going to go around and onsell my idea, coupled with the approval to a third party.'

From the government's point of view there are varying degrees of enthusiasm for those different groups of people. The one you really want to help is the one who has the money in their pocket, they are ready to go, and they want to invest in the state and do something sensible. I have this note which says that under the major development heading there are 22 major developments currently being considered under the Development Act. We are talking of a potential value of about \$10 billion, which is a lot of money in this state. That is not taking account of the potential at Olympic Dam.

Two projects were approved in 2013-14: Nyrstar and the Plympton Mixed Use Development. Four projects were declared in 2013-14: the Braemar Bulk Export Project, which in my opinion is exactly the sort of thing that this should be used for—

**Mr GRIFFITHS:** I believe it was the Toll family?

**The Hon. J.R. RAU:** Yes. There is the Kangaroo Island golf course which is a potentially significant issue in terms of tourism and what not—economy for KI. There is also the Nora Creina golf course and then there is Iron Road. And then there are four projects that are under construction at the moment: the Nyrstar prep works, the Cape Jaffa marina, the Mannum marina and the preliminary infrastructure works at Buckland Park. I have avoided any temptation to use that particular power that I have to get around bad policy. We changed the policy.

**Mr GRIFFITHS:** Fair enough. I move to another question regarding the 30-year plan for Greater Adelaide, which has been around for all of five years now. When are you intending to review that?

**The Hon. J.R. RAU:** I have to review it by the end of 2015. I have formed certain views about the need for the plan to be reviewed.

**Mr GRIFFITHS:** Particularly so with the change of emphasis of green field versus infill?

**The Hon. J.R. RAU:** Yes, there are a few things which I think should be said about this. There is a lot of bunkum talked by some people out there, usually fairly self-interested people, about the lack of fringe land for development. It is just not correct. At the moment we have a 20-year supply of green field land—20 years—which means that 18,000 lots are available for development. I defy anybody to say that means that, given the size of this city and its projected population growth, we have a shortage of green field land. That is just not right.

Mr Hanlon reminds me that when I started in this role only eight years of land was available. All this stuff about my not having rezoned enough is just rubbish. We put in the urban renewal legislation which went through here a while ago and that will enable us to declare precincts for the purposes of specific developments, which I think has enormous work to do in the years ahead.

The fundamental problem I see presently with the 30-Year Plan is not the idea that we have a 30-Year Plan—that is clearly correct—but some of the underpinning assumptions in the plan have been shown to be inaccurate or they have changed. For instance, we are now building fewer buildings than we were at the time the plan came in. Average lot sizes are smaller than they were anticipated to be at the time of the plan; therefore, our consumption of land on the fringe has been reducing by reason of less construction numerically and less size physically.

We already have exceeded the 60/40 greenfield infill ratio. The expectation in the 30-Year Plan was we would go from 30 per cent infill 70 per cent greenfield, to flip that around in 30 years. Well, here we are four and a bit years down the track and we are already at 60/40 the other way. So, that suggests to me that our ambition to go 70/30 in another 20 years is a very, very inadequate ambition.

**Mr GRIFFITHS:** Because indeed, minister, there is only a certain amount of capacity that exists without wiping out complete areas for infill to occur, and, with heritage protection requirements and those particular areas that want to retain their character, I am not sure how you can do that.

**The Hon. J.R. RAU:** I think there are a few important things there, too. Infill growth is accelerating well beyond the predictions in the plan already. That is without the rezones we have done in the inner rim or in the CBD, although the rim rezones and the CBD rezones will actually help that even further. Growth in Adelaide's middle and inner suburbs now accounts for about 60 per cent of population growth with 25 to 30 per cent of new housing stock being delivered in established suburbs through minor subdivisions, like two-for-ones.

We are going to have to have a look again, obviously, at what the expert panel has to say, but to get higher density does not mean you have to have Soviet-style 10-storey buildings up and down every street. You can achieve quite significant improvements in density by having a mixed character of dwellings: duplexes, single-storey detached dwellings, attached dwellings and so on.

In fact, if you had a look at North Adelaide, nobody would call that, I do not think, driving through there a highly dense suburb. It is certainly not in the Sydney, Brisbane, Melbourne or Kowloon category, but that is the densest part of the city of Adelaide by a long way. If we had the same density as is in North Adelaide through the existing footprint of the city, we could probably absorb another million people or something. So, it is a big deal.

What we are trying to do is we are trying to say, 'Look, there is nothing inconsistent with decent infill in the inner suburbs and protecting character areas.' Some of the trade-offs we did in those inner metro DAPs were to say—take Unley for example, in those character areas of Unley where they have got those beautiful old homes—'You can have all your historic preservation stuff in there, and not only that, we will make the minimum plot size 700 square metres,' which means nobody has got a block big enough to subdivide even if they had permission to demolish the house. What is the point? You cannot subdivide.

We are able to protect areas like that or areas like Alexandra Avenue and Toorak Gardens or most of Dulwich and all these places. You can easily protect them, finding other areas where you free up the planning regime so that there is a bit more flexibility in the density and the plot sizes and that sort of thing, and none of it has to involve skyscrapers or huge buildings or anything of that nature. One of the big challenges I think we have got is to actually persuade the people of our city that a small increase in density is actually going to deliver greater efficiencies in public transport, better access to jobs, better access to schools, hospitals—

**Mr GRIFFITHS:** Utilisation of the infrastructure all round that is already provided.

**The Hon. J.R. RAU:** —better utilisation of existing infrastructure, and also deliver a vibrant city. People need to recall that 100 years ago twice as many people were living in the City of Adelaide as live here now. We had over 44,000 people living in the City of Adelaide; we are now just creeping back up to 22,000 or 23,000, having been down as low as 11,000. If we cannot get 50,000-odd people into the space that used to have 44,000 in 1914, well, I think we are not setting ourselves much in the way of targets.

**Mr GRIFFITHS:** If we can go back to the original point about the 30-Year Plan—

**The Hon. J.R. RAU:** One more point I would add, too, because you have got me on a roll here—

**Mr GRIFFITHS:** I know; that's dangerous!

**The Hon. J.R. RAU:** —is infrastructure costs. I just want this on the public record. Research conducted for the department indicates that infrastructure costs associated with broadacre greenfields development are substantially higher than those associated with infill—substantially higher; that is, \$60,000 to \$90,000 per allotment for greenfields, compared to \$15,000 to \$45,000 per allotment for infill. The question is: guess who pays the bill for the difference for that?

**Mr GRIFFITHS:** The poor old taxpayer has to put their hand in their pocket for everything, don't they, I suppose?

**The Hon. J.R. RAU:** Yes.

**Mr GRIFFITHS:** I can see it is a mixture of onsite infrastructure associated with the development and also the infrastructure that government provides to support it—transport, schools—I understand what you are after, but still, coming back to the original question about the 30-Year Plan and how it has to be reviewed by next year, when do you intend to commence that?

**The Hon. J.R. RAU:** There is internal working in the department going on now, and I would like to see it rolling on well and truly by the end of this year.

**Mr GRIFFITHS:** Okay, but is it a broad-ranging review inviting comments from the community and development industry? Are there a series of community meetings? Is there a bit of what Brian Hayes has done by going around and actually meeting with different groups?

**The Hon. J.R. RAU:** We will listen to people, absolutely; but, just so it is clear, the review is not intended to say, 'Look, should we tear the 30-Year Plan up and start again, and go back to nothing?' What the review is intending to say is, 'Okay, now that five years have passed, how are we tracking according to some of the underpinning assumptions in this plan? Are some of these assumptions wrong? If they are wrong, let's change them and acknowledge they are wrong, and see what that now does to the outcome.' It is a realignment of the plan to known trends and behaviours in the marketplace, and yes, we will be talking to be people about it.

**Mr GRIFFITHS:** In the couple of minutes we have left, I will indulge myself in an issue about the residential code. I am aware, in my own electorate, that the District Council of the Copper Coast wrote to Mr McKeegan, and I believe a copy of the letter was forwarded on to you also, with concerns about the conflict between ResCode provisions and what they allow to occur and planning provisions that local government has in place, particularly when you consider the impact in that area of water issues, coastal erosion and things like that. Have you had other areas contact you with a concern about the conflict?

**The Hon. J.R. RAU:** You enter into a level of technicality that I think escapes me, so I will ask Mr McKeegan if he can help you with that, if you do not mind.

**Mr McKEEGAN:** Are you referring specifically to the difference between the flood mapping issue with those council areas and the residential code?

**Mr GRIFFITHS:** Yes. But also, for example, the Copper Coast area has undertaken a report that highlights, I think, around \$8 million worth of foreshore protection area works that were required, but then they are concerned about planning provisions that are in place which they would like to have, but the ResCode seems to override that. Is that the case, minister, where the provisions of the residential code override local planning?

**The Hon. J.R. RAU:** I would not have thought so, but I think we will take that one on notice and we will get back to you on that, because it is quite a particular question and I am quite—

**Mr GRIFFITHS:** It is, but I suppose, by association, I am wondering if there are other areas that have highlighted that.

**The Hon. J.R. RAU:** We will take that on notice too. I am told they have not been getting those complaints, but we will check it out for you.

**The CHAIR:** Are there any further questions, member for Goyder?

**Mr GRIFFITHS:** Well, there are lots, but our time has expired.

**The CHAIR:** In that case, there being no further questions I thank the Minister for Planning and his advisers, and call the Minister for Housing and Urban Development and the Minister Assisting the Minister for Housing and Urban Development to the table.

#### **Membership:**

Ms Chapman substituted for Mr Tarzia.

Ms Sanderson substituted for Mr Wingard.

#### **Departmental Advisers:**

Mr J. Oliver, Chief Executive Officer, HomeStart Finance.

Ms T. Meakins, Acting Chief Executive, Renewal SA.

Mr M. Buchan, Chief Operating Officer, Renewal SA.

Ms J. Durand, Executive Director, Marketing and Corporate Relations, Renewal SA.

Ms L. South, General Manager, Corporate Services, Renewal SA.

Mr I. Hodgen, General Manager, Industrial Project Delivery, Renewal SA.

Ms D. Just, General Manager, Urban and Portfolio Planning, Renewal SA.

Mr D. DeConno, General Manager, Asset Management, Renewal SA.

**The CHAIR:** Is there an opening statement or are we just going straight into questions?

**The Hon. J.R. RAU:** No, I am good.

**The CHAIR:** Deputy leader.

**Ms CHAPMAN:** Excellent. We will start, minister, with Budget Paper 6, page 14—the Seniors Housing Grant. This is a new initiative I think, in essence, to try to help people to move from larger homes to smaller homes. My question is: is this available to people who are purchasing into a retirement village?

**The Hon. J.R. RAU:** I think this might be a Treasury question, if I am not mistaken. It is to do with some sort of incentive—

**Ms CHAPMAN:** It is a housing grant.

**The Hon. J.R. RAU:** Yes, but it is not one, I believe, that is administered by me. It is a Treasury thing. I think it sits in the same bucket as stamp duties concessions and various other bits and pieces.

**Ms CHAPMAN:** I see; alright. So, you do not know the answer to that then.

**The Hon. J.R. RAU:** No.

**Ms CHAPMAN:** This is supposed to be helping people get into lower cost housing.

**The Hon. J.R. RAU:** Can you repeat the question again? I might take a swing at it, but I am not sure I—

**Ms CHAPMAN:** The Seniors Housing Grant that is being introduced at a cost of some \$7 million in this forthcoming year is basically to get people from their larger family home, for example, to smaller homes.

**The Hon. J.R. RAU:** It is not one of mine. I am not sure whether it is dealt with under Ageing or under Treasury, but I can tell you what the theory is. It is an attempt to make it easier for people who want to downsize from a larger sort of family home. That is the philosophy, as I understand it, but I am not the person who runs it.

**Ms CHAPMAN:** Yes, I understand all that. I think I had actually said all that. My question really was: do you know whether it applies to people who are going to buy into a residential retirement village?

**The Hon. J.R. RAU:** No, I do not.

**Ms CHAPMAN:** You do not know the answer?

**The Hon. J.R. RAU:** No, I do not know the answer.

**Ms CHAPMAN:** Will you get it?

**The Hon. J.R. RAU:** No, because I am not the minister who does it.

**Ms CHAPMAN:** Right; ever helpful, I see, thank you. I will start with Renewal SA at Budget Paper 3, page 63—the Renewal SA dividend. Was the 2013-14 Renewal SA dividend affected by the Premier's decision to terminate Mr Fred Hansen's contract? What termination payment was made to Mr Hansen as a result of the Premier's decision to terminate his contract?

**The Hon. J.R. RAU:** I do not believe Renewal SA was intending or proposing to pay a dividend, and I believe in that respect they were as good as their word. As for particulars about Mr Hansen, I gather there was a total gross payment to him, which included annual leave, special leave and remuneration in lieu of notice, of \$384,920.

**Ms CHAPMAN:** How much of that was entitlements and how much was in lieu of notice?

**The Hon. J.R. RAU:** Annual leave, \$23,159; special leave, \$17,015; in lieu of notice, \$344,745; and there were two uncompleted years and nine months of service, and the notice was on the basis of four months for each unexpired year of the term, a pro rata adjustment for part of a year, which having regard to the uncompleted years translated to 11.23 months.

**Ms CHAPMAN:** Still at page 63, the Renewal SA dividend, Premier—although you indicated that you thought they were not intending to have a dividend—if you see there at about point 3 in the schedule, the dividend for Renewal SA was budgeted for 2013-16 for \$9.5 million and it had received an estimate at 2.1, so it clearly had budgeted for a dividend. The commentary on this indicates that the forecast down to the reality is attributed further down to 'the deferral of the sale of commercial property'. My question is: what property sale was deferred and is an agreement in place with a buyer, or is that property yet to go to market?

**The Hon. J.R. RAU:** The situation, I am advised, is this: there are a number of properties around the place which it was anticipated would be able to be sold, and it turns out that there were either no takers or there were takers at a price that was completely unacceptably low, in which case the properties were not turned over. I think it is worth mentioning that Renewal SA has a number of assets that, in the event of the economy becoming reasonably buoyant, would rebound pretty significantly and fairly quickly in terms of their value, so there is some sense in some of those properties being held.

I think you would have to say that the predictions made in those budget estimates previously were obviously based on assumptions about the market which turned out to be incorrect. I am advised that we will be able to provide you with a more detailed answer, which I can provide on notice.

**Ms CHAPMAN:** In respect of that, whilst the general market flat return on sale activity was the explanation last year—and I appreciate that in a general term that may be the case this year—these explanatory notes do not just talk about general flatness of the market. They talk about this distribution from the last financial year mainly due to the 'deferral of the sale of a commercial property', one particular property.

**The Hon. J.R. RAU:** I will get back to you on the details.



**Ms CHAPMAN:** What we are asking is that it be identified as to what it is and whether in fact in that instance a buyer has been determined, or is the property still yet to go to market? That is what I am seeking.

**The Hon. J.R. RAU:** We will get back to you.

**Ms CHAPMAN:** Is the sale of the land to Incitec Pivot included in the dividend projections and, if so, what land at Gillman does Renewal SA propose to sell or lease to Incitec Pivot?

**The Hon. J.R. RAU:** In relation to Incitec Pivot, there have been discussions with them and Renewal SA about a property at Gillman. I am not sure exactly what else I am in a position to say about that, having regard to certain commercial matters that are on foot, so I will take the question on notice and ask that whatever can be said about the matter, without offending any commercial matters, can be said.

**Ms CHAPMAN:** Attorney, if you are suggesting that there is some transfer to a third party and then to Incitec Pivot and there is a possibility that might overlap some other matters that are pending at the moment, it is well known and publicly known that the government's intention is to relocate Incitec Pivot so that it might advance their Port Adelaide development. It is a question of whether the purchase by Incitec Pivot of other land is in those forward estimates. At this point—

**The Hon. J.R. RAU:** I will check.

**Ms CHAPMAN:** —it does not really matter to that extent about identifying where it is as such.

**The Hon. J.R. RAU:** No, I understand your question.

**Ms CHAPMAN:** It is 2014-15 and, notwithstanding these very generous estimates that are given every year for Renewal SA, they are proposing here that there will be a \$20 million dividend in this financial year—

**The Hon. J.R. RAU:** We will find out exactly what, if any, money is slated in the budget in respect of the sale of that land to Incitec Pivot.

**Ms CHAPMAN:** Thank you. Again, I note that it will be subject to your suggesting there may be some confidentiality, but I will further ask: what land has Incitec Pivot been offered at Gillman and is it the land that forms part of the East Grand Trunkway project? I refer to the announcements that you made late last year.

**The Hon. J.R. RAU:** I will take that on notice.

**Ms CHAPMAN:** Thank you. Did Renewal SA purchase the current Incitec Pivot site at Port Adelaide and, if so, what was the cost and leaseback arrangement?

**The Hon. J.R. RAU:** As I understand it, I am advised as follows: in October 2013, cabinet approved the acquisition and leaseback of their premises in Port Adelaide. In January this year, settlement occurred with a three plus one, plus one, plus one year lease being granted to Incitec Pivot in order to give them sufficient time to procure alternative facilities.

**Ms CHAPMAN:** So it has a three, plus one, plus one, plus one lease arrangement at present?

**The Hon. J.R. RAU:** Yes.

**Ms CHAPMAN:** What does Renewal SA plan to do with the Incitec Pivot site in Port Adelaide, obviously subject to the lease? I accept that they are waiting to be moved on.

**The Hon. J.R. RAU:** There has been a master planning process going on for some time around Port Adelaide. As the member for Bragg would be aware, one of the problems which any development down at the port has been potentially facing is the blast exclusion zone, which I think was a 500 metre zone which appeared around the perimeter of Incitec Pivot's facility in that place. Again, if there is anything more detailed than that, I will take that on notice, but the gist of it is that site being there indefinitely has the effect of basically dampening any form of development within 500 metres at least, if not more, of the Incitec Pivot factory or premises.

**Ms CHAPMAN:** Are there any proposals by Renewal SA to attempt to—I will put it as high as that—move Adelaide Brighton Cement?

**The Hon. J.R. RAU:** I do not know of any intention to do that.

**Ms CHAPMAN:** I will move to the HomeStart Finance dividend, which is also detailed there in table 317 on page 63. A dividend is expected from HomeStart Finance in each year across the forward estimates. Will the minister confirm whether the government is still investigating the privatisation of HomeStart and what effect privatisation would have on dividend income?

**The Hon. J.R. RAU:** I am intrigued at the word 'still'. I was not aware that we were investigating that. I certainly have not been investigating it.

**Ms CHAPMAN:** Your department has not contracted anybody?

**The Hon. J.R. RAU:** As far as HomeStart is concerned and as far as I am concerned, it is business as usual for HomeStart.

**Ms CHAPMAN:** When your government contracted someone to undertake scoping work last year regarding the future of HomeStart, did their recommendations include what was to happen with dividends to the government? In addition, did the scoping work detail any recommendations in respect of the dividends to government? If so, what were they?

**The Hon. J.R. RAU:** It is before my time, so I do not have any personal direct knowledge of that at all.

**Ms CHAPMAN:** This was done last year.

**The Hon. J.R. RAU:** Sure. I am advised that HomeStart themselves do not even know what was in that. It was a Treasury piece of work, so Treasury might know something about it.

**Ms CHAPMAN:** So you did not commission the report or see it?

**The Hon. J.R. RAU:** No. I was not even the minister at the relevant time.

**Ms CHAPMAN:** When did you assume responsibility for HomeStart?

**The Hon. J.R. RAU:** It was one fine day in March, I think.

**Ms CHAPMAN:** This year?

**The Hon. J.R. RAU:** Yes.

**Ms CHAPMAN:** What is the annual payment that HomeStart Finance pays to Treasury? More specifically, I should say what was it in the last financial year and what is budgeted to be paid this financial year?

**The Hon. J.R. RAU:** Perhaps you are able to answer that.

**Mr OLIVER:** Yes, I can. The last financial year was recorded in our annual report in terms of payments to Treasury. That would cover income tax equivalents, dividends and payments to Treasury for the guarantee fee.

**Ms CHAPMAN:** Yes, the guarantee fee is what I am asking for.

**Mr OLIVER:** I will just find it in our annual report. It is in the order of \$27 million but I will get the exact number for you.

**Ms CHAPMAN:** If it was in last year's annual report that was 2012-13.

**Mr OLIVER:** Yes, 2012-13. The guarantee fee last year was \$27.1 million. This year it will be similar. I do not have the number off the top of my head but it will be in the vicinity of that; it could even be a little bit more, but I can get that for you.

**Ms CHAPMAN:** In addition to that, the 2013-14 estimate result is that there will be another \$11.3 million paid to Treasury as a dividend, according to page 63.

**Mr OLIVER:** The dividend that we will be paying for 2013-14, based on that year, will be in the order of \$7.3 million and another \$5.2 million comes in the form of tax equivalents. The dividend

on page 99 of the budget papers shows that the HomeStart proposed dividend for 2013-14 in the budget was \$6.9 million and that will now be \$7.3 million. The income tax equivalents were shown as \$4.9 million and that will now be \$5.2 million.

**Ms CHAPMAN:** Could you just go to page 63 of Budget Paper 3.

**Mr OLIVER:** Yes, that is the combined total. The combined total—

**Ms CHAPMAN:** So the \$11.3 million, if I can just be clear then, is the \$6.9 million and 4 point whatever it was?

**Mr OLIVER:** Yes, that is right. That is actually \$11.5 million. The \$11.3 million was the estimated result at the time the papers were put together. We provide numbers to Treasury at least three or four times a year because we review our operating outlook. The latest figures that we provided to Treasury were post the production of these papers and the total combined income tax equivalent and dividend will be in the vicinity of \$12.5 million.

**Ms CHAPMAN:** So \$12.5 million plus \$27-odd million will be paid to the government.

**Mr OLIVER:** Yes.

**Ms CHAPMAN:** Anything else from this entity?

**Mr OLIVER:** No. When I say no, we do pay money to SAFA. We pay an admin fee because we use SAFA and we pay there on the margins. Last year we paid \$1.1 million. It will be in the order of that number again this year but that is a payment that is made to SAFA.

**Ms CHAPMAN:** Right. Renewal SA and Gillman, in particular I will look at Budget Paper 5, page 49. Here under the capital program, Renewal SA capital program listed here 'excludes land and other property, including development costs, held for sale in the ordinary course of business'. Previously we have had some listings of this so my question is: what is the estimated total cost of the Dry Creek Lot 201 stormwater drain diversion project which is due to start this financial year?

**The Hon. J.R. RAU:** I am advised that it is in the order of half a million.

**Ms CHAPMAN:** Will this project assist the development of land included in the option agreement with Adelaide Capital Partners?

**The Hon. J.R. RAU:** I am advised not; it is apparently to do with another allotment.

**Ms CHAPMAN:** Will the Lot 201 stormwater diversion project allow for the future extension of Hanson Road through the land that is subject to the ACP deal?

**The Hon. J.R. RAU:** I am advised that it would enable that, but it is not for that purpose. It is for the purpose stated, being allotment 201.

**Ms CHAPMAN:** I am sorry, I did not hear that.

**The Hon. J.R. RAU:** It is for the purpose of allotment 201, not for another purpose, although, as I said, I am advised that the outcome that you suggest is a consequence of it.

**Ms CHAPMAN:** When is the East Grand Trunkway project expected to be completed?

**The Hon. J.R. RAU:** I am advised at the end of 2016.

**Ms CHAPMAN:** Are there any other capital works in the Gillman area planned for the forward estimates?

**The Hon. J.R. RAU:** I am advised no.

**Ms CHAPMAN:** Before we leave that list there, where you have the investment program, which it states 'excludes land and other property, including development costs, held for sale in the ordinary course of business', do you have a list of those properties?

**The Hon. J.R. RAU:** I am advised that this relates to land or buildings where they are part of the commercial activity of Renewal; so they have ongoing maintenance things, such as lifts, painting, etc. attached to them. They are not properties that are being held as part of potential land sale type of investment, if that makes sense. Apparently, the distinction is this way: these are

buildings that would be sold as entire units rather than things that would be chopped up as broadacre land.

**Ms CHAPMAN:** So, essentially, if there is a piece of property which is being cleaned up or painted up or whatever for the purposes of then being sold on, you are not including any of the costs in relation to that under these capital costs. Is that what I am understanding it to be?

**The Hon. J.R. RAU:** I am advised that the quantum of what is anticipated from those projects would be included.

**Ms CHAPMAN:** What does that mean?

**The Hon. J.R. RAU:** I will let Mr Buchan, who knows a lot more about these matters than I do, answer your detailed question.

**Mr BUCHAN:** This table relates directly to the investment properties that are held by Renewal SA across a number of different sites, predominantly at Technology Park, where there are a number of key assets that were constructed on behalf of the government, through principally the Industrial Commercial Premises Scheme for different activities at the time. These buildings, essentially, have works that are undertaken to them during their life, and the figure that is included within the estimated cost is the quantum of the likely works that we have budgeted for the next financial year associated with those buildings.

**Ms CHAPMAN:** We are yet to identify which sale of a particular commercial property was deferred and that has been taken on notice to obtain it. Is there any other property that you can recall during the last 12 months that was offered for sale and did not sell in the last 12 months?

**Mr BUCHAN:** The most significant building that was offered for sale but did not sell was the Optus building at Technology Park.

**Ms CHAPMAN:** Could that be the building that is referred to as the building that is responsible for the significant downturn in the dividend for 2013-14?

**Mr BUCHAN:** I would anticipate that would be the building. The proceeds from that sale were anticipated to be in the order of \$10 million plus.

**Ms CHAPMAN:** If that is the building—and I appreciate that is going to be checked—have you found a buyer for it now?

**Mr BUCHAN:** No.

**Ms CHAPMAN:** Does it remain on the market?

**Mr BUCHAN:** No, we have withdrawn it from the market at this time.

**Ms CHAPMAN:** Do you intend to put it back on the market in this current financial year?

**Mr BUCHAN:** No, not in this next financial year.

**Ms CHAPMAN:** Does it have a tenant?

**Mr BUCHAN:** Yes, it does.

**Ms CHAPMAN:** And what is the length of the lease of the tenancy?

**Mr BUCHAN:** Five years.

**Ms CHAPMAN:** Has Renewal SA formed any intention at this stage as to when it would re-market for the sale of that property?

**Mr BUCHAN:** No, we have not. We will continue to assess the depth of the commercial premises market in terms of investors and the nature of returns and yields that have been generated. As part of that, we will continue to talk to commercial advisers to determine the best time to bring the building to the market for sale.

**Ms CHAPMAN:** Is it fair to say that the advice coming out of the commercial market at the moment is that it is very flat and that large companies, including the large German superannuation

companies who own commercial properties here in this state, are selling commercial properties, so it is not a good time to sell, generally? Is that the same advice you are getting?

**Mr BUCHAN:** I would not characterise it that way. I would suggest that it is a difficult market at this point in time.

**Ms CHAPMAN:** In the last 12 months has Renewal SA purchased any property?

**The Hon. J.R. RAU:** I think we will take that on notice—probably nothing of significance, but we will take it on notice.

**Ms CHAPMAN:** Does Renewal SA still have the property called the Caroma site in the north-eastern suburbs?

**The Hon. J.R. RAU:** I believe so, yes.

**Ms CHAPMAN:** Does Renewal SA have any portfolios of land that are outside South Australia?

**The Hon. J.R. RAU:** I am advised no.

**Ms CHAPMAN:** Budget Paper 3 at page 95—back to the budget statement—under 'Grants, subsidies and CSOs' in Table 5.4 there is the 2013-14 budget, \$20.7 million; estimated result for that year is \$24.7 million; and the budget for this year is \$21.1 million. The increase in grants, subsidies and CSOs paid to Renewal SA in the 2013-14 year compared to the budgeted amount is attributed—and I am taking this from the commentary—to receiving \$2.8 million from the Department of State Development under an indemnity deed following the sale of a property at Felixstow. Can you confirm that the Felixstow property was the former J.P. Morgan site on OG Road and explain what the indemnity related to?

**The Hon. J.R. RAU:** I am advised that, yes, that is the property, and the indemnity deed is in respect of the amount by which the ultimate sale of the property comes in below a nominated or a struck figure in the first place. In other words, the opening value of the property is X; if the property sells for X minus Y, then Y is the notional loss on the sale of the property, which this indemnity enables Renewal SA to call upon the relevant agency to indemnify it for.

**Ms CHAPMAN:** Why did the Department of State Development, whose minister is the Premier, provide this indemnity deed for this property?

**The Hon. J.R. RAU:** I gather this was part of the scheme that has been referred to before, which is the industrial commercial premises scheme. Where there was perceived to be some degree of risk as to the financial performance of these particular investments, these deeds were secured in order to cover off any potential risk to Renewal's funding.

**Ms CHAPMAN:** What did you have to do to be able to get one of these? It seems like a pretty good deal. How do you get an indemnity deed to write off your loss or potential loss? How do I get one of those?

**The Hon. J.R. RAU:** I would not mind one myself, actually, but I gather you had to enter into a discussion with the Department of State Development. It might be useful to discover exactly what sort of age some of these things have because I do not know exactly when these deeds were entered into or the precise circumstances of the entry into the deed. Perhaps if we can obtain some further information for you about that, that might be useful.

**Ms CHAPMAN:** I will assume you will take that on notice as to what are the qualifying features to be able to get access to these indemnity deeds, particularly this one, and, if that is obtained, the circumstances upon which that was advanced according to the note in any event by the Department of State Development. Are there any other current properties owned by Renewal SA in which they have an interest which is subject to one of these indemnity deeds?

**The Hon. J.R. RAU:** We will take it on notice, although I am advised that nobody here is aware of one, but we will check it anyway.

**Ms CHAPMAN:** Of properties that were disposed of in the last two years, are any of them subject to these indemnity deeds, that have sold?

**The Hon. J.R. RAU:** Again, I will check.

**Ms CHAPMAN:** Budget Paper 3, page 95 again, the net contributions from Renewal SA, how many hectares of land has Renewal SA sold in each of the three previous years and how many hectares is it forecast to sell each year in the forward estimates?

**The Hon. J.R. RAU:** We will take it on notice.

**Ms CHAPMAN:** Is the reason that the Budget Paper 3, page 91, identifies that the oversupply of residential and commercial property the reason Renewal SA is forecasting loss in every year except 2014-15?

**The Hon. J.R. RAU:** I think with Renewal now it is very hard to actually say that there is any simple answer to how their performance is going from a year-to-year basis, and it would be misleading to generalise that that particular matter is the sole cause of performance either up or down. I think I mentioned before that Renewal is increasingly sensitive, as an organisation, to changes in the property market, including the commercial property market, and is increasingly quite different, historically, from its predecessors.

It is not a large holder of undeveloped greenfields fringe land, so the nature and character of the landholdings and activity have changed substantially from the old days; therefore, any performance by the organisation is a complex mix of many things, including (and probably most importantly) the general performance of the property market and, in particular, the commercial interest in land. I do not think it is fair to say that that one particular indicator is the reason for a good or a bad performance.

**Ms CHAPMAN:** It may be retrospectively, but that it is what it is saying here, at point 3 on page 91; that is, very specifically:

However, given the oversupply of residential and commercial land in South Australia, Renewal SA is forecasting delays in sales resulting in losses in all years other than 2014-15.

That is what Renewal SA is claiming.

**The Hon. J.R. RAU:** I think all that can be added to that is that it comes down to many things, but you would appreciate there is a diverse portfolio of land being held by Renewal; some of it has come in at relatively low value and may be sold for a considerable profit—hopefully, lots of it. Much of it has come in at perhaps a book value which exceeds its current market value, and so the performance from year to year may be dependent upon not only the general conditions of the market but also which particular parcel of land is being rolled over. Some of them, when rolled over, will deliver a profit by reason of the relatively low entry point; others will most certainly generate a loss if only because of a book value at which they are entered into the books of account of Renewal.

**Ms CHAPMAN:** But even a commercial building like Optus, with a five-year tenancy secured in it, does not appear to have been able to shift.

**The Hon. J.R. RAU:** No.

**Ms CHAPMAN:** In any event, we will see what happens. Is Renewal SA working on the disposal of any land along the O-Bahn corridor over the forward estimates?

**The Hon. J.R. RAU:** I am advised no.

**Ms CHAPMAN:** There has been a reduction in estimated sales of government employee housing assets of \$26.5 million in 2013-14. How many houses did the government decide not to sell and why?

**The Hon. J.R. RAU:** This is Housing SA, I believe, which is—

**Ms CHAPMAN:** I am reading again from page 91, at the end of paragraph 4:

This is partially offset by lower estimated sales of non-financial assets due to a re-profile of Renewal SA's commercial property sales (\$21.7 million) and a reduction in estimated sales of government employee housing assets (\$26.5 million).

**The Hon. J.R. RAU:** I will have to get back to you on that to make sure we are all clear on what it is. It is potentially a matter in DPTI; it is potentially a matter in minister Bettison's area. We will try to get to the bottom of it, and we will provide an answer.

**Ms CHAPMAN:** I will make a note to ask the DPTIs anyway—

**The Hon. J.R. RAU:** Yes.

**Ms CHAPMAN:** —but it is not in your area, you say?

**The Hon. J.R. RAU:** No—so I am told.

**Ms CHAPMAN:** DPTI or possibly Social Housing.

**The Hon. J.R. RAU:** Yes.

**Ms CHAPMAN:** I refer to Budget Paper 3, page 90, which is on the net operating balance. Again, we are talking table 5.1. The final line of the first paragraph under the table identifies that Renewal SA's net operating balance for 2013-14 was \$9.9 million, which is a deterioration from what was forecast. What was Renewal SA's originally forecast net operating balance?

**The Hon. J.R. RAU:** I presume it would be whatever it wound up being plus \$9.9 million. It was budgeted for \$236.9 million, I think, and came in at \$224.5 million.

**Ms CHAPMAN:** I cannot find the \$9.9 million amount. I may have been referring to \$9.6 million, but I will just have to identify that. I will not hold up the questions. The deterioration is attributed to delays in sales. What was the total cost to Renewal SA of land sales, and what was the total revenue for land sales in 2013-14?

**The Hon. J.R. RAU:** We do not have any final figures on that, so can I get back to you with that one?

**Ms CHAPMAN:** Take it on notice, thank you. Just for clarity on the previous one, I have found it now. In the commentary under the table 5.1, the end of that paragraph is where it specifically says:

This is partially offset by a deterioration in Renewal SA's net operating balance (\$9.9 million) due to delays in sales.

**The Hon. J.R. RAU:** Yes.

**Ms CHAPMAN:** Just so that is clear, thank you. For each of the forward years, could you please identify Renewal SA's projected net operating balance before dividends and income tax equivalents, the net operating balance and the net acquisition of non-financial assets?

**The Hon. J.R. RAU:** We will take that on notice.

**Ms CHAPMAN:** Thank you. On page 100 of the same Budget Paper 3—full-time equivalents, Renewal SA's full-time equivalent employees are forecast to increase from 197.7 this year to 202.7 next year, and then come back down to 197.7 for the remainder of the forward estimates. Is this a one-off increase in 2014-15 as a result of the sale of the first 150 hectares at Gillman to Adelaide Capital Partners?

**The Hon. J.R. RAU:** No, I am advised not. It is to do with Port Adelaide works.

**Ms CHAPMAN:** Sorry, it is to do with Port Adelaide?

**The Hon. J.R. RAU:** The development of Port Adelaide.

**Ms CHAPMAN:** Port Adelaide development.

**The Hon. J.R. RAU:** Yes.

**Ms CHAPMAN:** Page 98—the public non-financial corporations sector net debt. It was a bit frightening last year, but let's have a look at it this year. The public non-financial sector net debt is forecast to increase over the forward estimates and this is 'primarily related to Renewal SA and the financing of the Riverbank Precinct Development'. What additional debt does Renewal SA expect to accrue over the forward estimates, and what projects does this relate to?

**The Hon. J.R. RAU:** I would have to take that on notice.

**Ms CHAPMAN:** Referring to the 2013-14 year, did Renewal SA complete any land acquisition during that year?

**The Hon. J.R. RAU:** I am advised nothing material that we are aware of, but I will take all of these on notice, member for Bragg, because I want to make sure we give a considered answer to these questions.

**Ms CHAPMAN:** In relation to any asset acquisition, were any land or building assets acquired by Renewal SA during the 13-14 year, not including government assets transferred to Renewal SA for sale, and does Renewal SA expect to acquire non-government assets in 2014-15?

**The Hon. J.R. RAU:** Again, we will take it on notice.

**Ms CHAPMAN:** Thank you. As to the Adelaide Railway Station, it seems that just when you are getting clear of assets you get another one. Budget Paper 4, Volume 3, page 103, relating to the Adelaide Railway Station transfer: at the top of this page, it is confirmed that the Adelaide Railway Station was transferred to Renewal SA in 2012-13 from the Department of Planning, Transport and Infrastructure. Can you confirm what land this transfer involved and whether it includes the Festival Plaza, Adelaide Festival Centre car park or the land the Casino plans to build on?

**The Hon. J.R. RAU:** I will take that on notice.

**Ms CHAPMAN:** Because this was something that was transferred from the Department of Planning, Transport and Infrastructure of which Mr Hook was seized of, I ask about the tenancies in the Adelaide Railway Station. Has Renewal SA negotiated and completed the tenancies of the current tenants in the Railway Station?

**The Hon. J.R. RAU:** I understand that is something that is being managed by DPTI.

**Ms CHAPMAN:** I see, so you own it now but DPTI are managing it. Is that what happens?

**The Hon. J.R. RAU:** That is what I am advised. The management of those tenants is something that is being dealt with by DPTI as an agent on behalf of Renewal SA.

**Ms CHAPMAN:** Okay, so they have kept responsibility for managing that. Anything else?

**The Hon. J.R. RAU:** It has just been suggested to me that, given the fact that they as the previous owner already had an existing relationship with the tenants, it was probably thought wise that they continue to manage those tenants as they had existing relationships with them. I understand that is the reason for them continuing to perform that work as agent of Renewal SA.

**Ms CHAPMAN:** Why was it transferred to you? Why did Renewal SA even take it or buy it or accept it or put up with it or whatever the deal was?

**The Hon. J.R. RAU:** Yes, look, again that's a good question. The more you delve into this you find that the government has all sorts of land all over the place with different names on it. We heard this earlier today about the land down there at Victoria Square. Some of it is the old courts department, some of it is DPTI. There are various benefits, real or book entry benefits, to consolidation of some of these in single landholdings. In the case of this one, the advice I have is that there is a net benefit to the state of approximately \$5.1 million by the end of the forward estimates as a result of recovery of land tax. Now, of course, Renewal SA does pay land tax.

**Ms CHAPMAN:** Yes. So taking it from a government department to Renewal SA which is for all intents and purposes an independent corporate entity, although it is subject to direction obviously, perhaps you could give some explanation then as to why it would be transferred, apart from the fact that somebody is telling you that there is some land tax benefit in it.

**The Hon. J.R. RAU:** I gather it works something like this. If Renewal SA as the landlord has to pay land tax, then Renewal SA is entitled to pass on that land tax burden to tenants.

**Ms CHAPMAN:** Really?

**The Hon. J.R. RAU:** I believe so.



**Ms CHAPMAN:** I do not think anyone else is allowed to do that.

**The Hon. J.R. RAU:** I think in commercial tenancy that is alright.

**Ms CHAPMAN:** Yes, right. So why don't you take up all property owned by the asset? Why does Renewal SA not take all assets owned by the government?

**The Hon. J.R. RAU:** No doubt that has been tried at some point.

**Ms CHAPMAN:** The government may not own a lot anymore; it leases a lot, I know that, and DPTI takes responsibility within their division to manage all of the leases of government tenancies. I appreciate that is over in that area of management, but on the face of it there does not seem to be any logical reason why an asset of the government would be transferred to Renewal SA unless it is for the purpose of sale, which is one of its charters. To the best of your knowledge, the only thing you are informed of is that there is some land tax benefit to the value of \$5 million plus over the forward estimates?

**The Hon. J.R. RAU:** That is my advice, yes.

**Ms CHAPMAN:** Did Renewal SA ask to have this property or was it asked to take it?

**The Hon. J.R. RAU:** If it is anything like most of their properties, I imagine they were asked to take it.

**Ms CHAPMAN:** Did they pay anything for it?

**The Hon. J.R. RAU:** No; I am advised, no.

**Ms CHAPMAN:** Given that Renewal SA, for better or worse, is now the owner of the Adelaide Railway Station, is it involved in the negotiations with the Casino regarding their expansion?

**The Hon. J.R. RAU:** I am not sure. I will check it out.

**Ms CHAPMAN:** Given that Renewal SA is the owner of the Adelaide Railway Station, is it continuing to be involved with the Walker Corporation proposal for the surrounding land?

**The Hon. J.R. RAU:** I do not know that it was ever involved in that specifically, but, again, I will find out.

**Ms CHAPMAN:** Just so that I am clear about this, as I understand it—and it is only from briefings that I have had—as to the development behind Parliament House for the Plaza and the car park proposal that was announced by the government, I think, in January and February this year, irrespective of all the ownerships that is under the management of Mr Hanlon, who is your acting chief executive in another role in the Department of Transport and Planning. Is that the situation?

**The Hon. J.R. RAU:** Yes, I believe that is the situation.

**Ms CHAPMAN:** And Renewal SA is not active in the involvement of any management of that project or the development?

**The Hon. J.R. RAU:** I understand that that is presently being managed by DPTI planning division and in particular the Office for Design and Architecture SA.

**Ms CHAPMAN:** Is Renewal SA still responsible for the development of the Royal Adelaide Hospital site?

**The Hon. J.R. RAU:** The old RAH?

**Ms CHAPMAN:** Yes.

**The Hon. J.R. RAU:** Well, yes; at this stage I think as a result of the competition that went on towards the end of last year, the matter was handed over to Renewal, and Renewal is presently undertaking some works in relation to that. Yes, they are looking at economic impact assessments, planning about who may or may not go there, some heritage studies, environmental investigations, and so on.

**Ms CHAPMAN:** Are they commissioning the environmental investigations?

**The Hon. J.R. RAU:** Yes.

**Ms CHAPMAN:** And that includes the soil testing?

**The Hon. J.R. RAU:** Yes. I understand that some work has been commissioned by Renewal in relation to soil testing. That said, I think everyone needs to be aware that, given the fact that it is still functioning site and given that some of the soil is obviously under buildings that are presently being used, there is a limit to which that testing can be undertaken and there is a limit to how comprehensive any feedback from that testing might be; but, yes, it is being undertaken.

**Ms CHAPMAN:** Does Renewal SA have a budget for this current financial year for continued works?

**The Hon. J.R. RAU:** I can tell you what has been spent. Whether the formal payment for this is in the current financial year or last year, I am not quite sure, but the presently undertaken investigations are forecast to cost approximately \$34,000. I gather that that includes sampling, testing of samples and provision of a report.

**The CHAIR:** Are there any further questions, deputy leader?

**Ms CHAPMAN:** No, that concludes my questions. Thank you, Attorney, and members of your staff.

**The CHAIR:** There being no further questions, I declare the consideration of the proposed payments for the Department of Planning, Transport and Infrastructure adjourned until 21 July, and thank the minister and his advisers. In accordance with the agreed timetable, I advise that the committee stands suspended until 5.15.

*Sitting suspended from 17:01 to 17:15.*

**ATTORNEY-GENERAL'S DEPARTMENT, \$97,446,000**

**ADMINISTERED ITEMS FOR THE ATTORNEY-GENERAL'S DEPARTMENT, \$125,951,000**

**DEPARTMENT OF THE PREMIER AND CABINET, \$91,807,000**

**ADMINISTERED ITEMS FOR THE DEPARTMENT OF THE PREMIER AND CABINET,  
\$2,079,000**

**DEPARTMENT OF TREASURY AND FINANCE, \$49,379,000**

**ADMINISTERED ITEMS FOR THE DEPARTMENT OF TREASURY AND FINANCE,  
\$1,392,192,000**

**Membership:**

Mr Marshall substituted for Ms Chapman.

Mr Williams substituted for Mr Griffiths.

Hon. I.F. Evans substituted for Ms Sanderson.

**Minister:**

Hon. J.R. Rau, Deputy Premier, Attorney-General, Minister for Justice Reform, Minister for Planning, Minister for Housing and Urban Development, Minister for Industrial Relations.

**Departmental Adviser:**

Mr G. McCarthy, Chief Executive Officer, WorkCover.

**The CHAIR:** I declare the proposed payments open for examination. Everyone is familiar with our opening remarks but we are going to ask the minister if he wants to make an opening statement and then we will go to the lead speaker. Could I have an indication from this side if there are any questions. No, so you will have the floor after the minister's statement. We will be going from 5.15 to 6.15 for the Minister for Industrial Relations covering WorkCover and then 6.15 to 7.15 through SafeWork SA, Employee Ombudsman Services, Conciliation and Arbitration, Government Publishing, State Records, which is an abbreviated form of this. Is everyone happy with that schedule? I am looking on this side: is everyone okay?

*An honourable member interjecting:*

**The CHAIR:** Well, that is jolly but we are making sure that everyone is happy with that. We have no eye contact so we are going to go ahead with the minister's opening statement.

**The Hon. J.R. RAU:** I will be very brief. I would like to introduce Mr Greg McCarthy, who is the Chief Executive Officer of WorkCover. I would like to place on the record my sincere appreciation of his great work since he has taken up the role and the work of his management team, in particular. They have been a very industrious and progressive group of people to work with. I would like to say that the dramatic improvement in the WorkCover scheme was entirely due to my being made minister in about February of last year, but that would not be true.

It is fair to say that a large amount of what has been done to improve the scheme and the performance of the scheme can be directly attributed to Greg and his team, and I congratulate all of them on their really good work. We can possibly go into a bit more detail about that shortly. As I have said in this place and other places many times before, no matter how good Greg and his team are they can only get out of the current scheme what the current scheme is capable of delivering.

Whilst the work they have done is terrific and it is improving the performance of the scheme, nothing has changed from statements that have been made by me and others for some time now that, short of a complete rewrite of the scheme, we are not going to be delivering the proper outcomes we would like to deliver for injured workers or providing a competitive environment for businesses in South Australia. I think that is about all I need to say.

**Mr MARSHALL:** Thank you, Attorney-General, for those opening remarks. It occurs to me, though (and I think we are all going to be on Budget Paper 3, page 87, the entire time), that several other organisations operate under exactly the same laws with far better outcomes, the Local Government Association being one of those organisations.

You said that the problem with the performance of the WorkCover scheme is that all WorkCover in general is to do with the regulations. Whilst we have some sympathy with that, I wonder whether you would reflect on the significantly enhanced performance the LGA has, where they have a rate which would be half what they would be on if they were on the full WorkCover scheme and they return a profit each year, whilst being fully funded.

**The Hon. J.R. RAU:** I will let Mr McCarthy talk about this a little bit, but can I just say this as a start-off. I think analogies are sometimes helpful and sometimes not. When I was a little bit younger, blokes I knew used to buy a Holden with a 179 engine in it and, if it was not working very well, you could achieve a certain performance out of the thing or you could take it to some place and have new bits and pieces put on it—have it blueprinted and have big carbies put on it. It still was the 179 engine but you could tune it up to the point where it did a great deal of work. The point is that whatever you can say about the self-insured people, they are still working on a 179 block. They have still got the same basic structure, which is not good enough.

**Mr MARSHALL:** But would you accept that some of those working on that same basis are getting a far better output than we are getting from WorkCover directly?

**The Hon. J.R. RAU:** I have never run away from the fact, and do not run away from the fact, that, historically, the management of the WorkCover scheme has left a great deal to be desired. Part of the reason I took the opportunity of congratulating Greg and his team initially is that they really have made a significant difference to the way the scheme is administered. I readily admit that, historically, the scheme has not been run particularly well and the scheme has suffered for that. I invite Greg to make some comments about comparative efficiencies.

**Mr McCARTHY:** There is no doubt that large employers, and self-insured fall into that category, do perform better than the scheme generally. The scheme generally, though, is predominantly very small to medium employers, with those predominantly large employers in the self-insured space.

However, what I will say is that, if you separate out the equivalent size large employers within the scheme, they do perform on par with self-insured employers. There is a real difficulty in managing what is predominantly a small business scheme. If you look at large employers, they are capable of employing people in their workplace whose job it is, the moment someone gets injured, to pull everybody together and start the process of working with the supervisors, the injured workers and the external medical people to pull those people back into the workplace. Large employers within the scheme do the same thing, and those who do get very good outcomes as well. There are some who do not: that is fair to say.

In the last 12 months, with respect to the small to medium employers, we have tried to model what large employers do and introduced an early intervention model into the scheme where we have allowed both of the agents within the scheme to employ what we call return-to-work consultants, who are physios and OTs who specialise in workplace intervention. In modelling what those large self-insurers do, since September last year, within 48 hours of a claim being received and triaged and red or yellow flagged, one of those return-to-work consultants is now in those workplaces doing the sorts of things that self-insureds would do.

It is not as good as an employer being able to afford to employ somebody with the skills to do that but it is pretty close to being as good as you are going to get. Since we have done that, we have had some significant improvements in return to work and, I guess, people moving off the scheme in zero to two, two to 13 and 13 to 26 weeks. So, we have seen improvements in the scheme in attempting to model what those self-insurers do.

**Mr MARSHALL:** You are saying that there is a similar outcome in the large firms versus the self-insured, but that is only on the return-to-work statistics; it is not on the cost. The cost is significantly more expensive for larger firms which are on the scheme versus those which are self-insured?

**Mr McCARTHY:** In terms of premium?

**Mr MARSHALL:** In terms of the cost to the organisation.

**Mr McCARTHY:** The premium reflects the cost of the scheme as a whole; the average premium rate is spread as a result of the cost of the scheme. The average premium rate reflects the performance of the scheme as a whole, not just the cohort of large employers. So, yes, that is the case, and they—

**Mr MARSHALL:** They are essentially subsidising the smaller employers in South Australia who are more costly.

**Mr McCARTHY:** I would put it a different way. I would say that the better-performing employers in the scheme subsidise those who perform—

**Mr MARSHALL:** Very good. I just have one question here, which is onto firefighters. Have any firefighters made a claim under the presumptive laws in South Australia since they came into play at the end of last year?

**The Hon. J.R. RAU:** I will defer to Mr McCarthy on that one.

**Mr McCARTHY:** In fact, I am going to have to take that on notice because WorkCover does not provide the cover; that is part of the—

**The Hon. J.R. RAU:** State government.

**Mr McCARTHY:** —state government's scheme. That is not part of WorkCover.

**Mr MARSHALL:** When you do that analysis and come back to the committee, I would be grateful if you could also let us know whether they are MFS only or whether they are MFS who are also potentially CFS, and what cancers are being claimed for.

**The Hon. J.R. RAU:** We will take that on notice.

**Mr MARSHALL:** Thank you. I have one final question before I pass to my colleagues, and that is: I am wondering whether you have done any analysis, or whether you could do any analysis, on the premium rate that is paid by our agriculture sector here in South Australia relative to other agriculture sectors around Australia.

**Mr McCARTHY:** I can do that for you, yes.

**Mr MARSHALL:** Thank you very much.

**Mr WILLIAMS:** I noted, Deputy Premier, your opening remarks, and comments you have made publicly over a considerable period now, in excess of 12 months, I believe, and I remind you of what you said last year to the committee:

I believe that anybody who believes that some inspired legislative intrusion into the legislation is going to eliminate that unfunded liability in short order is either completely wrong or far brighter than anyone I have ever had the good fortune to speak to on this topic.

Yet now you come to the committee 12 months later and say that we need to have a completely new piece of legislation.

**The Hon. J.R. RAU:** That is because, in the intervening period, I have had the privilege of speaking to Mr McCarthy, and he is far brighter than anyone I have ever met on this topic.

**Mr WILLIAMS:** I will give you that response, minister. Notwithstanding that, you put out a press release, I think it was back on 2 April this year, where you made the statement that you would have legislation in the parliament prior to 1 July this year. We are still waiting.

**The Hon. J.R. RAU:** I feel suitably chastised and embarrassed that it is not here. I have made it very clear to parliamentary counsel—

**The Hon. I.F. EVANS:** Do not blame them.

**The Hon. J.R. RAU:** They claim that they have to sleep and stuff like that. I do not believe them, but that is what they say. They reckon that they are doing their best. This is a fairly complex piece of work. I would have preferred that it would already be in the parliament. I have had, without betraying any confidences, constructive conversations with the member for MacKillop about this matter and likewise with the Leader of the Opposition about this matter, and it is my intention that, as soon as it is possible to do so, I will be able to share a copy of the work with them. It is yet to be fully completed.

All I can say is that my intention is that it should be in the parliament as soon as possible. I have grown wary now, having been picked up on two important points already by the member for MacKillop, of giving black-and-white assurances about things, but it is my present intention that, before we adjourn for the winter break, the bill should be introduced. That is my intention, and I will be even more disappointed than I already am if I have not achieved that.

**Mr WILLIAMS:** Can I take it that it is still your intention to have the new scheme operating by 1 July next year?

**The Hon. J.R. RAU:** Absolutely.

**Mr WILLIAMS:** I note that you have had a discussion document out for general discussion, and obviously you have been holding discussions with various stakeholders in the industry. I think one of the broad directions that you have indicated is the reintroduction of common law. Another is the question of medical panels. I will come back to some of these later on in my questioning. Are you still of the same thinking that you have been in public statements over the last 12 months?

**The Hon. J.R. RAU:** Yes, broadly I am. If you look at the policy document that was published, I think, in February of this year, which basically sets out some parameters, it has been my view that we have to give full faith to operating within the parameters set out in that document and that is what I have sought to do. I think it is only fair to say to members of the committee that within those parameters there is still room for adjustment.

I will give one example: reintroduction of common law. There is at one end of the spectrum full common law with no threshold. At the other end of the spectrum you could go for something similar perhaps to what Victoria has, where you do have a common law option, but only for those with a very high residual incapacity level before you are entitled to exercise that option and even then the option only entitles you to recover for certain elements of what would otherwise be common law damages—and there is every point in between.

Both of those are still common law options. For example, you mentioned the common law. That is potentially a broad spectrum of opportunities. Each one of them brings its own pluses and minuses, depending on which side of the equation you are looking at it from. I think it is fair to say that there are some in the employer groups, particularly the self insureds, who take a very sceptical view about common law being reintroduced.

There are some within the trade union movement who have a very strong view that reintroduction of common law is going to be particularly useful, and then you have others who have less emphatic views about it than them. There is every range of opinion on this topic sitting out there. You mentioned medical panels. Medical panels we intend—

**Mr MARSHALL:** Just while you are on the common law, though. You mentioned the Victorian model. Is our model going to be more like the Victorian model, a very restrictive common law opportunity?

**The Hon. J.R. RAU:** That is what we are in the process of trying to settle. Whatever we do—just so everyone is clear—there is a trade-off in every single thing. There is no magic pudding here. To really simplify the whole thing, first and foremost we are trying to bring early intervention into the scheme in a practical way, so that we have better return to work outcomes for injured workers. That is the main priority of the whole thing.

The second thing is that if we have somebody who is profoundly injured, the scheme does not pester them with having to go to physios every week or whatever. They are acknowledged for being profoundly injured and they are dealt with in a decent way. Thirdly, that relatively small number of people for whom the early intervention at work does not solve the problem and who are not profoundly injured, cannot stay on the scheme indefinitely. Those people, by coming off the scheme, produce a pool of benefit to the scheme, both in terms of its unfunded liability and in terms of its ongoing cost, and the political exercise is sharing that dividend between the employers on the one hand and the injured people on the other.

To come more specifically back to the common law, let us say that there is \$100 available for payouts to workers, you can have that \$50 through the statutory payouts under section 43 of the current act, or whatever you want to call the equivalent, and \$50 for the new common law. Or, you can make it 70/30, or 20/80—you can make it anything you like. In the end it still has to add up to 100.

**Mr WILLIAMS:** That is all very interesting, minister, but we have had a no-fault scheme since 1986 and at the time the Labor government of that era argued that there were serious problems with common law. Can you explain to the committee what your government sees as being the failure of the 'no fault' philosophy of the scheme that requires us to revert back to the common law approach?

**The Hon. J.R. RAU:** It is an interesting question. The no-fault scheme was introduced—basically there was a trade-off at the time. If you recall the debate that went on—

**The Hon. I.F. EVANS:** What, 1986!

**The Hon. J.R. RAU:** Yes.

**Mr WILLIAMS:** Yes, I can remember that!

**Ms CHAPMAN:** It was Trevor Griffin's finest hour.

**The Hon. J.R. RAU:** Perhaps I am betraying my age, but I was a legal practitioner at the time, as I know the member for Bragg was—although perhaps she was not in the Industrial Court as often as I was. At that time there were a number of problems with the 1971 act, although I personally

thought it was a pretty good, simple piece of legislation which had a lot going for it. But there were some shortcomings.

The second thing was that people had to take out mezzanine insurance for common law. They did not get common law as part and parcel of their workers compensation premium. It was a completely separate thing and there started to be, as we have seen in some areas, a lack of availability of appropriate insurance products at a reasonable price, which started then to cause issues.

The response the government undertook at the time was to have a look into what was going on in New Zealand, where they had introduced this universal no-fault scheme which at the time looked like Nirvana and now looks something very different to Nirvana, as it was inevitably going to. Anyway, they looked at that and said, 'Oh gee, that's good,' and the trade-off was, 'Look, you people who represent employees, you give up the common law and you will get a pension scheme.' So you get a pension, but you give up the common law.

All we are saying is that now that we are basically rubbing out the pension scheme, we need to acknowledge that the pension scheme was originally, in the philosophical sense, purchased by abolition of common law, so if you are taking one thing away you at least have to put on the table a return to some of that. Every other jurisdiction has it including the commonwealth under Comcare.

**The CHAIR:** The member for Davenport has a question.

**The Hon. I.F. EVANS:** Same Budget Paper 5, page 87—who was on the selection panel for the appointment of the job placement provider panel?

**Mr McCARTHY:** It was the key staff from the business unit at WorkCover who oversee the provider services.

**The Hon. I.F. EVANS:** Do you know the names of the key staff?

**Mr McCARTHY:** I would have to take that on notice. Michael Francis, the general manager, was on the panel and I am going to be embarrassed to say I know who the people were but I am just having a mental blank as to the names of the other key people. I will have to take that on notice for you. I know who they are, I just cannot recall their actual names.

**The Hon. I.F. EVANS:** What measures were put in place to ensure that there was no conflict of interest that could potentially influence the appointment of panel members?

**Mr McCARTHY:** Anyone who had a conflict of interest. For example, there was one individual that had worked with the provider, that conflict was declared and they excused themselves from consideration of that particular provider.

**The Hon. I.F. EVANS:** Who declared the conflict of interest?

**Mr McCARTHY:** One of the individuals on the panel.

**The Hon. I.F. EVANS:** I understand that an individual had to declare it. What I am asking you is who was the individual?

**Mr McCARTHY:** The name escapes me for the moment but the individual declared the conflict. It was done under a proper—

**The Hon. I.F. EVANS:** Was it Jessica Dewar?

**Mr McCARTHY:** That would be right.

**The Hon. I.F. EVANS:** Right. So Jessica Dewar declared a conflict of interest because she was a former employee of Sandra De Poi's?

**Mr McCARTHY:** That is correct.

**The Hon. I.F. EVANS:** But she sat in judgment on the other potential contracts?

**Mr McCARTHY:** Yes.

**The Hon. I.F. EVANS:** So isn't that a conflict of interest there as well? Isn't there a conflict of interest? 'I am not judging the person I used to work for, I am just judging the tenders of the people who are competing with the person I used to work for.'

**Mr McCARTHY:** But the probity advice that we got was that there was not.

**The Hon. I.F. EVANS:** How many people work in WorkCover—900?

**Mr McCARTHY:** That is correct, but there are not that many in that division.

**The Hon. I.F. EVANS:** So there was no-one else without a conflict of interest that you could put on that panel?

**Mr McCARTHY:** Not to the degree of experience that was required for that particular activity and we had proper probity advice which said that provided that was declared, and that they were not sitting in consideration of that particular firm, then we were appropriate.

**The Hon. I.F. EVANS:** What was the potential conflict of interest—that she might have favoured Ms De Poi if she stayed in the room?

**Mr McCARTHY:** Could have been either.

**The Hon. I.F. EVANS:** How does that conflict apply to those people who are competing with her former employer? How is it not a conflict that I am sitting there in the room, I used to work for this particular employer, and I can influence the outcome, favourably or not favourably, of those who are competing against my former employer? How is that not a conflict of interest?

**Mr McCARTHY:** As I said to you, the probity advice that we had was that it was not.

**The Hon. I.F. EVANS:** I find it staggering that you can have someone in the room who worked for one of the providers and can influence the outcome for those who are competing against the provider she used to work for. I just cannot understand how that is not a conflict of interest. What was the specific question asked of the probity auditor?

**Mr McCARTHY:** The declaration was made and there was no advice that said that that should not continue.

**The Hon. I.F. EVANS:** Was there advice asked whether she should stay in the room for the other providers?

**Mr McCARTHY:** I will need to take that on notice.

**The Hon. I.F. EVANS:** If you could, thanks, that would be good. How did WorkCover validate the rehabilitation providers' proven outcomes when they have failed to provide individual rehabilitation providers' performance?

**Mr McCARTHY:** I beg your pardon?

**The Hon. I.F. EVANS:** How did WorkCover SA validate the rehabilitation providers' proven outcomes when they have failed to provide individual rehabilitation providers' performance?

**Mr McCARTHY:** WorkCover to date has not provided outcome performance for rehabilitation providers and that is a measure that we are in the process of putting into place. We will in the course of the next 12 months be able to provide information to both providers and the people who use providers on their performance, but that has not been in the scheme up until now.

**The Hon. I.F. EVANS:** So if the performance of the providers is not in the scheme up until now, how did you make the judgment about the providers being awarded the contracts and that they were actually performing well?

**Mr McCARTHY:** The difficulty when you have a situation like that is around their satisfying WorkCover about their ability to provide the service. A number of them had actually been providing the service in the commonwealth sector and providing outstanding performance in that sector, so from that perspective there was performance criteria for those who were actually working in the commonwealth sector. It was a little bit difficult for those who had not worked in that sector, but it



was evaluated on what work they had been doing and their demonstration to us around their capability.

**The Hon. I.F. EVANS:** So WorkCover had no performance measure of the rehabilitation providers? You could not just hit a button and pull out Fred Smith's company's performance record and look at it for the tenders?

**Mr McCARTHY:** Not that it would have had any credibility.

**The Hon. I.F. EVANS:** And you have awarded contracts based on what?

**Mr McCARTHY:** Based on the information around them being able to satisfy us of the criteria that we wanted in respect of performing that contract. If you want to know the detail, and I know Mitch has asked for it, we are in the process of providing the detail around that at the moment.

**The Hon. I.F. EVANS:** Okay, so the scheme has been in place since 1989 and there has been no measurement of performance of rehab providers up until 2014, and we have the worst return-to-work rate in Australia by a mile, and not one of 900 people thought of putting in a performance measure on rehab providers?

**Mr McCARTHY:** I have been here for 12 months. I cannot do everything in one go, and we are in the process of putting that in place.

**The Hon. I.F. EVANS:** I understand that, but there has been a board in place that could have asked these questions.

**Mr McCARTHY:** I am not here to—

**The Hon. J.R. RAU:** Can I just say this: I am not disagreeing with the proposition that is effectively being advanced by the member for Davenport. In fact, I think I sort of said a while ago that I am not here to make an apology for the way the board of the past or the management of the past have conducted themselves with the scheme. I think it has been suboptimal—let's call it that. I would ask members to recall that last year I said as much in introducing legislation to change the corporate structure of the board to improve the governance of the scheme, so if the member for Davenport or others are wishing to assert that the scheme has performed averagely or worse in terms of its management, they are pushing against an open door.

*Mr Marshall interjecting:*

**The Hon. J.R. RAU:** They are pushing against an open door with me. I have been saying the same thing and I am not going to—

**The Hon. I.F. EVANS:** Okay, so minister, how then have the rehabilitation provider contracts been awarded in the past if there has not been a measure of their performance? There have been some providers that have had massive contracts awarded to them, based on what?

**The Hon. J.R. RAU:** Look, can I say this: one of the things that I raised with Mr McCarthy shortly after I became minister—and that was actually shortly after Mr McCarthy took up his role—was that very question about how we could get some intelligent assessment of what was going on with rehab providers. I can tell you that one of the things we have looked at very seriously in terms of the new legislation that we will be putting in is regulating their activities in a very serious way. As I said, I am not making any excuses for past management of the scheme not having turned their mind to that point when it is a matter that has concerned me from a distance for some time, and since I have been minister it has concerned me from close up.

In fact, one interpretation of what has been going on in the scheme is that you have had the claims managers, who have had certain KPIs wrapped around their performance, do the things that ring the bells for them to deliver the money, and then when it all gets too hard for them or they have rung the bell as often as they can they handball the thing off to a rehab provider who has basically got a credit card they can keep running through the machine indefinitely. That is just not good enough. I am not going to defend it—absolutely not.

**Mr MARSHALL:** Aren't you from the government that has been running it for the last 12 years? I know it was not you as the minister and things have improved—you told us that.

**The Hon. J.R. RAU:** But I did not claim credit for all that; I said that was Mr McCarthy who did all the good work.

**Mr MARSHALL:** No, that is right. Quite rightly so.

**The Hon. J.R. RAU:** What I can say is that, since I have been looking at this thing and since Mr McCarthy has been looking at it, we have very seriously turned our minds to these matters. I am not trying to make excuses for things that I do not think should have excuses made for them. I have not done that about this and I will not do that about this.

**The Hon. I.F. EVANS:** Minister, I will put the question direct to you: do you think that a former employee of one of the tenderers should have been able to sit in the room and cast judgement on tenders from other companies that were competing against a former employer's company?

**The Hon. J.R. RAU:** I do not know enough about the circumstances of it. I do not know what the probity advice situation was, but—

**The Hon. I.F. EVANS:** Are you, minister, then prepared to take on notice and table the probity advice, both the questions asked and the answers given for that particular issue?

**The Hon. J.R. RAU:** I will certainly look into it and I am happy to talk to you about it. I am not even sure if that comes within estimates, but I am happy to look it up for you anyway. I will find out; I will get to the bottom of it.

**The Hon. I.F. EVANS:** So, in the future, how will WorkCover measure performance of the rehab providers?

**The Hon. J.R. RAU:** That is one for Mr McCarthy by the sound of it to me.

**Mr McCARTHY:** It will be based around two things. It will be based around outcomes, so return-to-work outcomes, but also around meeting the service expectations of the scheme. There will be effectively a subjective assessment around the quality of the work that they provide and an objective assessment based on return-to-work outcomes.

**The Hon. I.F. EVANS:** Is it a fact that WorkCover has not measured this particular return-to-work performance of the individual providers? Is that the reason that inaccurate information has been given to some providers about their own company's performance or is there another reason?

**Mr McCARTHY:** No, the reason is that we are still in the process of refining what it is that we need to do in order to be able to provide proper performance measurements of those providers. It is something that is very new. It has not been done before. It does come with its challenges and we intend to get on top of it and come up with a very robust performance measurement, in consultation, I might add, with the industry.

**The Hon. J.R. RAU:** Can I just make a point here, too. There is a well-documented relationship between the speedy intervention in a workplace injury and a successful return to work. What I am about to say is a gross generalisation of things, but I am relatively relaxed about the scheme spending money in the first week or two (or three or four) aimed at getting a person back into the workplace and back on the horse, so to speak, but spending money after six months or 12 months is so close to lighting \$50 notes with a cigarette lighter that it does not bear talking about.

It is not just how you do it. It is not just what the rehab provider—so-called—is doing. It is when they are doing it, because at some point in the natural history of an injury, it might well be that some sort of intervention by one of these professionals is really helpful, but that moment is almost certainly not 12 months, 18 months or two years after the injury. Money spent at that back end is almost always, in my opinion, money wasted.

**The CHAIR:** Any more questions on the topic?

**The Hon. I.F. EVANS:** Yes.

**The CHAIR:** It would be nice to get an indication.

**The Hon. I.F. EVANS:** Can the minister advise—or take on notice and provide to the committee—who was on the selection panel for Jessica Dewar to win her position, and were there any conflicts of interest declared in that process?

**The Hon. J.R. RAU:** Again, I am not sure it is really an estimates question, but in the spirit of bonhomie that seems to have evolved in here, I will see what I can do to find out and let the member for Davenport know.

**Mr McCARTHY:** We can certainly do that. What I would like to say is that South Australia—and Adelaide in particular—is a small place. We have a number of people who we have recruited into our organisation with what I would call occupational health skills, and many of them come from providers, not just one provider but a number of providers. That tends to be the market where we attract those people into the organisation, and to find them elsewhere would be nearly impossible.

**Mr WILLIAMS:** We will move to a different area. On the same reference—

**The CHAIR:** Which is?

**Mr WILLIAMS:** Budget Paper 3, Chapter 5, page 87, I believe. Minister, regarding the changes we were talking about earlier which you are proposing in the legislation which you are endeavouring to have before the parliament very shortly, have you taken actuarial advice on those changes?

**The Hon. J.R. RAU:** Yes, I have. It is a little bit like chasing your tail, though, because every time you make any potential change to the legislative scheme you really need to put it back to the actuaries again. I have been seeking actuarial advice for probably six or nine months. We started in September of last year, looking at different things and getting ballpark figures.

One of the parameters I have been adjusting all of this around is the election commitment, which was to have a break-even average premium rate of between 1.5 per cent and 2 per cent. So, it has been one of the design parameters of this scheme that whatever we bring to the parliament has to be accompanied by an actuarial certificate, as far as I am concerned, that puts it in that range.

That said, as the member for MacKillop would be aware, actuaries are very conservative people and do not give you any cred for anything. All things being equal, we may do better than whatever the actuaries say. If the scheme is well run and achieves some of the culture change that we hope it will, it may—I emphasise the word 'may'—overshoot what the actuaries say. It is unlikely to do worse than the actuaries say; I think that is also fairly clear. But, because we do not have a final model yet, there is no final bill on which to base a final, conclusive actuarial assessment.

**Mr McCARTHY:** Could I just add something to that. The substantive parts of the work that has been done have also been peer reviewed by one of the other leading actuarial firms in Australia. So, the costings have been peer reviewed by one of the other leading scheme actuaries from another firm in Australia.

**Mr WILLIAMS:** I am delighted to hear what I have heard so far, minister, but I am somewhat concerned. In a press release you put out on 24 January this year, you said:

Under the new scheme, average WorkCover premiums for businesses in South Australia will come down to 2 per cent or less and the unfunded liability will virtually disappear...

Your government has been talking of making savings to business in South Australia of \$180 million a year in premiums, and that is about the order you would achieve at that 2 per cent range. I point out that as of 7 July the average premium rate in Queensland is 1.2 per cent; in Victoria, 1.27 per cent; New South Wales, 1.4 per cent; and Western Australia, 1.56 per cent. Are we in danger of not aiming nearly low enough and still saddling South Australia with a culture where we are still going to be spending a lot more money on a WorkCover scheme relative to other states?

I would argue that it is quite clear that, if we could achieve an average premium rate which was the average of those other jurisdictions I have just cited, we would indeed be saving the business community in South Australia more like the order of \$300 million a year, rather than \$180 million a year. I note that our unemployment rate has been steadily increasing over the last number of years. Is it time we took this matter seriously and aimed where we should be aiming, that is, the average of the Australian rate?

**The Hon. J.R. RAU:** I understand the question, but I assure you that I am taking it seriously and have been all along. I think the point really is this: we need to play the ball from where we are, not where others are. Where we are presently is a scheme which has a break-even average premium rate in excess of 3 per cent. In fact, when Greg and the new board started their work, it was somewhere around 3.36, or 3.35, or 3.31.

**Mr McCARTHY:** It was 3.34.

**The Hon. J.R. RAU:** It was 3.34, which is more than double those numbers you were quoting. We have set a target range of between 1.5 and 2 per cent. I acknowledge that the current comparatives with interstate have some of the states in the low 1 per cents, but I think we need to be practical and realistic and say that for us to bring our scheme down from something which is travelling along at in excess of 3 per cent to something that is below 2 per cent is a substantial improvement, and it will involve a lot of compromise by a lot of people who feel very strongly about the scheme.

In a perfect world, if you were starting with a blank canvas you might say, yes, everyone should be on 1.2, but we are not starting with a blank canvas. We are starting with a scheme which is already there but, as I said, we have not overpromised in that policy document or in those statements. In those, I have made reference to a 2 per cent break-even average premium, which is the upper tolerable level of our policy.

We may well do better than that, and I think we need to let the scheme run in its form for a little while to see where it finally settles. It may settle better than 2 per cent, considerably better; if it does, then the saving we have indicated of \$180 million per year across South Australian businesses will go up. You are quite right that if we got it down to around 1.5 that number would be closer to \$300-something million, which is a big number.

I understand your point, and if we were dealing with a blank canvas in a vacuum I think your argument would be overwhelmingly compelling, but we are dealing with reality. We are dealing with a situation which is a current hardwired in excess of 3 per cent pension scheme which we are seeking to change, and that is a big move.

**Mr WILLIAMS:** I hope you can appreciate the committee's scepticism. I have been through all this before in 2008, when we were assured that the legislative changes of that era would fix up the scheme and make it perform much better; in fact, I think the scheme is considerably worse today than it was prior to those changes.

**The Hon. J.R. RAU:** But that occurred BMC—before McCarthy. Things are different now.

**Mr WILLIAMS:** Let me move on but come back to something we touched on a little while ago, that is, medical panels. Is it still your intention to get rid of medical panels? I think we had a discussion on this last year in this very committee, and medical panels were one of the things that we introduced in 2008. I think the parliament was convinced at that time that there was a place for medical panels and that it would make a significant change.

But of course the legislation, I would argue, was shown to be flawed. Medical panels have not been used as certainly I believe the parliament intended them to be used, and I think that has been part of the problem. Now it seems that your government has flagged that you want to get rid of medical panels. Is that still your position and, if it is, can you explain why you are heading down that path?

**The Hon. J.R. RAU:** Yes, that is our position. The Premier gave a very clear undertaking some 18 months or maybe two years ago that the medical panels would go, and we will honour that commitment.

**Mr WILLIAMS:** That commitment to whom?

**The Hon. J.R. RAU:** I think he made a public statement about it.

**Mr WILLIAMS:** He made a public statement. He made a press release on 27 October 2012.

**The Hon. J.R. RAU:** I do not think he has resiled from that at all since that time. Let's just delve into the medical panel question just for a moment. As the member for MacKillop would be

aware, there was the case of Yaghoubi a while ago which was dealt with in the Supreme Court where they found that there are elements of the medical panel process which were fundamentally flawed. It involved requiring a doctor to make basically a legal determination which was found to be unsatisfactory, quite reasonably.

I think we need to make a distinction between substance and form here in terms of what is going on. The substance we are trying to deal with is duelling doctors, expensive litigation and wasting people's time with tyre kickers who are charging for medical reports. That is the substance of it.

The form the parliament took to deal with that substance was medical panels. That form has not worked, that form will be replaced, but it does not mean that the substance of the problem, which had an initial suggestion of medical panels as the solution, does not remain a problem—it does, or it will if it is not dealt with. What I am going to propose is to deal with that problem in a different way, but I recognise it is a problem and, if it is not dealt with, it will continue to be a problem.

**Mr WILLIAMS:** The Victorian system has an average premium rate of 1.27 per cent, and ours is, as you have told the committee, well over 3 per cent. Notwithstanding that the board of WorkCover, in its most recent annual report, recommended that we amend the medical panels legislation to reflect more the Victorian legislation, you are telling the committee that your government is still of the opinion that medical panels have no place in South Australia.

**The Hon. J.R. RAU:** All I can say is there has been a public commitment given by the Premier that medical panels, as currently constituted in the legislation, will be done away with. We intend to honour that commitment. The fact that the scheme in Victoria delivers a lower break-even average premium rate cannot fairly be attributed simply to the existence of a form of medical panel in Victoria. There are a great many other variations in the Victorian scheme which contribute to the way in which the scheme functions as an operational scheme, and they include the level of benefits.

**Mr WILLIAMS:** Notwithstanding that the chairman of the board, in the most recent report, recommended that we go down the path of Victoria with regard to medical panels.

**The Hon. J.R. RAU:** Reasonable people of goodwill may disagree on this point, but my point of view, as you will see in the legislation, is that we do intend to deal with the substantive problem, which is the potential for doctors for hire, the round and round the mulberry bush medical reports and counter-medical reports, etc. There is no argument that that is not helping—no argument at all. There is no argument that we need to deal with that in some way. All I am saying is the current medical panel solution is not the way to do it, but the problem does need to be addressed—I accept that—and will be.

**Mr WILLIAMS:** Having made that point, I will just briefly go back to the other issue we were discussing, that is, common law. Whereas you have identified that you have a problem with duelling doctors, now we are going to introduce, I believe, another problem where we are going to have duelling lawyers. You do not see any conflict in the philosophy of those two elements?

**The Hon. J.R. RAU:** I am going to take my lawyer's hat off just for the minute, because one might think I have a conflict of interest. I am not practising presently, but can I say that there are already lawyers involved in motor vehicle accident claims, for example, where the common law applies.

There are also workplace accidents, where lawyers are presently involved in the common law, where the worker is employed by a labour hire firm, for example, and they are working, say, in your premises. They are not your employee, but you have negotiated with a labour hire firm to have that person work in your premises. If they are injured, they can sue you now. They use a lawyer and they go through the common law courts, and everyone is quite relaxed about that. So, I think this can be sort of pumped up into something a lot bigger. Everyone who falls over on a banana in Woolworths can sue Woolworths in the common law courts—and I am not picking on Woolworths by the way; I am sure other people have bananas and so on. The point is that they can sue as well, and use lawyers.

I think it is very easy to misunderstand how many additional claims there might be and how complex they might be. I think the system is perfectly capable of managing it, and I have to say that

there are people in the insurance industry—the ones who know what they are doing—who, as soon as they get notice of a common law claim, sit down with the parties and try to resolve it instead of letting it run. Those people achieve good outcomes for everyone, including the insurer.

**Mr WILLIAMS:** Given the time, minister, I will have to move on. I also note in the most recent report that disputation in South Australia is much higher than it is in any other jurisdiction in Australia or New Zealand, by every measurement.

**The Hon. J.R. RAU:** I agree that is a problem, and it is something I am trying to address. It is partly to do with the fact that there are so many moving parts in our current scheme. The scheme has too many swinging doors. What we need in the scheme is fewer swinging doors; we need clear paths and absolute boundaries. That eliminates a lot of that trouble with disputes. It will not get rid of it all, but it will get rid of a lot of it because there will be less to argue about.

**Mr WILLIAMS:** I am looking forward to seeing this bill, minister. A double-barrelled question, given the time: are you proposing to get rid of the Workers Compensation Tribunal in your legislation, and are you proposing to get rid of the WorkCover Ombudsman?

**The Hon. J.R. RAU:** At the present time those matters are being worked through. There is no definitive answer to those two questions, but I am looking at both those things.

**Mr WILLIAMS:** And you are going to have legislation here in a couple of weeks?

**The Hon. J.R. RAU:** Yes.

**Mr WILLIAMS:** Okay. Minister, I want to ask some questions about the—

**The Hon. J.R. RAU:** Sorry, one further thing; a bit of information there. Whatever happens there will be a transitional period during which the current structures will need to remain intact and will need to operate, because there will be a run-off of pre-new act matters. Clearly the existing structures for the determination of disputes in connection with those matters will need to be maintained, at least for a period, to be able to deal with them. So whatever happens, there will be that role.

**The CHAIR:** Do you have a final question?

**Mr WILLIAMS:** Yes. In the few minutes left, minister, regarding the experience rating that has been introduced by WorkCover as an additional premium paid by employers who have a poor work injury record relative to their industry, one of the things talked about for medium and small business people is how you classify a medium sized employer. I have to tell you that I have had examples in my own electorate where what I would regard as small businesses—certainly less than 20 employees—have come to me with a massive increase in their WorkCover premium because, in some instances, of one accident.

I can cite one incident that was a motor accident where the driver of a truck broke a toe. The driver of that truck was not wearing a seatbelt, as he was obliged to do under other law, yet this is costing this quite small employer literally, over the next four or five years, hundreds of thousands of dollars. So, how do you define a small employer, and has this new experience rating premium brought additional revenue or is it revenue neutral?

**The Hon. J.R. RAU:** I will give this over to Mr McCarthy, but I will say this: the question you are asking may or may not continue to have relevance for whatever the new scheme looks like, because the arrangements for the type of situation you are talking about may or may not continue to be the same. However, I will leave that to Mr McCarthy.

**Mr McCARTHY:** It is revenue neutral. It is meant to be revenue neutral and small sized employers in terms of the scheme because it is based around the industry rate that drives the premium, so about \$20,000 in premium would be considered small. Below that level, employers are not experience rated, so that is the bulk of the employers in the scheme. There are only about 6,000 employers in the scheme who are actually experience rated. I think you cited a truck driver, so I would assume that is the trucking industry. The trucking industry is probably one of the highest risk industries, so it does not take too many employees in that industry to get your premium over the \$20,000.

We have had a number of workshops with employer associations over the last six to eight months around the impact of the experience rated premium, and I think one of the objectives that was set for WorkCover in the charter that the Premier and the minister provided the board for this year was to look at what opportunities and incentives we could build into and review in the premium.

We have had a number of discussions with industry groups around how to resolve some of those issues that you raise. We will have a first tranche of solutions for this June and a much more robust solution for the following June. We are attempting to bring opportunities into the scheme to smooth out and alleviate the sorts of issues that you are talking about, so we are aware of it and we are working towards creating greater fairness in the scheme.

**The CHAIR:** There being no further questions, I declare the examination of proposed payments closed. I invite the minister to change advisers for the next section.

#### **Membership:**

Mr Knoll substituted for Mr Williams.

#### **Departmental Advisers:**

Mr R. Persse, Chief Executive, Attorney-General's Department.

Mr J. Hallion, Chief Executive Officer, Department of the Premier and Cabinet.

Mr A. Martin, Executive Director, Corporate Services, Department of the Premier and Cabinet.

Mr S. Froude, Acting Executive Director, State Records, Department of the Premier and Cabinet.

**The CHAIR:** Would the minister like to advise his new advisers?

**The Hon. J.R. RAU:** Yes. On my right, we have the return of the Chief Executive of the Attorney-General's Department, although he probably feels he has never left, Mr Persse. On my immediate left is Mr Jim Hallion who is the Chief Executive Officer of the Department of the Premier and Cabinet. To his left is Mr Alan Martin who is the Executive Director, Corporate Services, Department of the Premier and Cabinet. Behind us is Simon Froude, Acting Executive Director, State Records.

**The CHAIR:** Are we going straight to questions?

**The Hon. J.R. RAU:** Yes.

**The CHAIR:** Deputy leader?

**Mr MARSHALL:** Attorney-General, can you tell us what this source of income is, the \$708,000?

**The CHAIR:** What page are we on?

**Mr MARSHALL:** On page 176.

**The CHAIR:** Budget paper?

**Mr MARSHALL:** Budget Paper 4, Volume 3, page 176, sub-program 6.1, Archives and Records Management.

**The Hon. J.R. RAU:** We are searching. We will be back to you in a moment.

**Mr MARSHALL:** Okay. Under Highlights in 2013-14, when will the government release its independent review of the State Records Act?

**The Hon. J.R. RAU:** Back to your question, I am advised that it is largely regulated fees for copying services.

**Mr MARSHALL:** So this is paid by people in the general public—organisations.

**The Hon. J.R. RAU:** And training provided to government agencies, I am advised.

**Mr MARSHALL:** I see. Thank you very much.

**The Hon. J.R. RAU:** Your next question was?

**Mr MARSHALL:** Under highlights on that same page, 'Supporting the Independent Review of the State Records Act 1997', when will the government release its independent review of the State Records Act? As a follow up, when will the government release its response to the review of the State Records Act?

**The Hon. J.R. RAU:** I will provide you with the following advice that has been provided to me. In September 2013 the government announced the appointment of Mr Allan Moss to undertake an independent review of the State Records Act. The review is considering the extent to which the current legislative framework effectively achieves the objects of the act, with particular consideration being given to electronic records. Mr Moss undertook public and interested party consultation between November 2013 and January 2014. Over 50 formal submissions were received in response to consultation.

A wide range of issues within the operation of the act were raised during the consultation, including: the need for clearer provision in the act with respect to electronic records; the inability of the act to ensure agency compliance with adequate record management; the complexity, timeliness and cost of the process for disposal of records; the need to permit the replacement of paper-based records with digital records allowing for the reduction of paper stores; a lack of a central digital archive for the South Australian public sector; and the need for an open-access period for archival records held by State Records.

Mr Moss has reviewed the issues raised during the consultation and is currently considering a range of options for a forum. It is expected that Mr Moss will recommend changes to the act. It is expected that Mr Moss will complete a draft report of the review in the middle part of this year, so it is imminent.

**Mr MARSHALL:** I see. So no report has been completed. It is underway. So your highlight was just consulting with somebody. Good, thank you. Does that review include the Electronic Patient Administration System, the implementation of the EPAS?

**The Hon. J.R. RAU:** I am advised not.

**Mr MARSHALL:** What about the PCEHR, the Personally Controlled Electronic Health Records?

**The Hon. J.R. RAU:** I am advised no. You might need to talk to Health about that.

**Mr MARSHALL:** State Records excluding Health?

**The Hon. J.R. RAU:** So it would seem.

**Mr MARSHALL:** This is surely the single biggest issue concerning State Records in the state at the moment: the implementation of the EPAS, which is running significantly over budget in South Australia the moment. You are saying that the independent review of State Records is not even taking a look at the EPAS? Goodness gracious me.

**The Hon. J.R. RAU:** I am advised that the situation is that this is a look at State Records across the board. Health has particular issues in relation to electronic records peculiar to Health. This was not intended to be a review specifically of Health. So there will be general propositions emerging from Mr Moss's work which will have relevance and application to all government records, including those held by Health, but it is not a review which is focused specifically on Health-related records.

**Mr MARSHALL:** But it is not excluding Health?

**The Hon. J.R. RAU:** No.

**Mr MARSHALL:** So he will be looking at Health?



**The Hon. J.R. RAU:** I am advised that there has been communication with Health about these matters, including about EPAS.

**Mr MARSHALL:** When will you expect Mr Moss to be reporting on his overall review, including Health?

**The Hon. J.R. RAU:** Imminent; shortly.

**Mr MARSHALL:** Imminent? Good.

**The Hon. J.R. RAU:** Imminent; yes.

**Mr MARSHALL:** When can we expect the government's response to that review?

**The Hon. J.R. RAU:** Shortly after the imminent release, I imagine.

**Mr MARSHALL:** Shortly after?

**The Hon. J.R. RAU:** Yes.

**Mr MARSHALL:** I doubt it.

**The Hon. J.R. RAU:** I think the Leader of the Opposition can treat the reference to the highlight there as a bit of a drum roll for the release shortly.

**Mr MARSHALL:** I will make a note. As part of that drum roll, you refer to the implementation of the first part of stage 4—so, 4A, if you like, as part of that drum roll—of the proactive disclosure strategy. What is the first part of stage 4 of the proactive disclosure strategy?

**The Hon. J.R. RAU:** I am glad you asked that question.

**Mr MARSHALL:** I knew you would, sir; I knew you would.

**The Hon. J.R. RAU:** On 12 November 2012, cabinet noted the development of the proactive disclosure strategy for state government agencies. The strategy proposes that certain proactive disclosure initiatives be implemented in five stages. The five stages are: stage 1, online publication of selected cabinet documents 10 years or older; stage 2, updating and launching a revised citizens' rights to information charter and brochure; stage 3, agencies improving agency FOI information statements; stage 4, online publication of information that is regularly requested and released under FOI; stage 5, agencies adopting other proactive disclosure processes.

On 17 December cabinet approved stage 1, with an amendment to the cabinet documents 10-year rule policy to allow for the proactive disclosure of documents selected by the minister responsible for FOI in consultation with the cabinet. The policy was also amended to allow the DPC to proactively publish cabinet documents previously released under FOI, including those released under the 10-year rule. Stage 1 was completed on 15 April 2013, when the government published 28 of its own cabinet documents from 2002 which were considered to be of interest to the public. These documents related to the Peter Lewis compact, the Murray-Darling Basin and major drought and are available on the DPC site. South Australia is the first jurisdiction to do this.

The first part of stage 4 was approved by cabinet on 29 April 2013, with the policy approved on 2 September 2013. The first part of that requires the government portfolio agencies to proactively publish on their websites selected information relating to the expenditure and other details of ministers and chief executives, including their mobile phone and credit card usage, hospitality, entertainment and overseas travel expenses, certain procurement policies, and expenditure on consultants. The leader would be aware that previously those things had been routinely the matter of an FOI application, and as of that date these things are put out there.

**Mr MARSHALL:** Under Targets 2014-15 the second dot point states 'further development of information privacy legislation for South Australian public sector'. Can you indicate to us here today what is the intent of the information privacy legislation?

**The Hon. J.R. RAU:** Information privacy legislation is being developed to support the government's commitment to stronger protection of personal information and to further open and accountable government. The legislation will replace the government's existing administrative scheme for information privacy protection. It was established in 1989 and applied to information

collected by South Australian government agencies, local government authorities and the three state universities. The legislation will establish a contemporary set of information privacy principles to guide the way public sector agencies collect, store, secure, and use and disclose personal information.

**Mr MARSHALL:** So this is new legislation that you are going to be introducing?

**The Hon. J.R. RAU:** Yes.

**Mr MARSHALL:** When will that be available for consultation? We can look at the detail when it is out for consultation.

**The Hon. J.R. RAU:** Consultation has occurred with South Australian government agencies on a draft bill. The bill has been drafted to provide consistency with the new Australian privacy principles.

**Mr MARSHALL:** Have we seen that draft bill?

**The Hon. J.R. RAU:** No, I do not believe you have. It is proposed that the draft information privacy bill will be released for an eight-week public consultation period prior to being introduced into the parliament. And your next question is: when will that eight-week period start—

**Mr MARSHALL:** You are a mind reader. You have so many skills and telepathy is just one in that regimen of skills.

**The Hon. J.R. RAU:** It is imminent.

**Mr MARSHALL:** Imminent. There is a lot of imminence and eminence here today, sir. On your third dot point, because a quick game is a good game, under, 'Targets', it states, 'Complete negotiations aimed at reducing the state's copyright liability.' With whom are you negotiating to reduce the state's copyright liability?

**The Hon. J.R. RAU:** The Copyright Act of the commonwealth allows government to copy copyrighted material for the services of government without infringing the act, provided it pays an equitable remuneration to a declared collecting society. Equitable remuneration is based on the outcomes of an agreed sampling system. State Records represents the state government in the non-education sector negotiations with collecting societies. Copyright Agency is the declared collecting society for print and electronic publications.

The last sampling survey that the SA government participated in for this was undertaken in 2003 and was implemented at a national level. A selection of staff from four SA government agencies participated and the results of sampling were aggregated and then extrapolated. That is not bad, is it, aggregated and extrapolated. For those with their sheets here we will just add in the words 'fabulous, bellicose and periscope'. I am just checking if they are awake.

**Mr MARSHALL:** The question was: who are you negotiating with? All that other information is very good but I thought you wanted to get out of here earlier.

**The Hon. J.R. RAU:** Sorry, I will cut to the chase then. Negotiations are continuing with Copyright Agency to determine the requirements of the sampling survey and a survey will be undertaken during 2014-15; an interim or BOP payment for 2010-11 to 2012-13. So, contingencies are sitting there for \$640,000 in DPC.

**Mr MARSHALL:** I am still not sure who you are negotiating with, but I am sure if I read that *Hansard* back it might become apparent, potentially, or we could get a PhD student onto it.

**The Hon. J.R. RAU:** Copyright Agency collects fees on behalf of those—

*The Hon. S.W. Key interjecting:*

**Mr MARSHALL:** A parliamentary intern, the member for Ashford recommends a parliamentary intern to go through the *Hansard*. Let us move on. That is the last of my questions on State Records. Thank you very much. I would just like to ask some questions on government publishing.

**The Hon. J.R. RAU:** Okay, it is the same people. Yes?

**The CHAIR:** What line are we on?

**Mr MARSHALL:** Only because it is on the next page and I am sure the Deputy Speaker will be able to cast her eye from page 176 to 177.

**The CHAIR:** It is *Hansard* I am concerned for.

**Mr MARSHALL:** And *Hansard* as well, of course. Sub-program 6.2: Government Publishing. Can you provide a breakdown of the sources of income of \$2.25 million?

**The Hon. J.R. RAU:** Yes, we will try. We will take that one on notice. Fabulous question.

**Mr MARSHALL:** I would like to ask a question under the topic, 'Targets', on the next page (178). What is the cost of the major upgrade to production facilities and when will it be delivered?

**The Hon. J.R. RAU:** I am advised the answer is \$300,000 for digital copying equipment.

**Mr MARSHALL:** So, let us get this straight: you are spending \$300,000 on what? 'Major upgrade' sounds larger than \$300,000 to me.

**The Hon. J.R. RAU:** Apparently, it is to do with printers for government publications being replaced and upgraded; for example, the *Gazette*.

**Mr MARSHALL:** So, that is \$300,000 and, let me guess, it is imminent?

**The Hon. J.R. RAU:** Not as imminent as the other things but, yes, it is in the foreseeable future. If we had a periscope we could see it from here.

**Mr MARSHALL:** The third dot point, under 'Targets':

Review current business arrangements and apply measures that address changed business practices and technological change.

What does that mean? What measures to change business practices are being contemplated by our government printers?

**The Hon. J.R. RAU:** Very good question.

**Mr MARSHALL:** You can take that on notice, I am sure.

**The Hon. J.R. RAU:** I am advised that it is to do with the drop in demand for hard copy. There is a review of whether there needs to be some sort of administrative shift towards online publication rather than hard copy.

**Mr MARSHALL:** Now on to Budget Paper 4, Volume 1, Employee Ombudsman's Services, page 45. Has the government at any time contemplated removing the Employee Ombudsman's services?

**The Hon. J.R. RAU:** The Leader of the Opposition raises an important question. The situation we have at the present time is that the Employee Ombudsman is a statutory office holder, not an employee as such of the Crown. Being as he is a statutory office holder, there is a particular methodology by which he can be removed and only that methodology, which is both houses of parliament essentially requesting his removal. Presently, he is in a situation where, as I understand it, he has been charged with some offences. The matter is currently before the Magistrates Court, but no date for trial has as yet been set.

At this stage, the chief executive has approved leave to Mr Brennan until those charges are finalised. He has delegated his powers to a lawyer in the office, so there is no effect on the functionality of the office itself. We are left with, I have to say, from everybody's viewpoint, an unsatisfactory situation where there are charges against him which may or may not turn out to be upheld. In the meantime, in light of that, it is not reasonable for him to continue to operate in his role, but by the same token we are unable to stand him down without pay; there is no legal way to do it. It is one of these terrible twilight zone situations where we just have to wait and see what happens.

**Mr MARSHALL:** Is he on leave with or without pay?

**The Hon. J.R. RAU:** With.

**Mr MARSHALL:** How long has he been on leave with pay?

**The Hon. J.R. RAU:** Since June 2013.

**Mr MARSHALL:** June 2013. What is his salary package, his total costs to the government?

**The Hon. J.R. RAU:** I had better check that and get back to you with the numbers.

**Mr MARSHALL:** Do you have any advice as to when these matters will be resolved in the courts?

**The Hon. J.R. RAU:** No, but I will see what I can find out. No date is yet set, whether that is because the prosecution has not prepared the matter properly—I gather it is a police prosecution, rather than a DPP prosecution—or whether it is because of some interlocutory argument between the defendant and the prosecution, I do not know. Quite frankly, this is not ideal from anyone's point of view.

**Mr MARSHALL:** What is the term of his appointment by parliament?

**The Hon. J.R. RAU:** Six years, and I think his appointment commenced in 2012.

**Mr MARSHALL:** So, it is quite possible that if these matters are not resolved the state could be paying through to—did you say he was put on leave in 2012?

**The Hon. J.R. RAU:** No, 2013. He had occupied the role. He was appointed in 2006. In 2012, because it is a six-year term, there was a reappointment to the position. These issues that are now troubling us came to the fore in May/June 2013, so a year after his reappointment.

**Mr MARSHALL:** So none of these issues that have now come to light in the court action were in any way known to the government before the reappointment by the parliament?

**The Hon. J.R. RAU:** Not as far as I know, no. I have to say, I was not the relevant minister at the time.

**Mr MARSHALL:** So you were not aware and, to the best of your ability, the government was not aware, but you could ask people who now report to you in that area whether they were aware prior to that appointment of any of these pending matters.

**The Hon. J.R. RAU:** I am positive there were not any, because he was not actually charged until May 2013, so there were no charges.

**Mr MARSHALL:** Who is fulfilling the role that was previously done by Mr Brennan?

**The Hon. J.R. RAU:** There is a woman in the office. Do you need a name?

**Mr MARSHALL:** That would be helpful.

**The Hon. J.R. RAU:** Ms Stephanie Burke. Apparently the powers have been delegated to her, so she is functionally able to discharge the duties.

**Mr MARSHALL:** Is it fair to say though—because this is quite a small program with a total budget of \$507,000 per year, which I would say is probably almost completely made up of wages, and I would assume that the ombudsman's wage was the lion's share of that—that there is a significantly diminished service, given that potentially a third or maybe a half of the wage is being paid to somebody who is not fulfilling the job, so there is an added burden on the remaining people? Is this a much diminished service and has the government contemplated any increase in budget to this office because there is not a full-time ombudsman in place?

**The Hon. J.R. RAU:** In relation to your last question first, I certainly have not contemplated increasing the budget. I say again that this is most unsatisfactory from everyone's point of view, and we are in this sort of hiatus where we are neither one thing nor the other. We do not have him convicted of any offence but we do not have him cleared of any offence. Let us face it, the law presumes people innocent until proven otherwise, so that is the situation. Nonetheless, I am not happy with the idea of having him standing aside as he is. If he were a normal public sector employee,

maybe we would have different options—maybe. However, given the fact that he has not actually been convicted of anything, even that is an arguable point.

**Mr MARSHALL:** Back to my very initial question on this set: have you, the government, in any way contemplated the removal of the employee ombudsman agency within government?

**The Hon. J.R. RAU:** I have asked myself the question of what value the government is getting out of this and I have been giving that some thought. I do not have a concluded view, but I have—

**Mr MARSHALL:** But you are contemplating it? You are asking yourself the question?

**The Hon. J.R. RAU:** Yes, I have.

**Mr MARSHALL:** That is all I have on that topic. Can I move on now to conciliation and arbitration? Is that permissible?

**The Hon. J.R. RAU:** Yes.

**Mr MARSHALL:** On that one I will be pretty brief as well. This is Budget Paper 4, Volume 1, page 49, Conciliation and Arbitration. Can you provide a breakdown of the income of \$924,000 to the program in this current financial year?

**The Hon. J.R. RAU:** I will take it on notice.

**Mr MARSHALL:** Very good. A quick game is a good game. Also, over the page on page 50, it seems to me that you are expecting a quite significant uplift in the number of Industrial Court matters to be lodged. In that bottom 'Activity indicators' sector (the middle one), under the 'No. of Licensing Court matters lodged', the estimated result for last year was just 90 and the projection for this year is 150. What do you envisage that you are going to be doing this year that you were not doing last year?

**The Hon. J.R. RAU:** Can I take that on notice and—

**Mr MARSHALL:** Is there anything that occurs to you as to why there would be such a massive increase in Licensing Court arbitration and conciliation in just the one year? Is there any legislation that would be driving that?

**The Hon. J.R. RAU:** I would not have thought so. Looking at those numbers I am perhaps as puzzled as the Leader of the Opposition is. It says projection for 2013-14 of \$180, estimated result 90, projection for 2014-15, 150. If you look at the projected numbers for those years it is actually coming down.

**Mr MARSHALL:** There is another good thing to investigate. What were you doing last year? Certainly nowhere near your target.

**The Hon. J.R. RAU:** No, indeed,

**Mr MARSHALL:** Half.

**The Hon. J.R. RAU:** Can I take it on notice.

**Mr MARSHALL:** You certainly can, sir. Thank you very much. If we could now move to industrial relations. We are nearly through.

**The Hon. J.R. RAU:** Excellent.

#### **Departmental Advisers:**

Mr R. Persse, Chief Executive, Attorney-General's Department.

Mr B. Russell, Executive Director, SafeWork SA.

Ms M. Boland, Director, Community Engagement, SafeWork SA.

**The CHAIR:** Please proceed.

**Mr MARSHALL:** I refer to Budget Paper 4, Volume 1, page 41 to 43, Subprogram 8.1: SafeWork SA. Can you provide a breakdown of the sources of income for SafeWork SA, the \$24 million for this current budget year?

**The Hon. J.R. RAU:** I think your number is a bit different to mine. My note here says that the estimated budget for 2014-15 is \$12.5 million.

**Mr MARSHALL:** No, that is the net cost of the program. I am asking the question about the sources of income which is the line above, \$24,171,000.

**The Hon. J.R. RAU:** We will take it on notice.

**Mr MARSHALL:** Thank you very much. Can you provide a breakdown by function of the current staff of SafeWork SA and, as part of that question, can you provide a breakdown of the staff that have left that agency since the budget for 2013-14 was set? In that year the budget was set at 270 FTEs and I see the budget for this year is 226.

**The Hon. J.R. RAU:** I will take it on notice.

**Mr MARSHALL:** The third question is: of the expenses how much was spent on grants to third parties? The expenses are \$36 million; how much was spent in grants to third parties and, of those grants, how much was provided to union-based organisations?

**The Hon. J.R. RAU:** Can I just make a point of clarification? Are you asking for any and all grants to any organisation which is a trade union?

**Mr MARSHALL:** In that table at the top of page 42, it has Expenses. Presumably, a lot of those are going to be for employee costs but I am presuming that some of those are going to be for grants to third parties. I would like to know what the total is of grants to third parties and, of those grants, how much was provided to union-based organisations?

**The Hon. J.R. RAU:** I will tell you what I have here and, if it is not adequate, I will have to take the balance on notice. These are third-party organisations I know about:

- Asbestos Diseases Society of South Australia, \$25,000 plus \$5,000 in-kind support;
- Asbestos Victims Association, \$25,000 plus \$5,000 in-kind support;
- University of South Australia—Andrew Knox Memorial Scholarship, \$23,800;
- Working Women's Centre, \$400,000;
- SA Unions—Young Workers Legal Service, \$80,000;
- WHS Commissioned Research Grant Program, including WHS Supplementary Scholarships, \$320,000;
- WHS Innovative Practice Grant Program, \$130,000;
- WHS Linkage Project Grant Program, \$200,000; and
- Safe Work Australia (South Australia's contribution to the administration of Safe Work Australia), \$703,000.

In addition to that—

*The Hon. I.F. Evans interjecting:*

**The Hon. J.R. RAU:** Seamless national wonderland sort of stuff.

**Mr MARSHALL:** On your list so far, there is only one to a union and that was SA Unions, \$80,000. What was that program for?

**The Hon. J.R. RAU:** It says:

The main purpose of the service is to assist young workers under the age of 30 with employment relations issues, such as unfair dismissal, underpayment of wages, bullying and harassment. Qualified staff will assist young workers to resolve disputes at the workplace through the legal process if required.

There is another one here which I should mention as well. There was, for a number of years, a thing called the Health and Safety Workplace Partnership Program. This was a three-year grants program to improve the level of training, resources and information available to employees and industries that had high levels of workplace injury. The program aimed to raise employee awareness of workplace safety through improved information and training.

The initial three-year program commenced in 2007 and the total amount of the funding provided to 12 unions over a three-year period was \$3 million. The second three-year program included eight unions which received grants to the value of \$2.85 million and concluded at the end of June 2014. SafeWork SA was allocated \$150,000 over the three-year period to administer the grants and ensure compliance with funding conditions. That program expired as of June this year.

**Mr MARSHALL:** That is the total list of grant moneys that have been provided in the 2013-14 year, and you will tell us how much of the total expenses in 2014-15 is going to be allocated to grants and how much is going to be allocated to unions for those grants?

**The Hon. J.R. RAU:** I am happy to get that information but, so you understand, that program came to an end as of 30 June.

**The Hon. S.W. KEY:** I want to make the connection between the work of the Parliamentary Committee on Occupational Safety, Rehabilitation and Compensation and to say that one of the references that the committee had last year looked at occupational health and safety responsibilities of SafeWork. This was initiated by the Hon. Rob Lucas, looking at the structure of WorkCover as opposed to SafeWork and whether perhaps there could be another structure or a back-to-the-future model. I am very pleased to see that the targets for 2014-15, on page 42, state:

Implement the recommendations of the parliamentary report into occupational, health and safety and responsibilities of SafeWork.

For all those people who are on parliamentary committees who wonder whether anything happens with their recommendations, this, along also with the study we did for return to work and the concerns we had about people returning to work after being injured or having an illness associated with their work, it is good to see that there has been some action followed up on those areas.

**Mr MARSHALL:** As Tony Jones would say, 'I will take that as a comment,' but a very good one. Back to questions: have you been advised of significant concerns in the construction industry that some union representatives have been abusing the right-to-entry provisions of the Work Health and Safety Act and, if so, what action have you taken as the minister responsible?

**The Hon. J.R. RAU:** Yes, from time to time I have become aware of assertions of that kind. Sometimes, and I think almost invariably, I become aware by reason of media stories about the matter rather than somebody—

**The Hon. I.F. EVANS:** The department does not notify you?

**The Hon. J.R. RAU:** I do not know that it is so much the department. I think that it is a matter of some of these people who have complaints thinking that the best place to go with the complaints is to the media rather to the minister.

**Mr MARSHALL:** But your door is always open.

**The Hon. J.R. RAU:** It is always open, you are quite right. One of the funny things, and you are going to find this very hard to believe, and I will not name this person, but they are a member of parliament but not of this parliament. They are a member of another parliament. I often will get a phone call in my office to say, 'The media want to talk to you about issue X,' (and there is a clue), and I say, 'I don't know anything about that.' 'Well, do you know this unnamed member of parliament has written to you about this matter, and you have done nothing about it?' and at that moment I turn and my fax machine goes 'choonk, choonk, choonk', and out comes the letter. So, sometimes things are not done in what you might call a perfect way.

That was a long answer, and I think that, in the meantime, Mr Russell has some other things for me to tell you. I am advised that SafeWork has received 151 notifications of proposed entry under these provisions between 1 July 2013 and 30 June 2014. SafeWork has received notifications of

two situations where the right-of-entry provision has been disputed. What happened about those perhaps I could ask Mr Russell to explain.

**Mr RUSSELL:** Yes, thank you, Deputy Premier. Both of those situations were resolved either at the workplace or through the Industrial Relations Commission. Where there are matters involving a disputed entry, it is up to the parties to negotiate a settlement at that point. If they feel that they need some assistance from SafeWork SA, we will attend. If that situation fails to be able to resolve the issue, the parties have the opportunity to refer that to the Industrial Relations Commission for a resolution.

**Mr MARSHALL:** Is there any obligation for the parties to refer the matter to you? It seems like an extraordinarily low figure, just 151—

**Mr RUSSELL:** Notifications.

**Mr MARSHALL:** —notifications and only two disputed notifications. It seems completely out of kilter with what I and the Attorney-General have been reading about in the media.

**Mr RUSSELL:** I think that those two disputed situations where the matter escalated, certainly there were occasions where there was disagreement about the right of a party to enter into the workplace but, by and large, that disagreement was resolved at the point of entry. Those matters were escalated to a higher level, typically the Industrial Relations Commission.

**The Hon. I.F. EVANS:** Minister, the 151 notifications, is it possible to get a breakdown of how many of those were from the construction industry and per site? In other words, I am trying to establish whether there is one particular site or two particular sites that are generating a lot of these notifications.

**The Hon. J.R. RAU:** We will take that on notice, but my expectation would be that they would be very largely in relation to construction.

**Mr RUSSELL:** Correct; and the majority of those are from the CFMEU.

**The Hon. I.F. EVANS:** And the majority of those are from which site?

**Mr RUSSELL:** The new Royal Adelaide Hospital site.

**The Hon. I.F. EVANS:** Given that answer, is the minister concerned that we have another Myer Remm centre on our hands, that the project is so big that the unions are taking advantage of the circumstances and playing hard ball? It just seems bizarre that the vast majority of these notifications all come from one site. What other explanation could there be?

**The Hon. J.R. RAU:** I have not seen any evidence to support that sort of proposition. The site is a very large complex site. It should not be a surprise to anybody that on a site of that scale there is from time to time an issue. You would be aware that there have been, for example, issues about safety there from time to time. Again, given the scale of the construction work being undertaken there and the time over which it is being conducted, I guess it is inevitable that there are going to be some issues. We will get those details for the member.

**Mr MARSHALL:** Have you been advised that the CFMEU over one two-week period entered the new Royal Adelaide Hospital worksite on 70 separate occasions using the right of entry provisions?

**The Hon. J.R. RAU:** No, I have not been advised of that, but the right of entry, if done appropriately, is not an issue. I thought the questioning was about whether or not they were contested rights of entry. I see a piece of advice here that Mr Russell is showing me that says that there have been 66 notifications for the site. This consisted of 52 from the CFMEU and 14 from the CEPU. On a few occasions, two or more from the same union have attended on the site on the same day. SafeWork inspectors have attended the site for 19 notifications and SafeWork inspectors did not attend the site for 47 notifications.

**Mr MARSHALL:** Have you received any notification from SafeWork SA or been advised in any way by SafeWork SA that some unions have been abusing the right to entry provisions?

**The Hon. J.R. RAU:** No, I have not been advised of that.



**Mr MARSHALL:** Have you been advised of continuing industry concerns about the complexity and red tape of codes of practice under the Work, Health and Safety Act, and what action have you taken to address these concerns?

**The Hon. J.R. RAU:** Under the Work, Health and Safety Act, I think there are about 23 codes, of which 20 appear to have attracted virtually no attention or controversy at all. Three of them have been the subject of some concerns, and the government supported the movement of a disallowance motion in the Legislative Council last year to enable those codes to be the subject of further work. I just think it is important to put on the record, though, that those codes stand by way of an explanation of what the law is. The fact that the code is not there at the moment does not change what the law is. The code is there by way of an explanation, if you like, or an aid to understanding the law.

It has been put to me by people, particularly in the HIA, that these codes were not helpful and were actually causing difficulties. The Small Business Commissioner had a look at this issue, because I thought we had better involve the Small Business Commissioner. The Small Business Commissioner made a recommendation that the code should be revisited. We were happy to see the codes moved, because it does not actually change the law.

One of the things I think would be very helpful would be if those who have had concerns about the codes were to get back to Mr Russell with their suggestions about what sort of helpful information their members could be getting to help them understand what the law is. If that is a simpler document—a two-page document instead of a 10-page document or something—

**Mr MARSHALL:** The Small Business Commissioner provided some feedback, have they not?

**The Hon. J.R. RAU:** Yes, I know, but as I understand it we do not really have much feedback from the HIA. We know they do not like what was there—

**Mr MARSHALL:** So it is their fault?

**The Hon. J.R. RAU:** No, I am not blaming them at all. I am saying I listened to them and we allowed the codes to go.

**Mr MARSHALL:** When were those codes disallowed?

**The Hon. J.R. RAU:** September/October/November last year—something of that nature, if I recall correctly.

**Mr MARSHALL:** September/October/November last year—so what is your time frame for reintroduction of the codes?

**The Hon. J.R. RAU:** What I am trying to say to you is that we—

**Mr MARSHALL:** The act continues on.

**The Hon. J.R. RAU:** November last year they were taken out. I would be happy to see some agreement or some consensus with the HIA, in particular, about what we put back in there.

**The Hon. I.F. EVANS:** On the same line of questioning, your advice to the committee is that everything that was in the three guidelines which was criticised by the Small Business Commissioner, all of that is required by the law, by the act. There is nothing in the guide that is not required by the act, and the guide was an explanation of the act.

**The Hon. J.R. RAU:** That is the advice that I have.

**The Hon. I.F. EVANS:** So all the complaints that the industry groups had about the unworkability as explained in the guide still remain, because they were obligated to undertake whatever was in the guidelines as part of the act?

**The Hon. J.R. RAU:** The second thing does not necessarily follow from the first.

**The Hon. I.F. EVANS:** I do not see how not.

**The Hon. J.R. RAU:** My advice is that the guidelines did not create the obligation to behave in a certain way. That was created by the law. The guidelines were simply a way of articulating that, hopefully to help people.

**The Hon. I.F. EVANS:** Yes, but the guidelines were articulating what they had to do to comply with the law.

**The Hon. J.R. RAU:** Apparently it was confusing them, so I am told, and was not helping them to comply with the law.

**The Hon. I.F. EVANS:** So is it the government's intention to replace the guidelines or is it the government's intention to simply say that the law stands as the law stands and we do not need guidelines; we will not replace those three. Is it the government's intention to replace those three?

**The Hon. J.R. RAU:** My preference is that we replace them with something which the industry accepts is useful. That is my preference. If we do not replace them with something that the industry finds useful then the industry is still bound by the law. It is just that it will not have any sort of ready reckoner or aid to interpretation of the law that it can use. I think that is a second-rate outcome but, if there is nothing that we can actually find that the industry is happy with as a replacement code, then I guess that is where it will remain.

**Mr MARSHALL:** Do you now accept that the government's claim of the nationally harmonised work, health and safety arrangement cannot be achieved?

**The Hon. J.R. RAU:** That is a very good question actually, and I think the jury is out on that. I went to a meeting recently in Melbourne with Senator Abetz and various ministerial colleagues from around the commonwealth where we had a bit of a chitchat about this topic and it was agreed that there would be a review, conducted I think by the federal IR department, of the whole of this work safety thing around the country, and that review may or may not come up with suggestions which most, if not all, parties around the commonwealth can agree to. If it does, then the harmonisation objective is still largely intact; if it does not, then probably over time we will see greater fragmentation of the system.

**Mr MARSHALL:** What is the time line for that?

**The Hon. J.R. RAU:** The end of this year.

**Mr MARSHALL:** So who is doing that review?

**The Hon. J.R. RAU:** The federal minister's department, the commonwealth department of employment.

**Mr MARSHALL:** You will see that at the end of the year but is there not also a review that the state government has undertaken?

**The Hon. J.R. RAU:** Yes. I think that was mandated in the legislation. I think it was something that our friends in the other place inserted into the bill, that it be the subject of a review. You may recall too that I think the Hon. Mr Darley made some amendments to our legislation which already made ours slightly different to legislation in other jurisdictions. The relevant thing is that since that time there has been a ministerial council meeting where there has been an agreement by all ministers that the matters that are in dispute should be referred off to this review being conducted by the federal department.

There is a requirement under section 277 of our act which will require the operation of our act, as well as providing specific reports on the extent to which inspectors have attended workplaces under the right of entry provisions of the act. So there will be a local review which is required under the act and, hopefully, we will have the result of the federal review so that we can consider harmonisation issues as well.

**Mr MARSHALL:** I understand the state-based review is being done by Robin Stewart-Crompton; is that correct?

**The Hon. J.R. RAU:** Yes.

**Mr MARSHALL:** His review is due when? Imminently?

**The Hon. J.R. RAU:** 21 November, I am advised.

**Mr MARSHALL:** 21 November, slightly outside of that imminent time frame that we have much referred to today.

**The Hon. J.R. RAU:** Not very imminent but, nonetheless, imminent.

**Mr MARSHALL:** Future imminence, as the Chair has suggested. Will this review also review the regulations and the codes of practice or just the act?

**The Hon. J.R. RAU:** Just the act.

**Mr MARSHALL:** What is the cost of this review?

**The Hon. J.R. RAU:** \$148,500.

**Mr MARSHALL:** Are you aware that Mr Robin Stewart-Crompton was a member of the group that wrote the report that gave rise to the model Work Health and Safety Act itself?

**The Hon. J.R. RAU:** I was not aware of that, no.

**Mr MARSHALL:** He seems an odd person to do the review seeing as he wrote the model act which we have adopted and now you are getting him to review it. Could you make some comment on that?

**The Hon. J.R. RAU:** I am advised that he was the head of the relevant commonwealth regulator for a period of time and therefore understands the regulatory environment, and he does have, by reason of his experience and association with this, particular knowledge of the area of law, and that was considered to be an asset in him conducting the review. To come back to your original question, though Queensland has, as the Leader of the Opposition may know, recently decided it will paddle its own canoe in this space to some degree already, we are facing this review at a national level. As I said before, I think the jury is still out about whether we have sufficient commonality between all the jurisdictions and are likely to retain it for there to be a genuinely harmonised scheme. At the moment the answer to that question is yes but it depends on how—

**Mr MARSHALL:** Queensland is significantly amending their work health and safety legislation. Victoria and Western Australia never adopted the national model. I think quite frankly it is unlikely. I think the Attorney-General would agree with that but he is going to wait for the state-based review and the federal review which are both due by the end of the year. I would make the point though that not only is Robin Stewart-Crompton doing the state-based review, and he was involved with the drafting of the model harmonised legislation framework that you are reviewing, but the federal review is being done by Barry Sherriff who was also essentially the principal author of the model bill.

So both the reviews are being done by the people who proposed the bill in the first place, and I do not know whether the Attorney-General has a comment, but many people in the industry think that these reviews are being done essentially to get the answer that government wants, but I am sure the Attorney-General would not be of that opinion.

**The Hon. J.R. RAU:** Look, I was not aware of this, and am still not aware—I am not calling into question your sincerity in asking that question. I do not know anything about this gentleman or his antecedents. What you say may be completely correct, but I am advised that he is a man with experience and that he was thought to be a good person to have a look at this area of law.

The other thing I would point out too, though, is that wherever we are going with this, I think everybody—employers and employees—needs to have a period of stability here. We went through quite a difficult period when my predecessor tried to move this legislation through the parliament. It took quite a while and there was a lot of coming and going about it, and now people are just sort of getting their heads around it.

I think, in the interest of people having a stable, known environment, there is something to be said for just sticking with what we have got and letting people just sort that out. But I am not closing my mind to whatever might come out of either of these reviews. If there are improvements that can usefully be made, good.

**The CHAIR:** The leader has a final question?

**Mr MARSHALL:** Final question, then: it may be a bit redundant given your last statement, but I was going to ask whether the minister had given any consideration to repealing the act and whether he has given any consideration to significantly amending the act.

**The Hon. J.R. RAU:** The answer to repealing the act is: not at all.

**Mr MARSHALL:** You would rule that out?

**The Hon. J.R. RAU:** I do not know about ruling it out. It is ultimately a decision for cabinet, but I have not turned my mind to that, for the reason I just explained. If you keep changing the game on people, it makes it a bit unfair. It makes the whole environment very hard for people to operate in, particularly when they have to go through relearning about how they do different things but, that said, if either of these reviews say that there are useful things that could be done to improve the practicality or serviceability of the regime that regulates things, I have an open mind to that.

**The CHAIR:** There being no further questions to the minister, I declare the examination of the proposed payments for the Attorney-General's Department and the Department of Premier and Cabinet adjourned and referred to Committee B and the proposed payments for the Department of Treasury and Finance adjourned until Monday 21 July and thank the minister and his advisers.

At 19:16 the committee adjourned until Friday 18 July 2014 at 10:30.