

HOUSE OF ASSEMBLY**Tuesday, 22 July 2014****ESTIMATES COMMITTEE A****Chair:**

Ms F.E. Bedford

Members:

Hon. S.W. Key
Ms A.F.C. Digance
Mr S.K. Knoll
Mr A.S. Pederick
Mr P.A. Treloar
Ms D. Wortley

*The committee met at 09:00**Estimates Vote*

DEPARTMENT OF PRIMARY INDUSTRIES AND REGIONS, \$107,229,000
ADMINISTERED ITEMS FOR THE DEPARTMENT OF PRIMARY INDUSTRIES AND REGIONS,
\$3,311,000

Minister:

Hon. L.W.K. Bignell, Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Tourism, Minister for Recreation and Sport, Minister for Racing.

Departmental Advisers:

Mr S. Ashby, Chief Executive Officer, Department of Primary Industries and Regions.

Mr A. Johnson, Acting Deputy Chief Executive, Department of Primary Industries and Regions.

Prof. M. Doroudi, Group Executive Director, Department of Primary Industries and Regions.

Prof. P. Mooney, Executive Director, South Australian Research and Development Institute, Department of Primary Industries and Regions.

Mr S. Johnke, Director, Finance and Prudential Management, Department of Primary Industries and Regions.

Dr R. Paskin, Chief Veterinary Officer, Department of Primary Industries and Regions.

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

The CHAIR: The estimates committee is 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 officers. I understand that the minister and the lead speaker for the opposition have agreed on a timetable for today's proceedings; is that correct?

Mr PEDERICK: That is correct.

The CHAIR: Changes to committee membership will be notified as they occur. Members should ensure that the Chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 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. Supplementary questions will be the exception rather than the rule.

A member who is not part of the committee may, at the discretion of the Chair, ask a question. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced. I do ask that members reference their questions at the beginning of the question so that we can turn to the relevant pages. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the House of Assembly *Notice Paper*.

There is no formal facility for the tabling of documents before the committee; however, documents can be supplied to the Chair for distribution to the committee. The incorporation of material in *Hansard* is permitted on the same basis as applies in the house, that is, that it is purely statistical and limited to one page in length.

All questions are to be directed to the minister, not the minister's advisers. The minister may refer questions to the 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—not very popular this morning. I declare the proposed payments open for inspection and call on the minister to make an opening statement, if he wishes.

The Hon. L.W.K. BIGNELL: Thank you very much and good morning, Chair and committee members. It is my pleasure to provide information about the programs and work conducted by the Department of Primary Industries and Regions (PIRSA).

PIRSA has the lead role in ensuring the prosperity of both the agricultural sector and regional areas of South Australia. This mission is reflected in South Australia's Strategic Plan targets to grow the contribution made by the South Australian food industry to \$20 billion by 2020 and increase regional populations outside Greater Adelaide to 320,000 or more by 2020. Vibrant food and wine industries help our regions and are a significant player in South Australia's economy, generating more than \$16 billion a year and employing one in five South Australian workers.

Central to PIRSA's work is leading the state government's strategic priority of premium food and wine from our clean environment in all its contexts, boosting production, encouraging a market-driven focus, ensuring sustainable resource management, leading cutting-edge research and ensuring protection through world-class biosecurity.

In what is fantastic news, the current season for our farmers is looking very positive. Early opening rains have been followed by favourable rainfall for the growing season. Crops are more advanced than is usual, due to warm conditions in early winter. The Bureau of Meteorology's forecast is for a greater chance of a drier and warmer finish to the year, so rain stored in the soil profile will be important to the final crop result.

The June crop estimate for South Australia from the Australian Bureau of Agricultural and Resource Economics and Sciences, was 7.17 million tonnes. This is 10 per cent above the long-term grain production average. It is great news for all parts of South Australia, and let us hope the favourable weather conditions can continue because there are so many things that governments can do but we cannot make it rain at the right times.

Through the premium food and wine from our clean environment strategic priority, PIRSA is helping South Australia's renowned food and wine industry grow and be competitive overseas. A significant initiative in meeting this objective is the \$3 million Sterile Insect Technology (SIT) facility which is being developed at Port Augusta. The facility will develop a sterile male-only line of Queensland fruit fly to combat the scourge of fruit fly in South Australia and the Eastern States.

Technical specifications for the new facility are in the process of being finalised with the assistance of international experts, and formal plans for the facility will commence shortly. It is anticipated that building will commence in early 2015 and be completed by late 2016. The South Australian government is committed to maintaining the state's fruit fly free status and the SIT facility will be a significant enhancement to the current \$5 million fruit fly eradication and control program.

Members of the committee will no doubt have heard the Premier's announcement this week about the first round of funding under the \$240 million Irrigation Industry Improvement Program. The government has approved grants of more than \$100 million to almost 100 irrigation and industry projects along the River Murray. This program is part of the \$265 million South Australian River Murray Sustainability Program (SARMS), which is funded by the commonwealth.

This program was born out of South Australia's fight for the future of the River Murray when we agreed to sign the basin plan. The projects funded in round one range from small efficiency improvements to very large international-scale joint ventures. They will all be game changers, both for the businesses involved and the wider community. They will also return about half the water required under our 40-gigalitre target in the basin plan.

Another major initiative being run by the department is the New Horizons program, which was launched last November. This program will apply advances in soil science and management to increase broadacre agricultural production by about \$800 million a year. The department has committed \$852,000 for the first year of the program and it has received an additional \$1.1 million in the budget to fast-track some of the work.

New Horizons supports two of our strategic priorities: premium food and wine from our clean environment and growing advanced manufacturing. It is one of the most exciting changes to farming practices in the state's history and could result in an additional three million tonnes of grain produced in South Australia each year. This would be an enormous boost to one of our most important industries.

Since taking on the agriculture, food and fisheries portfolio I have been fortunate to meet with many farmers and other producers during visits to some of our regions, including to the South-East on two occasions, a couple of trips up to the Riverland, the Adelaide Hills, the Mid North and the Far North. As members of the committee would be aware, country cabinet was held in the Riverland last month and was an enormous success. We were able to meet with many industry and community groups and hear about issues firsthand.

During a recent visit to meet with drought-affected Far North pastoralists, I was able to announce funding of \$275,000 to improve water infrastructure and help manage pest animals. This has since been matched by the Australian government, which is more good news for those farmers. I want to thank the member for Hammond for coming with me on that trip. I think it was beneficial for both of us to hear the same stories at the same time and come back and, where possible, work together on helping people get back on their feet.

Recently, the government announced that it will establish the Agribusiness Accelerator Program as the next phase of the premium food and wine from our clean environment strategic priority. This new \$6 million program will be run over the next four years and will focus on four program initiatives:

- realising opportunities for our premium food, fibre and wine;
- the Agribusiness Investment Attraction Program (known as Agri-PACE);
- Functional Food Focus Program;
- Agribusiness Consultants Program; and
- improved small to medium-size enterprise business opportunities.

In order to further enhance primary industries, PIRSA has identified a number of targets for 2014-15, which are outlined in the budget papers. Some of these targets are to:

- continue to deliver the 3IP program to support the Riverland in the adjustment of the irrigation industry along the River Murray in response to the Murray-Darling Basin Plan;
- commence the building of a sterile insect technology facility in Port Augusta;
- expand the New Horizons soil modification/improvement program across South Australia to significantly increase South Australia's agricultural production; and
- manage the implementation of the Food Innovation Program and its grants program.

PIRSA recorded many significant achievements during the 2013-14 year and, while they are listed within the budget papers, there are some I would like to highlight to the committee. PIRSA completed a memorandum of understanding between the Environment Protection Authority, the Australian Southern Bluefin Tuna Association and PIRSA for the 90-day Public Sector Renewal Program, including improved coordination and consideration for longer term legislation reform. This was an amazing piece of work where the industry and government worked together to achieve an outcome that reduced red tape. The industry has estimated these new arrangements could save it up to \$700,000 a year.

PIRSA eradicated two Queensland fruit fly incursions in the Riverland. If it had not been for the work PIRSA's Biosecurity SA staff undertook with the cooperation of industry and local communities, these outbreaks had the potential to cost the state many millions of dollars. It was terrific to be up there to say thank you to the biosecurity team and the PIRSA team for all their hard work and to a whole group of people who came along to work over that eight to 10-week period to get out on their hands and knees and pick up fruit and make sure that the risk was lowered, and then finally the fruit fly was eradicated.

It was a tremendous result in a fairly short amount of time, but we would prefer not to have the outbreak. It was the first one in the Riverland in 23 years. I want to congratulate everyone who was involved from both the government side of things and the private sector, and to the member for Chaffey who was on the local coordinating group. I think it is always important to involve local members wherever possible for their leadership and their connections within the community.

Finally, there is an exciting year ahead for PIRSA. The department is currently in the process of upgrading three of its major regional hubs at Clare, Murray Bridge and Loxton. The redevelopment of the Loxton Research Centre is particularly significant. The \$7.5 million upgrade funded through the South Australian River Murray Sustainability Program will provide new opportunities for collaboration between industry and researchers at a national and international level.

This will ensure South Australia builds on its reputation and market position as a leader in premium food and wine production from our clean environment. I conclude by reiterating that the government recognises the contribution our primary industries make to this state's economy, prosperity and wellbeing, and PIRSA's role in supporting this sector remains vital.

The CHAIR: Before I ask the member for Hammond to go on, I commend your work on the sterile fruit fly and I just hope someone is doing that work on the white ant as well. Member for Hammond.

Mr PEDERICK: Thanks, Madam Chair. I refer to Budget Paper 4, Volume 4, page 12, end of paragraph 1. I refer to the objective of the department including to reflect the State's Strategic Plan target to grow the contribution made by the South Australian food industry to \$20 billion by 2020. Can the minister give a summary of how that contribution is calculated, and has the process for calculating that figure changed since the target was set?

The Hon. L.W.K. BIGNELL: I thank the member for the question. As far as I know, the targets have not been changed and we are actually ahead of the target of \$15.5 billion. The increase to the value of South Australia's premium food and wine industries was set at \$15.5 billion for 2013 which was a 9 per cent increase from 2009-10. Through building on our credentials, including environmental food safety and food quality standards, gross food and wine revenue reached a record figure of \$16.27 billion in 2012-13. As I said, that exceeded the target of \$15.5 billion. There is a whole lot of work being done in a range of different ways, on farm and overseas as well, by PIRSA and our trade people in trying to build new markets.

I was pleased to be in Shanghai a couple of months ago with members of the PIRSA team and Food SA as well as eight South Australian food producers and 50,000 wholesale food buyers. We had an incredibly warm reception and people were very interested in our premium food and wine and our credentials in that area. That was a terrific boost. It was also good to see members of the Southern Mallee council there as well and local government getting over to China and seeing how important that export market is and getting a feel for it so they can pass it on to their constituents as well.

I can reaffirm the South Australian government's commitment to the important strategic priority of premium food and wine from our clean environment. It seeks to position South Australia to capitalise on the increasing global demand for premium products that are clean, safe and sustainably produced. South Australian food, wine and beverages are world class and our unique regions, products and the clean green environment that they come from makes up our competitive edge.

Our clean water, clean soil and clean air, along with our outstanding biosecurity, fisheries management and natural resources management, set us apart from others. We maintain high standards of animal welfare and food safety along with our status of being fruit fly and phylloxera free. I might add that when we were in China there was a lot of interest in the fact that we are also the only mainland state in Australia that remains GM free. I think we probably need to do more work with—

Mr KNOLL: Point of order, Chair. The question was quite specifically about how the \$20 billion figure was calculated, and the minister is going into a range of answers that have nothing to do with the question that was asked.

The CHAIR: The minister is answering the question. We are listening.

Mr KNOLL: With respect, Chair, the question was very specifically about how the \$20 billion was calculated.

The CHAIR: The minister is answering the question, and I am sure he will be wrapping it up shortly. He is providing extra information, which is really what we are after.

The Hon. L.W.K. BIGNELL: I think most people would agree it is important information for the public of South Australia.

Mr Knoll interjecting:

The CHAIR: Order!

The Hon. L.W.K. BIGNELL: The GM status is incredibly important, and it points to our state with a government that is willing to maintain that moratorium to increase the premium that we can get on our clean produce from here in South Australia.

Mr PEDERICK: In regard to that answer, minister, you brought up the issue of GM and a so-called premium for staying GM free. What work has the department done about identifying that South Australia staying GM free will actually provide a premium to our food producers in this state?

The Hon. L.W.K. BIGNELL: Anecdotally, we know that—

Mr Pederick interjecting:

The Hon. L.W.K. BIGNELL: If you listen to the whole answer, we do have 2½ hours. I do not think we need to quibble over each word. Anecdotally, we know there are producers here in South Australia who are getting a premium for their GM-free produce. I have spoken to Viterra and grain producers. When we came up with the premium food and wine from our clean environment, maybe a lot of the broadacre farmers thought it was about fine wine and cheese but, of course, it is much more than that. We produce some of the best barley in the world and some of the best wheat in the world that go into some of the finest products produced around the world.

I would like to see us put more emphasis on the marketing of our broadacre crops and reinforce to the world that, if it comes from South Australia, you can guarantee it is GM-free. That is an important stamp to have on produce from here in South Australia. I spoke to a canola oil producer in the south-east of China and he says that it is much easier for him to get his produce overseas and

get it through customs, because he sources all of his canola from which he produces the oil from South Australia where it is, of course, GM-free.

The other person I spoke to over there was the head of Bickford's, Angelo Kotses. Bickford's produces about 150 different lines, and it was really pushed home to him that he is there producing an end product, or 150 end products, and he saw the benefit when we were talking to government officials and these food wholesalers who were buying South Australian food.

He saw then the importance of our being able to point to our GM-free status, because anyone can put up a banner behind them that says, 'Premium food and wine from our clean environment'. We were the first to do it and we now see that other states are doing it, but none of the other states in mainland Australia can say that they have powers in place to prevent the growing of GM crops.

Mr PEDERICK: On the same budget line, in reference to growing the contribution by the South Australian food industry, we note on the 2012-13 food scorecard that there was a relatively steep decline in overseas exports in 2011-12 of 13 per cent, in comparison to Victoria and Queensland, which increased their exports by 8 per cent, and Western Australia, which increased theirs by 27 per cent. Can the minister explain the factors that contributed to this decline?

The Hon. L.W.K. BIGNELL: That was before my time in the job, so I do not have an answer at hand, but we will bring back an answer to the member for Hammond and the committee.

Mr PEDERICK: Thanks, minister. How does the government plan to stop a decline in the value of wine exports from South Australia?

The Hon. L.W.K. BIGNELL: We are doing a lot of work in a lot of different markets. If you look at some of the traditional markets like the UK, we are getting a lot less for our wine over there than it is worth here. We are in competition with Chile, South Africa and Argentina, in terms of what they like to call New World wine. I actually disagree with us being bundled in there, when we have some of the oldest vines in the world because of our great work here over more than 150 years to keep phylloxera out.

Where we are trying to make a difference is in the new markets that we are going into—China, in particular. We are not going in with the same sort of slogans and strategy that the wine industry went into the UK with in the eighties, where it was cheap and cheerful. Once you go there and you place yourself at the bottom of the pile in the discount bin, you never recover from that. In China, we are selling Australian wines at a premium.

Just recently, I was in India. Australia outsells France in terms of wine sold there and we are positioning ourselves at the higher pricepoint, so that is really the way to increase the value of our wine. There is also some terrific work being done by the wine industry here in collaboration with PIRSA on increasing access to markets and also ways that we can actually produce even better wines than we have already. We have a similar strategy in the US through G'Day USA and I know there is a lot of work being done over there.

We could probably reposition ourselves there. I think Yellow Tail really dominated the US market for a number of years and took the gloss off some of our higher-quality wines, so there is a lot of work being done by both the government and wine producers to increase that. Funding from SARMS, the River Murray project, will enable a number of producers to move from low-value varieties to higher-value varieties, which is also really important. We have some of the best wines in the world here and we need to make sure that we are out there selling that.

Mr PEDERICK: Minister, how is the South Australian food industry expected to grow its contribution to \$20 billion by 2020 with the lowest budget for PIRSA in 12 years? In line with that, will you confirm that the 2014-15 budget is \$59.8 million, as outlined on page 15 of the Program net cost of services summary table, in Budget Paper 4, Volume 4? It is the lowest budget in 12 years for agriculture, food and fisheries.

The Hon. L.W.K. BIGNELL: Expenditure has increased. The figure is not \$59.805 million. The expenditure figure is \$221 million, and that is an increase on the estimated result of 2013-14 of \$178 million (almost \$179 million), \$153 million in the year before, and \$155 million in 2012-13.

Mr PEDERICK: The budget line for agriculture, food and fisheries is \$59,805,000, so where do you come up with the \$221 million? That is the stated figure in the Program, net cost of services summary.

The Hon. L.W.K. BIGNELL: Page 16 under Program summary—expenses. Total expenses are \$221 million.

Mr PEDERICK: But that is not in reference to just the budget line in regard to agriculture, food and fisheries; that is the total budget line.

The Hon. L.W.K. BIGNELL: No; that is agriculture, food and fisheries. It is under Program 1: Agriculture, Food And Fisheries.

Mr PEDERICK: I refer to Budget Paper 4, Volume 4, pages 12 and 13, Administered items. The government has made a recent statement that 440 government boards are on notice unless they can prove their worth. We understand that the axe is to swing by late October, so I presume that the assessment process is well and truly underway. Can the minister detail any discussions that he or his staff have been involved in with regard to the tenure of the boards listed on pages 12 and 13 for which you have responsibility? Can the minister provide copies of any correspondence from these boards relating to justifications that a particular board should be maintained?

The Hon. L.W.K. BIGNELL: I do not have any correspondence to give you. We have been in contact with all the boards, and a range of factors will be considered to determine whether there are better ways to engage with industry and the community on the issues and opportunities for the primary industries sector and regional South Australia. My recommendations will be finalised ahead of the 30 October 2014 deadline for the abolition announced by the Premier.

I think it is a really good thing right across government that we do not just keep on doing things the way we have always done them, but to stop, pause, have a look, ask questions, and see if there may be a better way of doing it. We in no way want to devalue or decrease the importance of any sector across any of the portfolios that I have responsibility for, but in some cases there may be better ways of doing things than how they have traditionally been done. We will ask the boards and industries to work with us to look at the best way for the future of their particular sectors.

Mr PEDERICK: I refer to Budget Paper 4, Volume 4, page 13, Ministerial office resources. Minister, yourself and minister Brock will each have nine full-time equivalents in 2014-15 to run the portfolios of agriculture, food, fisheries, forests and regional development. Last budget, minister Gago had responsibility for both portfolios and had only 11 FTEs, so essentially there has been an increase of seven FTEs across these portfolios. Given the budget that minister Gago worked with in 2013-14, why do the two ministers now responsible for PIRSA need an increase in FTEs and the cost of provision?

The Hon. L.W.K. BIGNELL: There is a different portfolio mix across my office than what minister Gago had, so we do have nine full-time employees, but we have responsibility for agriculture, food and fisheries; forests; tourism; recreation and sport; and racing. So, we do have to have people to be able to work with other members of parliament, the community, the sector and to work within government to get us the sort of information that we need to be able to run the portfolios in a professional manner.

Mr PEDERICK: I refer to Budget Paper 4, Volume 4, page 14, the workforce summary table. The full-time equivalent budget for 2012-13 was 1,036.5. This year's budget provides for 914.7 FTEs. In two years, there has been a reduction in PIRSA jobs totalling 121.8 FTEs and the job cuts to PIRSA have been an ongoing issue. How many years' experience has PIRSA lost with 121.8 FTEs lost since 2012-13, and has any other department cut 12 per cent of its workforce since 2012-13?

The Hon. L.W.K. BIGNELL: Sorry, could we get the reference number again, please?

Mr PEDERICK: Workforce summary table, page 14.

The Hon. L.W.K. BIGNELL: I am advised that it is probably not 121; it is probably more like 50. The figure you are referring to is a reduction in the budgeted workforce cap, so it is actually not dollars appropriated to some of those staff members. There has been a reduction, but not to the extent of 121.

Mr PEDERICK: Minister, if I may—

The CHAIR: It is probably best if we let the minister finish the answer.

The Hon. L.W.K. BIGNELL: No, I am happy to—

The CHAIR: Alright. He is happy to defer, member for Hammond.

Mr PEDERICK: Thank you, Madam Chair. I note the actual is different to the full-time equivalent budget, but I would have thought if a department budgets for a certain number of people they should be there, and obviously they were cut along the way. However, the full-time equivalent budget for 2012-13 was 1,036.5.

The Hon. L.W.K. BIGNELL: We have just checked the staff numbers and PIRSA in total has gone up in terms of employees since 2012-13 from 878.4 to 912.7.

Mr PEDERICK: The issue is, minister, that budgeted in 2012-13 was 1,036.5, but I guess it is up to how people perceive that number.

The CHAIR: Where is the 1,036 coming from, member for Hammond?

Mr PEDERICK: That was the full-time equivalent budgeted figure for 2012-13.

The CHAIR: What papers are you—

Mr PEDERICK: That is not the actual figure.

The CHAIR: Where are you getting that from; last year's budget, are you?

Mr PEDERICK: It is in reference to the 2012-13 budget.

The CHAIR: Where are you looking though? We cannot see that figure on page 14.

Mr PEDERICK: The actual figure is there, but not the budgeted figure (I will admit that) but the budgeted figure—and the department will know this—was 1,036.5.

The CHAIR: We are just asking where you got that figure from, and I am suggesting it might have been the budget papers from last year—

Mr PEDERICK: And it would be there.

The CHAIR: —which we do not have in front of us. In fairness, it is a bit hard to answer this question. They have done their best to do that for you.

Mr PEDERICK: We have 900 employees and we cannot answer the question?

The Hon. L.W.K. BIGNELL: There are a number of seasonal factors involved in counting the number of employees as well. At 30 June this is what this captured, but we are not funded for the whole 1,021 people to be there all of the time.

The CHAIR: Perhaps if we take that part of the question on notice and you can provide some extra information. No?

The Hon. L.W.K. BIGNELL: I think we have probably covered it.

The CHAIR: You have covered it?

The Hon. L.W.K. BIGNELL: Yes, thank you.

The CHAIR: Okay. Member for Hammond.

Mr PEDERICK: I refer to Budget Paper 4, Volume 4, page 15, the investing expenditure summary of existing projects. It mentions that the government will invest in the Loxton Research Centre in 2014-15, with \$700,000 being committed. Can the minister provide a breakdown in spending for the Loxton Research Centre redevelopment in 2014-15 and how many jobs this funding will create for the centre?

The Hon. L.W.K. BIGNELL: The \$150,000 spent in the last financial year was about working with the industry and local people up there to work out what it is that they would like to see in the

Loxton research facility. In this upcoming year there will be movement to full design and development as well, so it is a work in progress.

Mr PEDERICK: That is for this financial year, minister; is that correct?

The Hon. L.W.K. BIGNELL: Yes. So \$150,000 was budgeted last financial year and \$700,000 this year. The \$7.5 million Loxton Research Centre redevelopment forms part of the \$265 million South Australian River Murray sustainability program and supports a positive vision for a brighter future for our state's River Murray communities.

The redevelopment of the Loxton Research Centre, along with the associated \$5 million industry-led research component and \$12.5 million Regional Development and Innovation Fund will deliver on this locally-led proposal. The redevelopment will provide new opportunities for collaboration between industry and researchers at a national and international level to ensure that South Australia builds on its reputation and market edge as a leader in premium food and wine production from our clean environment.

At present, the Loxton Research Centre include 33 hectares of land and 1,100 square metres of existing office laboratory and shared space. Delivery of a number of research and project-based activities occurs from the site through Primary Industries and Regions SA, including SARDI and Rural Solutions SA, and also through other commonwealth government and private activities, such as the Bureau of Meteorology's weather station for Loxton and the production and supply of biocontrol agents, such as insect and mite predators and parasites by Biological Services.

The iconic research site will be transformed to create opportunities for strategic co-location of key industry, research, primary production and business support entities. The centre will act as a hub for attracting, promoting and trialling new ideas and opportunities from across South Australia, the nation and the globe, and we will have the capacity to broadcast these new capabilities and technologies to the world.

Significant interest in the centre has been received from potential tenants, including universities, training and research organisations and other private businesses wanting to have a presence at the site. Negotiations are currently underway with a number of organisations to relocate to the centre prior to the redevelopment.

The community and industry are supportive of the approach PIRSA is taking on the redevelopment. A regional consultative reference group of 20 industry and community representatives has informed PIRSA, through Planning, of the redevelopment. A management reference group of nine skills-based members has advised PIRSA on the redevelopment. The management reference group has agreed a draft management structure for the new centre to ensure that the centre remains sustainable into the future.

On Friday, 28 February 2014, PIRSA submitted a draft redevelopment plan to the commonwealth government to meet milestone 1 under the National Partnerships Agreement on the South Australian River Murray sustainability program. Part A has been agreed and the milestone payment received. The final redevelopment plan due to the commonwealth government on 31 May has been approved by the Minister for Regional Development and was announced by the Premier on 23 June 2014.

The final redevelopment plan has been submitted to the commonwealth for achievement of the May milestone and the redevelopment will progress the building construction process, in conjunction with the Department of Planning, Transport and Infrastructure project services in 2014-15.

At Loxton all existing PIRSA jobs are currently funded through divisional budgets. Any new jobs are yet to be determined based on research programs. The concept designs includes a community conference facility as well as an upgrade of the existing facilities to modern standards. We see it as an asset not just for the agricultural and horticultural sector but for the whole community. We think it is one that certainly the local community up there is well on board with.

Mr PEDERICK: In regard to the investing expenditure summary on the same page, how far has the sale of the Flaxley site progressed? When will it be sold and what is the estimated market

value? Will assets within the facility be sold or warehoused? Will the proceeds of that sale be quarantined for spending in other research projects and facilities?

The Hon. L.W.K. BIGNELL: PIRSA delivers a range of services to South Australia's primary producers through a network of district offices and research centres. A combination of changes in the national research development and extension framework, demand for services and budget reductions has led to a review of regional service delivery and rationalisation of the regional office and research farm network.

It is no longer economically viable to maintain all existing regional sites, particularly where researchers shifted interstate due to national framework agreements. I think that is one of the important things that we do here in South Australia these days, that rather than being in competition with other states in terms of research we all work together as team Australia.

We do a lot of research for the fishing industry here and aquaculture but in maybe some other areas the research is done in Victoria or Tasmania or another state, but we do work collaboratively in a way that we can best achieve a better result for all Australian producers, not just South Australia. When we do that, of course, South Australians benefit as well.

PIRSA proposes to sell Flaxley and to reinvest sale proceeds into upgrading regional offices and laboratories at Clare, Murray Bridge and the Adelaide University's Roseworthy Campus pig and poultry research infrastructure facilities, and the SIT facility at Port Augusta as well, that we mentioned before.

PIRSA has ceased research for the dairy industry and is also transitioning out of conducting research for the apple and cherry industries. These changes in national research priorities have led to these facilities becoming redundant. The Flaxley Research Centre comprises 187 hectares which was used for dairy research until mid-2010. We do not have a figure that we are going to release here about what we expect to get for it. We would like to keep that figure close to our chest. You do not tell people turning up for an auction what you want.

Mr KNOLL: Does the minister have a date for when the Flaxley site is likely to be sold?

The Hon. L.W.K. BIGNELL: We are looking at spring this year to go to market.

Mr PEDERICK: Budget Paper 4, Volume 4, page 16, Program 1: Agriculture, Food and Fisheries, Program summary—Income, Net gain or loss from disposal of assets. Can the minister explain the \$57,000 net loss from disposal of assets in the 2013-14 estimated result and what asset caused that net loss? What asset will be disposed of in 2014-15, leading to an estimated budgetary income of \$680,000?

The Hon. L.W.K. BIGNELL: The decrease of \$57,000 in the 2013-14 estimated result reflects the loss on sale of asset disposals for two vessels: a boat and a trailer. As to the other figure you mentioned in terms of asset sales in the upcoming year, Flaxley is obviously a part of that, but that figure is what we want to raise to put towards the SIT facility.

Mr PEDERICK: I refer to Budget Paper 4, Volume 4, page 16, Program 1: Agriculture, Food and Fisheries, Program summary—Income, Fees, fines and penalties. Income due to fees, fines and penalties has risen by \$1.844 million in 2014-15. What fees, fines or penalties have been increased and is the government still considering legislation for a biosecurity animal health cost recovery measure?

The Hon. L.W.K. BIGNELL: Most of the increase of \$2.9 million between the 2014-15 budget and the 2013-14 estimated result largely reflects an intended increase of \$2.3 million for animal health cost recovery in 2014-15. Can the member please repeat the second bit of the question; I think that it was about—

Mr PEDERICK: Just in line with that, minister, you talked about increases in animal health cost recovery. Is the government still considering legislation for a biosecurity animal health cost recovery measure?

The Hon. L.W.K. BIGNELL: The previous minister established the Mutton review to investigate the policy to increase cost recovery in animal health. This was after the amendments to the Livestock Act were defeated on two occasions. The Mutton review made 23 recommendations,

and the government's response to the recommendations was to advise that the government would not be seeking to pursue further cost recovery in the animal health programs at that time and that discussions would continue with industry on cost recovery programs.

The previous minister made comments in parliament that the government was not pursuing further cost recovery in the animal health program. Given the Mutton review process, before the government moves ahead with any further cost recovery in the animal health program, a dialogue needs to be progressed with industry, and we are doing that at the moment.

Mr KNOLL: There is a bit of confusion there. In your previous answer, you talked about the \$2.3 million increase coming from animal health cost recovery, whereas your answer you just gave said that you are not seeking legislation.

The Hon. L.W.K. BIGNELL: The figure is still in the forward estimates and, as I said, we continue to work with the industry to work out how we can work and achieve that.

Mr PEDERICK: I refer to Budget Paper 4, Volume 4, page 16, Program 1: Agriculture, Food and Fisheries, Program summary—Expenses, Borrowing costs. Borrowing costs have doubled in 2014-15 despite a decrease in interest rates. Can the government please explain this increase in expense?

The Hon. L.W.K. BIGNELL: The increase of \$1.3 million between the 2014-15 budget and the 2013-14 estimated result largely reflects an increase in budgeted interest costs of \$0.9 million associated with lending under the Farm Finance Concessional Loans Scheme in 2014-15. We do not know where that figure will end up, but we have budgeted for \$900,000 on that budget line to cover the Farm Finance Concessional Loans Scheme.

Mr PEDERICK: I refer to Budget Paper 4, Volume 4, page 17, Financial commentary, 2014-15 Budget/2013-14 Estimated Result, dot point 10, regional trademark brands. I note that the regional trademark brand initiative was \$300,000. Can the minister give an explanation as to what this initiative entails? I note that \$1.3 million has just been spent on Brand SA. What is the rationale for creating further branding?

The Hon. L.W.K. BIGNELL: The government is committed to supporting regional branding initiatives through a two-year funding commitment of \$250,000 per year for 2014-15 and 2015-16. In recent years, a small number of regions have embarked on their own regional branding initiatives, with some financial support from the state government; that includes Eyre Peninsula, Australia's Seafood Frontier and the Barossa Trust Mark. These initiatives have seen strong collaboration between key stakeholder groups in the region to develop a marketing and branding program that promotes their quality produce, businesses and experiences in a unique way to target markets.

The government wants to support other regions to learn from the experiences of Eyre Peninsula and the Barossa, and embark on a collaborative marketing program to promote the authentic produce and experience to locals, tourists, and interstate and overseas markets. Regions such as the Adelaide Hills, McLaren Vale, the Clare Valley, Fleurieu Peninsula, the Riverland, Kangaroo Island and the Limestone Coast will be encouraged to develop their own branding framework to put forward and manage their regional brand.

Mr PEDERICK: I refer to Budget Paper 4, Volume 4, page 17, Financial commentary, and the premium food and wine brand. Dot point 8 states:

new initiative funding to realise overseas market opportunities for South Australia's Premium Food and Wine brand in 2014-15 (\$0.3 million)

In its initial press release announcing this policy in February 2014, the government said it would create a major marketing program in our key markets of China, India, Japan, Indonesia, Singapore and the USA. If this program is only \$1.35 million over four years, does that mean that for each country only \$225,000 is being allocated over a four-year period; in essence, \$56,000 per region per year?

The Hon. L.W.K. BIGNELL: No, it does not, member for Hammond. I guess it is one funding stream of many that go into promoting South Australian wine sales in export markets. We are constantly having trade delegations go to various wine shows and other trips over to these important

markets, and we will continue to work with the industry and assist them, where possible, if they are heading over to wine fairs. That will come from a number of different budget lines.

For example, the China Agribusiness Initiative and Action Plan is a \$2.54 million three-year program which commenced in July 2013. Specifically, there are four objectives driving the development of activities:

- more South Australian companies exporting more to China;
- more Chinese investment in agribusiness to help scale up and modernise South Australian companies;
- increased agribusiness research collaboration and technical exchange with China; and
- strategic relationships with Chinese governments to establish and enhance platforms for business engagement.

A number of targeted inbound and outbound trade missions have been delivered to provide opportunities for South Australian businesses to expand their opportunities in this market. The most recent trade mission to China, from 14 to 25 May 2014, visited Shanghai, Jinan, Qingdao and Xiamen. The mission aimed to generate awareness and interest for South Australian agriculture and food industries, and enhance our businesses' knowledge on market access, barriers and distribution channels in China.

The mission coincided with a number of trade exhibitions in China, including SIAL China in Shanghai from 13 to 15 May (this was one I mentioned earlier, where I was there with members of the PIRSA team and Food SA as well as councillors from the Southern Mallee council). There was also Austrade's Seafood and White Wine Festival in Qingdao, and also the ninth China Fisheries Expo in Xiamen during that trip. The mission built on crucial government to government relationships PIRSA has developed with Shandong and Fujian provincial governments to develop greater export opportunities for South Australia.

PIRSA is leading the agriculture subcommittee of the South Australia-Shandong High-Level Working Group Initiative, and is working closely with Shandong counterparts to improve exchanges between companies, develop and promote mutual investment opportunities, and jointly participate in research and policy development events. The Deputy Director-General of the Shandong Department of Agriculture visited South Australia in June to formalise the collaboration with PIRSA. This included signing a memorandum of understanding on a framework for communication and cooperation between PIRSA and the Shandong Department of Agriculture. I was pleased to be at the signing ceremony as a witness; best man, if you like, to Mr Ashby here, and he did a very good job signing away—

The Hon. S.W. KEY: Any bridesmaids go?

The Hon. L.W.K. BIGNELL: I think so, I cannot remember. It was a very nice ceremony.

Members interjecting:

Mr PEDERICK: Nothing he can tell us about anyway.

Members interjecting:

The Hon. L.W.K. BIGNELL: No, it was here; we signed that MOU here in Adelaide. A partnership is also proposed between the University of Adelaide, Shanghai Jiao Tong University, the South Australian government and the Chinese government to pursue the development of a joint Adelaide-Shanghai centre in wine, grains, healthy foods and land and water management. I was pleased to meet with representatives of the Shanghai Jiao Tong University when I was in Shanghai.

Hong Kong chef, Wong Wing Chee, was named South Australia's first premium food and wine (from our clean environment) international ambassador in August 2013. It was terrific to have him out here in April. We had a great function at The InterContinental and then a team of chefs and restaurant owners toured Eyre Peninsula, looking to source more fresh seafood straight into Hong Kong and Guangzhou.

South Australia's premium wine was showcased at the Hong Kong Crown Wine Cellar in August 2013. A trade delegation, led by minister Gago, to China and Hong Kong in August last year resulted in two contracts signed for a total value of \$4.6 million.

The China agribusiness initiative and action plan was launched in 2013. Two China forums were organised to present PIRSA's initiative in 2013. South Australia's agribusiness capability needs were assessed to become China-ready in January 2014. Two seminars were organised for our agribusiness success at the negotiating table in China with Joanne Wood of Capital Eight, Shanghai, in January 2014 and 'In Search of Safe Food' with the Confucius Institute.

I should also mention, for the benefit of the member for Schubert, that a regional wine roadshow was organised with McLaren Vale, Adelaide Hills, Barossa and Clare with the Hong Kong Trade Development Council in May 2014. There is a lot of work going on under a lot of different funding streams to make sure that we do everything we can to get more of our wine and premium food into overseas markets.

The CHAIR: Member for Schubert.

Mr KNOLL: I refer to Budget Paper 4, Volume 4, page 17: dot point three under the financial commentaries, 'Realising Opportunities in China for Food, Wine and Capability Development initiative'. After the previous minister first visited Fujian in August 2012 she announced that two SA produce centres would be opened within 18 months: one in Nanping and one in Jiangxi. It has been almost two years since that announcement. Can the minister update us on the status of those produce centres?

The Hon. L.W.K. BIGNELL: As we understand it the developer involved in China is still proceeding with the development and he has now formed a relationship with trade partners here in South Australia. So, that is a more direct business-to-business relationship and what we are doing as a government is dealing directly with the Fujian Department of Agriculture and that is where the government relationship comes into it now. The last we heard was that these projects were underway and being developed.

Mr KNOLL: On the same line: the minister also signed an MOU with the Fujian provincial government in August 2012. Since that time, how many Fujian-South Australian business arrangements have been entered into and at what value to South Australian producers?

The Hon. L.W.K. BIGNELL: In August 2012, PIRSA signed a memorandum of understanding with the Fujian Provincial Department of Agriculture. This is an agreement for both parties to work collaboratively to promote agricultural opportunities with a specific emphasis on food safety. South Australia's engagement with Fujian in China has been strengthening and has broadened from cooperation in the agriculture space to include fisheries and aquaculture. Engagement has also moved from government to government, to interactions with private industry seeking trade and investment opportunities here in South Australia.

Following the former minister for agriculture, food and fisheries' visit to Fujian in August 2013, a delegation led by the Deputy Director of Fujian Department of Agriculture visited South Australia in November 2013. This visit focused on horticultural, animal husbandry, food safety and biosecurity issues. During the visit, the Fujian department and PIRSA agreed to establish regular communication and ensure that a work plan is developed to implement areas of mutual interest. The trade delegation resulted in two contracts signed for a total value of \$4.6 million.

In December 2013, the Director-General of the Fujian Department of Oceans and Fisheries led a delegation to visit South Australia, which resulted in a significant improvement in the understanding of the needs and capabilities of both departments. It also identified potential areas for collaboration and appropriate communication channels. A number of Fujian-based companies have since travelled to South Australia to explore trade and investment opportunities in the meat and seafood sectors.

PIRSA led a trade mission to Fujian in May this year to attend the Ninth China Fisheries Expo in Xiamen. This was to promote South Australia's leadership and strengths in seafood and aquaculture research as well as position South Australia as a partner in the production and supply

of premium and sustainable seafood. PIRSA also met with the Fujian Department of Oceans and Fisheries to pursue the collaborative research opportunities discussed in December.

Discussions are currently underway with the South Australian rock lobster industry and tuna industry for exports to Fujian as well. So, what we are doing is government has formed a lot of the relationships and now we are seeing the private sector in both South Australia and Fujian Province working closely together.

Mr KNOLL: I refer to Budget Paper 4, volume 4, page 20, Sub-program 1.1: Agriculture, Food and Wine. Under targets 2014-15, point seven refers to 'Manage the implementation of the Food Innovation Hub grants program.' Does this program have any relation to the High Value Food Manufacturing Centre?

The Hon. L.W.K. BIGNELL: Yes, it does. The \$4.15 million High Value Food Manufacturing Centre commenced operation in DFEEST in November 2013 following the appointment of the food hub manager. The establishment phase of the food hub involved development of programs aimed at bringing together the food industry, research and technology providers.

In February 2014, the Advanced Food Manufacturing Grants Program was launched to support partnerships between food manufacturers and the research sector in South Australia. The High Value Food Manufacturing Centre moved to PIRSA under machinery of government changes and will continue to deliver food innovation programs to the food manufacturing sector with the support of research and technology providers.

If we look at the 2013-14 outcomes, nine food manufacturers received grant funding from the Advanced Food Manufacturing Program. Approved projects resulted in state investment of \$693,900 over two years. Industry co-investment was \$542,000, so a combined total project value of \$1.236 million. In addition, \$458,840 was expended by DFEEST in 2013-14, with the remaining \$235,060 committed through scheduled grant payments for 2014-15 and 2015-16 by PIRSA.

Targets for 2014-15—due to the success of the Advanced Food Manufacturing program, it is likely the program will be supported again in 2014-15, and a tiered program aimed at start-up food manufacturers is in development and is anticipated to be released this financial year. Also in development is a program that will provide a mechanism to train graduate and postgraduate students directly in the food industry.

Food innovation programs align directly with two of the Strategic Priorities: Premium Food and Wine from our Clean Environment, and Growing Advanced Manufacturing. It is worth noting that food manufacturing has grown year on year for the past 18 years, and is an incredibly important part of our economy.

Mr KNOLL: It certainly is, minister. I am a little bit confused, and if I can reference, in conjunction with the budget line that we are talking about currently, the Food Innovation Centre. Budget Paper 4, Volume 4, page 17, under Financial commentary, talks about a high-value food manufacturing and the High Value Food Manufacturing Centre. I asked a question about the Food Innovation Hub but it sounded like you were answering in relation to the High Value Food Manufacturing Centre. Are these the same thing? If so, why are they talked about differently within different parts of the budget, and have different money attached to them?

The Hon. L.W.K. BIGNELL: They are one and the same, in that the Hub comes under the High Value Food Manufacturing Centre as a subsection of that.

Mr KNOLL: Hopefully the industry can work that out. In Budget Paper 4, Volume 4, page 17: Financial commentary, dot point nine states:

- new initiative funding to assist food producers and businesses to attract further investment through the Agribusiness Investment Attraction Program (Agri-PACE) in 2014–15 (\$0.3 million)

Can the minister provide details on how this program will work? How will the \$300,000 be used to assist food producers to attract investment, and how can producers and businesses participate in this program?

The Hon. L.W.K. BIGNELL: The Agribusiness Investment Attraction Program (also known as Agri-PACE) is a \$1.15 million program over four years, commencing in 2014-15. The initiative will

deliver a single web-based data package to provide industry with all the spatial information required to investigate investment opportunities in agribusiness in this state. This package will provide investors with information on infrastructure, land types and soils, land zoning, rainfall and climate, as well as government policies and current projects to enable them to determine the best options for new developments in South Australia.

Mr KNOLL: Just following up on that, minister, essentially you are saying that we are going to spend \$1.15 million over the next four years to build a website.

The Hon. L.W.K. BIGNELL: No, it is a lot more than that. There is all the intelligence and information that goes into it. If you know your history of South Australia, we did a similar thing with the mine sector. We went out and identified all these great sites. People who have the opportunity to look around the globe for investment opportunities have to do a lot of digging for information. If we can serve stuff up to them on a platter, it is going to make South Australia a much more inviting place to invest their money in, and that is what we are after. We are after investors who can provide capital so that we can grow this very important sector.

Mr KNOLL: I refer to Budget Paper 4, Volume 4, page 17, Sub-program 1.1: Agriculture, Food and Wine, and the 2014-15 budget compared to the 2013-14 estimated result. According to the financial commentary, an increase in expenses is primarily due to:

- new initiative funding for a new regulatory standard for premium South Australian food, and introduction of a symbol certifying top quality South Australian grown produce in 2014-15...

Can you explain first of all what this 'certifying top quality' symbol is and how that program will be implemented?

The Hon. L.W.K. BIGNELL: South Australia produces a diverse range of high-quality food and beverage products. To support future growth, South Australian food needs to achieve premium prices in key markets. Increasingly, customers are seeking endorsement on the quality and other credentials of the food products that they buy. There is an opportunity to expand the recognition of South Australia's food and beverage products and the businesses that produce them. This recognition should be supported by clear criteria and information supporting the quality claims.

The government has identified a need for premium food standards to be established that provide customers and consumers with certainty about what they are purchasing. This initiative will be supported by industry codes that establish standards for particular products. The program will operate as an opt-in accreditation. It will not be additional regulation, but it will be a valuable marketing tool.

The first step will be consultation with industry and sector groups to identify how such a system could be designed and implemented to best support South Australian businesses in their key market. I guess what it will actually look like is to be determined through consultation with industry.

Mr KNOLL: Given that it is down as a new initiative, and work would have been done within the department around this, can the minister give me some understanding of how he believes it will interact with current food safety codes and current food safety regulation? How does this add to what is currently there?

The Hon. L.W.K. BIGNELL: All that existing stuff would remain in place. This is just another level of, I guess, marketing to reinforce to consumers that what they are buying has a great provenance and is a quality product.

Mr KNOLL: Just to further follow up, minister, I understand that Buy SA, which was a great campaign run separately from what we are talking about today, had its website taken down over issues around being able to certify businesses and the extent of their South Australianness. In the same way, how is the department going to be able to enforce a new regulatory standard? Is the department going to be accepting some sort of legal liability when it comes to abuses of the standard and symbol? How will they seek to enforce it?

The Hon. L.W.K. BIGNELL: It is not a new regulatory standard: it is—

Mr KNOLL: Sorry, minister, it says 'new regulatory standard'.

The Hon. L.W.K. BIGNELL: But it is actually like a marketing tool for people to be able to add to their business—

Mr KNOLL: I am just referring to the budget papers.

The Hon. L.W.K. BIGNELL: —and we will be working with industry to come up with the safeguards around that. It is in no-one's interest for people to devalue what will become a premium mark on produce for South Australia. It reflects existing regulatory standards, so those standards are already in place. Unless you have those, you do not get the tick.

Mr KNOLL: Can the minister explain what existing regulatory standards he is referring to?

The Hon. L.W.K. BIGNELL: Well, it depends on the produce. There is a whole range of things you have to have, whether it is fish or meat or wine or eggs. There will be different regulations for different produce.

Mr KNOLL: I refer to the same page, Budget Paper 4, Volume 4, sub-program 1.1. There is an increase in expenses under Financial Commentary regarding the Farm Finance Concessional Loan scheme. How many applications did the government receive from primary producers in SA for assistance from the federal government's Farm Finance Concessional Loan scheme? How many do we envisage will be successful?

The Hon. L.W.K. BIGNELL: In December 2013, PIRSA commenced administering the Australian government Farm Finance Concessional Loan scheme. The first of two funding rounds closed on 30 April 2014. Round 2 commenced on 1 July 2014 and will close on 31 March 2015 or when funds are fully allocated, whichever occurs first. No applications for round 2 have been received up until 18 July this year.

Under the agreement, the commonwealth government made available up to \$25 million of loan funding in 2013-14 subject to loans being approved and contractually committed. A further tranche of \$25 million is available for 2014-15. Under the agreement, any uncommitted funds cannot be carried forward into 2014-15. To 30 June 2014, three applications, totalling \$1.6 million, have met the eligibility criteria set by the Australian government; 45 applications were declined.

Given the program is targeting farm businesses experiencing difficulty servicing debt, there has been a high level of declines, noting South Australia has had up to five years of favourable seasonal conditions in some areas. The scheme eligibility criteria are better suited to states that are experiencing severe drought conditions, including Queensland and New South Wales.

The scheme eligibility is limited, noting that the scheme can assist up to 50 farm businesses each financial year based on an average loan amount of \$500,000. The level of inquiry has been low in recent months. PIRSA has held recent discussions with the Australian government to improve their communications, specifically around eligibility criteria, to ensure a better understanding of the scheme across the state.

Mr KNOLL: Just to follow up, I refer to the same budget line. Can the minister outline why there were delays in the set-up of the scheme?

The Hon. L.W.K. BIGNELL: In November 2013, the new Australian government reduced the total funds potentially available for South Australian farmers, from \$60 million to \$50 million for the next two years. Prior to the Australian government entering caretaker, PIRSA had sought to finalise the guidelines and contract with the commonwealth department. This was not able to be achieved and the incoming government was asked to agree to finalise the contract and guidelines.

Mr KNOLL: I only ask in the context that I understand it is the same office that does the exceptional circumstances funding. I refer to Budget Paper 4, Volume 4, page 19, the same sub-program, Highlights 2013-14, specifically:

Developed trade and investment opportunities for Premium Food and Wine from our Clean Environment by leading and coordinating inbound and outbound trade missions.

Can the government please list in full detail the successful trade investment outcomes as a result of the trade missions? What was the total cost of these inbound and outbound trade investment opportunities?

The Hon. L.W.K. BIGNELL: We do not have a precise figure with us, but all that funding comes from existing budget lines. Obviously it is very important that we see a big return on investment for the private sector in undertaking those delegations and also for hosting people who come here to buy our produce.

Mr TRELOAR: I refer to Budget Paper 4, Volume 4, page 20, Sub-program 1.2: Aquaculture. Minister, with respect to government cost recovered services, there has been an evaluation of the services—that is, their costs and overheads—against minimum legislative requirements, particularly in a changing economic climate which is increasingly reliant on production. I believe this question is applicable to both the aquaculture and fisheries programs. Is there a reporting accountability process in place for any rise of government service values above and beyond CPI?

The Hon. L.W.K. BIGNELL: I thank the member for Flinders for the question and obviously acknowledge the huge role that aquaculture and fisheries has in your part of the world, in your electorate, and your fantastic advocacy on behalf of the industry. The cost recovery process for the aquaculture sector is a consultative process conducted annually to ensure that adequate lease and licence fees are in place to resource PIRSA for each financial year to provide the services required under the Aquaculture Act 2001.

The cost recovery process for the aquaculture sector works on an activity-based approach and is consistent with PIRSA's cost recovery policy, which was based on national cost recovery guidelines. PIRSA is undertaking consultation with all aquaculture industry sector associations and representatives for the 2014-15 cost recovery year to determine the level of service required to manage the industry and the cost associated with providing those services.

Cost recovery consultation was conducted through a well developed transparent process that involved a series of meetings with each industry sector's representatives to discuss the proposed service programs to be delivered in 2014-15.

Service levels are determined using an effort recording system that involves all operational PIRSA staff recording their time against each sector and the activities undertaken. All aquaculture sectors reached agreements with PIRSA on the fees to be applied to their industry sector for the 2014-15 financial year. The total expected amount to be collected from aquaculture lease and licence fees for 2014-15 is \$1.5 million. This represents a decrease of approximately 11 per cent from the 2013-14 cost recovery process.

The decrease was due to efficiencies gained through streamlining industry processes, specifically in the tuna industry, and the utilisation of the effort data to inform service levels for the specific industry sectors. Revised aquaculture fees resulting from cost recovery negotiations this year were finalised and gazetted prior to the 1 July 2014 for immediate implementation.

Mr TRELOAR: Minister, as part of that streamlining and quest for efficiency, has the relocation of any PIRSA operations, such as aquaculture, been considered for regional South Australia? For example, I am informed that the cost of leasing space in Port Lincoln is only about \$200 per square metre.

The Hon. L.W.K. BIGNELL: Thank you again for the question. I might ask Mehdi Doroudi to answer that question.

Prof. DOROUDI: We do have some research activities running from regions, including Port Lincoln. We also have our compliance activities which are focused and decentralised in our regional towns, from Ceduna to Mount Gambier. The main unit that currently sits in the head office is the policy and management group and there is inter-relationship with a number of different agencies: there are a number of referrals and concurrences; all other governmental procedures.

Some of the industry associations are based here and it is better for them to have discussions and negotiations around our policy and management from Adelaide. That unit is based in Adelaide and the major part of our research activities are based in West Beach. Apart from that, the rest of our activities are already in regions.

Mr TRELOAR: Minister, what is the PIRSA policy on recovering capital asset costs?

The Hon. L.W.K. BIGNELL: We do recover some capital costs in line with national guidelines around cost recovery.

Mr TRELOAR: Over the past financial year and in the coming year, what actions have been or will be taken to reduce the costs of services which are cost recovered from the industry?

The Hon. L.W.K. BIGNELL: Again, I will ask Medhi Doroudi to answer that question.

Prof. DOROUDI: I will talk on both aspects of fisheries and aquaculture, if it is possible and okay. We recently (last year) issued a new policy, which we call our co-management policy. Under co-management, the level of delegations to associations and industry can vary from mainly government being in charge of administration to the areas of work that can be conducted by the industry under some arrangements, subject still to public scrutiny and also not in breach of legislation.

We are pursuing those discussions with industry sectors and associations. Maturity of our industry sectors are different and at different levels: some are prepared and ready to take the next step; some others we just need to work further to get to that stage. That is an area where efficiency in the long term can come in to reduce the costs, rather than employing individual officers to deliver on services, work with industry in a collaborative way, for them to deliver under certain rules and regulations to be able to reduce the cost. In general, that is what we want to do and would like to do in pursuing that co-management policy.

On an annual basis, currently and in the last 10 years when you look at that, every year we sit down with the industry sector, each sector separately, to develop a work plan. All those work plans and activities associated with that are going to help us make sure that we are not doing activities that are not needed or not necessary, and they are all consistent with the current legislation.

The third matter I can raise is that we amended the Aquaculture Act very recently. We are in the process of amending regulations that we have for aquaculture. We would require industry's input throughout this process to make sure, again, if there is no need for any regulation or any set of legislation, to go through this process and revoke them, and bring more efficiency in the system.

On top of all of those we have been running separate projects like the recent project that we had with the tuna sector in relation to looking at the environmental sustainability and the need to deliver on having a creditable environment to be able to grow more. As part of that, recently that tuna project created a considerable amount of efficiency for the sector and for the government between EPA and PIRSA.

Mr TRELOAR: Minister, you spoke earlier about the transparency of the process, of establishing the cost-recovery figures, and we have just heard Professor Doroudi speak about his engagement with the various sectors but one of the things I hear time and time again from the sector itself is what it perceives as a lack of transparency in all of this. Would you care to speak to that?

The Hon. L.W.K. BIGNELL: First, I would like to commend Professor Doroudi for all the great work that he does with the sector. I think he is well known throughout South Australia in fishery and aquaculture. Even people who might disagree with the decisions that are made—and I have sat in the room with Professor Doroudi and those people—have a great deal of respect for the work that he and his group do, so I want to first commend Professor Doroudi for all that work.

I guess no-one wants to pay more money for things, but there are costs involved and those costs quite often result in big benefits for the industry. It gets down to regulations to make sure that we are not overfishing areas, and then there are the food safety aspects as well. They are all really important parts. No-one wants to be putting their hand in their pocket but, for the overall benefit of the industries and for the state and for our premium image that we have right around the world, I think it is really important that we have those in place. Again, I might just pass back to Professor Doroudi to talk about the transparency.

Prof. DOROUDI: Definitely I have personally heard those comments, as well, from some sectors. When I say 'some sectors' they are in the minority from my perspective in both fisheries and aquaculture. With aquaculture we have had a very extensive process with the oyster sector over the last few years. We are still working on some outstanding issues.

In the fisheries sector, for a number of years the abalone sector has raised a lack of transparency in the work that we do, for instance, in the compliance area. All of those are known to us. We have been talking to them. I have asked all my compliance officers to talk in a transparent way about their work plan.

Based on interest and the request of the industry we developed timewise data that is collecting the days and hours of our officers: where they work, what sector, what activity and what area. If you look at that as a benchmark in Australia as a whole country, South Australia is the most transparent in terms of sharing the cost of government and the agency in relation to research, policy and compliance with industry.

Mr TRELOAR: Minister, will there be a cost-recovery reduction in line with the reduction in quotas, for example, in the northern rock lobster zone?

The Hon. L.W.K. BIGNELL: We did have increased cost in that zone, and we have absorbed that within PIRSA so that it was not passed on to the industry.

Mr TRELOAR: Budget Paper 4, Volume 4, page 20, Sub-program 1.2: Aquaculture. I note the objective of the aquaculture program with regard to zoning for aquaculture. What is the available acreage for expansion of marine-based aquaculture?

The Hon. L.W.K. BIGNELL: Again, I must ask Professor Doroudi to provide an answer to that one.

Prof. DOROUDI: We do have currently about 11 aquaculture zone policies in the state. Up to 10,000 hectares of water is available for growth. Every different zone has different attributes to it in terms of the species and up to what volume we can grow fish there. There is room for development in the kingfish area and in oyster and abalone. If successful some day in a commercial sense the propagation of southern bluefin tuna, we do have room for that.

In terms of new policies, Franklin Harbor and Ceduna are two areas where we have had extensive oyster farming, but we did not have a zone policy. Based on the request of the industry, we are working with them to establish policies there. In relation to new zone policies, we have just modified the Lower Eyre Peninsula to accommodate better the demand and requirement for southern bluefin tuna and the additional quota they have received over the last few years. We have a proposal in hand, and we are getting to the later stage in relation to Tumby Bay.

In terms of the room and environment, we are not insured, but we do need to work on newer species. We are working again with industry and, through engagement with China, we are working also with overseas investors to grow further seaweed. We have potential investors interested in sea cucumber and sea urchin. They are the species we would be trying to grow further in South Australia in relation to the next emerging industries. Definitely, the oyster sector can grow still further. Our mussel sector and abalone sector are also in an emerging and developmental stage. They are good, promising industries that can grow further into the future.

Mr TRELOAR: I refer to Budget Paper 4, Volume 4, page 22, Sub-program: Fisheries. Has the state government finalised its purchase of commercial fishing licences and entitlements across all fishing sectors under the South Australian Marine Parks: Commercial Fisheries Voluntary Catch/Effort Reduction Program?

The Hon. L.W.K. BIGNELL: The short answer is that there is still one to go, I understand. By way of background, the government announced the finalisation of management plans for South Australia's marine parks on 29 November 2012. Restrictions on fishing in sanctuary zones will not come into effect until 1 October 2014. Restrictions on fishing in sanctuary zones will displace the commercial fishing effort that was previously undertaken in those areas.

The government's longstanding position has been to approach the management of displaced commercial fishing effort, using the following sequential steps: pragmatic zoning to avoid displacement; redistribution of effort, where possible, without impacting ecological or economic sustainability of the fishery; market-based buyback of sufficient effort to avoid negative impacts on the fishery; and compulsory acquisition as a last resort option.

Steps 1 and 2 have been implemented and, as a result, no removal or reduction of commercial catch effort was required in the sardine, Lakes and Coorong, southern zone abalone, blue crab or prawn fisheries. In July 2013, the government approved the commencement of step 3, the South Australian Marine Parks: Commercial Fisheries Voluntary Catch/Effort Reduction Program.

The Voluntary Catch/Effort Reduction Program provided an opportunity for commercial fishers to offer licences and entitlements for surrender at self-determined prices. Ex gratia payments were made in consideration of those licences and entitlements that were accepted for surrender.

The initial round of seeking voluntary offers to surrender fishery authorities was completed in December 2013. The entire estimated displacement of catch effort for five of the six fisheries involved—charter, marine scalefish, southern and northern zone rock lobster, and western zone abalone fisheries—were successfully acquired. Overall, 118 applications were received and 21 licences were accepted for surrender. No offers were received from the central zone abalone fishery. PIRSA has entered into direct negotiation with this fishery to seek a voluntary and mutually acceptable outcome, with negotiations still continuing. Again, I will pass over to Professor Doroudi to elaborate.

Prof. DOROUDI: I think you covered the details, minister. There is one sector out of six that was affected and that is central zone abalone, which is still outstanding. We have been unable as yet to reach agreement on quantum. When I say 'quantum', we utilised the South Australian Research and Development Institute to work on the logbooks that fishermen provided. I have gone back about 17 years to look at the catch in some sectors to provide their estimates for displaced catch and effort.

Most of the industries out of those six came to the table and provided their own data as well to qualify and validate the assessment of SARDI. The methodology that was used by SARDI was independently approved by an independent expert group including scientists from CSIRO, and that was the basis for us to develop the program for the voluntary reduction of catch and effort due to the closure areas.

Five sectors participated in that program, and we had more than was needed to remove them from the fishery in relation to the applications. Again, there was an independent process: a group of experts sitting independently from the minister to assess those applications and provide recommendations back to the government.

We are still working with central zone abalone. I had my last meeting with them about two weeks ago, and I am expecting that a new offer is going to be submitted from them to remove their displaced effort for that sector.

Mr TRELOAR: I refer to Budget Paper 4, Volume 4, page 22, Sub-program 1.3: Fisheries. This highlights that in 2012-13 the extension of the seasonal spawn enclosure to protect snapper spawning aggregations caused significant angst amongst recreational and commercial fishers. Can the government provide an updated status of the snapper stocks in Spencer Gulf since the implementation of the new fishery management arrangements?

The Hon. L.W.K. BIGNELL: There is work being done in that area, and again I will pass over to Professor Doroudi to give the specifics.

Prof. DOROUDI: The next report since the closures were implemented has not been finalised. The South Australian Research Development Institute is working on that. We did put these measures in place because of the concerns we had for snapper. They were identified in parts of mainly Spencer Gulf where they are transitionally depleted, and we had to protect them in their aggregation areas and spawning areas.

We had to go on an equitable basis after all three sectors, not only putting restrictions on the commercial sector. We reduced their catch limit to a number of tonnage and kilogram per day, and at the same time we needed to protect those spawning grounds by closing them to charter and recreational fishers. There was definitely some discomfort with the charter sector because that was the area in which they were running their businesses, but sustainability of that fish was becoming important enough for us to take those measures. We did complete an economic analysis of these measures prior to implementing them. We are going to review that again to make sure that the

socioeconomic impacts are well realised by getting tourism, local councils and all three sectors involved with that development. By the time we get to that point, SARDI would be able to provide the next scientific reports on their assessment as well.

Mr TRELOAR: Does that include an economic and social cost analysis on regional towns?

Prof. DOROUDI: The answer is yes, because initially we have done that, but what we did two years ago before we implemented these measures were estimates of what could be the potential impact. When we go to the next step, we do have some figures and facts that we can work from; therefore, that would that be included in that.

Mr TRELOAR: In the 2013-14 budget, one of the budget targets was to develop new management plans for various fisheries—sardine, prawns in both gulfs, southern rock lobster, marine scalefish and the Coorong fisheries—and that included a new management plan for a recreational fishery. One of the targets I noticed in the 2014-15 budget is now to develop a new management plan for the commercial, sardine, Gulf St Vincent prawn, northern zone rock lobster and lakes and Coorong fisheries. Given that this target has essentially been copied and pasted from the previous budget, I put to you, minister, that the government is failing in its goals for our fishing industry. Is the inability to achieve targets a result of PIRSA staff cuts?

The Hon. L.W.K. BIGNELL: No. Have you got any more?

Mr TRELOAR: I have one more, minister. Thank you for your succinct answer. At what stage of development are the management plans I have just mentioned?

The Hon. L.W.K. BIGNELL: I might pass over to Professor Doroudi.

Prof. DOROUDI: Since 2007, when the new fisheries act was put in place, obviously the Fisheries Council was created as part of that act and the main objective of the Fisheries Council was delivering on the management plans for all 11 different sectors that we have in the fishing industries, including the recreational sector. We have delivered on a number of them. The list you have gone through are the last few management plans that need to be provided. It is true that we have postponed a couple of these management plans from one year to another, but it was mainly because of the work that needed to be done and, secondly, the demand that industry had.

For instance, Northern Zone Rock Lobster asked to postpone the implementation of that plan from last year to this year due to some concerns they had with the establishment of marine parks. It has not been a lack of performance or delivery from PIRSA's point of view. There have been a number of different contributing factors here that have delayed the delivery of those management plans, but we are planning to finish them. I do not have it in front of me, but I can provide the detail or the end point of each management plan later on. By June 2015, we are supposed to finish all those management plans that you have named.

Ms CHAPMAN: Madam Chair, may I have the indulgence of the committee to ask a question?

The CHAIR: Yes, just a question.

Ms CHAPMAN: Thank you. Minister, the Gulf St Vincent prawn fishery, which I am sure you are aware of, has been active probably since before you were born. It has been a very important fishery for the state. It has been opened and closed regularly. Is this one of the management plans that has been delayed into this year?

The Hon. L.W.K. BIGNELL: PIRSA closed the Gulf St Vincent prawn fishery in December 2012, following a request from all 10 of the Gulf St Vincent prawn fishery licence holders, due to its poor economic performance. The stock assessment survey prior to the fishery closing conducted by SARDI Aquatic Sciences found that the biomass of prawns in Gulf St Vincent decreased significantly in the past few years whilst the fishery was open.

The economic performance of the fishery reduced in the past few years that it was open due to declining catches, the high Australian dollar, prawn price decreases largely due to the increasing imports of lower-value farmed prawns from South-East Asia, and increasing operational costs. An

independent review of the fishery management framework in 2013 concluded that rationalisation and restructure are required to realise the economic potential of the fishery.

A number of recommendations were made by the review, which included the introduction of individual transferable effort units, and an amalgamation scheme to allow for autonomous structural readjustment of the fishery to reduce the number of vessels in operation.

PIRSA developed a proposal for the future management framework of the fishery. Initial industry feedback indicates broad support for the proposed future management framework, and that the majority of licence holders wish for the fishery to remain closed until November or December 2014. PIRSA undertook an independent fishery survey in May 2014 to assess the prawn stocks in Gulf St Vincent. The results indicated the catch rates were above biological set criterion to reopen the fishery. PIRSA is working towards reopening the fishery on 1 November 2014 under a revised management framework.

The annual licence fees for the fishery were waived for the 2012-13 fishing season and not collected in 2013-14. Any costs associated with services normally required for management of the Gulf St Vincent prawn fishery will be collected in 2014-15. A new management plan for the Gulf St Vincent prawn fishery will be developed for this fishery during 2014-15.

Ms CHAPMAN: Minister, we have had all that from Maurice Corigliano and others, of course, in this industry who are at war with the department, clearly, over this issue. So, my question again is: is this revised management plan going to be developed, you say, and published before 1 November when this is going to be reopened? We are now obviously in late July; hence, my question, again, is: is this management plan going to be ready? When is it going to be published so that the industry knows what is going to be happening come 1 November?

The Hon. L.W.K. BIGNELL: Firstly, I would like to say that the industry is not at war with the department. I think there are differing views within the industry, and certainly we hear different views and we take them all on board. I might pass over to Professor Doroudi to give an answer to the specific question.

Prof. DOROUDI: The time frame for the management plan is June 2015. After closing the fishery for two years based on the request of industry, and in working closely with them, we conducted a survey that shows that, biologically, fishing can take place again from this November. There are very significant differences of opinion and views within just 10 players of this sector, and that makes everything difficult.

Having said that, they have recently created an association that has got the majority of them—six, and I am hoping that seven of them will be members of this association. It would be a way forward for the department to sit down and have constructive discussions with them in terms of where to go from here. It is chaired by Jim Raptis, and Neil MacDonald is the executive officer. We are closely working with Neil.

We would like to open the fishery in November for fisherman to be able to go back to fishing. Having said that, there are certain individuals and interests there; they do not want to go fishing, and they are just requesting a government buy-out. We need to implement a process in this fishery so that it is managed internally within the structure of the fishing community that is there.

We introduced transferable nights last year; they did not pick that up. It is equivalent to a quota system but not exactly a quota system. People can trade days and nights of fishing with each other. More than half of them want to introduce a quota. The rest of them say, 'We don't want that. We want to buy out.'

At the end of the day, I do not believe that, until we are agreed on the framework of the fishery, any plan could be developed for that fishery. That is something that is between us. They need to really come constructively to the table and sit down and discuss it with us, for us to be able to resolve that. As you mentioned, this is not a problem of today: it goes back more than 20 years.

Mr TRELOAR: I refer to Budget 4, Volume 4, Sub-program 1.5: SARDI, on page 24. Minister, has the government budgeted for any income from the sale of the Lenswood research facility and, if so, what is the estimated market value?

The Hon. L.W.K. BIGNELL: As I mentioned earlier, when someone asked me the question about the \$680,000 that is in the budget for the sale of assets, we have not pinpointed where that \$680,000 will come from, and we may well get more than that budgeted number anyway, so we have not got a figure in there for the sale of Lenswood. I have a meeting this afternoon with the local residents from around the area about what they would like to see the future use of Lenswood to be.

Mr TRELOAR: Minister, does the government believe that the research that has been conducted at Lenswood is possible on a commercial property, and has the government consulted on this? I suspect it is probably a topic for this afternoon's meeting; I do not know.

The Hon. L.W.K. BIGNELL: Yes. In general terms, we will have a discussion with the local community about what they want to do, but we are putting money into, I guess, bigger hubs. Murray Bridge, Loxton and Clare are examples of that, and we are building the SIT facility up at Port Augusta, so things will look different to what they have in the past. There has been some really good work done interstate in collaboration with the horticultural sector here as well. So, it does not look like it did 10 years ago or 20 years ago. Things are changing, and I think this is good for the future of the entire Australian industry, of which South Australia is an important part.

Mr TRELOAR: Particularly, minister, in relation to cool climate productivity. Once again, it is an ongoing discussion, I am sure, but is the minister getting feedback from the apple industry, cool climate viticulture, and the vegetable and cherry industries on the impact of any impending closure?

The Hon. L.W.K. BIGNELL: Yes, we have received a lot of feedback, and we are listening to the industry and having discussions with a whole range of people about what the future will be not just for the site but for research in the horticultural industry.

Mr KNOLL: In Budget Paper 4, Volume 4, page 26, Sub-program 1.5: Rural Services, I refer to the \$2.2 million budget for rural services. After the minister's recent trip up north, he issued a press release which referred to an earlier commitment by the previous minister to increase financial counselling and case management support for pastoral businesses from rural businesses' support, along with business plan reviews by RDS and Rural Solutions SA.

I am told that this commitment to a partnership in these areas was actually made to a major rural business support after the previous minister travelled up north in July 2013—that is 12 months ago. Minister, has anything happened with regard to these commitments since July last year? What recent contact have you had with RDS in recent weeks?

The Hon. L.W.K. BIGNELL: I am not sure what commitment you are referring to as being made last July. It is not one that I am aware of.

Mr KNOLL: I can refer to a press release from you, minister, dated Tuesday 24 June this year talking about increased financial counselling and case management support for pastoral businesses from Rural Business Support (RBS).

The Hon. L.W.K. BIGNELL: I know what I said, but I am not sure what was said 12 months ago.

Mr KNOLL: To clarify, minister, in relation to the comments you made in your press release, can you advise any conversations you have had with RBS over recent weeks in relation to this press release?

The Hon. L.W.K. BIGNELL: Is that a budget line or a press release?

Mr KNOLL: It refers to the budget for rural services, and Rural Business Support is funded or is done through rural services, so it is pertinent to this 2014-15 budget.

The Hon. L.W.K. BIGNELL: They are two different things. The previous minister was able to enter into negotiations with the federal government and receive funding for an additional counsellor for the service, and what we have offered is a different lot of money for other purposes, and those negotiations and discussions are continuing. When I was in the Far North we were joined at the meeting at Lyndhurst by one of the members of the counselling service. I had a meeting with Kay Matthias from the service as well. Off the top of my head I would say that would have been in late May.

Mr KNOLL: Can I follow up to comments you have just made then? On your trip up north, was Rural Business Support invited to travel by plane with the minister on that trip? Was that plane at full capacity for that trip?

The Hon. L.W.K. BIGNELL: No. I did not invite anyone from rural services to join us on the trip. We had the member for Hammond; the head of Primary Producers SA, former premier Rob Kerin; a journalist from the ABC; Andrew Johnson, who is the Acting Deputy Chief Executive, who has done a lot of work with people out on the pastoral country; a member of the Department for the Environment who does a lot of work in dog control; and my chief of staff, Ruth Awbery, who was also present.

Mr KNOLL: You referenced the fact you had a meeting with RBS up in the Far North. They just had to make their own way up there. I am sure the member for Hammond would have gladly given up his seat. Anyway, that is—

The Hon. L.W.K. BIGNELL: Well, you know, I actually take issue with your comments there. Maybe if you spend a little bit longer around the parliament you will realise that it is actually good to work in a bipartisan way, and I think there was terrific value in having the member for Hammond with us.

Mr PEDERICK: I refer to Budget Paper 4, Volume 4, page 28, Subprogram 1.6—Biosecurity under Description/objective. As it is the objective of the department to:

...protect the economy, environment, communities and human health from the negative impacts associated with the entry, establishment or spread of pests, diseases and contaminants...

the minister would be aware of a new test for ovine Johne's disease (OJD) called the high throughput Johne's or the HTJ PCR test. From last July it was promoted for use as a screening test for OJD, namely as a means of identifying the suspicion of disease. Later it was publicly reported that the use of the test by Biosecurity SA had been suspended due to inconsistencies. Can the minister please confirm that this test was indeed used by PIRSA before laboratory testing procedures had been fully developed and approved by Animal Health Australia?

The Hon. L.W.K. BIGNELL: I thank the member for Hammond for that question. We have got with us today Dr Roger Paskin, who is the Chief Veterinary Officer, and I would like to ask him to give some detail about this one.

Dr PASKIN: I think it might be appropriate to give a little bit of background on Johne's disease before we go into the testing procedures, for the benefit of the members present. Johne's disease is a disease caused by a bacterium, which is related in some ways to the human tuberculosis bacterium. It is extremely difficult to diagnose. It is very difficult to find. The only definitive test that is possible for Johne's disease is a test that isolates the organism, finds it, cultures it, and identifies it. That test is a very difficult, very complex and very expensive test, and it takes up to four months to run that test.

The normal approach with Johne's disease, because it is so difficult to detect, is to use what we call screening tests. The screening test will give you an assurance of negativity, but it will not necessarily give you an assurance of positivity of positive test results. There are three different screening tests that we use for that particular disease. None of them detect the organism per se. One of them is what we call histopathological test. What that detects is a suspicion of a lesion in the intestine microscopically; so, what you see is damaged tissue. The damaged tissue could be due to Johne's disease, but it might not be. If you see no damaged tissue at all, that means the disease is absent.

There is another test known as an ELISA test. It is an antibody test. Again, this does not detect the organism. It detects the response of an animal to the organism; in other words, it finds antibodies in the bloodstream. There are a number of different microorganisms that can give antibodies very similar to an exposure to Johne's disease. So, again, if you do the test—it is a relatively inexpensive test; it takes only a few days to run—and you find it is negative, you are okay. If you find it is positive, that only means that there might be Johne's disease present. Again, that then means that you have got to move forward to a test and culture procedure which will take several months.

The last test that the member referred to was the high throughput Johne's disease PCR test. The PCR test is a new technology, and it is very widely used across the world. It is not approved by Animal Health Australia. It is approved by what is known as the Animal Health Committee, which is a committee of chief veterinary officers of the different jurisdictions. The test was approved for limited use at that point in time.

What this test detects is not the organism but DNA material from within organisms that might or might not be Johne's disease. Most of the time, when it detects DNA, it is detecting DNA from the Johne's disease organism per se, but we do know that there are a few other organisms in the environment that do have similar DNA, and that test might pick up DNA from those other organisms.

Again, if there is no DNA detected we know that the farm or the animal concerned is negative. However, if DNA is detected, it is possible that it might be due to Johne's disease and it is also possible that it might in a small percentage of cases be due to a different organism. So, all of these screening tests have their shortcomings. We have used and are using all of them. With respect to the PCR test, this particular test was not done inside South Australia. It was a test that was outsourced to a number of different laboratories in other states.

The test costs were roughly \$300 per test. Again, because this was outside of our control as this was done in other jurisdictions, we had no way of proving that they were doing the test according to the right protocols. We did find some inconsistencies in the way those tests were run. So, we thought the best thing to do was to suspend the use of the test while it was being used outside the state, and we would then make sure that our own laboratory was equipped to do that test.

The issue as it stands at the moment is that our laboratory is busy developing and testing that test. We are very happy with what we are seeing in terms of the results coming out of the initial trials. We believe that before too long we will be back to using that particular test again; but I do want to emphasise that none of these screening tests is a guarantee of positivity of disease. If you find suspicion you still have to go ahead and do the full culture and examination and pay another few hundred dollars more and wait a few months more to get a final result.

Mr PEDERICK: In regard to the PCR test, from the answer I have just been given does that mean that no flocks in South Australia have used this test as a screen for OJD?

The Hon. L.W.K. BIGNELL: Again, I would like Dr Paskin to answer that one. I also thank him not only for being here today and providing this vital information to the committee but for all the great work he and his team do to keep South Australia safe from these devastating threats to our industries.

Dr PASKIN: We have used all of these tests in various different situations. The ELISA test is the one we use most commonly; it is the blood antibody test. We do use the histopathological test, particularly on sheep that have gone through abattoirs and we have access to their intestinal tissue for testing. The PCR test has been used in South Australia mainly in sheep. We are busy, as I said, working on the redevelopment of that test to re-use again in sheep. We have not used that much in cattle. It has been used in cattle very much in Queensland, but less so here. We tend to use the ELISA test more in cattle.

Mr PEDERICK: In regard to the PCR test, were properties which reacted under this test put under quarantine prior to further testing?

Dr PASKIN: The way the marketing scheme runs at this point in time, we do not quarantine properties that are suspicious. What does happen with those properties—obviously because the farmer is under suspicion, so to speak—is that his marketing possibilities become more limited. It is more difficult for that person to sell live animals to live markets. There is no prohibition on him selling livestock if he wishes to.

Most farmers in that circumstance have managed to sell quite successfully through abattoirs and other markets, but this is a voluntary scheme. Most of our stud breeders are members of that scheme and they know the rules. They know that, if their animals are under suspicion, they do have a waiting period until the final culture is finished, and they do understand that their sales possibilities will be somewhat restricted under those circumstances.

Mr PEDERICK: How many South Australian properties had a reaction to this particular test and how many were quarantined as a result? From what you are saying, it is a quarantine because of the screening test.

Dr PASKIN: I am not making excuses, Madam Chair, but this was before my time, before I joined as Chief Veterinary Officer, but I am aware of the fact that in the months between (I think it was May and August last year) three properties did show up positive to the High Throughput Johne's (HTJ) disease PCR test. They were all subject to further bacteriological testing and found negative.

I must also say that a number of properties—and I do not have these figures in my head—were positive to HTJ PCR and also found positive on culture. So, the number of abnormal findings, if you like, is normally very small and it is expected. It is expected that with screening tests you will get false positives, but I do want to emphasise that, of those three properties, none of them was quarantined.

Mr PEDERICK: Minister, your adviser who assisted us with this questioning earlier indicated that it already had an impact on the sales from these properties, potentially of rams, etc., because of the process. Are they put under some process of self-quarantining because of this initial test?

Dr PASKIN: The rules of the scheme—it is a national scheme—are determined nationally by industry itself. Under the rules, if a farmer is found to be what we call 'suspected to be infected', then they limit themselves in terms of their marketing opportunities. They are welcome to find a market anywhere they like for their livestock, but it is simply a natural process that no-one is going to buy from a property that is suspected to be infected until they know that that property is not suspected to be infected. It is a natural consequence of the status of the property, but it is a voluntary program and the status is accorded under that program.

Mr PEDERICK: Thank you. Minister, what is PIRSA's process for notifying properties that they are under quarantine?

The Hon. L.W.K. BIGNELL: None of the properties has been under quarantine.

Mr PEDERICK: I will go back: what is PIRSA's process for notifying properties where they have had a positive test for OJD with the PCR test?

Dr PASKIN: Under those circumstances, the veterinarian who is responsible for investigating the disease and for running the management program will contact the farmer by phone and inform him. The farmers are also given a written laboratory result which shows the status of his laboratory results, and those laboratory results are updated from time to time as the testing process continues.

Mr KNOLL: Just to be clear, minister, what documentation does PIRSA provide in these instances?

Dr PASKIN: What PIRSA provides to the farmer is the laboratory result from his farm.

The CHAIR: Phone call and letter.

Mr PEDERICK: Did the minister recently write to a Mr Ian Pfeiffer of Bordertown, informing him that his property was never under quarantine for OJD?

The CHAIR: Is this proper?

Mr PEDERICK: This is very important.

The CHAIR: But it is proper for the budget, I am wondering?

Mr PEDERICK: It is very relevant for biosecurity if you are in the sheep-selling game.

The CHAIR: But is it if we are naming someone?

Mr PEDERICK: Absolutely. It is directly related. It is ovine Johne's disease, sheep get it. Minister, did any PIRSA staff visit the property of Ian Pfeiffer of Bordertown throughout July 2013, and what was the purpose of that meeting?

The CHAIR: We are just concerned that we are going into specific individual cases which is not what, I am advised, is normally the procedure in budgets. I am wondering if the member for Hammond would like to reconsider that question.

Mr PEDERICK: Thank you, Madam Chair. What properties were visited by PIRSA staff during July 2013 and what was the purpose of those visits? Was this in regard to properties that had had a reaction to the HTJ test? How many were found to be OJD positive after subsequent testing and how many were cleared?

The Hon. L.W.K. BIGNELL: The first answer to one of your earlier questions is: yes, I have written to Mr Pfeiffer, and I guess from being too specific that was probably a bit too general, asking for every property that PIRSA visited last year, because—

Mr PEDERICK: I was directed by the Chair, sir.

The Hon. L.W.K. BIGNELL: Yes, I know. Maybe we will try to deal with the specific question you asked because it is an important question and it is an important issue. While we do try to do the right thing by the entire state and by the industry to keep diseases out that could devastate the industry, we have to be very cautious about that. I will seek some advice about what would have been discussed.

Member for Hammond, rather than do this by recollection, perhaps we can get you some specific answers to specific questions and maybe we will go backwards and forwards because I know that it is a really important issue, particularly to the farmer concerned, and I have a great deal of sympathy for what they went through on their property and how this affected them. Perhaps that is a better way of dealing with it, rather than through the estimates process.

Mr PEDERICK: Minister, can you bring back an answer regarding the properties that had a reaction to the HTJ test, how many were found to be OJD positive after subsequent testing and how many were cleared? I am happy for you to bring that information back.

The Hon. L.W.K. BIGNELL: Yes, we can maybe do it in a letter direct to you if that is more appropriate.

Mr PEDERICK: Okay. Same budget line, minister: were any of these properties which were put into this—I will call it 'self-quarantine' now because that seems to be the information—self-quarantine process following a reaction to the HTJ test and, given the preceding suspension of the test, were any of these properties compensated for resulting financial loss?

The Hon. L.W.K. BIGNELL: No, there is no compensation.

Mr PEDERICK: Budget Paper 4, Volume 4, page 28, Sub-program 1.6: Biosecurity 2014-15 budget, 2013-14 estimated result net cost of sub-program. Will the minister confirm \$5.5 million has been cut to the net cost of the sub-program from 2013-14 estimated result to the 2014-15 budget?

The Hon. L.W.K. BIGNELL: The net cost of the sub-program shows a decrease of \$5.5 million. This is primarily due to an intended increase in cost recovery in 2014-15 of \$2.3 million from animal health at a biosecurity level, as well as a 2014-15 savings measure of increased cost recovery relating to plant health.

There is a once-off additional expenditure in 2013-14 for fruit fly eradication, which we have mentioned here before. That was primarily in the Riverland and Sellicks Beach; that was a cost of \$1.1 million. Obviously, we pump a lot of money into prevention, but sometimes we have to put in money for cure, and we do that on an 'as needs' basis. It is the first outbreak we have had in the Riverland for 23 years; hopefully, it is another 23 years before we have to do that.

This government knows how important it is to retain our fruit fly-free status, and whatever we have to do we will do in terms of eradicating the fly. With the Pyap and Loxton outbreaks, there were three eradication responses, and they followed on from an intensive and widespread surveillance campaign during 2013.

We also had the completion of the commonwealth/state-funded national plan for transitioning of the branched broomrape eradication program, something close to the heart of a former member for Hammond. That commenced in 2012-13 and was to be finalised in 2013-14. In April 2012, the

standing committee on primary industries agreed to a two-year transition to a management plan, following acceptance that it was no longer technically feasible to eradicate branched broomrape. Landowners will be responsible for managing branched broomrape on their land, in compliance with industry standards and regulatory requirements under the Natural Resources Management Act 2004.

Mr TRELOAR: Minister, I refer you to Budget Paper 4, Volume 4, page 12, Administered Items. Minister, the Eyre Peninsula Grain Growers Rail Levy Fund was established in 2006. Its intention was to raise \$2 million from growers on Eyre Peninsula, in addition to \$21 million from industry and government. The fund was to assist in the upgrade of the Eyre Peninsula rail system.

A good season in 2010-11 meant that the fund exceeded its target by approximately half a million dollars. The regulations that established the fund allow the Minister for Agriculture, Food and Fisheries to apply the surplus to projects that benefit Eyre Peninsula grain growers. I understand, minister, that \$100,000 was set aside for a feasibility study for an Eyre Peninsula-based multicommodity port, and the remaining \$400,000 to R&D programs of value to Eyre Peninsula. Can the minister confirm whether all of the surplus has now been allocated?

The Hon. L.W.K. BIGNELL: Your figures are correct. We are not sure whether it has all been spent, but it can be carried over anyway. So, if the money is still there, it will be spent on things on Eyre Peninsula that will benefit the growers.

Mr TRELOAR: You could provide that information as it comes available?

The Hon. L.W.K. BIGNELL: Yes.

Mr TRELOAR: One last question: can the minister explain why six months after these funds were supposedly reallocated there is still no functional rail system north of Wudinna?

The Hon. L.W.K. BIGNELL: I think this has been a matter going on for many, many, years. There are some discussions happening at the moment with the Minister for Regional Development, Minister for Transport and Infrastructure, myself, Viterra and grain growers about rail infrastructure right across the state—the Mallee and, of course, Eyre Peninsula being two key areas.

We know just how important it is, particularly in your home town of Port Lincoln, where having trucks bringing all that grain down through the two roads into town and through the town itself would cause a lot of grief. So, the discussions on a solution are continuing and we would like to make sure that you are involved in those discussions as well.

The CHAIR: There being no further questions, I thank the minister and his advisers, and declare the examination of the proposed payments completed. I now call on the minister to assume his role as Minister for Forests.

Membership:

Mr Bell substituted for Mr Knoll.

Departmental Advisers:

Mr S. Ashby, Chief Executive Officer, Department of Primary Industries and Regions.

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

Mr A. Hatch, Chief Executive Officer, ForestrySA.

Mr S. Johninke, Director, Finance and Prudential Management, Department of Primary Industries and Regions.

Mr J. Coleman, Chief Financial Officer, ForestrySA.

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

The Hon. L.W.K. BIGNELL: The forestry industry is incredibly important to all South Australians. What we have seen in the past few years is a period of transition and I know, since I

have taken over this role in late March, early April, that this has probably consumed more time than any other single portfolio that I have responsibility for, and one that I have been happy to undertake because of the massive changes that we have had, some that we had some control over, some that we had no control over.

I refer to the Bundaleer fires that devastated the forest last year and then the Wirrabara fires this year. It was a real double blow for the Mid North forestry area, and I have been pleased with all of the work that the member for Stuart has done up there. I have been up there a couple of times working with him and the member for Frome to try and work out where the future will be for the Mid North forestry operations.

Also, to forestry and the Green Triangle in the South-East, it is great to have the member for Mount Gambier here today, and I would like to pay tribute to the great approach that he has taken since becoming a member of parliament and that we work together. We cannot always agree on everything, but I cannot remember too many disagreements that we had so far. I am always happy to pick up the phone or receive an email or a text message, because it is vitally important for the South-East and we know, as a government, that people were really unhappy with the forward sale down there.

What we are doing by going down there and spending four or five days a time down there is getting around and talking to as many people as we possibly can and meeting with the member for Mount Gambier and making sure that the people who he knows are important down there come along to those meetings and we have the discussions. So, there have been some fundamental changes. I informed the parliament a few weeks ago that 66 people have taken targeted voluntary redundancies from ForestrySA, so it is a very different organisation than it was six months ago, and for people who grew up in the South-East and know how important the former woods and forests department was down there, it is a vastly different organisation than it was two decades ago.

So, to the people of the South-East, I want to reassure them that we are doing everything possible to make sure that ForestrySA is in the best condition possible so that it can get another five-year contract to OneFortyOne, the people who bought the Forward Rotations off us in that sale process, because it is important that not only those people have jobs but also the mills and the hundreds of people who are employed in the mills and the harvesting and haulage jobs as well have confidence that, as a government, we believe in the future of forestry in the South-East and the products that come from those forests. That is it for me for an opening statement.

Mr BELL: Before I begin, I would like to acknowledge the time the minister has spent in my region. It has been quite welcome and much appreciated. Minister, on Budget Paper 4, volume 4, page 33, grants and subsidies, in the expenses figure for the 2014-15 budget is \$7.006 million; however, the minister has stated \$10.5 million of the fund is accessible for this year. Can the minister explain the \$3.5 million discrepancy between those two issues?

The Hon. L.W.K. BIGNELL: I thank the member for Mount Gambier for the question. Yes, when this fund is opened up, there will be. Just by way of how money is spent by the private sector and government, we do not envisage that the entire \$10.5 million will be spent this financial year, so we have an allocation for part of it to be spent this year and part next year. If needed, we can bring money forward from next year if it all had to be spent, just as if companies cannot actually make use of that money in this financial year, we could come to an arrangement that any unspent money can be carried over into the following year.

Mr BELL: Just to be clear, minister, because I really do want to go back to my community and—I think one of the biggest issues that the government has had with the South-East is a lack of trust, and I really want to be able to go back and say the \$10.5 million is quarantined; \$7 million of the \$7.006 million is allocated for the Forestry Partnership program; and if need be, the other \$3.5—so, that other \$3.5 million, you are giving a guarantee that that is there for that?

The Hon. L.W.K. BIGNELL: Absolutely; we guarantee the whole \$10.5 million, and it is just the way that things are structured for the projected spend and milestone payments. But, this is part of a \$27.5 million incentive to get local businesses there, putting money into doing things a different way than they have before. What we do not want to do is be exporting logs that then come back as a finished product if we can actually be doing that work down in the South-East and then exporting

something that has had two or three sets of hands go over it, and increase the amount of jobs in the South-East. So, an absolute guarantee that that \$10.5 million will be available.

To be honest, I would have liked to have been able to have that grant out this week. We were looking to announce that this week. We are only a few days away from doing it, but we have to get the tick-off from some other departments, and we also have to get the approval of people in the private sector as well. There is no doubt that so many people in the industry, not just here in South Australia but nationally, know that this money is going to be made available, and I know some have approached you; some have approached me as well. I guess, everyone in the industry knows what is available, and there are some pretty exciting prospects around for where that money may be able to be spent.

There is also the \$15 million in regional development funding that minister Brock is in charge of, and we are encouraging people to have a look at that as well. Do not just put all your eggs in one basket; have a look at what may be available from other funding streams, because it is so important. I was in Melbourne just a couple of weeks ago having a look at a 10-storey apartment building built entirely out of wood. It is the world's tallest wooden building; that record is only going to last a few more weeks, as I think there is one in Denmark or Germany that is going to surpass that in the next few weeks, but it is really impressive to see the sort of work that Lend Lease is doing in that area. They want to roll out more of these buildings around Australia.

We know we have got the forest down there. We know we have got a good workforce down there. We have got people who are eager to get in and get a job, so if we can marry it all together, I think the future is pretty bright, and that is what that \$10.5 million will be aimed at, not necessarily to put into that particular project, but things that are game changers in terms of increasing productivity, increasing end product, and making a difference. Some of the technology that I have seen down there was introduced in the 1960s, 1970s and 1980s, and you cannot be competitive on a global scale if your infrastructure is out of date. So the McDonnell sawmill down there—it is NF, isn't it?

Mr BELL: Yes.

The Hon. L.W.K. BIGNELL: Yes—NF McDonnell & Sons sawmill, and see them as fourth generation sawmillers. They have just put in a new \$9.6 million plant, with some government help in terms of grants, and that is going to lead to the employment of another 15 to 20 staff members and another shift. So, they are the sort of game changers. When people say, 'Government should get out of the way and business get on,' this is the sort of stuff that, when we all work together, we can give people a bit of a leg up. That speed hump to get over to make an investment is really hard without government help. So, yes, can guarantee the \$10.5 million. I am very excited about the future, and it is good to see the confidence around in the South-East too.

Mr BELL: In relation to Budget Paper 4, page 34, second dot point down: can the minister detail how many times the South Australian Forest Industry Advisory board has met between April last year and the end of this current financial year just gone?

The Hon. L.W.K. BIGNELL: We will try to get an answer to that before this half an hour is up, if you like.

Mr BELL: A supplementary question to that theme is: is Trevor Smith employed in any other capacity within the forestry portfolio? I know he is a member of that board.

The Hon. L.W.K. BIGNELL: I am advised he is the Chair of the board and not employed in any other capacity.

Mr BELL: My question then is around why Trevor was paid \$50,000 per year to chair that board, which may or may not have met in the last 12 months, and the Chair of the ForestrySA Board was paid only \$46,000. There seems to be a discrepancy in roles and remuneration for those two roles.

The Hon. L.W.K. BIGNELL: We know that they have met in the past year; we just do not have the figures on how many meetings they had. I have met with Mr Smith, and he has done some really important work on the blueprint for the way forward for the forestry industry. We really value that work that he and his team have done, and we will be launching that soon.

Mr BELL: On the same budget line, there is a \$0.3 million expense for the first full-year operation of the South Australian Forest Industry Advisory Board, which is the same board that Trevor Smith chairs. The documents that were tabled in parliament on 10 September 2013 on government boards and committees information (I have it here if advisers need it) highlight that the expenses were \$95,200 for that advisory board, yet the budget papers talk about \$300,000. I am really curious about the \$200,000 discrepancy. This is the last dot point on page 33.

The Hon. L.W.K. BIGNELL: The \$95,000 represents only part of the cost, and the \$300,000 represents full operating costs. To be effective, the board needs a range of skills and experts. You mentioned Trevor Smith, but Shelley Dunstone has a background in law and works as a consultant as well. John Fargher has extensive experience in forest and water management. Caroline Pidcock is an architect with interest and experience in sustainable built environments. Dr Bob Smith is now an independent forestry consultant after being chief executive of both the Victorian and New South Wales public forest growers.

The South Australian Forest Industry Advisory Board has recently prepared its Forest & Wood Products Industry Blueprint and Policy Statement, which is a document which will receive consideration and will be released soon. As I understand it, that is the result of extensive consultation with people around the South-East, so there has been a lot of travel involved as well and that is where the costs would have come from.

Mr BELL: Basically, it was \$95,000 for the board and then extra consultants, travel and the printing and publishing and things like that.

The Hon. L.W.K. BIGNELL: The full cost was \$300,000, but that figure of \$95,000 represents a part year.

Mr BELL: Is that board one that may continue in the future or do you think the time is about done for that advisory board?

The Hon. L.W.K. BIGNELL: The Premier has announced that all boards will be abolished in October and I think this board has done an excellent job and I am looking forward to reading their report. It is probably a good time to wrap things up, I would say.

Mr BELL: Make an assessment, yes. I refer to Budget Paper 4, page 33, Description/objective. I cannot see any funding in the program summary for the replanting of the Wirrabara Forest. I am wondering if I have missed something or if there is another allocation somewhere else from another department that might be coming in to tackle that.

The Hon. L.W.K. BIGNELL: Yes, there was \$30,000 for this year's replanting which just comes out of the normal ForestrySA budget. It does not have a budget line to it; it just comes out of their general operating budget.

Mr BELL: I refer to Budget Paper 4, page 34, Forestry Policy, Targets 2014-15 regarding contracts. A target in this budget paper is to:

Monitor compliance with the ForestrySA forward sale government contract requirements.

Can the minister confirm at the time of the sale were all contracts transferred from ForestrySA to OneFortyOne Plantations?

The Hon. L.W.K. BIGNELL: They were all transferred with the exception of the Carter Holt Harvey contracts.

Mr BELL: Can the minister explain why that contract was not transferred across?

The Hon. L.W.K. BIGNELL: No, because of commercial-in-confidence arrangements that are in place.

Mr BELL: Does that commercial-in-confidence extend to log volume as well?

The Hon. L.W.K. BIGNELL: I am advised it does.

Mr BELL: I refer to Budget Paper 4, page 33, Forestry Policy, Financial commentary. The budget paper makes mention of a decrease in expenditure of \$500,000 due to:

...administrative efficiencies associated with reduced policy support responsibilities following the sale of the state's forest forward rotations...

Can the minister outline what policy support responsibilities he is referring to?

The Hon. L.W.K. BIGNELL: I thank the member for Mount Gambier for the question. As I mentioned in my opening statement, the government's involvement is now very much reduced. I guess that funding reflects the difference in operations in ForestrySA having gone from owning a lot of forests and being heavily involved to being primarily a contractor.

Mr BELL: Probably the last topic I would like to talk about is fire and fire protection. ForestrySA's annual report showed that ForestrySA still possessed \$66 million worth of standing timber for the year that ended June 2013. However, the fire insurance fund has been dissolved. Can the minister explain why this fund was dissolved and if these remaining forests are insured and, if not, why they are not?

The Hon. L.W.K. BIGNELL: I have been advised that in October 2004 cabinet approved self insurance, and the money that was in that fund was returned to Treasury. I am also advised that OneFortyOne now has the responsibility for the insurance of the forest that they have the control of.

Mr BELL: Finally, are the remaining standing forests that are owned by the state government located in fire prone areas?

The Hon. L.W.K. BIGNELL: Absolutely; as we have seen over the past 18 months two very bad fires destroyed so much of the Bundaleer and Wirrabara forests, and we have forests right throughout the Mount Lofty Ranges that are high risk bushfire areas.

Mr BELL: Given that, minister, and that there is no insurance for them, can you confirm any processes or contingencies that are in place to deal with associated fire risks for the forests?

The Hon. L.W.K. BIGNELL: ForestrySA took the view that it was not financially prudent to insure the forests. There was not value for money in that, so they decided to self-insure. I guess the best insurance we can have is to have good firefighting systems in place. It was pleasing to have that meeting, that you attended, in the South-East to make sure that we had everyone around the table. Work will continue there to ensure that we have not only the right sort of physical capacities there, whether that be vehicles, but also to have people with the right set of experience to be able to fight fires.

Mr BELL: Going back to the Wirrabara forest and the fires that took that area out, has an accurate quote been tabled for the full replanting of that area to get it back to where it was prior to the fire?

The Hon. L.W.K. BIGNELL: The estimate is about \$5 million to \$7 million to do the total replanting.

Mr BELL: From that, only \$30,000 has been allocated this financial year.

The Hon. L.W.K. BIGNELL: Yes, what we have is a situation where the conditions in the last four to five weeks were ideal for replanting and we did not want to miss an opportunity while we make the broader decision about what parts, if any, will be replanted next year. You cannot replant an area devastated by bushfire until the salvage operation has occurred and you have all that burnt timber out of the area, and then you have to prepare the ground to do the replanting. So, we could not have done that this year even had we wanted to do that.

There is a report that I have just seen that ForestrySA commissioned, which is a bit pessimistic on the outlook for whether we replant Bundaleer and Wirrabara, but I know how important it is. There are 30 to 40 jobs at the Morgan Sawmill that are vitally important for that area, because they probably lead on to another hundred jobs in the area around Jamestown. What we want to do is go and have discussions with people like the members for Stuart and Frome and the local community up there to see what the future could look like. We know the Morgans are very optimistic about what could happen under a different thinning regime and under different ways that they could harvest from the forest.

I guess we need to take a look at everyone's point of view and see where we can land, and maybe not all of it is replanted. Maybe some of it set aside for recreation activities. We know nearby at Melrose that they have an amazing reputation for being one of the mountain bike capitals of Australia with their Fat Tyre Festival and other activities. We have the Heysen Trail that goes right through there. So there is enormous tourism potential. There are also people growing some great horticulture up around the area, and some—even the most avid forest people—say it is actually better suited for broadacre farming, to be returned to broadacre farming.

I think what we need to do—we have until probably June next year, when the replanting conditions will be right for a lot of it, to have some really good discussions about what the area is going to look like in the future.

Mr BELL: I understand that. I want to go back to whether there is any response on the Forest Industry Advisory Board—how many times they have met.

The Hon. L.W.K. BIGNELL: Thank you very much for the question; I am glad you asked it. I am pleased to inform you and the committee that the South Australian Forest Industry Advisory Board met six times since April 2013. It met four times in the past 12 months. It also conducted consultation in Adelaide, Mount Gambier, Melbourne, Canberra and Sydney. So they have not been sitting on their hands.

Mr BELL: A final confirmation, I suppose, minister, of your commitment to the South-East that there will be no diminished firefighting capabilities in our region. That is probably more a statement than a budget line question.

The Hon. L.W.K. BIGNELL: Absolutely. I have mentioned before to you that, having grown up Glencoe and been there with the red glow at night when the forest fires are raging through those surrounding forests, it is a terrible thing. Forest fires are something that everyone who has ever been to the South-East, or who grew up down there or who lives there is totally concerned about, because so many lives were lost in those Ash Wednesday fires in 1983 around Kalangadoo. It is something that we take a great deal of interest in, from the Premier down.

When we mentioned that we would have to offer 60 redundancies down in the South-East in ForestrySA the first thing the Premier said to me was, 'Well, there can't be any diminished firefighting capability down there.' We give you that guarantee that there will not be. It was good to have that meeting, where we had ForestrySA, those two wonderful gentleman from the volunteers, the CFS, the police, yourself, and the two unions (the CFMEU and the AWU) there as well.

I think, possibly by the tone of that meeting, everyone had not been around the table like that in the past. I think there had been separate meetings where everyone had been included, but I think that was a terrific opportunity, and I know my parliamentary colleague and Parliamentary Secretary, Kyam Maher, will be going down to the next meeting, which you will be involved in as well. We have to do as much as we can between now and the start of the bushfire season to make sure that everything is prepared.

On raw numbers there is an increase of ForestrySA contractors and staff members who will be out there on fire watch, and that is a good thing. We need to make sure that there is also the blend of experience that we have there of people who know the terrain, know the local geography and know the local weather patterns and what wind changes are likely to happen. I think there is still some work to be done to make sure that we are ready, but the best way to prevent fires is to do the work during winter.

I was really pleased with the meeting we had down there a few weeks ago. I know there is another meeting in a couple of weeks. It is terrific to see that group working together to ensure that we have the very best fire prevention in place and then, should a fire break out, that we are ready to hit it hard.

I also want to thank OneFortyOne for its contribution. They have built a new fire tower at Penola South, I think, and another one they built last year. It is in OneFortyOne's interests, obviously, to do as much as it can. Again, I just want to reassure the people in the South-East that it is one of the highest priorities of this government to protect the forests of the South-East. By doing that you

actually protect an entire industry and hundreds if not thousands of jobs as well. If we were to lose those forests the impact would be absolutely devastating.

The CHAIR: Thank you, minister. There being no further questions I declare the examination of the proposed payments adjourned until tomorrow. I thank you and your advisers.

Mr PEDERICK: May I make a quick comment?

The CHAIR: Yes, of course, member for Hammond.

Mr PEDERICK: I would just like to express my gratitude to the departments for getting things in order for estimates, and their work preceding and today. I thank the minister for letting the opposition fill all the time; not all ministers do it so, from our little part of your estimates, I appreciate that.

The CHAIR: A very constructive morning, I think.

SOUTH AUSTRALIAN TOURISM COMMISSION, \$50,502,000

MINISTER FOR TOURISM, \$4,679,000

Membership:

Mr Knoll substituted for Mr Pederick.

Minister:

Hon. L.W.K. Bignell, Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Tourism, Minister for Recreation and Sport, Minister for Racing.

Departmental Advisers:

Mr R. Harrex, Chief Executive Officer, South Australian Tourism Commission.

Mr C. Miller, General Manager, Finance and Business Services, South Australian Tourism Commission.

Mr R. Morris, General Manager, South Australian Tourism Commission.

Ms E. Nicholls, Director Marketing and Communications, South Australian Tourism Commission.

Mr M. Warren, Chief Executive, South Australian Motor Sport Board.

Mr A. Gilbert, Chief Executive, Adelaide Convention Centre.

Mr L. Harrington, Director of Finance, Adelaide Convention Centre.

Mr A. Kirchner, Chief Executive Officer, Adelaide Entertainment Corporation.

The CHAIR: We have until one o'clock. Would the minister like to introduce his advisers and then make an opening statement?

The Hon. L.W.K. BIGNELL: Sure. I would also like to take note of the time. We have lost a bit of time, but I am happy to do the full 60 minutes once we get started if that fits with your schedule, Madam Chair, and everyone else's schedule.

The CHAIR: I wanted to go out to the domestic violence rally, but we will go for a full hour in deference to our opposition people. I know they were very concerned about domestic violence yesterday.

Mr BELL: Happy to take the chair for you if you need.

The CHAIR: No, that is not in order. The minister.

The Hon. L.W.K. BIGNELL: Thank you very much, Madam Chair. I will hand over to Rodney Harrex, who is the chief executive of the South Australian Tourism Commission and he can introduce the team.

The CHAIR: Sounds like a plan.

Mr HARREX: I am Rodney Harrex from the South Australian Tourism Commission. On my left, I have Chris Miller, who is our acting head of Business Services at the South Australian Tourism Commission. Behind me, I have Alec Gilbert, who heads up the Convention Centre, and Mark Warren, heading up the Motorsport Board. Behind us, we also have Rick Morris, who is with Corporate Affairs and Government Relations at the South Australian Tourism Commission, and Luke Harrington, who is head of Finance at the Adelaide Convention Centre. At the back, we have Emma Nichols, who is the Marketing Director at the South Australian Tourism Commission, and Anthony Kirchner, who heads up the Adelaide Entertainment Centre.

The CHAIR: Is there an opening statement?

The Hon. L.W.K. BIGNELL: There will be a brief one, yes, thank you very much, Madam Chair. The 2014-15 South Australian budget underlines this government's belief in the valuable role of the tourism industry to the state's economy. During the past year, well in excess of five million overnight visitors spent more than \$5 billion in South Australia across 18,000 tourism businesses, directly employing 31,000 South Australians. Although only 23 per cent of South Australians live in the state's regions, these areas account for 44 per cent of tourism expenditure, underlining the importance of tourism to the state's regional economies and regional employment.

The government recognises the important role tourism is set to play as the state transforms from its traditional manufacturing base into a range of new industries. The South Australian Tourism Plan 2015-2020 will be launched soon, setting out the framework that will enable the state's tourism industry to meet its potential. This plan includes input from all regions of South Australia, and the main message received across the state was the need to increase the reason and the desire to visit South Australia.

South Australia is not alone in identifying tourism as an important future driver of economic activity. The recent Building the Lucky Country study by Deloitte identified tourism as one of the five super growth industries set to drive the post-mining boom in the Australian economy. The South Australian Tourism Commission is charged with driving demand for visitation to the state, through its marketing campaigns and through partnerships with regions and industry. The commission strives to increase the number of visitors, how long they stay and how much they spend while they are here in South Australia.

Undoubtedly, this is an industry that is subject to economic factors beyond its control, most particularly through the ongoing strength of the Australian dollar which, thankfully for all South Australian industries, has eased from the highs of a few years ago. Internationally, we are seeing the benefits of a strategy to attract international airlines to South Australia. Emirates is now firmly established as a major carrier into Adelaide, unlocking the latent potential of our traditional European markets.

During the past year, we have also seen Air Asia X establish a new route between Kuala Lumpur and Adelaide, linking the state into lucrative South-East Asian markets through the Air Asia network. We have also seen Cathay Pacific commence direct services into Adelaide, which boost tourism and trade opportunities to Hong Kong and connectivity with mainland China, Taiwan and South Korea.

As a result of new airlines and our marketing strategies in key markets overseas, South Australia is now welcoming record numbers of international visitors; there were 381,000 in the year to March 2014. This does not happen by accident and I want to congratulate everyone at the South Australian Tourism Commission for all their hard work in identifying market opportunities and relentlessly pursuing them.

I would also like to take the opportunity of thanking the Adelaide Airport as well for the great work they do. We have Australia's fastest-growing airport, and that is due to great collaboration between the South Australian Tourism Commission and Adelaide Airport. Domestically, we have built upon the success of the Kangaroo Island Let Yourself Go campaign, and internationally acclaimed Barossa. Be Consumed campaign which has won seven international awards.

I know it is one of the favourite clips of the member for Schubert, showing off his part of the world in a most magnificent way, and it has actually changed the way tourism groups around the world are doing their marketing. It is fantastic that not only do we produce an award-winning ad, but the people right here in South Australia who came up with the creative on it are an inspiration to other people who are coming up in media or graphics and everything else. Just recapping some of the awards it has won:

- Cannes Corporate Media & TV Awards: Grand Prix and Gold for best tourism marketing (best ad in the world);
- Berlin Golden City Gate tourism award;
- Warsaw Film, Art & Tourism Festival award;
- Riga Tourfilm festival—first place in the category of commercial tourism;
- International Tourism Film Festival of Bulgaria;
- Zagreb Tourfilm Festival: Grand Prix; and
- Baku International Tourism Film Festival: Grand Prix and best director.

It is an ad that was built for the domestic market but is achieving high acclaim and high play right throughout the world.

Our new campaign, Adelaide. Breathe. was launched in February which challenges the traditional perceptions of the city and surrounding regions. As the gateway to the state, increasing the appeal of Adelaide as a destination is crucial. Government investment in key infrastructure in the city such as Adelaide Oval and the Riverbank precinct provides a spark for visitation to Adelaide, and the South Australian Tourism Commission is working with partners to exploit that opportunity.

Not only does it mean that we get more visitors here, it is also off the back of a big government spend with half a billion dollars on the Oval, \$40 million on the Footbridge, and \$350 million on the new Convention Centre. We are seeing hotels invest millions and millions of dollars. I think the official opening of ibis Adelaide is this week but they had their 'soft' opening last week with a \$64 million investment; it contains 330 rooms. We also have the Mayfair Hotel about to open and Quest on King William, so that is 600 new rooms coming into the CBD. That is private sector investment leading to private sector jobs off the back of our very important investment.

What we have been doing is encouraging fans of AFL teams playing in Adelaide to extend their stay. We do not want them just coming for the match; we want them to get out and have a look at our regions as well. Our occupancy rates in city hotels around the matches has been incredible, with a huge increase. That is why the government invested to win a premium package of matches at next year's Cricket World Cup, including the India v Pakistan game, which is the biggest game in world cricket in terms of viewing audience with over a billion people expected to tune in around the world.

Having the India content at the event will in turn give the state the opportunity to showcase our new infrastructure to business leaders from one of the world's fastest-growing economies which could in turn drive investment in trade and tourism. What we want to do is not just have the game of cricket, but have a business forum around it where we host 30 Indian business people and 30 Australian business people.

I caught up with Lachlan Murdoch a few weeks ago who has a huge interest in Star TV in India and he wants to be a part of it. We also have resource kings from India who want to come down and do business, so it really is an important event for us. There have been 35,000 tickets sold to people living interstate and overseas, so you can imagine Adelaide will look very different on the

weekend of 14-15 February next year, and I want to congratulate Rick Morris, who did so much work in making sure that we secured the games that we did for the World Cup Cricket.

The South Australian Tourism Commission is also actively involved in the new Tourism Australia campaign, Restaurant Australia, which underlies the nation's food and wine proposition and obviously plays to our strength here in South Australia with great Limestone Coast food. We were down there the other day having the Wagyu beef and seafood from Eyre Peninsula, member for Flinders, and of course the Barossa already has its great reputation through its own marketing, but also through a lot of marketing that the South Australian Tourism Commission has done as well. So, it really plays to our strength of premium food and wine from our clean environment.

Growing existing events and attracting new events will continue to be a key part of the strategy to showcase the best of South Australia, which is why the government has committed significant additional funds to bid for new leisure and business events. The funds include \$2 million for business events to support the completion of the new redeveloped Convention Centre. Business travellers are high-yielding by nature, spending more than \$600 a day, which is more than three times that of the leisure visitor.

For this very reason, the global convention industry is now highly competitive, with destinations buying events due to the economic value of conventions to their destination or city. For example, an event with around 3,000 people over a week would generate about \$15 million in economic value. It would generate about 20,000 bed nights in addition to the many business and trade opportunities generated for industry, retailers and restaurants. The government is also providing \$6 million over four years to support bidding for new leisure events, in recognition that events are not only a major driver for visitation for the state but they add to the vibrancy of our city and regions.

In this budget, the government has also provided the Tourism Commission with additional funds to take the Tasting Australia annual from 2016. Its success once again staked the state's legitimate claim to be Australia's destination for the best food and drink in Australia. Tourism is a tough and competitive business; it demands not only investment but sound, strategic thinking and innovation. I want to take this opportunity to acknowledge the commitment of the South Australian Tourism Commission staff and the industry members who we work with every day that we do this job right around this state and for continuing to work towards growing this important economic driver for the state.

Mr KNOLL: I refer to Budget Paper 4, Volume 4, page 141, Targets 2014-15. The final dot point relates to working in partnership with the Adelaide Convention Centre, and I notice that we have a number of advisers here from there. Can the minister advise on the status of the upgrade: is stage 1 on track for completion late this year, is that aspect of the project on budget, and what are the details of spending still to take place?

The Hon. L.W.K. BIGNELL: Thank you very much for the question. We have different departments here at the Convention Centre in terms of filling it (that is my role) and, in terms of building, it is the Minister for Infrastructure who is responsible for that build, so that is a question better put to the Minister for Infrastructure. We are doing our darnedest to make sure that we get as many conferences and conventions there not only to fill the Convention Centre but also to fill as many hotel rooms and get people out and about to regional South Australia.

Mr KNOLL: Has the minister had to take into account any delay, with either stage 1 or changes to the delivery time frame for stage 2, in relation to how he goes about filling the Convention Centre?

The Hon. L.W.K. BIGNELL: No, the latest advice I have is that stage 1 will be finished towards the end of this year, ready for functions at the beginning of next year.

Mr TRELOAR: Minister, I refer you to Budget Paper 3, Budget Statement, page 177, South Australian state public sector organisations. I note the government's recent statement that all 440 government boards are on notice unless they can prove their worth. With the axe due to swing through to government boards by late October, I presume that the assessment process is well and

truly underway. Further to that, we have been advised that the chief executive of the SATC has advised some stakeholders that that board is likely to be gone by late this year.

Can the minister confirm the tenure of the following boards for which the minister has responsibility: the South Australian Tourism Commission Board, the South Australian Tourism Commission Board Internal Audit and Risk Committee, the South Australian Motor Sport Board, the Adelaide Entertainments Board, and the Adelaide Convention Centre Corporation Board?

The Hon. L.W.K. BIGNELL: I think in terms of the South Australian Tourism Commission Board, I have asked Warren McCann to do a review of that board and see if there is a better way we can run things in South Australia. I think the board has been in place under the tourism act since 1993, so we have had 30 years of doing things a certain way. I wonder whether the quarter of a million dollars that we spend on the board could be better spent in marketing South Australia—perhaps we have a group of tourism industry players I get together with, along with the South Australian Tourism Commission CE, every three to four months. Mr McCann is undertaking that review at the moment.

It is one of the few portfolios in government where a minister cannot go directly to the CE; they have to go through a board, and I wonder whether that is the most efficient way of doing things. Mr McCann is undertaking that. If the tourism board were to go, it would make sense that the Tourism Commission Board's audit committee, which I think you mentioned, would go. Basically, every board we have is being asked to justify why they should continue to exist. That is just a process we are going through at the moment to see if there may not be better and more efficient ways of doing things.

Mr TRELOAR: Minister, in the event that the SATC Board is abolished, we are particularly interested to know about how particular decisions over the tourism industry will be managed. You have alluded to the fact that you are investigating that at the moment, but an example I would give you is that it has been widely reported, of course, that you, the minister, supported the creation of a separate McLaren Vale tourism region, and the board did not support that move. How do you intend to work through such propositions?

The Hon. L.W.K. BIGNELL: Well, I do not know whether the board did not support that move—I have not seen anything to say that—but I know the CE did not support it; he wants to see fewer regions. We had the discussion and he won, and that is how you do business.

Mr TRELOAR: If there is no board in place, where will the checks and balances be in making these types of decisions if there is a conflict of interest, for example?

The Hon. L.W.K. BIGNELL: The Minister for Infrastructure, for example, does not have a board to go through to work out where things are going to be built and where things are going to be spent. If there is a portfolio that is as big as Infrastructure and Transport that does not need a board to go through, I do not see why there needs to be a South Australian Tourism Commission Board.

Mr TRELOAR: To give good, sound advice to the minister.

The Hon. L.W.K. BIGNELL: I can get that advice free of charge from a group of industry people we can get together. I would rather put that quarter of a million dollars into marketing the state. The thing we need to do is actually spend the money interstate and overseas to tell people how good it is here.

Mr TRELOAR: Minister, it does sound like that board is going.

The Hon. L.W.K. BIGNELL: Well, we are going to get rid of all the boards unless there is a good reason not to get rid of the boards.

Mr TRELOAR: I note that the first piece of commentary talks about the Adelaide 'Breathe' campaign—this is on Budget Paper 4, Volume 4, page 145, Financial commentary, and you mentioned it in your opening statement. Can the minister provide a breakdown of how much has been spent on which markets since the initiation of that campaign?

The Hon. L.W.K. BIGNELL: When we launched it in February, we did the spend in South Australia and in the Sydney market because we still had the Barossa ad running concurrently, but we wanted to get the message out. We did a lot of research last year, and Sydney seemed to be, obviously, the biggest market in Australia, but also the easiest market for us to penetrate. When

focus groups were asked what they thought of Adelaide, they did not have an opinion; they were not negatively disposed to it, nor did they have any great positive feelings about it, so what we realised we had to do was get into that Sydney market and cut through. We have seen increased visitation to Adelaide since then.

Since 1 July this year, we have started rolling it out into cinemas in other Eastern States' markets as well, and the reason we rolled it out in South Australia is that we are in competition with Bali and we are in competition with every other Australian region and capital, so it is really important that we actually had the ad go to air in South Australia as well to give people a sense of how much Adelaide has changed. Anyone who saw the images will note it showed a very different Adelaide from what people may have had preconceived ideas about.

Comparing the performance of Adelaide hotels three months after the campaign, March, April and May 2014 were compared with the same three months in 2013, and we had an occupancy increase of 6.4 per cent. So, it was up from 76.5 per cent to 81.4 per cent.

The revenue per person increased 7.9 per cent, from \$116 per room to \$125. Demand increased 7.3 per cent, from 171,800 room nights to 184,400 room nights occupied, and the daily revenue was up 1.6 per cent. Supplier point also increased by 8 per cent in this short period.

We are talking to people in the member for Schubert's area about the massive increase in visitation the Barossa has experienced since Barossa. Be Consumed was launched. We are expecting to see those same sorts of figures here. The really important thing is that we are going after a market that had never contemplated Adelaide before. In terms of that Sydney market, it is the people who want to spend a lot of money when they come here. It is a classy ad, it is high quality, and that is what we think Adelaide has to offer.

The other reason we launched in February was that the whole country is tuned into Adelaide during that period of time. We have the Festival of Arts on, we have the Fringe on, we have Clipsal and we have just come out of the Tour Down Under, which has a massive TV audience right around Australia. We launched the Barossa ad in July the year before. The Kangaroo Island one was midyear as well, but we really wanted to cash in on the fact that the newspapers around Australia were full of people talking about Adelaide and people writing about Adelaide and the great events we have here. We actually wanted to go out and show them what sort of experience it is.

I want to congratulate the creative team behind this ad because it is not how tourism promotion has been done in the past. This is about grabbing hold of people's hearts and actually giving them a feeling. They are more likely to spend a lot of money because of a feeling that they have rather than being shown a picture of a rotunda.

Mr KNOLL: Can I just follow up on that and, first of all, specifically ask what money has been spent on what markets? You are saying that South Australia and Sydney were the first two markets. Are you able to provide a breakdown and how much was spent in those two markets?

The Hon. L.W.K. BIGNELL: The answer is on the way. We should play the Barossa ad while we are waiting.

Mr TRELOAR: Chair, if I may just interrupt the minister while he is looking at that, would he also be able to provide some sort of insight into any possible overseas advertising campaigns that may result from the Breathe campaign?

The Hon. L.W.K. BIGNELL: The media spend is \$1.482 million: \$950,000 on TV in Sydney, \$120,000 on TV in Adelaide, \$25,000 on TV in regional South Australia, \$10,000 on cinema in Adelaide, \$257,600 on digital, \$80,000 on press in Sydney, and \$40,000 on local engagement. Thanks to Emma for those figures at hand.

Mr TRELOAR: It is amazing what you can find on your phone these days.

The Hon. L.W.K. BIGNELL: Exactly. In terms of the overseas spend, for the Breathe ad, just like the Barossa ad, we are actually only licensed for the music to run that at a national level, so we have paid the licence fees for the music for an Australian ad. The fact that the Barossa one is being played internationally is by virtue of the fact that it won a lot of awards, so I guess that is a nice little bonus for us.

What we do in other markets overseas is use different ways of attracting people. Quite often, our marketing is done in cooperation with airlines. AirAsia X, for example, is a good one for you, member for Flinders. They did not use the Adelaide Oval at all: they actually promoted Adelaide with a big great white shark. They promoted the fact that, if you come to Adelaide, it is one of only two places in the world where all year round you can get in a cage and come face to face with a great white shark.

AirAsia X has really gone after that adrenaline activity, which is a good example of a cooperative marketing agreement we have undertaken. We also do it with Malaysia Airlines, Cathay, Singapore Airlines—all those airlines that have been great friends to South Australia and loyal supporters for decades.

Mr TRELOAR: On this same advertising campaign, how much money was brought forward to fund the Adelaide Breathe campaign prior to the March election and what impact will that budget manipulation have on the campaign this year?

The Hon. L.W.K. BIGNELL: It was \$2.35 million, and that was to make the ad, which is obviously an expensive thing to pay for the music rights and other things. The thing is we have the ad and we will be rolling it out this year, the Barossa ad runs through until June next year, so they will be running concurrently, then the Adelaide ad will continue to run into the next financial year as well. We have the overlap but we just saw it with this massive investment we have with half a billion dollars going into Adelaide Oval, and the SAHMRI project. The city is so much different than it was a few years ago. We have the fastest growing airport in the country that we really wanted to capitalise on that and get that out and up and running.

Mr BELL: I refer to Budget Paper 4, Volume 4, page 140, Estimated result. I note there is an estimated \$600,000 decrease in expenses for the last financial year due to 'the timing of industry assistance payments'. Can the minister provide details of this?

The Hon. L.W.K. BIGNELL: Thank you again for the question. It is a timing issue, that \$600,000 decrease. It depends on when a project is finished as to when we spend the money, so there were just fewer projects finished at that particular time. The money will still be paid to those tourism operators who have been given an assistance grant but it is just that it will be paid at the end of the process.

Mr TRELOAR: I refer to Budget Paper 4, Volume 4, page 147, Financial commentary. Your favourite again. I refer to the second piece of commentary relating to the relocation of the visitor information centre to James Place. We have a photo on file of the centre closed on a recent Wednesday afternoon at 4.29pm and the phone line was in fact switched to message bank. Can the minister confirm what exactly are the opening hours of the visitor information centre?

The Hon. L.W.K. BIGNELL: Absolutely. It is open until 5pm. What happened on that day was one of the volunteers who was there was sick and there was a protocol in place that you could not just have one person in there on their own, so they decided to close up without any consultation with Adelaide City Council. Measures have now been put in place that if for some reason there can only be one person there, that someone makes the call through to the council and, if the council cannot provide someone at short notice, we will send someone down from the Tourism Commission to look after that. It was one occasion. Someone got sick. That sort of stuff happens.

Mr TRELOAR: What KPIs are in place at the moment to monitor the success of the centre, having recently moved, and how are these indicators tracking at the moment?

The Hon. L.W.K. BIGNELL: I think the best KPI is how much money you can spend in marketing and, if people are already in Adelaide looking for a visitor centre, you have them already. What we have been able to do is save a whole lot of money that we can put into marketing instead of running a big visitor information centre on North Terrace next to a lot of hotels and a convention centre that had all the brochures in it that you would expect to find in a visitor information centre. The number one priority for the Tourism Commission and me is to spend as much money as we can on marketing South Australia. I think our visitor information centres right around the state do a really good job, most are run by local councils, and we are really pleased that the Adelaide City Council is working with us on this particular joint venture.

Mr KNOLL: I refer to Budget Paper 4, Volume 4, page 136, Program net cost of services summary. In relation to funding for SATIC and recent decisions to vary that funding, we note that in a letter that Rodney Harrex put forth on 10 April to the SATIC board he said that the SATC's intention was to tie the proposed funding to specific targets regarding the number of businesses SATIC accredits and potentially to increase the number of entrants to the annual tourism awards. Are the tourism awards receiving diminishing funding and, if so, how does it make sense to measure SATIC's success against increased entry to those awards, given that it has diminished funding?

The Hon. L.W.K. BIGNELL: There is no diminished funding to run the tourism awards. What we know about SATIC is that it has about \$800,000 in the bank. If we give them a whole pile of money each year, and they keep at least 20 per cent of it back to hold in the bank, that does not help us get one extra tourist to South Australia. I will go back to the point that my priority and the priority of the South Australian Tourism Commission is to spend every dollar we possibly can marketing South Australia to people interstate and overseas and to encourage South Australians to have a holiday in their own backyard and to get out to the wonderful regions that the three of you represent.

In terms of the awards, we give \$100,000 for them to host them. We used to do it internally, the South Australian Tourism Commission. Since the South Australian Tourism Industry Council was formed—and it was formed off the back of a South Australian Tourism Commission initiative—there were already a certain number of members of the tourism association of the day. We have not really seen huge growth in the past five years despite a lot of money going in there from the government.

Like anyone running an operation, we have to look at where the money is being spent and whether it is being spent wisely. There has been a decision made that we will continue to work with the South Australian Tourism Industry Council, and we will continue to listen to their views on behalf of their membership. We look forward to having a good, strong relationship with them in terms of them running the tourism industry awards. They do a terrific job of that.

Mr KNOLL: Can I just follow up, and I want to give the minister the opportunity to correct his statement. You said that you fund the awards to the tune of \$100,000. Is it not true that the awards are receiving only \$90,000 in 2014-15, then \$80,000 in 2015-16, \$70,000 in 2016-17, and then reducing to \$60,000 and then \$50,000 in 2018-19?

The Hon. L.W.K. BIGNELL: There is an offer sitting with SATIC at the moment for \$100,000 this year and next year, so for the next two years.

Mr KNOLL: Just to follow up, you are talking about the fact that you have not really seen an increase in the number of entrants to the tourism awards, but is it not true that in the previous five years of the tourism awards entrant numbers have doubled over that time?

The Hon. L.W.K. BIGNELL: I did not say that; you are verballing me. I said that we have not seen a massive increase in the number of members of SATIC.

Mr KNOLL: Just to follow up, minister, how was the target for accreditation numbers, which was 750 in 2014-15 and 1,000 and 2015-16, decided?

The Hon. L.W.K. BIGNELL: We looked at other similar organisations around Australia and the percentage of membership they had out of the total pool of operators. This is in line with what people are doing interstate. You have to have benchmarks.

Mr KNOLL: I completely agree, minister. On 2 July 2014, did the minister participate in a meeting with Ward Tilbrook and Rodney Harrex at Parliament House, and did that meeting touch on SATIC funding?

The Hon. L.W.K. BIGNELL: I am not sure what this budget line is, Madam Chair.

Mr KNOLL: Minister, this directly relates to SATIC funding, which comes out of the tourism budget.

The CHAIR: It is pretty specific about who is doing what at what meeting. Is there a reason that you have asked this?

Mr KNOLL: It is a specific conversation about funding which directly relates to this budget.

The CHAIR: Well, perhaps outline that.

Mr KNOLL: I refer to Budget Paper 4, Volume 4, page 136. The program net services summary has a total of \$50 million. We assume SATIC is funded somewhere out of there and, if it is not, maybe the minister could explain that, but funding for SATIC is directly tied within the minister's portfolio and within that budget line.

The CHAIR: I am not sure what the meeting you are talking about has to do with all this.

Mr KNOLL: The meeting was directly around funding for SATIC. That discussion—

The Hon. L.W.K. BIGNELL: You just asked me what the meeting was around and now you are telling me what the meeting was around. You cannot have the question and the answer—come on!

The CHAIR: Do you know the answer to the question I guess is the question, isn't it?

Mr KNOLL: In other words, you are ruling that question out of order?

The CHAIR: It is a bit too specific, unless you want to reword it in some way to make it relevant to the budget line.

Mr KNOLL: Did the minister have any discussions regarding funding for SATIC?

The Hon. L.W.K. BIGNELL: Yes, absolutely. We always talk about things with SATIC. We have regular meetings. Ward Tilbrook, the CEO of SATIC, and I have travelled around the state, to pretty much every region of South Australia, working together to talk to their members and hear what they have to say about tourism and to let them know what we are up to as well.

Mr KNOLL: Another follow-up question: the minister referenced before the fact that he looked interstate at targets for industry representation and providing benchmarks for SATIC in terms of the number of members that they have. I suppose the comparison now becomes quite difficult, because other states fund their industry councils, yet we have withdrawn funding but are expecting SATIC to increase its accreditation numbers significantly.

The Hon. L.W.K. BIGNELL: We would expect, with 18,000 tourism operators in South Australia, that the industry's peak body would have more than 600 members, so I do not think it is unreasonable for anyone to be putting a benchmark in there that gets them to aim for higher participation. Six hundred operators out of 18,000 is pretty low. If you compare it to the AHA, the government is not putting hundreds of thousands of dollars into the AHA. The AHA is an industry association that runs itself and it has really high membership and participation from the industry.

We started this up five years ago. We have put a lot of money into it and there is \$800,000 sitting in their bank account. As I said, that money is better spent marketing South Australia—marketing the Barossa Valley, Eyre Peninsula and the Limestone Coast—than sitting in a bank account. We do not provide money to people to put in a bank account. They have got the money, so you cannot give me the argument that they cannot go out and build their membership because they have no money—the money is sitting in the bank account.

Mr KNOLL: It has been publicly reported that SATIC believe their funding was dependent on Ward Tilbrook's tenure. We are therefore interested, in a budgetary sense, what issues either the minister or his department had with Ward Tilbrook. Throughout the meeting that shall not be talked about, did the minister—

The CHAIR: What budget line are you on now?

Mr KNOLL: The same budget line.

The CHAIR: So a meeting between certain persons is in this budget line?

Mr KNOLL: I can rephrase the question.

The CHAIR: Thank you.

Mr KNOLL: Throughout discussions that the minister had with SATIC, did the minister in any way express disappointment or frustration over commentary that Ward Tilbrook had been making with regard to the tourism industry?

The CHAIR: You have sort of personalised it again: 'commentary'.

Mr KNOLL: The commentary is public commentary as opposed to specific to that meeting—over changes to the visitor information centre or the change of chief executive officers at SATC.

The Hon. L.W.K. BIGNELL: Madam Chair, when I have meetings with people I consider them to be confidential, and we say things in meetings that are not necessarily for the public domain. If Mr Tilbrook wants to go out and talk about the content of our discussion and what we canvassed and what we did not canvass, that is his prerogative; I am happy for him to do that. I have nothing to hide. However, I do have a sense that, when you have a private conversation with someone, that is probably where it should stay.

Mr KNOLL: In the minister's opinion, has Ward Tilbrook ever made negative comment over the tourism industry, the SATC or his ministry that was not honestly reflecting the industry sentiment?

The CHAIR: I am not sure if the member for Schubert understands how the budget process works, but really you are pursuing a line of questioning that is not in order, so you need to rephrase the questions, bearing in mind the minister's last answer.

Mr KNOLL: Certainly. In regard to government funding and the maintenance of government funding, is there a culture or expectation within government that government-funded industry representative bodies should not make negative comments, even if they do reflect industry sentiment, in order to maintain that funding?

The CHAIR: You need to be mindful of Hansard, too. You are taking over Duncan McFetridge's role, I think.

Mr KNOLL: Sorry: would the minister like me to repeat the question?

The Hon. L.W.K. BIGNELL: Yes. Just at Nick Cave speed?

Mr KNOLL: Pardon?

The Hon. L.W.K. BIGNELL: At Nick Cave speed rather than—what are those squirrels called: The Chipmunks?

Mr KNOLL: Nick takes about three and a half or four minutes to get through it all.

The CHAIR: So you would like the question put again, minister?

The Hon. L.W.K. BIGNELL: Yes.

Mr KNOLL: Is there a culture or expectation within government that government-funded industry representative bodies should not make negative comments even if they do reflect industry sentiment in order that government funding will be maintained?

The Hon. L.W.K. BIGNELL: No.

Mr TRELOAR: Budget Paper 4, Volume 4, page 141, Highlights 2013-14.

The Hon. L.W.K. BIGNELL: Of which there were many.

Mr TRELOAR: There were many, and not just in tourism, minister. I note that one of the highlights for the last financial year was production of the South Australian Tourism Plan. We have some questions regarding the details of that plan. Page 3 of the draft plan for consultation begins by stating that the plan is focused on achieving the tourism industry's full potential of \$8 billion worth of visitor expenditure by 2020. How was it decided that \$8 billion of expenditure is the capacity of the industry? What was last year's (the most recent) visitor expenditure?

The Hon. L.W.K. BIGNELL: Last year was just under \$5 billion or just over \$5 billion. It jumps around. The latest figure I have seen is \$5.2 billion. I guess when we first set the target for \$8 billion it was a very tough target, made tougher by some events with the high Australian dollar

and some global economic impacts. However, we believe that by working together with industry we can still get to \$8 billion by 2020.

We have already exceeded our expectations in terms of cruise ship visitations. We had 27 here this year and we are going to have 37 next year, calling into places like Port Lincoln, Kangaroo Island and, weather permitting, Robe. As I said before, we have the fastest-growing international airport in Australia. We are working hammer and tongs to try to achieve that and we are working side by side with the industry and all the regions as well.

Mr TRELOAR: So you certainly believe it is still achievable?

The Hon. L.W.K. BIGNELL: It is like if you go out and play for Port Adelaide, even though you might have lost a few games, you still have to aim to be playing in that last Saturday in September. You never lower your expectations; you always aim for the target. If you do not aim for the target you are never going to get anywhere near that area. Yes, I think we are just going to keep working hard at that \$8 billion target by 2020.

Mr TRELOAR: Eight billion?

The Hon. L.W.K. BIGNELL: Eight billion.

Mr TRELOAR: Minister, page 9 of the draft plan talks about priority action areas, and it mentions that the cost of doing business was an issue consistently raised by industry during the consultation on the plan. What action is the government taking as a priority to reduce the cost for tourism operators and them doing business?

The Hon. L.W.K. BIGNELL: I think if you talk to tourism operators right throughout Australia it would probably come up as one of the high priorities in any jurisdiction. In fact, two weeks ago we had the national tourism ministers conference in Melbourne, and we had the heads of three different tourism bodies there. It was reiterated to us that the cost of doing business is hurting the industry and it is an impediment to the industry. However, a lot of those things are federal issues, so we are working together at a national level with all the other jurisdictions to see what we can do to help.

We have also provided a lot of assistance to tourism operators in South Australia as well. We increased funding to the regions in May or June last year, so the 11 tourism regions that were receiving \$10,000 per region are now receiving \$30,000 to help them out. That was a big increase and in line with what they were asking for. We will continue to be out there listening to industry representatives and finding out what their concerns are. We will try to fix the ones that we can fix but if they are outside our jurisdiction we will just have to work with the people who do have control over them.

Mr TRELOAR: With all due respect, minister, there is not very much in your response there that gave me much confidence that the cost of doing business is going to be reduced. Your response, really, was to give them more money.

The Hon. L.W.K. BIGNELL: There is that part of it. I just wanted to say that we do assist regions and businesses, but there are things that are outside our jurisdiction in terms of what it costs business to operate. But those that we do have control over, and that we do have influence over, we will work to improve the conditions there, but if they are national ones, all we can do is work within the national framework and keep talking to our federal Minister for Tourism and other state and territory ministers as well.

Mr TRELOAR: We look forward to seeing some progress on that, minister. On page 16 of that same draft plan, it talks about evaluation and reporting, mentioning levels of industry association membership. The South Australian Tourism Industry Council is the obvious one. I believe that SATIC's membership has grown by in excess of 50 members annually over the past few years. Does the minister believe that this membership growth is a reasonable achievement in terms of levels of tourism growth over the past few years?

The Hon. L.W.K. BIGNELL: You are referring to a draft plan. We have not released the final plan yet; I might remind the committee of that.

Mr TRELOAR: When will that plan be released?

The Hon. L.W.K. BIGNELL: In the near future, in the next couple of weeks.

Mr KNOLL: I refer to Budget Paper 4, Volume 4, page 141, Highlights 2013-14. I note that one of the highlights for the past year was SATC's representation of the tourism sector in a wide range of government policy initiatives, such as the realignment of planning policy to guide future development on Kangaroo Island. This included the 'assessing the feasibility of an iconic multi-day walk experience'. Can the minister give some details around this proposal and what stage the feasibility assessment is at?

The Hon. L.W.K. BIGNELL: This is a question better directed to the Minister for Planning and Deputy Premier because it falls under the Kangaroo Island Futures Authority (KIFA). The Tourism Commission has had input into the potential of such a walk and has also done research and given advice on similar walks that are in place in other parts of Australia.

Mr KNOLL: On the topic of tourism trails, I refer to the great Australian food and wine trail. I remind the minister that, in the lead-up to the election, the Liberals, and especially the minister who sits in the other place—

The Hon. L.W.K. BIGNELL: He is not a minister.

Mr KNOLL: Sorry, the shadow minister—committed \$500,000 to this Liberal initiative, and the minister was up in arms, stating that this was a Labor idea that was already under development. In light of this, can the minister please indicate the budget line where inclusions have been made for the food and wine trail? Indeed, if the trail is already under development, some money must have been spent somewhere.

The Hon. L.W.K. BIGNELL: It comes out of the marketing budget, and it is in development. We were quite right: everyone in McLaren Vale through to Clare knew that we were working on this, and for the Liberals to come out and make this announcement showed how out of touch they were with the tourism industry in South Australia and the food and wine industry as well.

It was a major embarrassment for your leader and your spokesperson on tourism to come out with that idea. It actually came from the McLaren Vale Grape Wine and Tourism Association, in consultation with all the other associations, a year ago. I passed it on to the Tourism Commission, which thought it was a great idea. There has been all this research done around not only that trail but also one that is going to show off the fantastic aquaculture and fishery products we have over on Eyre Peninsula as well.

You are way behind the eight ball—probably 12 months behind in terms of what we were already doing. The money is there, it is being spent, and we are in the development phase, and we look forward to welcoming tourists from around Australia and around the world to do a tour that will take them from McLaren Vale, through the Adelaide Hills wine region, up through the beautiful Barossa Valley and into Clare. It is Australia's wine country.

Mr KNOLL: Minister, in light of that passionate defence can you advise how much money has been spent on the trail, how far advanced it is and when it will be launched?

The Hon. L.W.K. BIGNELL: We have spent money on doing research and asking people interstate what they want. Before you actually go out and build and market something, you find out what it is that the market wants, and that is the sort of work we are doing at the moment.

Mr KNOLL: Minister, just to clarify, can you advise how much money has been spent?

The Hon. L.W.K. BIGNELL: We do not have a figure on that at this stage because it is project money that comes out of the marketing budget; there is no separate line in your budget papers there.

Mr KNOLL: Did you give an indication of when it would be launched and if there is an official name for the tourism experience?

The Hon. L.W.K. BIGNELL: As I said, there is a whole series of trails that will be launched later this year and that will be one of them.

The CHAIR: Member for Flinders.

Mr TRELOAR: I refer to Budget Paper 4, Volume 4, page 142, Financial commentary. We note that there has been an increase of \$900,000 in the recognition of non-cash sponsorship to managed events. Can the minister give details around the types of sponsorship and to which events?

The Hon. L.W.K. BIGNELL: As you know, we run some world-class events here in South Australia, and the non-cash sponsorship could be in the form of beverages or cars provided to drive people around, whether it be for Tasting Australia or the World Tennis Challenge. I am giving these examples because they are the sorts of cars I have seen around the place. That is where that line would come from.

Mr TRELOAR: There was also \$800,000 worth of sponsorship for promotion of new and existing major events. Could the minister provide a breakdown of those events and the amounts sponsored?

The Hon. L.W.K. BIGNELL: All the agreements are commercial-in-confidence; we do not like to show our hand to other people in other states who might want to put on a similar event. We certainly do not want to lose the Tour Down Under, or anything else we are running here in South Australia. I guess if you refer to the previous answer I gave, the sponsorship—whether it be cash or in kind—is for things like cars. We welcome Subaru to the Tour Down Under for next year; they will be providing the cars for all the teams and officials. So, that is without going into too much detail and giving away any commercial secrets that give us an advantage over those Victorians!

The Hon. T.R. Kenyon interjecting:

The Hon. L.W.K. BIGNELL: I could never call them that.

Mr TRELOAR: The next highlight discussed, amongst the many highlights, was the once-off Word Adelaide event. Where did the idea for Word Adelaide originate and what due diligence was undertaken in the lead-up to making the decision to stage the event? At the same time, minister, can you confirm what expenditure was made by government on the event and how much money was generated from ticket sales?

The Hon. L.W.K. BIGNELL: Word Adelaide originated when someone came to us with a good idea and the Tourism Commission proceeded with that. It was held in August last year and we hosted Matt Lucas of *Little Britain* fame, Spandau Ballet's Gary Kemp, comedian Kitty Flanagan, and a whole range of people. Three thousand people attended Word Adelaide, and media coverage of the festival had a PR value of \$7.78 million. The staging of Word Adelaide has been reviewed and, while the South Australian Tourism Commission believes the event had merit, there is currently no funding available and we will not be hosting it again.

The CHAIR: Member for Schubert.

Mr KNOLL: Budget Paper 4, Volume 4, page 146, Targets 2014-15: I note the first target, which is to further progress the Barossa Be Consumed campaign and key interstate markets. Without giving away commercial-in-confidence to our interstate competitors, could the minister provide a schedule for the current financial year of the campaign, including 2014-15 budgets?

The Hon. L.W.K. BIGNELL: Is that the Be Consumed one, did you say?

Mr KNOLL: Yes.

The Hon. L.W.K. BIGNELL: There will be \$2.7 million spent in the next 12 months in the remaining period that we have. Exactly how it will be spent and where it will be spent has not been determined just yet, but it will be a range of digital, cinema and TV.

Mr BELL: I have estimates committee omnibus questions that I will read in, and if the minister will 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 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 (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 of each position with a total estimated cost of \$100,000 or more—(a) which has been abolished and (b) which has been created?

5. For each year of the forward estimates, provide the name and 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 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 CHAIR: There being no further questions, I declare the examination of the proposed payments completed.

Sitting suspended from 13:09 to 14:00.

DEPARTMENT OF PLANNING, TRANSPORT AND INFRASTRUCTURE, \$501,908,000
ADMINISTERED ITEMS FOR THE DEPARTMENT OF PLANNING, TRANSPORT AND
INFRASTRUCTURE, \$10,022,000

Membership:

Mr Whetstone substituted for Mr Treloar.

Hon. I.F. Evans substituted for Mr Knoll.

Minister:

Hon. L.W.K. Bignell, Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Tourism, Minister for Recreation and Sport, Minister for Racing.

Departmental Advisers:

Mr P. Anderson, Executive Director, Development and Infrastructure, Office for Recreation and Sport, Department of Planning, Transport and Infrastructure.

Mr I. Houridis, Director, Facility, Development and Infrastructure, Office for Recreation and Sport, Department of Planning, Transport and Infrastructure.

Ms K. Taylor, Director, Sport and Recreation Development, Office for Recreation and Sport, Department of Planning, Transport and Infrastructure.

Mr W. Battams, Director, South Australian Sports Institute, Office for Recreation and Sport, Department of Planning, Transport and Infrastructure.

Mr T. Nicholas, Manager, Finance and Accounting Operations, Office for Recreation and Sport, Department of Planning, Transport and Infrastructure.

Ms J. Tepohe, Director, Finance, Office of the Chief Executive, Department of Planning, Transport and Infrastructure.

The CHAIR: Rather than read out the entire remarks statement, I will just remind members that we really do appreciate the line number, and that we are agreed on the time table of 2pm to 3.30pm for Rec and Sport; is that correct?

The Hon. L.W.K. BIGNELL: Yes.

The CHAIR: Excellent. We will live it at that then. I declare the proposed payments open for examination, and call on the minister to make an opening statement if he wishes.

The Hon. L.W.K. BIGNELL: The Office for Recreation and Sport, within the Department of Planning, Transport and Infrastructure, plays the lead role in implementing state government policy on sport and active recreation. It works in partnership with the sport and recreation sector and all levels of government to deliver sport and recreation opportunities, services, programs and facilities.

In 2013-14, the Office for Recreation and Sport received and assessed more than 1,600 applications through its various funding programs for organisations and individuals. During 2013-14, across a range of grant programs, 1,077 grants totalling \$21.279 million were approved. A breakdown of this allocation is:

- Active Club Program—529 successful applicants sharing in \$2.35 million;
- Sport and Recreation Sustainability Program—74 eligible organisations sharing in \$3 million;
- Sport and Recreation Development and Inclusion Program—132 successful projects and more than 141 individual scholarships totalling \$4.11 million. Of those, 53 projects were identified to assist with inclusion-based initiatives;
- Community Recreation and Sport Facility Program—80 successful projects sharing in \$7.32 million;
- State Facility Fund—\$500,000 for the development of a state level diamond facility at West Beach; and
- Special Purpose Funding—cabinet approved a one-off \$4 million increase to expenditure for sport and recreation facility development and projects in 2013-14. 120 grantees were approved for special purpose funding, which totalled close to that \$4 million mark.

To support the implementation of a performance-based investment strategy, the Office for Recreation and Sport places a strong focus on customer and industry relationships to drive and support agreed outcomes. Each funded state sport, recreation or industry body is assigned a designated industry adviser to support the relationship between the government, the organisation and their affiliates. The industry adviser works with the paid staff, boards and volunteers of sport and recreation organisations to support business improvement initiatives.

In 2013-14, the Office for Recreation and Sport worked with all sport and recreation representative bodies and state associations to implement a 360° Review. An Australian first, the 360° Review was designed to provide feedback on the communication, services, leadership and policy support provided to clubs and thus drive alignment and continuous improvement of the sport and recreation sector. The review recognised that participation in sport or recreation is largely facilitated by volunteer clubs and associations, and peak bodies need to be aware of and responsive to the needs of their clubs. In the past 12 months, the Office for Recreation and Sport provided 130 training and development opportunities to support the industry in the following areas:

- coaching, volunteering and officiating;
- child-safe environments;

- governance and board-related functions;
- inclusion; and
- leadership.

A range of partnerships have been developed to deliver 122 participation programs for people traditionally underrepresented in sport and active recreation participation. This includes the following population groups: Aboriginal and Torres Strait Islanders, women and girls, people with disabilities and people from a culturally and linguistically diverse background.

The Office for Recreation and Sport delivered the inaugural Tour de Nunga—an initiative that aims to build leadership skills, improve capacity in metropolitan, regional and remote communities and increase mountain bike participation in Indigenous communities. The Tour de Nunga identified potential community leaders and provided a ride leadership program culminating in the Wilpena Pound riding event. Throughout the year, leaders worked with their local communities to develop cycling skills and nominated individuals to participate in the Tour de Nunga.

The inaugural 'Around the Pound' tour was held in October 2013 and great excitement is already building for 2014. Talent identification also occurred as part of the Tour de Nunga, and a couple of young males from the Port Lincoln area have been tested by SASI for potential within the sport of cycling, with one showing particular promise.

The Office for Recreation and Sport delivered the Sport and Women Conference, Governance, Diversity and Opportunity: Are you on Board? at the Adelaide Hilton Hotel in April this year, and I was pleased to attend that wonderful conference. It was aimed at senior-level executives from both business and sporting organisations with the goal of promoting and improving:

- good governance—sport governance adapting to embrace best-practice models;
- diversity—not just fair but good for business; and
- opportunity—giving women more options and input within sport.

The conference was well-attended and outcomes will be enhanced through the framework of 'Words into Action'—a resource developed by the Premier's Council for Women.

Starclub—the Office for Recreation and Sport club development tool for community clubs—has gone from strength to strength since launching in July 2010. The free online tool provides information on 25 steps to becoming a Starclub, which equates to a well-managed club where quality coaches, officials and volunteers work together in a safe and welcoming environment.

There are 2,000 organisations and individuals registered with Starclub, with more than 1,800 commencing the self-assessment. A number of state sporting organisations have seen the benefit for their affiliated clubs, with the South Australian Cricket Association, Yachting SA and the SA Rifle Association all requesting their clubs to get on board. Starclub is currently working alongside other state sporting organisations and local councils to help improve the overall governance in their clubs.

In December, the Office for Recreation and Sport launched V-Star—a sport and recreation-specific interactive web tool to help clubs better manage their volunteers. V-Star is full of ideas and downloadable templates, making it easy for clubs and associations to use. The free web tool links to the 'Volunteers Valued' section of Starclub, but is also accessible as a stand-alone tool. V-Star aims to:

- improve the quality of volunteer management in sport and recreation clubs;
- give clubs one trusted, up-to-date, comprehensive location to access the information they require;
- make the complex task of coordinating volunteers much easier; and
- help clubs attract and retain more volunteers.

The V-Star online tool has also been recognised as 'best in class' in the non-profit category at the US-based Interactive Media Awards. Integrity and respect in sport are key areas that have been identified as growing concerns and challenging areas for organisations to manage. As a result of the Australian Crime Commission and the federal government releasing a report on 7 February last year titled Organised Crime and Drugs in Sport, also known as Project Aperio, the Office for Recreation and Sport held an integrity workshop in November last year for the sports industry.

This highlighted that South Australia's sports sector is susceptible to the issues identified in the Australian Crime Commission report, particularly at a sub-elite level. Following the workshop, the Office for Recreation and Sport established the South Australian Sport Integrity Network to regularly provide the industry with up-to-date information on integrity issues and to close the information gap on integrity issues between the elite and sub-elite levels of sport. Through SASIN, South Australian sporting organisations will be regularly reminded to remain committed to safeguarding themselves from integrity issues.

Building on the national Play by the Rules strategy, a respect in sport program has been developed by the Office for Recreation and Sport. This strategy aims to assist sports organisations to identify major conflict issues and provide a practical approach for them to promote positive behaviour changes by educating and working with their community.

The catchcry slogan 'Fair Enough' encourages recognition of all people involved in sport, regardless of their role, who deserve and should exhibit fair and reasonable behaviour. Grant funding has been provided to 10 sports associations to develop short videos to market this message. This suite of videos is complemented by a longer educational video and resources for practical application in clubs. This resource is available to all sport and recreation organisations.

Through the Committee of Australian Sport and Recreation Officials, South Australia took a leading role in the conduct of a national recreation working group. At the first workshop, this group agreed that all state departments of sport and recreation would recommit to a definition of recreation that focused on active recreation. The working group will now prepare a paper to all state ministers affirming that they would support future work to coordinate more effective implementation of the National Sport and Active Recreation Policy Framework from an active recreation perspective.

This was a major achievement and is significant in that it seeks to elevate the importance of active recreation at a national level. I will recap by thanking all the staff and leadership at the Office for Recreation and Sport. As you have just heard, there is a diverse number of really positive things that are happening thanks to the good work of the Office for Recreation and Sport and the way they work with councils, other government departments and sporting organisations and members of clubs right throughout the state.

Mr WHETSTONE: I guess we will just get into the question conversation. I refer to Budget Paper 4, Volume 3, page 83 under Financial Commentary, at the second dot point regarding the introduction of the voucher system for primary school children. What are the criteria for a student to apply under the system? Is it targeted to disadvantaged students only, similar to interstate models?

The Hon. L.W.K. BIGNELL: It will be available to all primary school students. There is no means testing or anything like that, as long as they are a member of a bona fide sporting club. There is no-one who is going to be unable to get the money on the grounds of how much their parents earn.

Mr WHETSTONE: How does the government plan to deliver a \$50 voucher to the 160,000 primary school children in South Australia with just \$7.7 million over four years? Why was the scheme not based on a high percentage take-up?

The Hon. L.W.K. BIGNELL: We have done research and looked at examples interstate and that was the figure that we came up with, but if it requires more we will look to fund that. When you look at all the primary school students—and it takes in the very young in Reception—we know that, with the bigger numbers of people playing club sport, in particular after that year 2 and 3 level, we will not have every primary school student in the state taking it up.

Mr WHETSTONE: No. What government departments and community groups were consulted regarding the school voucher policy before it was released?

The Hon. L.W.K. BIGNELL: The Office for Recreation and Sport has put up papers on this particular issue over the last few years, so we knew the views of the Office for Recreation and Sport, but it was announced during caretaker mode.

Mr WHETSTONE: Was the Office for Recreation and Sport consulted with the final advice of that policy?

The Hon. L.W.K. BIGNELL: We were in caretaker mode, so no.

Mr WHETSTONE: Before caretaker mode?

The Hon. L.W.K. BIGNELL: We have had papers put up before by the Office for Recreation and Sport, so we had an idea of what was involved. I am out talking to sporting organisations all the time and the peak bodies, and we know that there was a demand for something like this to give some relief to the financial circumstances of families right across the state. We listened to that feedback and came up with a policy that we are now beginning to implement.

Mr WHETSTONE: I understand what you are saying. So you did not consult with the rec and sport office before caretaker mode?

The Hon. L.W.K. BIGNELL: No; well, we had, but not specifically on this.

Mr WHETSTONE: Did the government seek advice from the Office for Recreation and Sport about targeting students' uptake and the figure of that voucher election promise?

The Hon. L.W.K. BIGNELL: As I have said, papers were put up previously which reflected what was happening in other states, so we had an idea of how these programs worked in other states, and that is what we announced.

Mr WHETSTONE: Will children playing sport for their local school or team, or engaging in physical activity outside their club system, be eligible for a \$50 voucher?

The Hon. L.W.K. BIGNELL: No, it is for primary school students who are involved in a bona fide sporting organisation or club.

Mr WHETSTONE: Was there a qualification for those sporting clubs to be involved in the voucher scheme, and what was the qualification? How many clubs will qualify?

The Hon. L.W.K. BIGNELL: All the clubs have to be members of their state association. Just to confirm something, the children do not have to be an existing member of a club. It is designed to encourage people to join up clubs as well.

The Hon. I.F. EVANS: So, minister, for every sports club in the state, as long as they are a member of their state association, every primary school child who is a member of that sporting club is eligible for \$50 voucher?

The Hon. L.W.K. BIGNELL: Each child is eligible for only one \$50 voucher. If somebody is a member of a tennis club and a football club, they will get only one \$50 payment. It is designed to not only give them—

The Hon. I.F. EVANS: When are the vouchers distributed?

The Hon. L.W.K. BIGNELL: If I can just finish, it is designed not only to help families ease their financial burden but it is also about getting people to think about playing club sport and in turn helping fund the sporting clubs.

The Hon. I.F. EVANS: When are the vouchers issued? How do I as a parent claim for my child? Is it during the football season, the cricket season, is it issued on 1 January, or is it issued on 1 July?

The Hon. L.W.K. BIGNELL: We will start issuing the vouchers early next year. As school goes back—

The Hon. I.F. EVANS: Won't that advantage the summer sports?

The Hon. L.W.K. BIGNELL: That will be up to the families involved and when they need the \$50 and when it is going to help them the most.

The Hon. I.F. EVANS: And the only qualification on the clubs is—and they do not have to be a member of the Starclub, there no issue like that—that they are a member of their state association. I thought your policy had another qualification.

The Hon. L.W.K. BIGNELL: I am advised that the Office for Recreation and Sport is still working through to the final model, and that is one option.

The Hon. I.F. EVANS: If the final model is not determined, how did the department put the numbers into the budget as to how many people are going to take up this option if you are not sure which model you are dealing with? In your introductory comments, minister, you said there were about 1,800 clubs taking up Starclub this year, a couple of thousand before.

Previously, the rec and sport office has said that they do not know how many clubs there are in the state, that they do not keep a record of that, which I find bizarre. How did you model it? If your model is not determined as of today, how then did the Treasurer/minister/Office for Recreation and Sport come up with the number in the budget, which is about 23 per cent or something of students cashing in the voucher? I would have thought that, if you just looked at the number of primary school students who are already actively involved in sport, there would be more than 23 per cent.

The Hon. L.W.K. BIGNELL: The figure is not based on the number of kids who are participating in sport, it is based on the number who will take up the offer. We know that some families will not worry with filling in the forms and doing it, so this is our estimate of how many people will take it up.

The Hon. I.F. EVANS: Minister, your opening answer was that every primary school child in the state will be eligible. That is not true if the club to which they belong has to be a member of the Starclub, because most clubs are not yet members of Starclub.

The Hon. L.W.K. BIGNELL: Excuse me, I did not say that at all.

The Hon. I.F. EVANS: Really?

The Hon. L.W.K. BIGNELL: I did not say that at all. I said that every primary school student will be eligible, in terms of there will be no means testing, but they have to belong to a bona fide club. I have said that right from the start, so do not try to take one little bit of an answer—

The Hon. I.F. EVANS: Does 'bona fide club' mean a Starclub?

The Hon. L.W.K. BIGNELL: Well, I have just explained that. Are we just going to go around in circles?

The Hon. I.F. EVANS: So, you are not sure yet. When will that decision be made?

The Hon. L.W.K. BIGNELL: It has not been put forward that they have to be a member of a Starclub.

The Hon. I.F. EVANS: But it is being considered?

The Hon. L.W.K. BIGNELL: The final model is being considered.

Ms DIGANCE: I refer to Budget Paper 4, Volume 3, pages 83 to 85. Could you please explain the benefits which may be achieved through the recent investments in sporting facilities at the Adelaide Shores?

The Hon. L.W.K. BIGNELL: I thank the member for Elder for her question. Adelaide Shores is a 135-hectare tourism, sport and recreation precinct managed by the West Beach Trust, which reports through its board to the Minister for Planning, John Rau. Situated at West Beach, Adelaide Shores is a delightful site which has acted as a convenient holiday base for generations of South Australians and interstate tourists who wish to relax and enjoy the state's beautiful coast and many tourist attractions. It is also a fantastic open space venue where sport is able to be enjoyed by participants and spectators alike.

The West Beach Recreation Reserve manages and maintains more than 18 hectares of playing fields. This provides a very significant portion of the City of West Torrens and indeed the western region of Adelaide's public green open space. The state government is building on existing

services, facilities and a variety of sports which are already based at West Beach. It aims to maximise outcomes for the community from its investment in sporting infrastructure through the development of the Adelaide Shores Diamond Sports facility and the recently completed Adelaide Shores Football Centre.

The state government level of investment into these two facilities alone is in the order of \$5 million, which underlines the commitment this government has to the development of Adelaide Shores as a community sports hub for the people of South Australia. The development of the Diamond Sports facility will ensure softball and baseball players can play at a high-quality state-level facility on the best surfaces available.

It will also attract new sporting events and tourism to Adelaide and enhance the long-term viability of both sports, enabling the development of a centre of excellence for baseball and softball. This will provide clear pathways for local players into higher levels of the sports, as well as attracting teams from interstate and overseas to camps and training opportunities here in Adelaide.

The Adelaide Shores Football Centre officially opened in January 2014, creating South Australia's first Class A FIFA-rated synthetic pitch. The facility includes competition-level lighting, change rooms, kiosk, meeting and function rooms, and spectator facilities. It was certainly great to be down there for the opening of that wonderful facility.

The Adelaide Shores Football Centre will be home to the Adelaide United's women's football team, the Lady Reds, and will host a range of regular matches and training, from juniors through to state league. One of the important benefits of the synthetic pitch is how it will help alleviate the strong demand for metropolitan football pitches, particularly during the wetter months when games at other venues are cancelled because of poor pitch conditions. The facility is multipurpose, also being able to cater for rugby and lacrosse, which will see the Australian lacrosse team using it for training and for state lacrosse matches.

There are plans to develop a number of sports camps, academies and events at the facility, utilising the adjacent Adelaide Shores accommodation, playing fields and complementary sporting facilities. This will further enhance the economic and social value of the Adelaide Shores to the region.

This new sporting infrastructure will further assist the government in achieving its preventative health goals through encouraging greater participation in active, healthy lifestyles. The development of appropriate facilities which meet modern expectations is important in encouraging participation. For sport sustainability, developing a facility at Adelaide Shores among a cluster of sports facilities assists long-term viability, as it provides sporting clubs with an opportunity to share facilities and resources, improving their efficiency which, in turn, assists them to attract new members and retain existing members.

Adelaide Shores has shown its ability to contribute directly to support a range of sporting events by hosting a significant number of teams and sports from university games, masters games and Special Olympics, to name just a few. Of course, there are the SAPSASA carnivals which sees hundreds of schoolchildren competing for their schools on the playing fields. These events have provided direct financial benefits not only to the region but also to the sports based at Adelaide Shores, as well as raising the profile of the sports.

The current development of the Diamond Sports Centre has already resulted in South Australia securing the first national softball event for many years, in the 2015 under-19 women's softball national championship, taking place in January next year.

Mr WHETSTONE: You were saying that the modelling related to the 160,000 public school or primary school students. Will the 53,000 children in private and Catholic schools be eligible for the \$50 voucher?

The Hon. L.W.K. BIGNELL: Yes, it is all primary school students.

Mr WHETSTONE: So that is 213,000 students eligible for \$50 vouchers—eligible if they are part of a club. What happens if the fund is fully exhausted?

The Hon. L.W.K. BIGNELL: It is an election promise and we will try to find funds to make sure that we pay for it.

Mr WHETSTONE: What allocation of the \$7.7 million over four years for the program will be spent on administration and staff?

The Hon. L.W.K. BIGNELL: We have allocated 0.5 of a full-time equivalent to the role at this stage. We will be relying on an IT system—for which we are very grateful to the Western Australian government as it has given it to us free of charge in a very good sign of cooperation. We have our Office for Recreation and Sport and the Western Australian office works closely together so it is terrific that they have given us that so that we do not have to go out and build a system; we will just be able to use the Western Australian model here and we will have someone in the Office for Rec and Sport administering that system.

Mr WHETSTONE: So you are saying a half-time or 0.5 full FTE will administer potentially 200,000 students.

The Hon. L.W.K. BIGNELL: In the first instance, to get the system up and running, we have allocated 0.5 of an FTE and we are still evaluating what staffing levels we will need to staff it into the future.

Mr WHETSTONE: Budget Paper 5, page 76, looking at forward estimates: why is there not an equal amount spent on the Be Active voucher program during the 2015-16 and the 2016-17 years?

The Hon. L.W.K. BIGNELL: It is an incremental rise. We figure that, as people get to hear about it, we will have more people in the second, third and fourth year taking up the offer.

Mr WHETSTONE: So, those over 200,000 students are potentially able to access that \$50 voucher annually?

The Hon. L.W.K. BIGNELL: Absolutely, providing they meet all of the rules, which are that you belong to a bona fide sports club.

Mr WHETSTONE: I refer to Budget Paper 4, Volume 3, page 85, under Activity indicators. What high-performance sports program has been axed in the 2014-15 year?

The Hon. L.W.K. BIGNELL: We have moved out of gymnastics because they decided not to continue with their trampoline program here, but the other nine programs remain.

Mr WHETSTONE: What is the budget commitment to high-performance sports programs, and can you list the programs and funding for each year?

The Hon. L.W.K. BIGNELL: The South Australian Sports Institute's focus is on supporting those South Australian sporting athletes with the greatest chance of achieving success on the world stage in the form of Olympic, Paralympic and Commonwealth games and world championship medals. SASI provides four types of scholarship and awards opportunities, sports programs and program squad scholarships, high performance and Paralympic scholarships, talented athlete awards and country athlete awards.

SASI sports programs scholarships are offered for nine targeted SASI sports programs; these include canoe sprint, cycling, diving, hockey, netball, rowing, swimming, volley ball and water polo. These sports programs receive the benefit of full-time high-performance coaches and full access to sports science and medicine and domestic competition support. SASI high-performance and Paralympic scholarship programs offer financial and service assistance to targeted individual elite-level athletes in Olympic, Paralympic and Commonwealth games sports.

Scholarship grants of approximately \$2,000 to \$4,500 are offered annually to approximately 15 Paralympic athletes and 20 Olympic and Commonwealth games potential athletes. Approximately \$110,000 each year is allocated to the program.

The SASI Talented Athlete Award Program offers financial assistance to talented junior athletes aged 13 to 20 years to assist them to progress to the senior elite level. Approximately \$50,000 a year is allocated to 70 athletes across 25 sports. The Country Athlete Program assists junior athletes aged 13 to 18 years from rural areas permanently residing 130 kilometres or more

from the Adelaide GPO. Approximately \$25,000 a year is allocated to this program to 25 country athletes.

Mr WHETSTONE: Minister, the government allocated \$250,000 in the 2012-13 state budget for a feasibility study into the relocating of SASI facilities to Santos Stadium. Can you confirm whether this study has been undertaken and what the outcomes were of that study?

The Hon. L.W.K. BIGNELL: Yes, we did the feasibility study with the former federal Labor government and we had an announcement out of them that they were willing to pay for the line share of that development. However, with the change of government towards the end of last year, the new federal government did not see that as a priority and so they have refused to fund it.

Mr WHETSTONE: What assistance will you be giving to SASI to improve their facilities at Kidman Park?

The Hon. L.W.K. BIGNELL: What we would like to do is see SASI move to the new location of the Santos Stadium at Mile End. We will need federal funding to do it, so we will keep pushing away and trying to get the support of the federal government.

Mr WHETSTONE: If you do not act upon the feasibility study soon at a cost of \$250,000, for how long will it remain viable?

The Hon. L.W.K. BIGNELL: It is still viable. It was a good study and we have plans and designs of what we would like to see there. We would not only have SASI moving in there, but a centre of excellence for Paralympic athletes and other sports as well; it would be a terrific thing to do. You have to spend money to come up with a feasibility study, but unfortunately you need a whole lot more money to build it. Without federal government support it is a bit much of an ask for us at the moment, but we will keep it on the agenda at the federal level.

Mr WHETSTONE: Minister, obviously nothing stands still for long—sport is always a moving feast. That \$250,000 study will not last for long in today's sporting arena requiring new facilities, new techniques, new technology, new grounds, new surfaces and the like.

The Hon. L.W.K. BIGNELL: You get on to your federal mates and ask them to come up with the money as soon as they can and we will be able to do it to the letter of the feasibility study. We would love to see your support for it.

Mr WHETSTONE: I think that is your job; you are in government.

The Hon. L.W.K. BIGNELL: We are doing it.

Mr WHETSTONE: Has the state government provided any financial support to the South Australian athletes to attend and perform at the Commonwealth Games in Glasgow this year and also the Paralympic Games coming up in 2016?

The Hon. L.W.K. BIGNELL: In terms of the scholarships, I mentioned that in my last answer. We also provide a great deal of money to assist in the preparation of athletes from South Australia to get along to Commonwealth Games, Paralympic and Olympic competitions.

Mr WHETSTONE: What sort of support do you give them?

The Hon. L.W.K. BIGNELL: There are about 40 different athletes, and there is no 'one size fits all' for each of those. If you want us to come back with a breakdown of all the athletes we can do that, but we have an overall picture. In addition to the scholarships we have given \$480,000 to the South Australian Olympic Council, \$110,000 for the Australian Paralympic Committee SA, and \$110,000 for the Australian Commonwealth Games Association SA. That is \$700,000 in one-off grants for Olympic, Paralympic, and Commonwealth Games appeals.

Ms WORTLEY: My question relates to Budget Paper 4, Volume 3, pages 83 to 85. Minister, can you inform the committee as to the level of investment in the SA Netball Stadium (formerly known as ETSA Park) and also to netball, generally?

The Hon. L.W.K. BIGNELL: Since 2002 this government has invested \$9.4 million into state netball. This investment supports approximately 68,000 netballers in our community who are

participating in organised netball within South Australia. This includes some 26,900 children and 41,100 adults.

South Australian netball teams have experienced significant and inspirational success in recent years, evident in the strong foundations established through local clubs and the netball academy support program. This is funded by the Office for Recreation and Sport through its Sport and Recreation Development and Inclusion Program. A longstanding SASI program has led to great success across the Under 17, Under 19 and Under 21 state teams, the Southern Force in the Australian Netball League, and of course the Adelaide Thunderbirds who were champions last year in the ANZ Championship.

What great role models they are on and off the court for all young women, particularly those who are involved in sport. They are terrific, and we wish our two Thunderbirds representatives in the Australian team all the very best for the Commonwealth Games next week, particularly the captain, Renae Hallinan, who has been a great inspiration to a lot of youngsters. So, we have Rebecca Bulley, Renae Hallinan, Erin Bell and the recently retired Natalie von Bertouch who have represented their country. Much of this investment has been directed towards infrastructure projects. Some of the more significant projects which have been approved since 2002 include:

- \$1.6 million to Netball SA to assist with delivering its core services to South Australian netballers;
- in 2011-12, the Tanunda Tennis Club received \$200,000 to assist with the full reconstruction and resurfacing of six multi-use netball and tennis courts;
- in 2010-11, the East Torrens District Cricket Club Inc. received \$200,000 to assist with the development of six flood-lit multi-use netball and tennis courts at the Campbelltown Memorial Oval; and
- in 2003-04, the Port Lincoln Netball Association received \$300,000 to assist with the construction of a club room, administration and change room building in conjunction with a new 12-court netball complex, and eight of those 12 courts had lights.

Some of the state government's more recent investments in netball have seen Netball SA receive the following funding from the Office of Recreation and Sport:

- \$100,000 for system leadership;
- \$80,000 through an inclusion program for the northern suburbs community netball plan;
- \$25,000 through the Sport and Recreation Development and Inclusion Program for the netball academies program;
- \$25,000 for volunteer management program; and
- \$42,000 as part of the statewide facilities audit.

In the past few years, the South Australian government has invested more than \$1.9 million towards the Netball SA Stadium, formerly known as ETSA Park, and to groups based at the facility. The Netball SA Stadium is situated on approximately eight hectares of land and located on the western side of the Adelaide CBD. It is the headquarters for Netball SA and the Adelaide Thunderbirds. The venue was opened 2001 and built at a cost of \$11 million. In addition, numerous schools and netball clubs also utilise the venue. The external courts are heavily used during the season and sporting programs are run on a daily basis on the internal courts.

Specifically since 2013-14, the government of South Australia through the Office of Recreation and Sport has provided \$1.105 million to netball through 57 successful applications: \$660,000 was provided to applicants located at the Netball SA Stadium and the funding was made up of \$658,000 as a special purpose grant.

The investment will result in the resurfacing of the 26 outdoor courts down there at Mile End, the replacement of the goalposts and the post protectors across the 26 courts and an upgrading of the lighting for the outdoor courts. I was down there to announce that earlier in the year, and I must

say that everyone, from the kids through to their parents, were delighted with that massive investment.

In addition to the \$9.4 million, the state government committed a further \$880,000 to Netball SA over four years to assist with its stadium debt repayments. The first repayment was made in 2011-12. This support to Netball SA through the provision of annual funding over four years has assisted the sport to pay down its stadium debt payments. This has had a significantly positive impact for the sport and reduced the financial burden and what would have been significant interest costs. The final payment to Netball SA will be made in the 2014-15 financial year.

I really want to congratulate Netball SA for the way they go about their negotiations with government and how they try to seek funding. They always put forward a very good case and they never come out with a crazy ambit claim; they actually go through it methodically and come up with really good courses that, where we can, we are happy to fund.

It is not just here in the metropolitan area. I was delighted to call into Bordertown in early January to hand over a cheque there for, I think, \$50,000 for the resurfacing of some courts and putting in an additional court for their competition in the Tatiara league. We also made sure that we delivered some money up at Snowtown so they could resurface courts which they share with the tennis club which had big cracks in them.

All sport is great out in the country regions. It really brings together all the communities from far and wide, and we know that training nights and whenever competition is played over a weekend are the focal point of most country communities.

Ms WORTLEY: Thank you for that response, minister. As a former netballer, coach and umpire, I appreciate the benefits that that will bring to many girls and women in our state.

Mr WHETSTONE: Minister, just back to the Commonwealth Games, the news is that South Australia will put in a bid in 2026. Can you give an indication if you are going to put that bid in, and what does a bid cost to host the games?

The Hon. L.W.K. BIGNELL: What we have done is written to the Commonwealth Games Association of Australia. What we know is that in 2018 the Gold Coast will host the Commonwealth Games; we do not know who has got it for 2022 or 2024—

Mr WHETSTONE: For 2026—every four years, minister.

The Hon. L.W.K. BIGNELL: Sorry, yes. What we do not know is who has the one in between, but we have asked the Commonwealth Games Association if we could be given the first right of refusal, if you like, on putting our hand up for Adelaide to host the games. What we want to do is do a full economic impact statement.

During the past year, we have had a group of us, including your leader, Steven Marshall (member for Dunstan), join with us, along with people like Rob Gerard from the business community and some former Olympic, Paralympic and Commonwealth Games athletes as well, just to have a general look at what the benefits could be for South Australia. We have done an audit of what we think the spend would be on new sporting infrastructure, and we put that at around the \$200 million figure. That includes things like a purpose-built indoor sporting facility for sports like volleyball and handball—we are seeing some really big growth in those sorts of sports.

If we could package it all up in a bid for the Commonwealth Games, we think it would be money well spent, not just to host the Commonwealth Games but also for between now and those dates, either 2026 or 2030. We do not know which one we would be able to go for because we do not know who is putting their hand up for the one after the Gold Coast in 2022 and whether anyone else would put up. It might be unlikely that we would have a gap of just one period in between having the Commonwealth Games hosted here in Australia. We want to be prepared, though, if someone is not putting their hand up for 2026, that we could be in a position to have a go at it.

We think we are a perfect size city and we are good at hosting world-class international events. It would be a huge boost for regional South Australia as well. We would have to put an athletics track down inside Adelaide Oval. We would also have to have a warm-up track at Adelaide Oval No. 2. When the games are over, both those would of course have to be removed, and we

would probably do Santos up at the same time. So, you would have one at Santos and you could move one to regional South Australia and another one to somewhere like the northern suburbs, where there is a high uptake in athletics.

We would also want to do training camps out in regional South Australia as well because we do have some good sporting facilities that could be utilised, and maybe we would put some money into doing some up in preparation that hockey could go to Port Lincoln, for example. Some of the teams in the lead-up could play some competition, and it would be a great opportunity to see commonwealth athletes go up against each other in warm-up matches.

We know, even from the Olympic Games—and the member for Davenport was the minister at the time—with all that Prepared to Win work that was done. For a few years in the lead-up to Sydney hosting the Olympics in 2000, we had teams out here from Russia, Japan and several other countries who were using the velodrome and the hockey pitch.

There are always a lot of lead-up events as well that you can attract here. We think there are a lot of positives in terms of the benefits we get in the build-up and also the legacy for five to 10 years later. If you do it well, you also get a real benefit after the games have left.

Mr WHETSTONE: Minister, I guess then that you do not agree with a previous treasurer saying, 'Why would the state invest a serious amount of money into a second-grade sports event?'

The Hon. L.W.K. BIGNELL: No, I do not agree with him, but there were a few things we did not agree on, so the Commonwealth Games is just one of them. We think the economic return is great, and it also says something about who we are as South Australians that we are actually going to go for a big event like this. We are the only mainland capital in Australia that has never hosted the games. We let the Gold Coast get it in 2018 before we had a crack at it. I think there is a bit of pride about the place as well that we should put our hands up for this.

Long term, something we need to work on with the Australian Olympic Committee, the sports federation and the federal government is whether we could maybe join the Asian Games group and see if we could host the Asian Games here, which again would provide us with a huge financial benefit and put us on the map throughout Asia. At the moment, we are in Oceania, so we cannot, but things may change down the track. If we have our city in good nick for a Commonwealth Games, perhaps we could also go for an Asian Games. We want to do bolt-ons as well.

Mr WHETSTONE: Minister, obviously, to host one of those events you will have to undertake an audit of existing facilities in preparation for the Commonwealth Games. Have you done that as yet?

The Hon. L.W.K. BIGNELL: Yes, we did. It was just a desktop audit, but we looked at things like, obviously, the Adelaide Oval. It is brand-new and in pristine condition, but we looked at what it would look like in 2026 or 2030. The aquatic centre we have down at Marion is again a fairly new facility. The velodrome is structurally all fine, but you would probably need to put in more seats. We need to come up with other things that are outside the sporting area, which could cost money, but when you talk to the business people like Rob Gerard they see no reason why we could not make money out of it.

There are things like the athletes village. If we are looking at relocating the Women's and Children's Hospital to the new Royal Adelaide site in 2023, that leaves a perfect site there for high-rise residential accommodation that in the interim could be used as an athletes village. I do not think there would be too many athletes villages at a Commonwealth Games or Olympic Games ever that have given the athletes the ability to walk out the front door of the village, walk across the road and walk into the stadium for the opening ceremony.

I just think it is a really exciting period for us. There are so many unknowns in the next 12 to 16 years. We also do not know what is going to happen down on the Coca-Cola site; if they were to move, that could be a site for redevelopment as well we could factor in. In terms of the sporting infrastructure, there are things that we know we need more of, and they have been identified on the desktop audit. Then I guess we need to work out where those would be built, and we will do that in conjunction with the various sports that are involved.

Mr WHETSTONE: Minister, just moving on to Budget Paper 4, Volume 3, page 84, estimated spend results versus actual, can you outline the total cost savings to the government for the transfer and operations of the management of the Hindmarsh Stadium to the Adelaide Entertainments Corporation?

The Hon. L.W.K. BIGNELL: Yes, the figure is a \$2.6 million expense reduction due to the transfer of Hindmarsh Stadium operations to Adelaide Entertainments Corporation.

Mr WHETSTONE: What links do the Adelaide Entertainments Corporation have to the state government?

The Hon. L.W.K. BIGNELL: They are part of the state government, so they come under my tourism portfolio.

Mr WHETSTONE: According to the Budget Statement, page 177, the new management of the Hindmarsh Stadium is a public non-financial corporation. What oversight do you have with the AEC and does the minister approve events run by the corporation at the stadium?

The Hon. L.W.K. BIGNELL: I have overall control, I guess, of the Adelaide Entertainments Corporation's group. They have a board and they report to me via the board. They make commercial decisions, so I do not get involved in every decision that is made down there.

Mr WHETSTONE: As part of the Hindmarsh Stadium transfer, the state government relinquished its tenancy or its corporate suite at the stadium?

The Hon. L.W.K. BIGNELL: Yes, it did.

Mr WHETSTONE: What was the annual cost of that suite?

The Hon. L.W.K. BIGNELL: We do not have an isolated figure on that, and it varied from year to year because of catering costs.

Mr WHETSTONE: Since the transfer of management, what has the government done to ensure all existing sport and community users of the Hindmarsh Stadium have continued?

The Hon. L.W.K. BIGNELL: That is probably a question that you should have asked in the tourism estimates inquiry when I had the person here from the Adelaide Entertainments Corporation.

Mr WHETSTONE: When the state government managed the Coopers Stadium, as it is now known, what were the reasons behind its running at an operating loss of half a million dollars per annum?

The Hon. L.W.K. BIGNELL: The figure was closer to \$400,000 and it was directly related to the money that was used to subsidise Adelaide United's hire fee.

Mr WHETSTONE: As to the future of the Coopers Stadium, the executives have stated that the facility is outdated and needs development or it needs a new build.

The Hon. L.W.K. BIGNELL: Again, these questions should have been asked during the tourism portfolio questions, but I am happy to indulge you and let you know that we are spending \$4 million down there. We are replacing every seat. We are putting in new facilities, change rooms, a new lift. It is a big spend. If you went down there now, you would see that all the seats have been ripped out, we are steam cleaning all the concrete, all the chewing gum and everything else is going to be off it, and some fantastic new seats are going in.

Mr WHETSTONE: Has the Adelaide Entertainments Corporation approved the Lingerie Football League being held at the Coopers Stadium this year?

The Hon. L.W.K. BIGNELL: I do not know.

Mr WHETSTONE: You do not have control over what events are—

The Hon. L.W.K. BIGNELL: No, I said at the outset that they have a board in place that makes decisions on those things.

Mr WHETSTONE: So you have had no discussion or you have had no approval process with holding that event at Adelaide?

The Hon. L.W.K. BIGNELL: None whatsoever. I have never heard of the Lingerie Netball Team or whatever they are.

Ms DIGANCE: Madam Chair, can I ask a question about stadiums please?

The CHAIR: Yes, you can, member for Elder.

Ms DIGANCE: Minister, I would like to ask you a question to do with Budget Paper 4, Volume 3, and it is to do what was previously known as the Santos Stadium, now SA Athletics Stadium, seeing as we are on stadiums. I am wondering if you can give us some information on what the upgrade to this stadium will include please.

The Hon. L.W.K. BIGNELL: I thank the member for Elder for the question. In March 2014, Athletics SA received a special purpose grant of \$400,000 to upgrade the existing spectator tiers at the SA Athletics Stadium during 2014-15. Again, it was an announcement that I was down there to make. Sally Pearson was over the hurdles that night. It was a pretty windy night, not the balmiest of March evenings, but we received a very warm reception because we were there with that cheque for \$400,000.

The upgrade will provide more suitable services for spectators to view the range of events that the stadium hosts. Additional seating opportunities will be delivered in a range of forms, including an additional 280 seats under an existing shelter, bringing the undercover seating capacity to 1,280 and reducing the gradient of sections of the existing tiers to facilitate deck chairs or similar to be safely positioned.

There will also be the formation of some flat areas for event infrastructure such as marquees and barbecues. The project is in the design and documentation phase. It is envisaged that components of these works will be in place for the hosting of the National All Schools Track and Field Championships, to be held between 5 and 7 December, and the Adelaide Track Classic on 14 February 2015.

Since 2013-14, the government of South Australia, through the Office for Recreation and Sport, has provided \$770,658 to the sport of athletics through 53 successful funding applications. A total of \$551,000 has been provided to applicants located at the State Athletics Stadium since 2012-13, including 19,000 to the Athletic Association of South Australia Incorporated, through the 2012-13 round of Sport and Recreational Development and Inclusion Program for the Coaching and Officiating Sport and Recreation Development and Inclusion Program; \$20,000 to the City to Bay Fun Run Committee Incorporated; and \$50,000 to the Athletic Association of South Australia Incorporated.

These funds will provide leadership policies and service information, club promotion, uniforms and sports equipment, and the \$400,000 that I referred to earlier is for the upgrade of the stadium. I know, talking to people there, that in the past they thought it was a bit dusty and not that pleasant for people to stand around on the terraces. We have so many different school sports activities there, so it is terrific for the various schools to spread out around the track and have their own little home camps for their athletes and their supporters to congregate and cheer from.

Ms DIGANCE: Minister, I do have another question that leads on from that, because it is a great facility and it does cater for so many different groups and sporting events. In reference to Budget Paper 4, Volume 3, can you talk about what the government is doing to improve the culture of sport and recreation organisations, especially in relation to misbehaviour of some of the players, parents and officials towards referees, umpires and other players?

The Hon. L.W.K. BIGNELL: I thank the member for Elder for the question. It is something that has been in the news lately. Thankfully, it is a bit of a minority, but there is still some bad behaviour out and about around sporting clubs and organisations. The government appreciates the impact sport has in the community and the need to support organisations to better manage poor behaviour and develop a culture of respect.

The recently launched Fair Enough campaign was developed in response to disappointing issues occurring at sporting events. Many sport organisations have been seeking assistance to manage behaviour issues and to address the culture of their sports to minimise these concerns in the future. The message of respect and consideration cannot be delivered in an authoritarian way,

as research indicates this does not engage the people it is aimed towards. It was determined that this issue should be approached in a way which would gain the attention of the target audience, with a simple and slightly humorous message.

The target group is mainly those behaving badly on the sidelines, often parents. There are also some players demonstrating poor and unsportsperson-like behaviour. The aim was to promote the message that everyone deserves respect. The Fair Enough catch cry is something we envisage will catch on and be considered as a suitable response rather than engaging in abusive or derogatory language.

A set of 30-second videos were produced. The first pilot video produced was for cricket. The game was played at the Adelaide Oval and it was well received by the sell-out crowd. The sports involved received grants to produce a sport-specific video. The sports were: cricket, Australian football, netball, basketball, hockey, baseball, gymnastics and touch football. I have seen these. If a decision does not go the way of an athlete, their lips are shown, and they will be saying 'F—', and you think, 'Hello, what are you going to say here?' And they say, 'F—, fair enough,' so it sort of does get the message through in a slightly humorous way, probably more humorous than I just demonstrated.

A longer educational video was coordinated by the South Australian Cricket Association, and they worked with football, soccer, basketball, gymnastics, swimming, judo, baseball, cricket, hockey, and netball to arrange the filming. A resource which can easily be used by all sports clubs to workshop respecting their game was also developed by the South Australian Cricket Association. Further videos are being produced for volleyball and tennis, and others are being planned to deliver specific inclusion messages. These videos are available on YouTube and have been distributed to sports on USBs.

This program has been designed to complement the support and resources that are available on the Play by the Rules website. Play by the Rules is a resource which is managed by a partnership of all national and state government recreation and sport organisations, as well as all equal opportunity and human rights organisations. Play by the Rules also originated from our own Office for Recreation and Sport before being adopted nationally.

In addition to the videos, the opportunity was also identified to provide the Junior Sport message under the Fair Enough banner. The message, although not original, provides a good message, particularly for parents. A-frame portable poster boards were developed with the Fair Enough and Junior Sport message and distributed following the launch in May 2014. The wording promotes the message that junior sport is a game supported by volunteer coaches and officials who are human, and it is not a national or international competition.

The basic fundamentals of sportsmanship and respect for competitors and officials should prevail. We have seen some of those when you go out to kids' soccer and it says: 'This isn't the A-League. This isn't the World Cup. The coaches are volunteers, the players are just kids and the umpires are human.' It is really good to have those A-frames around just to remind us all that bad behaviour is not tolerated. We know that the thing kids hate the most about sport and one of the reasons they do not enjoy sport is the abuse and the comments that are yelled out from the sidelines.

If we can stop people behaving in a certain way—and it extends to the ride home as well; even parents who get in the car with their kids and want to criticise and pull apart the game they just played. Just remember, they are eight year olds, 10 year olds or 12 year olds, and they are just having fun. If they are having fun, they have got their heart rate up and they are breathing and are out learning skills—not just getting fit but learning leadership skills and learning how to participate in a team—then it is a terrific thing. Some parents need to rein it in a little bit, I think.

All state sport organisations were given an opportunity to order one of the 50 banners the Office for Rec and Sport had available, with wording specific to their sport. Organisations are able to order more at cost if they wish. The electronic poster is available for distribution and has already been made available for some clubs and organisations that have requested it and wish to print their own.

Other support that is provided by the Office for Recreation and Sport includes the Coloured Shirt Campaign, which promotes respect and support for beginner officials and umpires. The Office for Rec and Sport also provides advice and support to organisations when they have difficulty managing an issue. In situations where associations or some of their clubs have been identified as needing assistance due to ongoing concerns, the Office for Recreation and Sport will work with the governing body to improve their proficiency with managing issues and building a change in culture.

For example, support was provided to the Southern Football League in response to the cancellation of their annual junior carnival due to parent behaviour. Working in partnership with the SANFL and the local league, club coaches and officials were engaged in workshops to determine appropriate strategies to build a change in culture, which has created a positive change, with fewer issues right across the league.

Presentations to club representatives on changing club culture have also been delivered in partnership with Salisbury and Charles Sturt councils, individual sports associations and at the Office for Recreation and Sport's annual Starclub club conference. The support and Fair Enough message is delivered statewide with the involvement of the Starclub field officers based in Mount Gambier, Victor Harbor, Murray Bridge, Balaklava, Port Pirie, Port Augusta and Whyalla. I encourage any members of parliament to help us spread the word. I think it is a good community benefit for everyone.

Mr BELL: A very detailed answer there, minister.

The Hon. L.W.K. BIGNELL: Thank you.

Mr BELL: I refer to Budget Paper 4, Volume 3, page 84, under Targets, the fourth dot point around the SA VACSWIM program. Can the minister outline changes to the delivery system of the program, what the budget for SA VACSWIM overall is and if there is any extra associated cost to deliver this new system?

The Hon. L.W.K. BIGNELL: I thank the member for Mount Gambier for the question. From next summer the state government will fund the delivery of VACSWIM to individual approved organisations across the state.

This will see community organisations benefit from exciting changes to the 2014-15 VACSWIM SA program which will build connections between participants and their local swimming spot. Until now the management of VACSWIM SA has been implemented by a single organisation. These changes will build linkages between participants and existing programs such as surf and swimming clubs, and it is hoped that, by involving the community, children will be encouraged to stay involved in local swimming programs after VACSWIM is completed, which is an excellent outcome for everyone involved.

Up to 14,000 young South Australians will take part in the 2014-15 program, learning valuable water safety and awareness skills. With so many Australian pastimes involving water, it is a fantastic opportunity for children to build their confidence and learn potential life-saving skills in a safe and fun environment. I must say—as the member for Mount Gambier would know Carpenter Rocks very well—even in January the water down there was freezing and when they say a 'fun environment' I do not reckon the rocks were that much fun. Diving in at VACSWIM in about 1975 I still remember the ice freeze on the back of my head.

Mr Bell interjecting:

The Hon. L.W.K. BIGNELL: Exactly. However, I am sure we have some nice pools down at Mount Gambier which are a little bit warmer. VACSWIM SA is a South Australian government supported program to provide opportunities for primary school aged children who are aged from five to 13 years to develop a range of skills and positive experiences in the areas of safety, confidence and competence in the water, personal survival activities, basic swimming stroke improvement and aquatic emergency procedures.

The program is conducted each January by qualified instructors in controlled environments located at school pools, public and private pools, beaches and lakes throughout South Australia. VACSWIM 2014 was conducted from 6 to 14 January and delivered by an external contractor engaged through a public tender process, with specific skills in event management and the delivery of water safety programs. The then contractor was the YMCA of South Australia Incorporated. This

agreement was extended for a further period of one year after the expiry of the original agreement in June 2013; the new expiry date was June 2014.

The government's contribution of \$533,000 per annum in 2012-13 increased under this new agreement to \$580,000 for 2013-14. This year 130 locations across regional and metropolitan South Australia were involved in VACSWIM SA, with 12,408 participants. This was a decrease from VACSWIM SA 2013 with 13,413 participants, and in 2012 it was 13,392 participants. The drop in numbers was a concern but justified the work the government has been doing to design and implement a future VACSWIM program to commence in 2015.

A review of VACSWIM SA in 2013 found that VACSWIM SA was increasingly duplicating services which are now widely offered, and it is the government's view that it is now more effective to support the programs in the community by directly funding the organisations which provide them. In response, the Office for Recreation and Sport has established an annual VACSWIM SA funding program which supports the delivery of VACSWIM to approved individual organisations across the state instead of through a single organisation.

Community organisations will benefit from the innovative change to the VACSWIM SA program which will build connections between participants and their local swimming location. Funding is available for up to 14,000 young South Australians aged five to 13 years to take part in the 2014-15 program, learning valuable water safety and awareness skills and giving young people access to these important life lessons.

By engaging with and directly funding existing programs and venue operators we will create an incentive to grow the numbers attending VACSWIM SA at each individual site. The 2014-15 participant fee for VACSWIM SA will remain capped at \$30 per child, with a family fee for four or more children remaining capped at \$100. It is incredibly good value and a terrific investment which our government sees as vitally important in a state surrounded by so much water which means our kids need to be able to get out of trouble if they find themselves in it.

Children will still receive a minimum 315 minutes of instruction in an approved water safety program. The major change will be that VACSWIM will no longer include higher awards programs and will focus on primary school aged children. Programs for older children may still be accessed external to the VACSWIM program through the Royal Life Saving Society of South Australia and Surf Life Saving SA.

I was looking for a Mount Gambier figure here. I have the Millicent Swimming Lake. I have an attendance target of 131, with 2,384, but I do not have the Mount Gambier figure there by the looks of it. It is terrific that this program is run right around the state, as I said, to keep people safe, particularly up in the member for Chaffey's electorate too, with the river, and we know how quickly that can take people. It is an important initiative that is changing; it is going to be a bit different.

What we were hearing was that people who had existing swimming pools they were operating and running, they had programs in there and all these kids would come in and do VACSWIM and they would not see them again. So, this is a way they can engage with the parents of those students and maybe get them to join a swimming club or to come down for more swimming lessons.

Mr BELL: Another area that is really quite a passion for me is the Active Club Program, Budget Paper 4, Volume 3, page 83. I have two main questions around this, minister; one is the funding ratio for regional areas opposed to metropolitan areas, and the second one is the turnaround time from a club applying for the fund to its being approved and the club receiving that funding. Do you have any figures on that?

The Hon. L.W.K. BIGNELL: That particular fund is done electorate by electorate, and it goes up to the Economics and Finance Committee as well. There are 47 electorates, and it roughly works out to about \$50,000 per electorate. The number of regional electorates versus the number of metropolitan electorates makes the difference. I know that, from the grants we put out there, there are a lot of grants that come out of other funds that go to regional South Australia.

Mr WHETSTONE: I will just chip in there. You mentioned that obviously there is an average that goes to each electorate. Has there been any consideration for some of the larger regional

electorates? Obviously, you would understand that, in my electorate, I have 54 schools—a lot of schools, a lot of clubs.

The Hon. L.W.K. BIGNELL: You have not just different clubs but also different leagues within your electorate.

Mr WHETSTONE: Three football leagues.

The Hon. L.W.K. BIGNELL: Yes.

Mr WHETSTONE: There are many sports facilities and sports clubs that are spread wide. Is there any discussion, or would you invite any discussion, about some of those electorates that have many sports facilities over a large area being given some form of a concession or some form of added assistance within that structure?

The Hon. L.W.K. BIGNELL: I am advised that there was a major review done back in 2012-13 of all the sporting grants and that members of parliament were invited to discuss it as well, and there was no support for a change for that particular existing system. As I said, we will keep an eye out for the other grants, though, to make sure that the regions are getting their fair share as well.

Mr WHETSTONE: Sure. Regarding the full set of grant programs in the department, have funds been increased in line with inflation?

The Hon. L.W.K. BIGNELL: There is a small proportion of the Community Recreation and Sport Facilities Program that is indexed, but the rest are not indexed. The upside of that is that it was not indexed this year and they got an extra \$4 million. I think that in that first few months of the year we had about \$10½ million that we gave out to sporting clubs around the state.

Mr WHETSTONE: Out of the kindness of your heart.

The Hon. L.W.K. BIGNELL: Absolutely.

The CHAIR: The member for Elder.

Ms DIGANCE: Thank you, Chair. While we are on the theme of regional questions, the member for Chaffey and the member for Mount Gambier will appreciate this question. My formative years were spent in the Mid North, so my question, minister, is: what is the government doing to support regional sport and recreation or recreation organisations, please? I refer to Budget Paper 4, Volume 3.

The Hon. L.W.K. BIGNELL: Is that pages 83 to 85?

Ms DIGANCE: Yes, it is, minister; thank you very much—very astute.

The Hon. L.W.K. BIGNELL: I thank the member for Elder for another excellent question. You are right on topic today—coming in and hitting it right on the nail. The state government, through the Office for Recreation and Sport, has made a significant commitment to support community sport and active recreation organisations in regional South Australia. One of the lead strategies towards this commitment is the coordination of the Starclub Field Officer Program.

The Starclub Field Officer Program is a partnership between the Office for Recreation and Sport, regional councils, health services, and community organisations. It primarily supports regional sport and active recreation clubs to help them develop and prosper. A sum of \$350,000 is allocated annually in funding through the Sport and Recreation Development and Inclusion Program to support up to seven country regions to conduct a Starclub field officer program between 1 July 2012 and 30 June 2015.

Since July 2012, the Starclub Field Officer Program has closely aligned with the Office for Recreation and Sport's Starclub Club Development Program. This has delivered significant outcomes for the Office for Recreation and Sport and active recreation clubs in regional communities. Starclub field officers are currently working in partnership with individual clubs registered with Starclub, either one on one or by offering extensive training and development opportunities aligned to the 25 Starclub principles.

There are currently six active Starclub field officer regions employing seven Starclub field officers locally. These include: Limestone Coast, Mid North, Murraylands; Southern Fleurieu and Kangaroo Island, Whyalla/Port Augusta, Yorke Peninsula, and Lower Mid North. I should say that there are two Starclub field officers in the Whyalla and Port Augusta area. It is important to note that a seventh region has recently become vacant after a consortium failed to meet funding obligations documented in their signed agreement. As a consequence, the agreement was terminated and they were invoiced to reimburse the funds.

The government gains significantly from having Starclub field officers in regional areas, as it provides an opportunity for the Office for Recreation and Sport and regional councils to work collaboratively to achieve strategic sport and recreation outcomes in those regions. The value of the program is also evidenced by the financial commitment consortiums are willing to make to have access to a Starclub field officer.

There are 28 regional councils and two regional health services which contribute financially and partner with the Office for Recreation and Sport to conduct Starclub field officer programs. This demonstrates strong commitment from local government to work in partnership with the Office for Recreation and Sport to support and develop regional sport and active recreation organisations.

In 2012-13, the Office for Recreation and Sport conducted a comprehensive 360° review of the Starclub Field Officer Program. The review collected stakeholder feedback on expectations and experiences with the Starclub Field Officer program across all regions. The results of the 360° review overwhelmingly supported the Starclub Field Officer Program. Most pleasing of all the results in the review was that all stakeholders, including councils, strongly supported the direction the Starclub Field Officer Program has taken to develop sport and active recreation organisations in regional communities. Sport and active recreation organisations themselves also voiced strong support for the Starclub Field Officer Program.

The Office for Recreation and Sport funding in regional areas in 2013-14 has to date totalled \$5.672 million, which includes \$350,000 in funding to the field officer program. There have been 168 Active Club Program grants, worth \$760,000; 53 grants under the Community Recreation and Sport Facilities Program, totalling \$3.089 million; Sport and Recreation Development and Inclusion program, 16 grants totalling \$658,000; South Australian Sports Institute individual athlete scholarships, 42 of those totalling \$61,550; and I do not see anything in there for the Kongorong Football Club, but as a former Glencoe player—

The Hon. I.F. Evans: Get a plug in there for that!

The Hon. L.W.K. BIGNELL: Yes, but please put in a submission for Kongorong; it is a very good club.

The Hon. I.F. EVANS: We need every help we can get.

The Hon. L.W.K. BIGNELL: Exactly, and you were a star player for them in the Mid South East Football League. Good luck to them this year because Glencoe is not going to make the finals.

The CHAIR: Do we have another one from the member for Elder?

Ms DIGANCE: No. Thank you minister, I am very happy with that comprehensive answer, and I think those opposite would have appreciated it as well.

Mr WHETSTONE: The minister spent more time answering her questions than he has ours.

The CHAIR: No, I do not think that is true.

Mr WHETSTONE: I refer to Budget Paper 4, Volume 3, page 84, Targets 2014-15. What is the new governance structure under the SA trials network? Is that something new that you were going to establish, or have you not announced it yet, minister?

The Hon. L.W.K. BIGNELL: I think you are referring to the trails network, which is existing, but trials would have been new—tribulations not so new.

Mr WHETSTONE: Surely you do not have to read this one out.

The Hon. L.W.K. BIGNELL: Here we go: trails management.

Mr BELL: Page 36 to 88.

The Hon. L.W.K. BIGNELL: I have page 83 to 85, Budget Paper 4, Volume 3. In June 2013, Horse SA on behalf of trail industry members completed a review of the Draft Recreational Trails Strategy for South Australia 2005-10 and delivered a paper, 'Directions for recreational trails in South Australia'. The paper proposes a shift in the South Australian Trails Coordinating Committee to being an industry-led forum which is supported by the Office for Recreation and Sport and other relevant government agencies.

The Office for Recreation and Sport completed a review in December 2012 to identify sustainable management options for the future operation and management of its trails. These options and recommendations have been developed into a formal implementation paper. The Office for Recreation and Sport has assessed the recommendations in the above work to ensure the objectives align.

The result is an implementation strategy for new governance and leadership and operational structures that align with the current environment and budget. So, just to recap, it is going to be more industry-led that we will fund through the program. Otherwise we have another couple of pages; I could have kept going.

The CHAIR: Member for Mount Gambier, is this your final question perhaps?

Mr BELL: Yes, thank you, Chair, and thank you, minister, for that brief outline. Budget Paper 4, Volume 3, page 83—it is to do with FTEs to June 30 2014. At that time, there were 103.6 FTEs. Can the minister explain why FTEs will be reduced by 15.6 in the forthcoming budget, were these job reductions through TVSPs, what area of the department were they employed in, and how will these savings from these job reductions be spent?

The Hon. L.W.K. BIGNELL: Sorry, member for Mount Gambier, can you take us through it, because I am looking at that 2014-15 budget line and it has got 88 full-time equivalents and then it is down to 86.1, which—

Mr BELL: From 83.6, which was budgeted in 2013-14 down to 88 in the forthcoming year, knowing that it did drop in the actual results from 103 to 92.7.

The Hon. L.W.K. BIGNELL: Most of those FTEs are as a result of the ministerial office moving across to PIRSA. We have to belong somewhere; we used to belong in one area and now we belong in a different area, so that is the main one. It is also because the Office for Recreation and Sport moved out of the venue management business as well with the Hindmarsh Stadium/Coopers Stadium deal.

Mr BELL: How many of those came across with you?

The Hon. L.W.K. BIGNELL: I picked up more. We have an extra couple. Everyone came across and we picked up more, so it is just now getting paid out of the PIRSA budget rather than out of Recreation and Sport.

The CHAIR: We have a final question from the member for Chaffey.

Mr WHETSTONE: Thank you, Madam Chair. I refer to Budget Paper 4, Volume 3, page 85: Activity indicators. Why is the number of consultations with racing and wagering industry organisations being reduced from 40 in 2013-14 to 26 in 2014-15? What is meant by a 'more structured approach'? How much funding will this restructure save in consultations with the industry, as opposed to 2012-13? Maybe, while you are thinking about it: how many FTEs are dedicated to the racing codes?

The Hon. L.W.K. BIGNELL: I am not thinking, I am listening.

Mr WHETSTONE: Come on, you must have it written somewhere.

The Hon. L.W.K. BIGNELL: The shift has been to concentrate on the three main peak bodies (Greyhounds, Thoroughbreds, and Harness Racing), rather than be dealing with every single club in each different code.

Mr WHETSTONE: How much funding will this restructure save on consultations with the industry as opposed to 2012-13? What else did I ask? How many FTEs are dedicated to the racing codes with the agency?

The Hon. L.W.K. BIGNELL: One person is dedicated to racing.

Mr WHETSTONE: The other question was: how much funding will this restructure save on consultations with the industry as opposed to 2012-13?

The Hon. L.W.K. BIGNELL: There is no change to the funding.

Mr WHETSTONE: No change?

The Hon. L.W.K. BIGNELL: No.

The CHAIR: There being no further questions, I declare consideration for the proposed payments adjourned until tomorrow, and thank the minister and his advisers for their time here today.

The Hon. L.W.K. BIGNELL: Madam Chair, could I quickly just thank people on both sides of the house for the way everyone has conducted themselves today. It has been a terrific estimates hearing—

The CHAIR: Committee A is the happy committee.

The Hon. L.W.K. BIGNELL: —and I would also like to thank the staff in my office who, like all the public officers, have done so much hard work: Ruth Awbery, Kerry Treuel, Marg Ralston, Cathy Parker, Alexandra Keen, David Heath and Kimberly Davis. Thank you.

Sitting suspended from 15:32 to 15:45.

DEPARTMENT OF STATE DEVELOPMENT, \$644,298,000

ADMINISTERED ITEMS FOR THE DEPARTMENT OF STATE DEVELOPMENT, \$7,665,000

Membership:

Mr Tarzia substituted for Hon. I.F. Evans.

Mr Treloar substituted for Mr Bell.

Minister:

Hon. M.L.J. Hamilton-Smith, Minister for Investment and Trade, Minister for Defence Industries, Minister for Veterans' Affairs.

Departmental Advisers:

Mr R. Garrand, Chief Executive, Department of State Development.

Mr S. Ward, Director, Investment, Trade and Strategic Projects, Department of State Development.

Mr R. Janssan, Executive Director, Strategic Services, Department of State Development.

Ms N. Slivak, Director, Department of State Development.

Mr M. England, Director, Department of State Development.

Mr R. Demarco, Director, Department of State Development.

Mr J. Chapman, Chief of Staff.

Ms J. Barbaro, Ministerial Adviser.

Mr B. Page, Ministerial Adviser.

The CHAIR: I declare the proposed payment for examination. Before I call on the minister to make a statement, if he wishes, rather than read the entire page of my opening remarks here, I just remind everybody that if they could preface their questions with the budget paper and line number, that would be appreciated. Is everyone happy with the agreed schedule as printed?

Mr WHETSTONE: Yes, Madam Chair.

The CHAIR: I ask the minister to make his statement.

The Hon. M.L.J. HAMILTON-SMITH: Thank you, Madam Chair. I thank the committee for their work.

The CHAIR: Is there an opening statement, minister?

The Hon. M.L.J. HAMILTON-SMITH: No, I am quite happy to go straight to questions, Madam Chair.

Mr WHETSTONE: I refer to Budget Paper 4, Volume 4, page 111, and the second dot point under financial commentary: the international trade and investment strategy for South-East Asia. Can the minister outline the breakdown of how the \$230,000 will be spent in the 2014-15 year?

The Hon. M.L.J. HAMILTON-SMITH: Thank you very much for the question. It allows me to highlight the state government's commitment to assisting local companies to further engage with international markets for investment and trade outcomes with a focus on South-East Asia. The committee would be aware that the government has taken a staged process towards its international strategies that support investment and trade. We released the India and China strategies in 2012.

They provide a framework to assist trade and investment outcomes from these regions, and the state government has built its resources and focused its effort in support of their implementation. The Agent-General, of course, continues to support South Australian companies' international engagement in the UK and European regions, and now the government is looking to the ASEAN region to develop and implement its next investment and trade strategy.

We have modelled it, to a degree, on the strategy for China and India in that approach. A consultant will be appointed to assist with the development of the strategy, and an extensive industry consultation process will guide the involvement of key stakeholders in the process in due course. The implementation of the strategy will be supported with the appointment of a strategic advisory council that will work with government and the business community to grow trade.

The engagement strategy was announced some weeks ago and is available for public scrutiny. It has been put out to all stakeholders. China and India, of course, are growing economies and have established significant relationships with South-East Asia, but the ASEAN region is the next step in expanding this approach.

The Department of Treasury and Finance have appropriated \$230,000 in 2014-15 and \$300,000 thereafter to support the development of the ASEAN strategy including, as I have mentioned, the members of the ASEAN advisory council who will be appointed in an honorary capacity, a strategic adviser and various other initiatives that I have outlined.

We are aware that, although we have produced an ASEAN engagement strategy, there are individual nations and markets within that region, and each one of them will be approached individually. There will be an outbound and inbound mission to these locations, and the details of that will be elaborated upon in the fullness of time.

Mr WHETSTONE: Over the four years of that strategy, what will be the cost of the chief adviser? Is it a full-time position?

The Hon. M.L.J. HAMILTON-SMITH: That has not been resolved at this stage. The shadow minister will no doubt ask me at a later time about our India and China advisers. They are indicative. We have engaged people who are part-time, but when I say part-time they give up significant amounts of their time to help us, so it is a consultancy-type arrangement, and the exact details of how that will work for South-East Asia are yet to be resolved.

Mr WHETSTONE: What funds will be spent to establish the South-East Asia Council? Will that be an ongoing cost?

The Hon. M.L.J. HAMILTON-SMITH: As I mentioned, the ASEAN Advisory Council will be appointed on an honorary basis, so it is unlikely that anyone will be remunerated. That has been the practice with the other two advisory councils for India and China. Of course, the person we have appointed as the strategic adviser, who is remunerated on a consultancy basis, is usually the chair of that grouping, so that person is remunerated in their capacity as the strategic adviser but not specifically for organising the council.

We have found that these councils are a great way to engage with stakeholders. I would certainly be very keen in the case of the ASEAN Advisory Council to make sure that the regions are well represented and that we have representation there from exporters and people who understand the need to do business in South-East Asia because, as members on my right would be well aware, it is very important to our farmers, food producers, meat producers—the lot—that we get this right. It is a big market for us.

Mr WHETSTONE: Will the chief adviser's position have a travel allowance, and is that included in the budget allocation?

The Hon. M.L.J. HAMILTON-SMITH: It will be. There is work yet to be done. We have the engagement strategy out for consultation. We are going to listen to the feedback that we get from stakeholders, and I would encourage members should they know of stakeholders who have an interest in this to contribute and to respond. We will then come out with a final strategy, and that will provide more of the detail about how this will work but at the moment we are in a consultation part of the process.

It has been managed by Premier and Cabinet at this point, because the engagement strategy that is addressed in the paper has more to it than just investment and trade. There are cultural aspects here, diplomatic aspects, the arts; education is involved through Education Adelaide, through student attraction and so on. There are whole-of-government dimensions to the engagement strategy, not purely trade and investment, so we will get that right and then I expect you will see individual portfolios, including investment and trade, come out with execution and implementation plans that provide more meat on the bones of how we can do it.

Mr WHETSTONE: To do that, that adviser will have to spend time in Asia and time in Australia?

The Hon. M.L.J. HAMILTON-SMITH: I would imagine so.

Mr WHETSTONE: Is there an indicative time he will spend there or here?

The Hon. M.L.J. HAMILTON-SMITH: That has not been resolved yet. The practice has been that, in the case of China and India, our advisers have accompanied the Premier and certain ministers on missions overseas. They have also helped to host inbound missions and activities. They have been involved in other engagement activities here in Australia and overseas, so there will be a range of duties that will fall to them, and we will have to negotiate with whoever it is we finally select as to how much time they will be putting into this, but it is going to involve quite a bit of work, so they will have to be remunerated for that.

Mr WHETSTONE: As part of the \$1.1 million over four years for that South-East Asia strategy, will any further trade offices be opened?

The Hon. M.L.J. HAMILTON-SMITH: That is a good question. That has not yet been resolved, but I would expect that there will be some representation required. The pathway that the government has chosen is to place people, through Austrade, in Austrade offices. That is what we have done in China and India. After the Hartley review we moved away from the idea of having, if you like, missions of our own. Some other states are doing that, notably Western Australia, I think Victoria and New South Wales and Queensland as well. We feel that that is not the best bang for buck. It is better to have people placed with Austrade, so that is probably the model that we will follow in South-East Asia.

Obviously there will be choices there: Indonesia, Malaysia, Singapore, and perhaps another location. The budget is not overly generous at this particular point, so at the first gate there will probably be one adviser, at the outset, one Austrade person. It is a decision that has not yet been made. It is a decision that we have not yet reached, but it is in prospect, and the pattern we followed in China and India is to put someone with Austrade in the right place.

Mr WHETSTONE: Obviously you are still in negotiations, but will any of that budget allocation be committed to existing Austrade offices?

The Hon. M.L.J. HAMILTON-SMITH: I would not expect so, because the people we have placed with Austrade at the moment in Jinan Shandong province, China, and in Mumbai, India—and there are some others as well, one in Shanghai—are funded separately, so I would not see a need to use the South-East Asia budget line to fund the placement of anyone outside of the ASEAN South-East Asia region; that is what the money is there for. We will review whether or not we need to provide some additional funding into this once we have had feedback from stakeholders about where we need to go and what we need to do, and that is something that we might be here discussing any year's time after the next budget review.

Mr WHETSTONE: You have said that you will have to lobby for more funding at the next state budget. Did you raise concerns with cabinet as soon as you were appointed minister?

The Hon. M.L.J. HAMILTON-SMITH: About what? About the adequacy of the funding for the South-East Asia strategy?

The Hon. J.W. WEATHERILL: Having to go back and seek funding for your strategy on an annual basis rather than a four-year cycle.

The Hon. M.L.J. HAMILTON-SMITH: Money has been provided, if you look at the budget line, I think for each of the years of the estimates period, over four years. It is a modest amount. The total amount is about \$1.3 million, I think: \$230,000 in 2014-15 and \$300,000 thereafter to support the development and implementation of the ASEAN strategy. That is what has been provided for at the moment. That is adequate to get us started. We will review the situation once we get feedback from the draft that has been put out for consultation, but that is what is budgeted at the moment in a fairly tight fiscal climate, so that is what we will work with and the means we will live within.

The Hon. J.W. WEATHERILL: Obviously the focus, you said, is the South-East Asia strategy—Indonesia, Malaysia, Singapore and Vietnam. How much money from the strategy will be allocated to improving exports and trade relations in those countries?

The Hon. M.L.J. HAMILTON-SMITH: I would imagine all of it will be focused on growing our export outcomes with those countries. It is for our engagement strategy, but my view is that it is principally about investment and trade. It is also about education and attracting students, arts outcomes, cultural outcomes and mutual understanding, and there is a whole lot of other outcomes as well that are very important. However, it is principally about selling our products overseas and attracting investment into the country.

ASEAN is an important trading partner. If the shadow minister would like to ask me, I can provide some more information on the extent to which we are trading with ASEAN. I would like to see as much of that money as possible applied to the road and helping our exporters to get over there and to sell their products, because to me that is what it is all about. We recently had a record outcome for exports, the highest figure ever. It was encouraging to see, but we can do better, much better.

Mr WHETSTONE: Can you outline how much investment to South Australia has occurred in South-East Asia through these ASEAN-based Austrade offices over the last two financial years, 2012-13 and 2013-14, and what will be the administrative cost to set up in South-East Asia the trade strategy?

The Hon. M.L.J. HAMILTON-SMITH: First of all, the two aspects that we need to focus on when trying to measure value for money in our trade engagements are exports and investment coming in—how are we performing? In regard to exports, which is the first half of that equation, we have had pretty good results in China. In the 12 months to May 2014, the value of South Australia's exports totalled \$12.4 billion and accounted for 4.5 per cent of the national export value for the period.

Our export value was up 18 per cent, or \$1.87 billion, on the previous 12-month period, which is a pretty good result. This was the largest growth rate for any state or territory, compared to Australian average growth of 11 per cent over the previous 12 months.

Why is this important? When you talk about GSP, if there are 10 people sitting in a line and somebody gives them a dollar and you move that dollar along the line, at the end of the day your GSP is \$10, but where did that first dollar start from? It started from a farmer or a small business exporting something and producing that dollar, which then passed through to education, restaurants, retail and so on. So, at the heart of our GSP really significantly is what we are exporting—what we are selling overseas. That is what starts that dollar moving. To get a record result like that is fantastic.

You asked me about China: up \$1.16 billion or 53 per cent. The US was up significantly, \$373 million. ASEAN was up \$151 million or 8.4 per cent. New Zealand was up \$93 million. So we are starting to get the sort of movement that we have needed to see on exports. Metal ores, \$2.7 billion; other commodities, \$2.4 billion; wheat, \$1.4 billion—a lot of happy wheat farmers, broadacre farmers. Wine, which I know is important to the member, \$1.1 billion; copper, \$1.1 billion. So, we are getting some good results. It is also reaching out across meat, road vehicles, vegetables and fruit, which I know is very important in the Riverland, gold, silver and platinum, coal and gas, even petroleum products are up \$31.3 million or 20 per cent, so the export results are there.

Investment coming in is a little bit harder to measure. Our most dominant sources of investment remain North America and Europe, interestingly. However, increasingly, we are getting significant investment from Japan, China and from other countries, including South-East Asia. That is much harder to measure at a national and at a state level, so we have got further work to do to try to pin down those figures, because a lot of it is not immediately visible. You can count what is going out but it is much harder to count what is coming in, and to measure it and tabulate the information.

ASEAN is a potentially very significant source of investment, and the sort of investment we want is the sort of investment that opens markets. For example, earlier this year my colleague, the member for Port Adelaide (Hon. Susan Close) and I went to China. We took with us about 15 South Australian companies, mostly food producers. There were dairy farmers, wheat producers, wine producers, even movie and film manufacturers. They all got up and presented their offering. At the end it was like speed dating down the back of the room where they all got together with the Chinese investors who had attended. Having seen their presentation, they then sifted over the details of what they had on offer.

What those food producers and other manufacturers were looking for was investment where, for example, a Chinese investor might buy 49 per cent and in so doing open access to outlets for the sale of those products in China. So they would have a stake in the food producer, but they would have a connection to offer in regard to distribution. That is a model I think would apply well in South-East Asia, where you get someone who takes a stake in your business so you get some investment coming in and that delivers improved exports going out. It is a much better model than someone coming in and buying your business because, for example, as members would know, you might have an investor from ASEAN, China or India and they might have money to invest but they might not know how to farm.

In the member for Flinders' electorate not too many people know how to produce wheat and barley better than the farmers of Eyre Peninsula, and it is the same thing up in the Riverland. You do not want someone to come in and buy the business and then not be able to produce food to the same standard, but you do want the capital for growth. So, this is a good model to follow, and I imagine that is how it will work.

Mr WHETSTONE: Is there any financial assistance available to assist SMEs to improve their exports to the ASEAN countries?

The CHAIR: We will defer over here after this answer, thank you.

Mr WHETSTONE: More Dorothys.

The CHAIR: No. Listen—

Ms DIGANCE: I am actually building on what you are asking on various things.

The Hon. M.L.J. HAMILTON-SMITH: I will answer that question and then we will—

The CHAIR: And then we will come over here.

The Hon. M.L.J. HAMILTON-SMITH: There is quite a bit of support available, and I am glad the member has asked this question because we need to get the information out at every opportunity about what is on offer. I want to start by talking about TradeStart. This is an export facilitation program we are running in concert with Austrade. It is a key mechanism for the Australian government and the South Australian government to deliver export facilitation services to small, medium-size and regional businesses.

Under the current contract with Austrade, the Department of State Development employs five export advisers to cover the state. Advisers are based in Adelaide CBD (there are two there), the Riverland (there is a 0.4 FTE), and the Limestone Coast and Upper Spencer Gulf (one FTE). I do not know why there is not one over on Eyre Peninsula, I must say to the member for Flinders. That might be something he wants to take up with me. We might have to look at that.

As at 30 June 2014, TradeStart advisers had an active client list of 638 clients and assisted with 66 export outcomes, with a total value of \$29,974,000. Of these outcomes, 62 were export sales and four were international agreements. The Department of State Development has been advised that its delivery model for the TradeStart program is considered to be the benchmark for other states and has been awarded two bonus payments for the Adelaide South region, having exceeded targets in two years.

In 2013, the TradeStart export advisers led the South Australian Wine Trail initiative in partnership with the South Australian Wine Industry Council. The Wine Trail attracted five influential Chinese buyers to visit 31 wineries which were recruited in partnership with SAWIC. The wineries used the opportunity to showcase their products with SAWIC, and the TradeStart advisers supported the program by providing assistance, coordination and introductions during the buyers' visit.

For the financial year 2013-14, the Department of State Development allocated a budget of around \$489,000 per annum in addition to Austrade's contribution of \$345,000; that is about \$834,000. That is one program that is available. Another one I would like to mention in response to the member's question is the Gateway program that provides funding for exporters through the Department of State Development, offering packages of up to \$25,000 over two years for eligible South Australian exporters, mostly small to medium-size enterprises, to support export market development activities.

Given the challenging export environment, the exporters focus on the domestic Australian market. Over the past three years, the Gateway budget has been revised and refocused to other areas. The original budget was \$1 million in 2012-13; it was \$873,000, with the revised 2013-14 budget being \$525,000. The Gateway Business Program involves the competitive grant application process with a strong focus on preparing companies for export. The grant was originally announced in November 2010. Funding is provided for this one on a dollar-for-dollar basis.

Companies are expected to match the 50 per cent funding offered under Gateway. Should they be successful in obtaining a grant, individual activity caps range from \$2,000 and \$10,000, and eligible activities for reimbursement include: researching feasible overseas markets, up to \$10,000; marketing materials for distribution overseas, up to \$5,000; export training, mentoring and development, up to \$5,000; trade show participation and overseas business programs, up to \$10,000; website improvements for overseas markets, up to \$5,000; and supporting incoming buyers, up to \$2,000.

I encourage members to get the word out in their newsletters and to make sure their exporters, food producers and manufacturers—I know the member for Hartley would have a lot in his electorate—know that this money is out there, that it is there to be had. I would be very happy to facilitate meetings, as required, for anyone who might want to take that up.

Mr WHETSTONE: What advice have you received about the recent Malaysia Airlines crash and how it may affect trade relations nationally and, more importantly, between South Australia, Russia and the Ukraine?

The Hon. M.L.J. HAMILTON-SMITH: I have not received any advice on that tragic accident specifically related to the areas of concern the member raises. I think we are all still in a bit of shock over that terrible event. I think the federal government is doing a good job in reflecting the sort of sadness and anger that is evident in the community about that. I just hope we get those people home. I think we will just have to wait and see what the impacts are for Malaysia Airlines, but I would be very surprised if there is any impact on our engagement strategy with South-East Asia as a result of that.

Our hearts go out to Malaysia Airlines, the Malaysian people and everyone involved and caught up in that terrible event. I hope it does not put people off travelling. I think travelling is still a relatively safe business compared to road traffic accidents. I hope that everyone who travels for tourism purposes or those who might seek to travel for trade purposes continue to do so. I am sure they will.

Ms DIGANCE: My question builds on the member for Chaffey's line of questioning. I refer to Budget Paper 4, Volume 3, pages 112 and 113. Minister, can you please inform the committee about how the government is supporting increased business migration into this state?

The Hon. M.L.J. HAMILTON-SMITH: I thank the member for her question. I know that she would have a lot of migrants in her electorate, and they are fantastic South Australians. Our business migration outcomes have more than tripled this financial year compared to the previous year—37 compared with 130. Three initiatives have contributed to this outcome. First, the government introduced a 90-day change project, improving skilled and business migration outcomes for South Australia.

Secondly, the state government put in additional funding of \$600,000 over two years (announced in last year's budget) to target skilled and high net-worth migrants for state nomination under the general skilled migration and Business Innovation and Investment Program. Thirdly, the China Engagement Strategy, which outlined a facilitation process by the state government in deepening the pool of quality Chinese business migrants by continuing to promote South Australia as a desired destination for migration.

The business migration program is an interesting government initiative. I am pleased to advise that the state government is an active participant in the business migration and Business Innovation and Investment Program provided by the federal Department of Immigration and Border Protection. Of course, this is a partnership. Participating in the Business Innovation and Investment Program attracts business migrants to support population targets and build business investment, resulting in job creation, enhanced industry capability and export dollars. State nomination is mandatory for a business migrant looking to apply for a visa from the federal government.

Through the business innovation and investment migration program, the state attracts new investment into the economy, increases export activity and creates new jobs—and it is all about jobs now. By attracting people with demonstrated business or investment activity who are committed to using their business or investment skills in South Australia, everybody wins.

As I mentioned, the increased state government funding of \$600,000 over two years from 1 July 2013 has been allocated to boost business migrant numbers. So where the state government has made an investment, here is a good example of us getting a result. The extra funding has allowed Immigration SA to engage two new positions, funded until 30 June 2015, specifically responsible for undertaking promotional activities to increase business and skilled migration.

The roles are focused on managing the delivery of international market promotional activities, supporting expanded key stakeholder engagement activities and hosting exploratory visits to South Australia by potential business migrants and agents. I am advised that there are a number of external factors that affect demand:

- global and national competition for business migrants is fierce;
- restrictions and changes to visa eligibility, as well as processing times by the federal Department of Immigration and Border Protection, together with the state nomination criteria required by the South Australian government;

- interest in immigration by potential migrants, which is influenced by global economic conditions and the general awareness of migration options;
- business and investment opportunities in South Australia; and
- comparative economic conditions with source markets.

The federal government has made significant changes to the national business innovation and investment migration program that have directly impacted the uptake of this program at a state level. The decline in eligible applications is not unique to South Australia; other states and territories participating in the scheme have also experienced declines.

Existing business migration support has consisted of support for exploratory visits. Immigration SA hosts potential applicants and migration agents as an introductory visit to South Australia. Where a potential applicant's investment interests can be determined before the visit, Immigration SA is able to facilitate meetings with relevant government agencies.

Secondly, we have on-arrival meetings. Once the federal government has issued a visa and a significant investor has arrived in South Australia, Immigration SA provides a one-on-one meeting to support settlement activities. Thirdly, we have open days. Immigration SA offers free one-on-one meetings with the business migration team every Tuesday for people who have been nominated to answer questions about the nomination process or requirements.

New business migration support provided comprises: reintroduction of an exploratory visit program; facilitation of a significant investor local organisation register to assist applicants; adopting an account management approach; and reintroduction of in-market visits to promote the program.

The focus for the 2014-15 financial year is to build on migration agent engagement through in-market visits and migration seminars; to implement a broader engagement strategy with migration agents; to undertake a social media campaign to raise the awareness of South Australia as a destination for skilled migration; to host onshore business migration engagement events; and, finally, to expand the account management approach to build closer relationships. The program for 2014-15 includes three trips to China and two trips to Malaysia. So, we are starting to go down the ASEAN route.

In relation to key outcomes in 2013-14, the number of new business migrants has more than tripled, as I mentioned, to 130, including 24 significant investor visa nominations and seven SIVs, approved compared with the previous year's outcome of business nominations (37 in total) and only six SIV nominations. The target number for new business migrants to be nominated by South Australia in the 2014-15 program has been set at 150. So, we are stretching ourselves even further.

Ms DIGANCE: I have one more question. It leads on from that, and I think it relates to Budget Paper 4, Volume 4. Minister, did you invite the head of Indonesia's Chamber of Commerce, Suryo Sulisto, to meet with you whilst he was in Australia earlier this month?

The Hon. M.L.J. HAMILTON-SMITH: Thank you for that question because I did undertake to a member that I would get back to the house about a question that he asked me in parliament, and this is a good opportunity to do that, although I will reply through the normal process. The question I was asked was: did the minister invite the head of Indonesia's Chamber of Commerce, Suryo Sulisto, to meet with him whilst he was in Australia earlier this month?

I am advised by my agency that Mr Sulisto, Chairman Kadin, arrived in Australia on Wednesday 4 June 2014 and departed on Thursday 12 June 2014. I am told that his program in Australia was prepared over a three-month period in the lead-up to his visit and that the itinerary involved business and private activity in Canberra, Melbourne, Brisbane and Sydney. Mr Sulisto did not travel to Adelaide during that time, and the agency is not aware of any request to meet with the South Australian government Minister for Trade or anyone else.

Nobody can be found to support the imputation that a meeting was sought. Generally, if visitors do not advise the South Australian government of their travel plans, do not travel to South Australia and do not seek a meeting with ministers, it is unlikely that ministers will meet with them. So, I just thought I should get back to the member on that.

Mr WHETSTONE: Budget Paper 4, Volume 4, page 112, under Targets, fifth dot point. How much funding is being spent on each of the China and India strategies on an annual basis? What cost is it to have South Australia-focused investment officers, or officer, in Mumbai and Shanghai Austrade offices?

The Hon. M.L.J. HAMILTON-SMITH: Thank you for the question. I will start with the China strategy, because DSD is working collaboratively across government, business and communities to effectively implement the China engagement strategy which was launched in December 2012. It is significantly focused on Shandong province and our South Australia-Shandong relationship.

The member would probably be aware that the City of Adelaide has also entered into a special relationship with Qingdao within Shandong province, which helps underpin our state government plan. The former DMITRE supported the Premier's delegation to Shandong and Beijing in April 2013, which included representation from 29 key SA iconic businesses and industry associations.

The inaugural South Australian Shandong Corporation and Development Forum was co-chaired by Premier Weatherill and Shandong Governor Guo Shuqing, and a memorandum of understanding, or MOU, was signed between the parties as result of the forum. A high-level working group was established to service the MOU, and in August 2013 former minister Kenyon visited Shandong to progress the high-level working group.

In December 2013 an MOU on cooperation between the former DMITRE and the Shandong Chamber Of Commerce was signed. DMITRE also signed an MOU with the Qingdao Bureau of Commerce in September 2013 to support the Adelaide-Qingdao sister city relationship. The Qingdao Bureau of Commerce has suggested that it will lead a trade investment focus delegation to South Australia before the end of the year.

As I mentioned, in May 2014 former trade minister the Hon. Susan Close led a delegation of 27 South Australian companies seeking investment and trade outcomes to Shandong, where they met 170 local Chinese companies. All companies made valuable contacts through the events, held in Jinan and Qingdao, and nine of the companies who presented investment opportunities have reported that they are continuing investment discussions with Chinese counterparts.

The eighth OzAsia Festival will be held in September with a focus on Shandong, and a delegation of Shandong officials will visit SA. In November 3 an Invest in SA conference will be held, attracting an audience of Chinese business migrants and potential migrants keen to explore investment opportunities. In December 2013 an MOU was signed between the government of South Australia and the China Development Bank to facilitate large project funding in South Australia. The China Development Bank has since accompanied South Australia to Shandong to leverage the relationship and investment outcomes.

Over 200 South Australian businesses have attended events organised as part of the China business education program, and over 250 businesses have registered with the Department of State Development to learn more about China. The Department of State Development has met with representatives from 13 China-focused member-based organisations, which represent Chinese business communities in South Australia, to encourage collaboration.

Exports to China reached \$3.3 billion for the 12 months to May, which was an increase of 54 per cent on the previous 12 months. China remains the most significant trade partner for South Australia, making up 27 per cent of the state's total exports, and there are currently 11,160 Chinese students enrolled in South Australia. China also continues to be a rich source of skilled migrants and, during 2012-13, 1,725 Chinese migrants settled in South Australia, up from 1,341 the previous year.

The member asked me specifically about financial issues. The resources for implementing the China strategy are sourced from the South Australian government's existing international engagement budget. The members of the China Advisory Council, as I have mentioned earlier, are in an honorary capacity. Mr Sean Keenihan is appointed until 31 January 2016, and his twelve-month remuneration package is \$A100,000. Travel, accommodation and reasonable entertainment expenses are covered with prior approval. As at 30 May 2014, for 2013-14 Mr Keenihan's travel, accommodation and other expenses were \$A19,000.

Mr Alfred Wong's 12 month remuneration package is \$500 per day for a maximum of 20 days per 12 months. Dr Wong's contract is until 31 December 2014 and contains the same travel, accommodation and entertainment conditions as Mr Keenihan's. For 2013-14, Dr Wong's travel, accommodation and other expenses were \$A2,500.

On the Austrade presence in China, the Jinan representative office in China remains open as the state builds its sister-state relationship with Shandong. This is an exception in Jinan where we have a dedicated person, and she is not part of the Austrade office.

The member asked me a further question about China. The Shanghai office was closed in June 2013 with office closure costs estimated at \$274,000 which comprised staff termination payments and legal advisory services. In-country legal advice was necessary to ensure the closure was undertaken in accordance with local Chinese law as it related to labour taxation matters. The legal firm engaged in the Shanghai office undertaking final closure activities post this exercise, and the end of financial year audit is required.

The member also asked me about India. The Chennai representative office in India was closed for business in January 2013. The staff worked until the end of their contracts and they were paid accrued entitlements, such as annual and long service leave payments. One staff member remained under contract and then on a fee-for-service basis until August 2013 to assist with the office closure. As mentioned, the closure of these offices followed the Hartley review, which I think enjoyed the support of the opposition, and the state government re-prioritised its India and China activities.

The member asked me about our offices in China. It costs us in the vicinity of \$240,000 for our Austrade embedded person in Shanghai. We also have an embedded person in Hong Kong, at \$210,000, and we have put someone into Mumbai in India at a cost of \$200,000. These are much more affordable arrangements than what we had previously, and I think we are getting better value for money from them. Could members be mindful that that is a total cost for that position including not only salaries, but operational costs and accommodation—there is a package of things—so the actual remuneration amounts are much smaller than that.

Mr WHETSTONE: Minister, are you sure you do not have got a copy of my questions in front of you?

The Hon. M.L.J. HAMILTON-SMITH: No, I wish I had.

Mr WHETSTONE: I turn to Budget Paper 4, Volume 4, page 112 under the heading of Targets 2014-15 and I refer to the fifth and sixth dot points in regard to the progressing trade priorities and also assisting businesses to achieve long-term success in international trade. What was the total cost of South Australia's trade missions in 2013-14?

The Hon. M.L.J. HAMILTON-SMITH: If I could take that question on notice because not all of the trade missions were within my portfolio. The Premier has led some missions and the Minister for Primary Industries has also been active because, of course, Food SA is a stakeholder and primary industries has an important role to play in promoting our trade. So, there is an 'across portfolios' answer—not all of the information is accessible to me right now.

The government is giving some consideration at the moment to try and introduce some improved regularity into our missions, both outbound and inbound. We are just giving some thought to that at the moment so as to better systemise what we are doing both for the recipient country and ourselves, but also for budgeting purposes. We have that whole question under review at the moment so I will come back to the house, and to the member, with a more considered answer. As a guide, however, I would indicate to the committee that in the annual report for this portfolio, tabled in the parliament, we did list the overseas missions for the financial year 2013-14 trip by trip and the total sum was \$268,113 through this agency. As I said, I will check that figure and I will update it and come back to the committee.

Mr WHETSTONE: How many trade missions are planned for the 2014-15 year, and is there a budget allocated to a trade schedule?

The Hon. M.L.J. HAMILTON-SMITH: Yes, the existing budget lines for the China, India and South-East Asia strategy will support those missions. There are missions planned. As I mentioned, the government, as we speak, is giving some consideration to the frequency and timing of those

overseas missions, so your question is very timely. You are interested in the year going forward, for this financial year forthcoming?

Mr WHETSTONE: Yes.

The Hon. M.L.J. HAMILTON-SMITH: I will come back to the house with some detail of what is planned for this financial year because our current considerations on this subject may impact the answer. I want to make sure the member has very accurate information.

Mr WHETSTONE: Minister, when businesses travel with you, SMEs and the like, on trade missions, does the state government pick up any of their expenses?

The Hon. M.L.J. HAMILTON-SMITH: Yes. As I mentioned, the two programs that I addressed a moment ago, TradeStart and Gateway, do have some provision for assistance with travel, both outbound and inbound. This is something that we would like to promote more extensively to food producers and businesses out there. I would like to see every single dollar of that money deployed. So, there is money available to assist with outbound travel and also with inbound visits.

That money can also be used to assist companies to prepare their materials, both electronic and written, for such missions. So, there is money there, it is available and can be bid for. Some of it is on a matching dollar for dollar basis, some of it is there as a grant. Apart from those grant programs, we do not have a magic pool of money that is available for overseas missions.

Can I just say that I would agree with the point the member is making, there is scope to take more businesses overseas to explore export opportunities. Some other states are doing this extensively. I understand that states like Victoria have been known to fill entire aircraft with people and they have contributed significantly to the travel expenses.

I am not sure what the budget of the Victorian government is but I think it is a little bit more than ours—Mr Garrard might be able to help me—we do not have that sort of money available. I would simply say that this is an area, if we are going to grow the economy and create jobs, where we need to put in some effort.

Mr WHETSTONE: In saying that, in the 2012-13 year Business SA was given \$1 million over two years to help with businesses that were looking at export and trade missions. Is there anything like that forecast, or are you lobbying for anything like that for other organisations?

The Hon. M.L.J. HAMILTON-SMITH: I appreciate the member's question and I thank him for it. The government does have a policy of working in conjunction with industry. We have provided support for key events and activities that show measurable and tangible outcomes in value for SA exporters and the business community generally. Cutting straight to the chase, examples of key events and activities recently supported by this department include \$30,000 of sponsorship for Business SA's export awards programs.

The CEO of Business SA was one of the first people I met with when I took over this portfolio. I was pleased to advise him that we would be giving him that money. It is part of a national program conducted by the Australian Chamber of Commerce and Industry and Austrade, and I will make sure that the shadow minister gets an invitation to attend, because I think it is very important that we give our bipartisan support to our exporters.

We have provided an \$11,000 sponsorship for Food SA's Food Industry Awards, which provide an opportunity to recognise and reward our best food producers, manufacturers and exporters. I have met with Catherine Barnett from Food SA. They are doing an outstanding job. They have someone up in Shanghai, by the way, and I think also in Hong Kong. They are receiving significant government funding. I have also met with Rob Kerin through Producers SA, and the food story is a very important part of what we are doing in this portfolio.

Business SA did have a three-year funding program for \$420,000 for coaching and mentoring services to SMEs; it ended on 1 July 2014. The Department of State Development plans to contribute ongoing support to Business SA as part of DSD's overall coaching and mentoring program, and I am looking at ways to reintroduce some assistance to Business SA. I am not quite sure what form that will take yet but I have opened the discussion, because I think ultimately what we do in China, India, ASEAN and our other trading partners needs to be industry led.

We do not want governments going over there trying to lead the way. I think we are important to open doors, particularly in countries like China, but you really want industry to be doing deals round the table with each other and writing each other cheques. When that is happening, we know the system is working, and I think the chambers can provide important assistance here.

Of course, we have engaged with the Australia China Business Council (ACBC). They have received \$50,000 to assist, develop and engage the business community to provide input into SA's China strategy. I have also met with Francis Wong of CITCSA. The SA government agencies such as the Department of the Premier and Cabinet and Primary Industries and Regions SA have sponsored events such as the 2014 ASEAN conference, with my department supporting the initiative through sponsoring a table and promoting the event to relevant industry clients.

Future support to CITCSA and other organisations will continue to be considered in line with strategic priorities and potential return on investment. That is something I will probably be looking at in this next budget cycle, because I think CITCSA and Business SA are organisations that the government values highly and I think they make very good partners in this space, so I am giving that considerable attention.

Mr WHETSTONE: The State Strategic Plan aimed for a total value of export income to South Australia to be \$25 billion by 2013 and obviously that has been extended to 2014 and now it has been revised to 2020. What is your strategy to meet that target?

The Hon. M.L.J. HAMILTON-SMITH: I think everybody understands that some fairly ambitious targets were set in the State Strategic Plan many years ago. We have reached \$12.4 billion, the highest result ever, in the 12 months to May 2014—as I mentioned earlier, up 18 per cent. It is a pretty good result and we are outperforming every other state at the moment. We have done that in the climate of the GFC and the aftermath and in the context of the Olympic Dam expansion not proceeding and the automotive industry really collapsing around us. So, it is actually a credit to all who have contributed to that export outcome.

Mr TARZIA: Low base, though.

The Hon. M.L.J. HAMILTON-SMITH: Yes, that is true. It is coming off a low base, although \$12.4 billion worth of export revenue flowing around the economy, as I mentioned before, that passes through GSP. That is farmers who can go and put the kids in private school and buy a new tractor. That is a food manufacturer who can go and put in a new plant line or hire some new people or spend money on an expansion. It flows through in retail. That is the core money that gets the GSP of the state going, so we need to grow it. What we will not be doing is setting targets that are unrealistic. What we will be doing is working pragmatically at getting results.

The approach I have taken to this portfolio is I want to know the facts of what is going on out there, down to intricate detail. I want to know exactly how many people we have exporting to which countries, I want to know what they are selling, I want to know how much we are selling, I want to know where the opportunities to expand that are, I want to know who is out there that could be exporting that is not and how can we help them to do so.

I want to take a fairly statistical approach to this, because if we can measure where we are now and develop some KPIs as to where we want to be and then, as we have seen with business migration, introduce some selective funding programs that get those results, I hope to be able to come back to this committee every year and show that we have built, in a very pragmatic way, a program of work that has actually got small businesses in particular out there doing things in regard to selling their products.

It is that SME sector on which I am really focused, because commodities, to a degree, tend to look after themselves. Copper, wheat, big business, tends to manage its export operations in the large bulk commodity sector. The sector in our community that we need to stimulate to create growth and opportunity is the SME sector. That is places like Impi Fruits, when I was up in the Riverland, it is dairy farmers down in the South-East, meat producers in country SA. The people who are producing advanced products, processed foods, dried fruits, almonds—these SMEs. This is the group on which I really want to focus, because \$1 million there, \$1 million here, \$2 million over there, if individual companies are making money, it all goes together into the same bucket, and we will get that figure up from \$12.4 billion.

Mr WHETSTONE: Moving on, what is the flight protocol for ministers and departmental ministerial advisers travelling overseas on portfolio matters?

The Hon. M.L.J. HAMILTON-SMITH: Do you mean what class of travel?

Mr WHETSTONE: I guess. Do you travel with your SMEs, flight classes?

The Hon. M.L.J. HAMILTON-SMITH: It is interesting that you ask this question, because I am not sure if there is a hard and fast protocol for outbound and inbound missions. As I mentioned, this is something to which, as we speak, the government is giving some consideration, and I am actively involved with reviewing that with other ministers and other departments. We are looking at trying to develop some improved protocols so that, for example, if the minister for primary industries, who I think has just come back from a mission to India, has had a very successful visit and has met a group of people, if I was to go six months from now I would know who he met, what happened, what the outcomes were. I can get off the plane, well briefed and well prepared, and can walk straight up to those people and say, 'Well, you met with the minister for primary industries on this day, these were the things you did, I'm here to follow on from that'. We can get better connectivity.

This is an area in which we have identified we can do better. Similarly, we are trying to ensure that our outbound missions line up with the appropriate events. For example, the food producers will want to be at the right expo or event in a country, where the buyers or show is on for food producers. That might be occurring at a different time to when the miners want to go. The miners might want to go to a completely different event at a different time. We need to synchronise those things a little better. I would like to see a regular or principal outbound event each year and a principal inbound event each year to each country.

I think the pattern established by the former premier, the Hon. John Olsen, in setting up the G'day USA program in the US, where he branded and set up an event that really showcased Australia, whilst you would not want to copy that, the idea of having a regular event at the same time each year as your outbound, if you are going from Australia there to show your wares, has some merit. We are giving some thought to that; no decisions have been made. It is a work in progress, but I am happy to share it with the committee. Some protocols that provide for better connectivity would be good. There are other activities going on. I think the Confucius Institute is about to take a group of MPs off to China.

I would encourage every new member in particular to take that opportunity to go, take their spouses with them if they can—I think they have been invited—understand the culture, engage with the country and get a feel for the place, because that helps our relationship with those countries, having bipartisan missions of that kind. Those members can go over there and come back better understanding the opportunities of China.

I think we could organise something similar in India, perhaps through the Commonwealth Parliamentary Association, where a bipartisan group of MPs tours India and brings into that some trade outcomes and trade visits. I know certainly I and other ministers would be interesting in helping to facilitate. I think as a parliament and a government we could improve the protocols, so I think we could do more in this space.

Mr WHETSTONE: Minister, you have mentioned your trip to China with then trade minister Close. The trade minister and her advisers flew first class within China during that trip. Did you also travel first class?

The Hon. M.L.J. HAMILTON-SMITH: I am not sure if that information is correct. I will check and I will get back to you, but—

Mr WHETSTONE: It is correct; it was based on an FOI that has been received regarding the overseas trip, May 2014.

The Hon. M.L.J. HAMILTON-SMITH: Was it? Okay. Well, I am not aware of that FOI or that minister's situation in that regard, but all I can say is that I think we flew from here to China business class; I think that is the standard protocol. I think we flew up and back business class. I think there might have been an internal flight—we had to come out through Qingdao through Shanghai; I am not sure whether that was a domestic flight, but I think that was business class as well. As far as I

was aware, the whole trip was business class. I was with her the whole time, and I am not aware of her having travelled first class at any time during that trip. All I can answer is what was my experience.

I am advised that for the domestic flights within China they may only have two classes of travel, and they call business class 'first class' and then there is just economy, so I am advised that may be the solution. But certainly the international component of that travel, from Adelaide to China and back, was business class, because I was in it and minister Close was in there with me.

If there was a first class component, I can only assume it was that very short domestic leg, which would have been probably the distance from Adelaide to Melbourne. It might be a terminology issue: it might be that there is no such thing as first class, even though it might be named as such, on the local China airline, whoever that was. One might want to refer that question to minister Close.

Mr WHETSTONE: Certainly. In regard to progressing trade priorities, have you met with your federal counterpart to discuss how South Australian exporters can maximise the free trade agreement with Japan and Korea?

The Hon. M.L.J. HAMILTON-SMITH: As a matter of fact, yes. I was, just this weekend, up in Sydney at the B20, which is the business component which forms part of the G20. It received quite a bit of media coverage. I spoke with the Hon. Andrew Robb up there at the B20, and also Ian Macfarlane. All state trade and investment ministers were invited to participate in a number of events, including a session on Saturday morning addressed by Treasurer Joe Hockey and attended by other ministers, including Jamie Briggs and Andrew Robb.

The event was also attended by the foreign affairs, investment and trade ministers from a good number of the G20 nations, together with a group of industry leaders from across Australia. It was a very interesting group, and I will also be attending a trade ministers meeting in Cairns in September, to which I assume all investment and trade ministers have been invited from around the country. I have had extensive discussions with Austrade, both on the weekend and separately.

My feeling is that the federal government and Austrade understand completely that what our food producers, exporters and small businesses want to see is complete cooperation between the commonwealth and the states in their best interests, and they want the commonwealth and the states to be working together on their behalf. They would be very disappointed if we were not, and so I am very happy to advise that, as I would expect from those two very professional ministers, Mr Robb and Mr Macfarlane, the South Australian government and the federal government are getting on with the business of advancing the best interests of our exporters.

Mr WHETSTONE: Have you met with any of the export businesses? Have you met with them directly or to discuss the benefits of the free trade agreement? I did note with interest your press release that was released sometime late last week with regard to bulk barley and bottled wine. I am just curious as to whether it was actually bulk wine and feed barley, because they were the beneficiaries of that free trade agreement.

The Hon. M.L.J. HAMILTON-SMITH: I am glad you have raised free trade agreements because, as I said, there have been discussions with the commonwealth and certainly locally about these agreements. Australia has entered into FTAs with Chile, Singapore, Thailand, the USA and certain ASEAN countries, and closer economic relations are planned between Australia and New Zealand. FTAs are under negotiation with Australia-China, the Australia-Gulf Cooperation Council, the CCC FTA negotiations and Indonesia-Australia's comprehensive economic partnership. Negotiations are also underway with Japan, Korea and Malaysia. The Pacific Agreement on Closer Economic Relations (PACER) is also underway, as is a Trans-Pacific Partnership Agreement.

FTAs are the responsibility of the commonwealth, and it is up to the states to really work out how they are going to best advantage their businesses and food producers from them. They have recently been pursued by the current federal government and those of significant interest to South Australia include the Japan-Australia Economic Partnership and the Korea-Australia Free Trade Agreement.

At the B20, I had a great discussion with the Korean trade minister, who is very keen to do business with South Australia. In fact, I had a bit of a laugh with him that he is going to be building

one of the supply ships for the Royal Australian Navy. It would have been nice if it was built here, but that is probably a subject for later in estimates.

South Australian goods exported to Japan in 2013 were valued at \$623 million, accounting for 5.8 per cent of total exports. Key exports from South Australia to Japan in 2012-13 included bluefin tuna, hay and chaff, beef and oranges. Key imports from Japan include motor vehicles and tyres. The Japan-Australia Economic Partnership is set to deliver a significant boost to Australian farmers and other agricultural producers, resource exporters, service providers and consumers.

The commonwealth government advises that more than 97 per cent of Australia's exports to Japan will receive preferential access to enter duty free when the agreement is fully implemented. Better access for key agriculture products, including beef, cheese, horticulture and wine, are expected. Tariffs will be bound at zero for wool, cotton, lamb and beer, most importantly at the end. For Australian consumers, tariffs will be eliminated on imported cars from Japan, as well as on household appliances and electronics. Australian service providers will also gain significant new access to the Japanese market across areas such as finance, education, telecommunications and legal services.

Under the Korea-Australia FTA, 99.8 per cent of Australian goods will enter Korea duty free on full implementation of the agreement. Compared with other trading partners, South Australia has a modest economic relationship with Korea and, unlike the rest of Australia, the state imports much more than it exports. The agreement eliminates high tariffs on a wide range of Australian goods exports, including beef, wheat, sugar, dairy, wine, horticulture and seafood, creates new market openings for services and improves investment protections. I would be very happy to provide briefings for any members of the opposition who would like to know more from the agency.

For agriculture, Korea will eliminate tariffs immediately on entry into force for raw sugar, wheat, wine and some horticulture. Tariffs on most other agricultural products will be eliminated within short time frames thereafter. Korea will eliminate its 40 per cent tariff on beef products progressively over 15 years, which will help to level the playing field for Australian beef exporters, relative to the USA. Korea will also eliminate all tariffs on manufacturing, energy and resources products within 10 years, which will benefit Australia's resource, pharmaceutical, energy and automotive parts exporters.

Australia will remove its remaining tariffs on Korean goods on entry into force or over several years, which will benefit Australian consumers and industries which rely on imported Korean products. Tariffs relevant to local sectors which compete against Korean products, including some vehicles, automotive parts, steel, textiles, footwear and clothing, will be phased out in staging periods to allow industry to adjust.

The KAFTA will provide benefits to the Australian services export industry, with new market access for suppliers of legal, accounting and telecommunications services and guaranteed open access across a broad range of other services, including financial and education services. In addition, the agreement improves opportunities and protections for Australian investors and investments in Korea, which will help attract more direct investment from Korea into Australia and promote investor confidence and certainty in both countries. For the Australian automotive industry, in place are staging periods for the reduction of tariffs for some vehicles of three years or, for parts, up to five years.

Negotiations on the Australia China Free Trade Agreement commenced in 2005. The negotiations are complex, covering an array of issues, including agricultural tariffs and quotas, manufactured goods, services, temporary entry of people and foreign investment. With China being a significant trader to South Australia, agreeing an effective FTA is essential to improving the competitiveness of our exporters in this significant market.

China has FTAs with New Zealand and Chile, giving them preferential access to the Chinese market; therefore, it is important for our agricultural producers to be able to compete on a level playing field. I am told that the 20th round of negotiations in May 2014 has progressed the agreement; however, substantial work is still required to conclude negotiations, and an intensive program of work is being pursued.

Mr WHETSTONE: Thank you, minister. I refer to Budget Paper 4, Volume 4, page 111—program summary. As the government has cut the budget to the Globally Integrating the SA Economy program from \$30 million in 2011-12 to \$19 million this year, have you, the minister, lobbied cabinet about reinstating funding for this program back to that \$30 million?

The Hon. M.L.J. HAMILTON-SMITH: Could you just clarify that question for me? Could you just point out where that \$30 million is on that page? Is it page 111?

Mr WHETSTONE: Budget Paper 4, Volume 4.

The Hon. M.L.J. HAMILTON-SMITH: Page 111?

Mr WHETSTONE: Yes.

The Hon. M.L.J. HAMILTON-SMITH: I am just looking for the \$30 million, because the page I am looking at in the budget paper has it going up from \$13 million in 2012-13 to \$19 million in 2014-15; that is, the net cost of providing services. If you look at page 111—

Mr WHETSTONE: Yes, I am looking.

The Hon. M.L.J. HAMILTON-SMITH: —we have got \$13.3 million net cost of services in 2012-13 going to a budget of \$13.8 million, then an estimated result of \$14.3 million, and then lifting to \$19.1 million in 2014-15. I just cannot see a figure of \$30 million there.

Mr WHETSTONE: No, you are right.

The Hon. M.L.J. HAMILTON-SMITH: It might have been \$13 million.

Mr WHETSTONE: My mistake; I apologise. Alright, we will move on.

The CHAIR: Perhaps we will have another question on this side, if that is alright.

Mr WHETSTONE: Another 15 minutes.

The CHAIR: Not necessarily. This could be just a yes/no. If you want to go with yours first, then we will come back.

Mr WHETSTONE: Okay, this one might stir them up a bit. Minister, I refer to Budget Paper 4, Volume 4, page 60—your ministerial office resources. Since moving into your new office at the Department of State Development, has your ministerial office had or will have any office fit-outs or modifications?

The Hon. M.L.J. HAMILTON-SMITH: Now look, the member for Elder will be shattered because this was her question, I understand, because I know she has had a keen interest in this. She has raised it with me on a number of occasions, so your question gives me an opportunity to provide an answer.

Yes that is correct. Information has been provided in the budget paper about the cost of establishing my office and I have made a concerted effort to try and minimise those costs. For that reason, although my office is in temporary lodgings in the city at the moment in Waymouth Street, I will be moving I think next week (so we love moving) to the State Admin Centre which is owned by the state government.

The annual cost of renting that office space will be \$156,100 and that is a bargain basement price because the cost of Waymouth Street is in the order of \$236,000 should they be retained. There are other government offices on North Terrace, for example, where it is \$340,000 and other city locations for \$223,000—so \$156,000, well, we have been sent to Siberia. It is very affordable accommodation by comparison with those other office spaces.

Can I also say the cost of setting up the office is very reasonable with the current estimate being \$1,051 per metre squared against the DPTI benchmark for a ministerial office of \$1,595 per square metre. So I am two-thirds of what the benchmark is for a normal ministerial office, and it is \$1,785 per square metre for this type of work generally. I do not know how but I managed to do it extremely economically. Although I did look into this, and I thought I would not bring it in, but I did look back to the time when the Liberal government was in office and we might not want to pursue this too much further.

There will be some fit-out costs of around—and this is just the normal stuff that goes on whenever there is rearrangement within the building—building works, moving the odd wall, putting up a reception desk and so on \$143,000, joinery \$16,000, furniture \$22,000, removalists \$4,000 and that comes to \$185,000, which is quickly ameliorated by the reduced rent being in the State Admin Centre, so it has been a great achievement. I want to congratulate my Chief of Staff and the CE of DSD for the job they have done.

Mr WHETSTONE: Does that fit-out include a new kitchen?

The Hon. M.L.J. HAMILTON-SMITH: I do not think so.

The CHAIR: Is that a no; that is a suggestion?

The Hon. M.L.J. HAMILTON-SMITH: The answer is no. In fact, when I was a minister in a Liberal government I had the luxury of an ensuite adjoining my office in plush circumstances. It is now quite a long walk to the other side of the building just to sort of powder your nose. So it is a much more humble, lean show in the current government than I remember from 2001.

Mr WHETSTONE: That is what happens when you do what you have done. Minister, how many staff will operate within your office?

The Hon. M.L.J. HAMILTON-SMITH: Can I just have a minute? Just to be accurate, I am advised that there is a movement of a wall that is required and that apparently is adjacent to the kitchen. So I am not sure whether it makes the kitchen smaller or wider, but there is a wall that is being moved. It is a bit like being back in the army I am afraid.

The CHAIR: Member for Elder, you have some news for the member for Chaffey.

Ms DIGANCE: Yes, Chair, I would just like to say, member for Chaffey, I am really pleased I let you go first with that question because I think you and I are in a bit of synergy today. That was the question I was planning to ask, so thank you for that; I appreciate it.

The CHAIR: You have the call.

Ms DIGANCE: So back to you.

Mr WHETSTONE: Minister, how many staff operate within your office, including the MLOs, other public servants and any other political staff reporting to you and at what cost? Can the minister advise when the information about his office staff will be gazetted, as it was due at the beginning of this month?

The Hon. M.L.J. HAMILTON-SMITH: Drawing the member's attention to Budget Paper 4, Volume 4, page 60, the budget paper gives a figure of eight FTE beside my name, minister Gago with 11 and minister Close with seven. That does not include ministerial liaison officers (MLOs). Funding provided for my departmental or my ministerial office for 2014-15 is \$1.7 million, comprising salaries of \$1.2 million, including \$0.3 million for three additional public sector FTEs, supplies and services of \$0.5 million.

The FTE budget for this office for 2014-15 will be 11 FTEs, comprising the following positions: a chief of staff, three ministerial advisers, an office manager, a PA to the minister, a PA to the chief of staff, a parliamentary officer, and three additional Public Service positions. The way ministerial offices work is you have people from departments attached called MLOs who are actually the connectivity point between your ministerial office and the department and who ostensibly are in your office but really are not, so to speak.

I am also going to have the Veterans' Affairs agency in my office; that was the practice of some previous ministers. This is an agency comprised and funded elsewhere in DPC; it comes under Treasury, I think, administered by Treasury. I am going to make efficient use of their co-location to ensure that I have direct access to that agency and, therefore, do not need an additional staff member. So I think in the overall scheme of things, my office is fairly lean compared to some; however, the benefits have been many.

Mr WHETSTONE: Referring back to the question I asked regarding Budget Paper 4, Volume 4, page 111, I did refer to globally integrating the SA Economy from \$30 million in 2011-12 to \$19 million this year.

The Hon. M.L.J. HAMILTON-SMITH: You said 30, sorry?

Mr WHETSTONE: Yes. In the 2011-12 budget.

The Hon. M.L.J. HAMILTON-SMITH: The 2011-12 budget. I do not have the 2011-12 budget in this budget paper and I am—

Mr WHETSTONE: Minister, back in 2011-12 the budget was \$30 million and it has been reduced to \$19 million. Obviously, with the importance of trade, your new portfolio, will you lobby cabinet to reinstate that funding to \$30 million?

The Hon. M.L.J. HAMILTON-SMITH: I will go back and check 2011-12 and I will see how that was constructed, because there has been significant reorganisation of government over that period. Now what it may show, when I obtain that information, is that that figure of \$30 million may have included small business, industry and trade or certain other functions that are not now included in the department. I am advised that there are portions of this function, such as Invest SA, that in 2011-12 were within the department but were hived off and went to DPC.

It may be that the reason for that discrepancy, if it is there, is reorganisation within government. Sometimes you are not comparing apples with apples: it is an orange and an apple. However, I will ask the department to go back and look at that. It is outside the purview of this budget paper, but I am more than happy to ask the department to go back and have a look at that, and I will get an explanation and certainly provide it to the member.

It may be that that money, or even more, is actually still being deployed but it might be deployed by either the Premier or by another minister, such as the Minister for Automotive Transformation or the Minister for Investment and Trade, or even PIRSA, because functions have been moved within government. I will come back to the house on that one.

Mr TARZIA: I refer to Budget Paper 4, Volume 4, page 112, the fifth dot point under Targets, progressing all investment priorities. What part of attracting investment to South Australia does the minister believe tax reform should play?

The Hon. M.L.J. HAMILTON-SMITH: Tax reform is clearly a matter for the Treasurer, and I am sure that he got a lot of questions on that subject. I would simply say that the message I get from businesses everywhere is that they would clearly like to be paying as little tax as possible. Somebody once said to me that the art of politics is deciding how the money will be raised and how the money will be spent, and I think they were not far off the mark. It is always important, but I think any questions of a specific nature on tax probably need to be referred to the Treasurer.

I would point out that the budget comprises a \$180 million reform of WorkCover. Can I say that I am really looking forward to seeing the details of those reforms. I think the opposition will be impressed and, I hope, fully supportive of those reforms, because it would be very nice to see a levy rate with a 1 in front of it, given that other states have a low levy rate. Everyone would like to see taxes come down, but they are questions for the Treasurer.

Mr TARZIA: I refer to Budget Paper 4, Volume 4, Page 31, under Targets 2014-15, the second dot point. How much extra funding has the government allocated to the state's fruit fly program to ensure our fruit fly free status is retained and horticulture export market access is maintained in the Riverland?

The Hon. M.L.J. HAMILTON-SMITH: I just observe that primary industries is the portfolio of another minister.

Mr TARZIA: I will rephrase it. What role is the SA government playing to ensure China recognises the state's freedom status?

The Hon. M.L.J. HAMILTON-SMITH: We press our clean and green credentials very forcefully in all of our trade missions, and we do our very best. I was delighted to be up in the Riverland the other day at the cabinet meeting where locals got up and absolutely commended the

government for its efforts on fruit fly. Someone, not known to me but perhaps known to the shadow minister, got up and said they were amazed and impressed that minister Bignell and, prior to him, minister Gago had spent hours and days, I think it was, standing with them in the orchards working through the issues during the recent crisis up there.

Mr Whetstone interjecting:

The Hon. M.L.J. HAMILTON-SMITH: I think they were congratulating the government quite strongly. In fact, I must say the whole Riverland shadow cabinet was just incredibly well received. The feeling I got from the community up there was that they were really pleased with the effort the government had put into measures in respect of fruit fly management, but they are questions you will need to refer to the minister for primary industry because it is his area. I acknowledge, in response, that it is important for us to push our clean and green message in China. Our produce is absolutely fantastic, and we do need to keep reminding people that we are a good clean destination. Of course, we are always going to have problems.

Mr WHETSTONE: During question time in the house a question was asked about you adopting the strategy to have China recognise South Australia as an area of freedom status, which is China giving recognition for, particularly, Riverland fruit growers to be recognised for being fruit fly free, which currently does not happen, and it is at considerable cost to the grower.

The Hon. M.L.J. HAMILTON-SMITH: I am not quite sure exactly what information the member is seeking.

Mr WHETSTONE: I am looking for your support to lobby the federal government, but also in your trade missions to support area freedom in the Riverland of South Australia. Exports that currently land in China are not recognised as fruit fly free, so all fruit exports have to go through cold sterilisation treatment. They are already recognised as fruit fly free, but China does not recognise that agreement.

The Hon. M.L.J. HAMILTON-SMITH: That sounds to me like a very interesting issue for us to explore together. I invite the shadow minister to perhaps catch up about that. You would be far more knowledgeable about these things than me; you have lived and breathed it all your life. I would be very happy to sit down to talk with you and others about that. If there is anything we can do to enhance our credentials as a clean, fruit fly free destination, I would be able to work together if you want to. The overriding message I am getting, as I go around talking to people in this portfolio, is that they really want us all to work together—the federal government, the state government and the opposition. There is work to be done, and if there is anything we can do together to improve our fruit exports, based on better promoting ourselves in China, I would be happy to work with you on it.

The CHAIR: There being no further questions, I declare consideration of proposed payments adjourned and referred to committee B. I thank the minister and his advisers for their time here today.

DEFENCE SA, \$16,467,00

Membership:

Mr van Holst Pellekaan substituted for Mr Whetstone.

Mr Speirs substituted for Mr Treloar.

Minister:

Hon. M.L.J. Hamilton-Smith, Minister for Investment and Trade, Minister for Defence Industries, Minister for Veterans' Affairs.

Departmental Advisers:

Mr A. Fletcher, Chief Executive, Defence SA.

Ms K. McGloin, General Manager, Corporate Affairs and Government Relations, Defence SA.

Mr R. Barnett, General Manager, Corporate Services, Defence SA.

Mr J. Chapman, Chief of Staff.

Ms J. Barbaro, Ministerial Adviser.

Mr B. Page, Ministerial Adviser.

The CHAIR: I declare the proposed payments open for examination and ask the minister to introduce his advisers before I call him to make his opening statement, if he has one.

The Hon. M.L.J. HAMILTON-SMITH: Thank you, Madam Chair, and thank you to members of the committee. I do not have an opening statement; I am quite happy to go straight to questions.

The CHAIR: Member for Stuart, do you have a statement or straight into questions?

Mr VAN HOLST PELLEKAAN: I have a very brief statement just to say that I am grateful to be the shadow minister for defence industries. It is a new portfolio area to me and I extend my thanks to all the people, both government and industry, who have made me very welcome. I look forward to meeting more of them, working with them and making a contribution to this important portfolio area. Budget Paper 3, page 31, the sixth down in the list is Defence SA. Minister, could you please explain the difference between the estimated result for 2013-14 of \$35 million and the budget for 2014-15 of \$21 million?

The Hon. M.L.J. HAMILTON-SMITH: Could I just ask the shadow minister to repeat the budget reference?

Mr VAN HOLST PELLEKAAN: Budget Paper 3, page 31, and you will see at about the sixth line down in that table the budget for 2013-14 was \$21 million, and the estimated result for 2013-14 was \$35 million, so about a 60 per cent overspend.

The Hon. M.L.J. HAMILTON-SMITH: My officers are just comparing that budget paper with Budget Paper 4, Volume 1, page 201. They are probably going to need some time to come back to the committee on that. If we can get to the bottom of that before the end of the session, we will come back, but otherwise I will have to take it on notice.

Mr VAN HOLST PELLEKAAN: Thanks, minister. Do you think it is a typo? You would be aware of a 66 per cent overspend.

The Hon. M.L.J. HAMILTON-SMITH: We will see. I do not think we will make any guesstimates about what might be the cause until we have looked into it in detail.

Mr VAN HOLST PELLEKAAN: Budget Paper 4, Volume 1, page 194, and I am talking specifically about the objective of Defence SA to strive to ensure the right climate exists for defence industry's growth. Can the minister outline what assistance in the federal government procurement process the state government is providing to South Australian defence industries?

The Hon. M.L.J. HAMILTON-SMITH: Could you just repeat that? I just missed the first part of the question.

Mr VAN HOLST PELLEKAAN: Can the minister outline what assistance in the federal government procurement process the state government is providing to the South Australian defence sector?

The Hon. M.L.J. HAMILTON-SMITH: So, what assistance are we providing to the federal government's procurement?

Mr VAN HOLST PELLEKAAN: What assistance are you providing to the local industry sector to participate in the federal procurement process?

The Hon. M.L.J. HAMILTON-SMITH: The amount of work being carried out by the state government to assist in federal government procurement processes is just so exhaustive; it is across the whole of the portfolio. The budget page you have quoted is really the entire program and includes all the activities of Defence SA and the advisory board, which are extensive.

There have been numerous publications and policy contributions made by Defence SA during the estimates period, which have ranged from defence naval shipbuilding through to land vehicles. We are constantly responding to parliamentary inquiries and requests from the federal government for advice. Mr Fletcher and others are up in Canberra endlessly communicating with those who procure defence products.

As well as that, we provide extensive funding to the Defence Teaming Centre which helps industry to coordinate its activities and to be a co-contributor in influencing defence outcomes. I would say that as a state government we are probably the most respected source of advice outside of Canberra in regard to defence procurement issues because of the quality of the work that is produced by Defence SA, Mr Fletcher and his team, along with the very eminent Defence SA Advisory Board, headed by Angus Houston. We are a state which punches above our weight and which is listened to.

I might also add that, because of the support and funding we give to the DTC, our industry group is probably the premier industry group in the country on defence issues, and as recently as yesterday Mr Fletcher and I gave evidence to a Senate committee on naval ships, along with Chris Burns from the DTC. Again, South Australia is punching well above its weight in the very latest Senate inquiry, so we are just at it constantly.

Mr Fletcher and I will be meeting next week with Warren King, the head of DMO, to again pursue that issue of defence procurement because we face some really important challenges, not only in naval shipbuilding but in vehicles right across defence. We saw it recently with the Rossi Boots question, and this is the whole question of buying local versus buying off the shelf from overseas. We are at it constantly trying to convince the commonwealth of the view that there is value in investing in local industry in the long term.

Mr VAN HOLST PELLEKAAN: Given that glowing report, could you tell me what could have been done differently or better to support Rossi Boots?

The Hon. M.L.J. HAMILTON-SMITH: I will tell you about Rossi Boots. First of all, the important thing is to ensure that local South Australian companies have the information they need to compete. By the way, we also need to do everything we can to get their costs down, but that is a separate issue the government is assiduously working on. The important thing is that they are able to compete on quality and on price.

You cannot ordain that government buys local. You cannot legislate that way. You certainly, as a state government for example, cannot insist that the state government will procure only local products, and the reason you would not want to do that is that you would kill the state economy. Just open today's Business Journal in *The Advertiser* and look at the stories about companies that have just won contracts in Melbourne and New South Wales; there are a couple of crackers in there. If you had a policy of only buying local as a state government, other states might then turn around and say, 'Okay. Well, if that's your attitude, we will only buy local.'

Mr VAN HOLST PELLEKAAN: Minister, I do understand that—

The Hon. M.L.J. HAMILTON-SMITH: I am just making that point.

Mr VAN HOLST PELLEKAAN: —but what could have been done differently or better for Rossi Boots?

The Hon. M.L.J. HAMILTON-SMITH: That is a question that you should be asking your Liberal colleague, David Johnston.

Mr VAN HOLST PELLEKAAN: Minister, I am asking you; it is budget estimates.

The CHAIR: Order! I want the minister to finish his answer and then we will go on to the next question.

The Hon. M.L.J. HAMILTON-SMITH: This can be as easy or as painful for the shadow minister as he wants, because it is his Liberal government that failed to deliver that order to Rossi Boots. Not only that, the only bloke having anything to say about it is Nick Xenophon. I did not hear the shadow minister out there standing up for Rossi Boots. In fact, I heard nothing but silence from the opposition on Rossi Boots.

My point is this: I was out there and I was making the argument. If you like, I will send the shadow minister the transcript of my ABC contribution. It basically said that I think that the federal government, where possible, should give every Australian company a fair go at whatever is on order, whether it is a pair of boots or an air warfare destroyer. That is my view. I do not know, and I do not think the shadow minister would know, the exact reasons why Rossi Boots did not get up with this particular order. It may have been on quality. It may have been on price. There may have been some other factor or reason why Rossi Boots did not win the contract.

What I have asked for from the federal government is the information so that Rossi Boots have that information so they can do better next time. Australian companies have to compete on quality and price, and I think they can and I think they do, and Rossi Boots are a fantastic example. They have been producing boots since World War I and they are a fantastic company. What they need to know are the exact reasons why they did not win this particular contract.

My understanding is that the contract may have gone to another Australian company. I think there is a debate about the extent to which that company might produce locally or overseas, so these are complicated matters. My point to the shadow minister is: if he wants to know why the defence department or DMO did not select Rossi Boots, the person to ask is his colleague, the Minister for Defence (David Johnston), and other federal Liberals who make these decisions as the commonwealth government. We have a very limited ability to influence it, other than to ask that the government exercise the same protocols we exercise.

I will give you an example. What the state government has done is to produce a position called the industry advocate (Ian Nightingale) who, Rossi Boots confirmed on radio, had spent hours with them helping them to improve their ability to win state government contracts. Perhaps what is needed in DMO is a defence industry advocate like Mr Nightingale who can get out there and bring the customer together with the supplier. There are a range of things that could be done, but we are constantly trying to convince the federal government to buy local and to buy South Australian wherever we can, and Rossi Boots is a good example.

Mr VAN HOLST PELLEKAAN: Thanks, minister.

The Hon. M.L.J. HAMILTON-SMITH: Can I add that minister Close, the Minister for Manufacturing, happened to be up in Canberra last week and I think had a meeting with minister Johnston about the very issue of Rossi Boots. So not only did we make that clear publicly but a minister actually went up there and spoke to the defence minister about it to see what could be done.

Mr VAN HOLST PELLEKAAN: Thanks, minister. Have you met with minister Johnston yourself since your appointment—on any matters at all, not just Rossi Boots?

The Hon. M.L.J. HAMILTON-SMITH: I attended a lunch with minister Johnston at the Australia-Israel Chamber of Commerce. Other than that I have not had occasion to meet with him at this point. I expect I will probably see him during the DNI conference coming up.

Mr VAN HOLST PELLEKAAN: I refer to Budget Paper 6, page 36, Defence Teaming Centre. Please advise how much funding is budgeted for the Defence Teaming Centre for 2014-15 and 2015-16.

The Hon. M.L.J. HAMILTON-SMITH: The Defence Teaming Centre is South Australia's peak defence industry association representing the state's defence primes, SMEs and educational institutions. In addition to servicing its members' base, DTC plays a key leadership role in coordinating and facilitating workforce development and training in skills acquisition for the state's defence industry. DTC has also expanded its industry and enterprise development activities.

The state, through Defence SA, provides funding to DTC to deliver industry advocacy, sustainability and workforce development programs and initiatives. The four-year funding agreement concludes on 30 June 2016 and totals \$1.97 million. In addition, the state will partner with the DTC

in an \$0.5 million per annum election commitment to better integrate South Australia's automotive capabilities into the defence sector.

Funding is released quarterly to the DTC contingent on satisfactory performance against an agreed annual project plan which details planned outputs and initiatives, for example, industry briefings, business improvement activities, workforce updates and submissions to government. Defence SA and DTC hold twice-yearly strategic exchanges to ensure alignment of corporate objectives and explore further opportunities for collaboration. The next session is scheduled for 24 July.

Going into more detail, the government election promise was to provide \$2 million in funding to the Defence Teaming Centre. The intent of the government is to provide this funding for the DTC to develop appropriate plans to transition outgoing Holden workers into the defence industry. In fact, I had a meeting as early as this morning with the AMWU. Mr Fletcher does not know this yet, but we are going to organise a get-together between me, the DTC and the union to get their advice on how we could best deploy some of that funding, because I think their advice would be useful.

There are current discussions underway regarding specific workforce program development. Funding for this initiative is outlined on page 36 of Budget Paper 5 for \$0.525 million in 2016-17 and \$0.538 million in 2017-18. Funding for the 2014-15 and 2015-16 years of \$0.5 million for each of these years will be drawn from Our Jobs Plan, which is in Budget Paper 6, Part 2: Budget Measures.

Mr VAN HOLST PELLEKAAN: The figures shown in that table that are referred to—the half a million dollars each year for 2016-17 and 2017-18—are the back half of the government's election promise and the half a million for the two previous years (2014-15 and 2015-16) are coming from the other Our Jobs Plan budget line? Is that what you are saying?

The Hon. M.L.J. HAMILTON-SMITH: That is correct. They are basically for the automotive transformation programs. They will be sourced from a separate part of the budget.

Mr VAN HOLST PELLEKAAN: Does DTC know that?

The Hon. M.L.J. HAMILTON-SMITH: Yes.

Mr VAN HOLST PELLEKAAN: I refer to Budget Paper 4, Statement 1, page 194.

The Hon. M.L.J. HAMILTON-SMITH: DTC knows that it is going to get its money, and it knows that it is coming from separate budget lines.

Mr VAN HOLST PELLEKAAN: So they know it will get, starting this year, its additional half a million dollars a year every year?

The Hon. M.L.J. HAMILTON-SMITH: Yes, that is right. We will be asking the DTC to lay out a program of work to make sure that money is properly deployed to get the right results.

Mr VAN HOLST PELLEKAAN: I refer to Budget Paper 4, Statement 1, page 194 and that objective to facilitate the development and growth of defence and defence industries. Given that the 2014 KPMG report entitled Competitive Alternatives indicates that the cost of doing business for manufacturers in Adelaide was higher than Melbourne and more comparable to Sydney and Brisbane, as Minister for Defence Industries, what specific steps are you taking to make South Australia a more competitive place to do business for the defence sector?

The Hon. M.L.J. HAMILTON-SMITH: That sounds like an attempt to ask a question that would probably be more appropriately asked of the Treasurer. However, I will take it in the spirit in which it is intended.

Mr VAN HOLST PELLEKAAN: Sorry, just to clarify the spirit: if it was small business I would want to know what the minister was doing to help small business.

Mr VAN HOLST PELLEKAAN: If it was agriculture it would be exactly the same.

The Hon. M.L.J. HAMILTON-SMITH: That is fine. If the minister wants to ask questions about tax reform, if the minister wants to ask questions about WorkCover, if the minister—

Mr VAN HOLST PELLEKAAN: Shadow minister.

The Hon. M.L.J. HAMILTON-SMITH: Or the shadow minister—wants to ask questions about the cost of doing business, I suggest that he refers them to the Treasurer. I would, however, make some general points. First of all, the government has given an absolute commitment to reform WorkCover. We cannot have a levy rate with a '2' in front of it when other states have a levy rate with a '1' in front of it, down around 1.5. I am encouraged on behalf of industry by that commitment. I think it is a commitment that not only will be delivered but will be delivered well, and I think that will help defence industries.

I also point to the Treasurer's stated intention of delivering a surplus within two years—I think it is \$406 million—and subsequent surpluses. They will need to be delivered, of course, but that provides headroom for tax reform, and the shadow minister could help here. The shadow minister could help by getting on the phone and talking to some of his Liberal colleagues in Canberra and asking them why they are cutting \$800 million to \$900 million out of the state budget, which is putting cost pressures on the state budget right across all sectors which will flow through—unless it is alleviated—to additional costs for everybody in this state. I think the federal budget is part of the context that the shadow minister is referring to when talking about the cost of doing business.

I think South Australia does have to be cost competitive, but the most important thing that government can do at the moment to help the defence sector is sort out naval shipbuilding and give us a continuous build over 30 years so that SMEs can get out there and start producing submarine frigates and the various other bits that go with them. Notwithstanding LAND 400 and various other projects, we just need some decisions. To me, that is the most important thing regarding people's business viability—no other issue. They need their order books filled. Again, that is an area where the shadow minister can help, if he gets on the phone. Let's get some decisions.

Mr VAN HOLST PELLEKAAN: Thanks, minister. On the same page, minister, were you able to put any sort of case forward to the federal government prior to its decision to exclude South Australian industries from the naval supply ship tender process?

The Hon. M.L.J. HAMILTON-SMITH: Prior?

Mr VAN HOLST PELLEKAAN: Prior to its decision, were you able to advocate?

The Hon. M.L.J. HAMILTON-SMITH: I am advised that the general expectation across industry and within government prior to the federal election, and the general messaging from the Coalition prior to the federal election, was that the two supply ships would be let locally. The reason given—and this messaging—was that the valley of death, or the gap, if you like, between the Collins and sustainment and the Air Warfare Destroyer Program was such that work was needed to keep the workforce not only in Adelaide but also in BAE Williamstown and Forgas in Newcastle engaged, and that the way to fill that gap was to award the two supplier ships to local construct.

Both BAE and the ASC had an offering. I think the BAE offering was two ships and the ASC offering was three. There was an expectation in the industry that the Coalition would let those two contracts to local workers and businesses. There has been ongoing contact between this agency, my predecessors in this role, and the federal government hammering the point that the supply ships needed to be awarded locally. I think that Mr Fletcher has been involved in that lobbying, our Defence Advisory Board has been involved in that lobbying, and there have been regular meetings with federal ministers and agencies about that in Canberra, pushing and lobbying for those two ships to be awarded locally.

Then we had the stunning revelation that the Coalition has decided to let the jobs off to Korea and Spain. I will make the point in relation to the LHD project (and I have been over to visit the LHD in Canberra and Adelaide), 80 per cent of the ship was built in Spain and 20 per cent has been built here. It was towed out here. If that is the model we are going to use for naval ship building—to build them overseas or build 80 per cent of the work overseas and 20 per cent here—if that is how the Coalition is going to do it going forward, I would be very worried for South Australian jobs.

There has been ongoing and regular contact between the state government, Canberra and DMO on this matter. I am advised that we were distressed that local companies were not more effectively engaged with by the federal government in the lead-up to this decision and, in effect, a situation arose where they appeared to have been ruled out.

I was giving evidence about this to a Senate committee with Mr Fletcher as recently as yesterday, appealing for this to be reviewed and the decision to be considered again. The committee heard evidence from around the country that those ships could have been built here. They were not, and I fear that we are being softened up for more of this.

I have this point to make, and it is a very important one, and that is that the businesses of South Australia, the defence industry and the workers in this state need the state opposition's help. They need the state opposition to get on the phone and ring the Coalition and fight the fight for South Australian jobs and insist that those frigates and those submarines and those ships be built here.

Unfortunately, the South Australian people have heard nothing but silence. So, the shadow minister might want to use his next question as an opportunity to state the opposition's position on those two supply ships. Does he think that they should have been built here? What is his view, what is his leader's view? I am waiting; I think that the committee would like to hear.

Mr VAN HOLST PELLEKAAN: Minister, given those statements, what specific actions—

The Hon. M.L.J. HAMILTON-SMITH: We are not getting an answer.

Mr VAN HOLST PELLEKAAN: It is not how it works in estimates, and you know that very well.

The Hon. M.L.J. HAMILTON-SMITH: Oh, it is not how it works in estimates. We are waiting for an answer.

Members interjecting:

Mr VAN HOLST PELLEKAAN: What specific actions—

The Hon. M.L.J. HAMILTON-SMITH: Does the state opposition support those two ships being built here or does it not?

The CHAIR: I will be leaving the room in a minute, and you will all have five minutes to cool off. You either go ahead listening to each other's questions and answers or I will leave the room.

Mr VAN HOLST PELLEKAAN: Sorry, Chair—

The CHAIR: I am talking to everyone, and I will not be spoken back to. This is it. One question, one answer, nothing more. You have the call.

Mr VAN HOLST PELLEKAAN: Thank you. Minister, given those statements, please advise what specific actions you and the government are taking to advocate for the future submarine building projects?

The Hon. M.L.J. HAMILTON-SMITH: I thank the shadow minister for his question because this project, Sea 1000, combined with the frigate program, is the lynch pin to the future of Australia's manufacturing sector. We have lost the Olympic Dam expansion; you might call that strike 1. We have lost the automotive sector; you might call that strike 2. If we do not get it right with future submarines and the frigates, I would call that strike 3, and I would have serious fears for the future of this state's manufacturing sector. That is why we need all hands on deck and all shoulders to the wheel to argue the case to the Coalition because the decisions made about the submarine and the frigate program in the coming 12 months will determine whether we as a nation go forward with a 30-year ship building industry in this state or whether we sell it off overseas. That is the bottom line.

There is \$250 billion on the table over 30 years to be spent on submarines and frigates and other ships. About one-third of that will be spent building the ships and about two-thirds will be spent on mid-cycle dockings and lifetime sustainment over 30 years. These are our children's jobs and our grandchildren's jobs. The current federal government can be the government that made the right decisions about the submarine project and the frigates, or it can be the government that took the industry overseas.

I sincerely hope it will be the former, and I am quietly confident that it will be, because I think it is almost incomprehensible that we will make a decision to spend \$250 billion of taxpayers' money creating jobs and enterprise in someone else's country when we can do it ourselves. I can also say that it is vitally important that industry have deal flow, so that it can get continuity into its work and

can produce ships and submarines of the highest standard. So the submarine option is going to be vital. It needs to be centred around Techport.

To be fair to the current government, these problems go back through successive governments, perhaps decades of this stop/start approach to naval shipbuilding. We have been lobbying non-stop for years now about the submarine project, not just to the current coalition but to the former Labor government, and going back beyond that through DMO and through all the proper agencies. We have written books about it, we have publications about it, we have made endless submissions about it. Mr Fletcher and others, including former ministers, have made endless representations about it. We have attended events and functions all pushing the case for the future submarine, because it is the key.

We have attracted the submarine systems design centre here. As I mentioned, the future submarine project will provide a new and potent capability. The commonwealth government has committed to Australian work on the project to be centred around the South Australian shipyards; that was the coalition's firm commitment. Commonwealth policy has all design options for the replacement of the current fleet under consideration, and indicates a focus on capability and continuous build. So all the words are there.

The commonwealth has already decided to locate the submarine land-based test site and the future submarines systems centre in Adelaide, largely with our encouragement, reaffirming Techport Australia's reputation as the country's pre-eminent centre for submarine construction. Irrespective of the future submarine design or acquisition strategy ultimately chosen by the commonwealth, this project will give significant economic benefit to all South Australians for generations to come.

The release of the Defence White Paper in mid-2015 is crucial. It is expected to provide further policy clarity in relation to the project. We all need to be pushing for the Collins to be replaced by a submarine built in and based around Adelaide, involving industry from around the country. That is what the government is pushing for, that is what we hope there will be bipartisan support for.

The latest indications are that Defence is still focused on two broad options for the future submarines: an evolved design that enhances the capabilities of the existing off-the-shelf designs, including the Collins-class, and the development of an entirely new submarine. A Defence and industry integrated project team is operational at the future submarine systems centre—temporarily located at Dudley Park—to work on the new design concept, drawing on expertise from around the world.

Defence has allocated \$50 million for scientific and technological studies to be conducted by the Defence Science and Technology Organisation to inform and develop the requirements and to reduce the risk in critical areas of the project. So we are all over this project with the complete view that this needs to be advanced and advanced quickly, along with the frigate project, and based around Adelaide for the benefit of all.

Mr VAN HOLST PELLEKAAN: Minister, how many defence jobs currently exist in South Australia, direct and indirect?

The Hon. M.L.J. HAMILTON-SMITH: Defence SA, as we all know, is the lead agency for defence issues. It has a goal to increase defence and defence industries' contribution to our economy to \$2.5 billion and employ 37,000 people by 2020, which was a milestone of \$2 billion and 28,000 people by 2013. Of course, all of that depends on the single customer—the commonwealth.

As at 30 June 2011, South Australia's defence sector, that is, defence and industry, employed 26,882 people—12,655 direct, and 14,227 indirect jobs. That is an increase of approximately 2,000 over the past two years. The sector is projected to grow to more than 31,000 by 2013-14, surpassing the milestone SASP target of 28,000 by 2013.

As at 31 December 2012, and this is preliminary data, defence sector employment remains static at around 27,000—a very positive result given reduced defence expenditure over recent years in consideration of Australia's strategic and fiscal environment. In the same period, specialist defence industry employment was around 4,985 FTEs in South Australia, generating around \$1.95 billion.

Employment is not projected to grow rapidly in South Australia over the next few years from 2012. Industry projects direct employment growth of around 1.6 per cent each year on average up to 2017. There is no standard measure to review progress against the defence economic contribution target and, as I mentioned, it is extremely vulnerable to decisions made in Canberra by the single customer. If, for example, we decided to buy submarines from overseas, or frigates, it would have a catastrophic effect on those employment and GSP outcomes—absolutely catastrophic. So, that is the state of play.

Mr VAN HOLST PELLEKAAN: Minister, given that you have just said that there is no mechanism to measure progress against those targets, how do you know when you get there? How do you know whether you have achieved those targets that you have set yourself?

The Hon. M.L.J. HAMILTON-SMITH: The problem is that there is no standard measurement—for example, ABS reporting data, or independently monitored data that automatically reports GSP or jobs in the defence sector. We have to do the work ourselves.

We use a device on an annual basis—a model that was developed using consultants in the past—to go out there and survey and come back, measure, and report that information. I have just done that to the committee, and will continue to do it. Sadly, there is not an independent source of regular and ongoing information that can be relied upon, so we have to do it ourselves.

Mr VAN HOLST PELLEKAAN: Minister, given that you said this growth in jobs and GSP relies on one single customer, what are you and your department doing to try and work with New Zealand and South East Asia to change that fact?

The Hon. M.L.J. HAMILTON-SMITH: I am glad the shadow minister has made this point because I think exports are an area where we could provide some additional effort, and we are doing that. For example, SAAB Systems are active in Thailand and India. I met with them up in India and they are promoting their combat systems in those two countries. We have other manufacturers—

Mr VAN HOLST PELLEKAAN: Which two countries, minister?

The Hon. M.L.J. HAMILTON-SMITH: Thailand and India. But of course it all hinges on R&D capabilities embedded through work with the local customer—the commonwealth. Essentially, about 80 per cent of revenue in defence, in terms of industry revenues, comes from the commonwealth. The commonwealth is the big domestic customer—everything else hangs off that. This is the point about naval shipbuilding: if the Coalition decides that we will have a naval shipbuilding industry, there will be plenty of opportunities to leverage exports off that in everything from nuts and bolts to combat systems design and computer software.

If, however, the federal government decides to buy our ships off the shelf from overseas, those export opportunities will go to wherever that investment is being made. So, when we decide to build supply ships overseas, as we have now (and as I mentioned, that is a Liberal government decision), then Korea and Spain will benefit from that; they will be the ones to get the export opportunities from it. So, again, we all need to be encouraging the local customer, the major customer that generates 80 per cent of revenue, to buy local so that we can generate exports.

The shadow minister makes a good point: exports are something that we need to encourage and promote. The government has a funded plan to include the Defence Teaming Centre and defence companies in its overseas trade missions and activities, because I think that is important work. There are some security issues, by the way, with some aspects of defence exports, where we have agreements with the United States or other countries: there are certain things we cannot sell but there are other things we can.

Mr VAN HOLST PELLEKAAN: Thank you, minister. Same book, page 197. What steps are you taking to assist our defence industries to attract the LAND 400 project?

The Hon. M.L.J. HAMILTON-SMITH: I am glad you have raised this one because it is an issue of real concern. We are well placed to play a major role in the \$10 billion plus combat vehicle system, called LAND 400, the largest military vehicle program ever to be undertaken but, again, it all depends on what the single customer (the commonwealth) decides to do. The LAND 400 project

proposes procurement of up to 1,100 armoured fighting vehicles of three types in staged phases over 15 to 20 years.

Potentially worth over \$10 million, LAND 400 will be one of the largest acquisitions of its type in the world. The vehicles sought will operate in concert with the Abrams tank, together forming the future of Defence's close land combat capability. This capability is currently provided by ASLAV armoured personnel carriers and Bushmaster vehicles, both due for retirement in 2020. In terms of its importance to the Army, LAND 400 is equivalent to the Navy's future submarines and the Air Force's joint strike fighters. It is a nation building opportunity for Australia and for South Australia.

LAND 400 will acquire a new vehicle platform and also new highly complex weapon, sensor, battle management and communications systems. Both will require ongoing sustainment for some 35 years after purchase. This equates to three to four times the vehicles' acquisition cost and presents a very significant opportunity for South Australian industry. This gets back to the point that the economic rationalists of the world would want to save a small amount upfront by cutting this project, but they overlook the three to fourfold benefits of having sustainment work further down the track.

The state government continues to actively advocate for high levels of Australian content to maximise program benefits for Australian companies and workers. The federal government is expected to approve the project in October 2014, including funding, and Defence is expected to release the request for proposal in November 2014.

First pass approval will clarify the commonwealth's requirements for the project; for example, types and numbers of vehicles, which will be further detailed in the RFP. First pass is the critical point also for the commonwealth to set clear rules regarding Australian industry involvement in the project, including through inclusion of through life support bid requirements. Failure to do so, combined with phased acquisition and without current TLS contracting, will ensure that LAND 400 is delivered offshore where bidders have existing operations.

This is an area where I would again urge all MPs, and the opposition, to join with the government in convincing the single customer that we must have this project, it must have an optimum of local content and it must be based and built locally. We have very good contenders here. If I could just add that at Wingfield, BAE Systems Australia designed and engineered the 435-strong ASLAV armoured personnel carrier fleet and also manufacturing many of them there as well.

At Pooraka, General Dynamics Land Systems Australia (GDLS) rebuilds battle-damaged ASLAV vehicles, produces new 25 millimetre turrets for the GDLS global supply chain and manages the long-term sustainment of the Army's 256 ASLAVs and 59 Abrams tanks. So, we are well positioned here, we just need the federal government, as the single customer, to write the cheque.

Mr VAN HOLST PELLEKAAN: Given that Victoria and Geelong specifically are being extremely publicly proactive to win this contract, do you think it is best to compete against them or work with them to try to win the business for South Australia?

The Hon. M.L.J. HAMILTON-SMITH: I think it is a bit of both in defence procurement generally. There are circumstances where South Australian companies can and do compete and go for bids and win them. With certain projects, it is worth doing that. With other projects, and I think naval shipbuilding is a very good example, it is better to be cooperative. For example, we depend on the workforce at BAE Williamstown to some degree. They are building blocks for the air warfare destroyer, and that workforce and capability is needed to make the whole thing work. It is the same with Forgas in Newcastle.

Mr VAN HOLST PELLEKAAN: And this contract, minister?

The Hon. M.L.J. HAMILTON-SMITH: In regard to the Land 400, we will have to see what the government decides because, for example, the shadow minister is asking whether it is better to compete or work with them. It is not a decision for the state government. BAE and General Dynamics will be bidding for the project. It is up to them whether they include subcontractors from Geelong, Victoria or elsewhere. It is not up to the government. Our job is to help the private sector to win the projects. We have BAE and General Dynamics, which are here. Victoria is also making a strong pitch for the program to be at least part based in Geelong.

The state aims to win the assembly and the majority of the support work for South Australia using a two-pronged strategy: persuading the commonwealth government to set rules requiring the involvement of Australian industry such as local industry to have a fair chance of winning substantial work and, secondly, persuading likely bidders that within those rules South Australia is the logical location for the delivery of the Australian content.

In regard to the first strategy, my agency has strongly advocated to key decision-makers in the commonwealth that these approaches have been favourably received, although political direction for procurement rule changes is yet to come. In regard to the second strategy, the Premier briefed Defence and likely bidders in December 2013, providing a high-level commitment to build a Techport-like facility for Land 400 to attract the project to South Australia. Defence SA remains closely engaged with potential bidders.

By the way, Queensland may also position to be a base for the program, and there is a long list. Companies that may be prime for the project could include a whole host of companies from right across the country, but what we are doing is offering a facilities package, like Techport, for vehicles as part of the deal. If we can be more creative and quicker off the mark than other state governments, we will, because essentially we want the work here.

Mr VAN HOLST PELLEKAAN: On the same page, first dot point under Highlights: will the minister outline if the review of South Australia's defence strategy has been completed yet?

The Hon. M.L.J. HAMILTON-SMITH: I might just hand that one over to Mr Fletcher.

Mr FLETCHER: We have been engaged in the strategic review process for the past 12 months. We have consulted with 46 CEs of industry, the customer base and had considerable feedback and consultation with all players involved. That work is just about complete and will be with the minister in the next couple of weeks.

Mr VAN HOLST PELLEKAAN: On the same page: what plans does the government have to utilise the Woomera training area?

The Hon. M.L.J. HAMILTON-SMITH: The Woomera Prohibited Area is a very valuable asset to this state. On 16 July 2014, passage of the Defence Legislation Amendment (Woomera Prohibited Area) Bill 2014 created a new coexistence regime for the Woomera Prohibited Area, providing certainty of access and use for all users. It will better balance the national security and economic interests in the area and it is a win-win for the importance principles of multiple land use and coexistence between the vital industry sectors of resources and defence.

The WPA is a globally unique 124,000 kilometre defence testing range in the Far North of South Australia. It represents over 12 per cent of the state, and there is really nothing quite like it anywhere else in the world when it comes to testing the sort of things that defence wants to test. The federal government's 2011 Hawke report shepherded the development of a new legislative time-share arrangement governing the shared use of WPA by Defence, the mining sector and other users. The co-existence regime will better balance national security and economic interest. It will also provide access, certainty and scope for forward planning by pastoralists, tourists and others who want to use the area.

The state government has been actively supporting Defence to implement this innovative regime, including participating in the WPA advisory board, the WPA coordination office. We will continue to do so after the implementation of the scheme. The Defence legislation amendment Woomera Prohibited Area Bill, effecting the scheme, was passed by the federal government on 16 July, and Defence will remain the primary user of the area for testing and evaluation.

The new legislation sets out access rights for non-Defence users, a permit scheme, compensation and enforcement provisions and an appeals process and also preserves the right of existing users, particularly Aboriginal groups and pastoralists, to continue to operate under their current access arrangements. This has been a real win/win for everybody, and we certainly hope that this highly prospective area is opened up to mining.

Mr VAN HOLST PELLEKAAN: Minister, are you saying the prohibited area will be open to tourism now?

The Hon. M.L.J. HAMILTON-SMITH: You would have to ask the Minister for Tourism what plans he may have.

Mr VAN HOLST PELLEKAAN: Let me be clear: you did say 'tourism'. I just wanted to check that that is what you meant.

The Hon. M.L.J. HAMILTON-SMITH: What I said was that others had been consulted. The shadow minister might like to read the bill—have you read the bill? You might like to read the bill and see what provisions—

Mr VAN HOLST PELLEKAAN: Minister, I am giving you the opportunity to correct yourself if it is necessary.

The CHAIR: Order! We have a question, we have an answer. I remind you that the standing orders carry on in to estimates. I refer to estimates 271, which means that a member can be heard in silence. We have a question, we have an answer, and then it will be back to you to further interrogate the minister. The minister is finishing the answer.

The Hon. M.L.J. HAMILTON-SMITH: I will just finish the answer, because I made the point that the federal legislation will provide access, certainty and scope for forward planning by pastoralists, tourists and others who use the area. At least we now know with the bill what the rules are.

Mr VAN HOLST PELLEKAAN: What is your plan to promote the Techport Osborne facility for use by visiting naval ships from allied nations?

The Hon. M.L.J. HAMILTON-SMITH: Techport is the country's prime and pre-eminent naval shipbuilding and repair precinct. The capital works that are underway to support the full needs of the air warfare destroyer project in peak production, as well as to provide the state with maximum flexibility to continue to pursue third party use in future naval programs. So, third party use is and has been a consideration for the government from the outset, because we have invested \$254 million down there. As at 31 May 2014, \$252 million had actually been expended on the whole Techport endeavour.

During 2013-14 the Mersey Road crossing was upgraded to enable the transfer of items between the common-user facility and the expansion of land on the western side of Mersey Road. Installation of the cathodic protection system to mitigate corrosion on the wharf, and ship lift piling commenced, as scheduled for completion of the first quarter of 2014-15. The expansion works and dredging works are extensive. Third party access is something the government is considering, but I do not think any requests have been made. There has been discussion between the government and others about overseas use of the facility, but I do not think anything has transpired as yet.

Certainly, the facility has been used by other entities, including Kangaroo Island SeaLink, CSA, and the SeaRoad Shipping organisation for multiple vessels survey and maintenance activities. I think the Waverider Energy and Oceanlinx Limited use the facility. They constructed their prototypes—I think that had a colourful ending. The 2014-15 AWD project will remain in peak production, but Defence SA will continue to support block and mast deliveries, as well as keel block alignments, and the facility is open for business should any approach be made from third parties for access. It is a significant capability for us.

The CHAIR: Was that your last question or is this your last question?

Mr VAN HOLST PELLEKAAN: I have one more which could be taken on notice, Chair. Page 196: would the minister advise how much money has been spent in 2013-14 and is budgeted to be spent in 2014-15 on consultancies, and also on grants and subsidies, and where they went to last year? I am happy to receive that on notice, if that helps the Chair.

The Hon. M.L.J. HAMILTON-SMITH: In the full year 2013-14, around \$353,753 was spent on consultants. When a contract is executed during the year in accordance with the DFT Accounting Policy Framework, Defence SA assesses whether the engagement is a contractor or a consultant.

The Defence SA expenditure on consultant services is generally for specific strategy policy advice. Recent and forecast expenditure is as follows: in 2012-13, the actual expenditure was

\$224,000; in 2013-14, the budget was \$384,000; in 2014-15, it is \$82,000. In 2013-14, estimated consultant expenditure was \$372,000, largely to US-based Fletcher Rowley—no relation?

Mr FLETCHER: No relation.

The Hon. M.L.J. HAMILTON-SMITH: —to provide strategic advisory services in relation to positioning Techport Australia as a strategic contingent facility for US Navy voyage and emergent repair and maintenance and crew R&R—that partly addresses the shadow minister's earlier question. This consultancy has now concluded.

The US Voyage Repair strategy is ongoing, with Defence SA in dialogue with the US government and Navy representatives and intermediaries. Final details of 2013 expenditure on consultants will be published in both the Defence SA and Auditor-General's annual reports.

Mr VAN HOLST PELLEKAAN: The other part of my question was about grants and subsidies, and again I would be happy to take it on notice, Chair, but I did ask that.

The Hon. M.L.J. HAMILTON-SMITH: There are two key grants: one to the DTC, which I have addressed in an earlier question, and there is earlier funding given to the AWD Systems—

Mr VAN HOLST PELLEKAAN: Sorry, minister, the DTC was coming from another—

The Hon. M.L.J. HAMILTON-SMITH: No, it is a grant; it is effectively included in—

Mr VAN HOLST PELLEKAAN: But not one of these on these lines because I think, if I understood, you said it was coming from the Our Jobs program.

The Hon. M.L.J. HAMILTON-SMITH: It is a grant provided by government, so I will give you a complete answer which includes all the grants and subsidies, including one of the AWD Systems Centre.

Mr VAN HOLST PELLEKAAN: That would be great; thanks very much.

The CHAIR: There being no further questions, I thank the minister and his advisers and declare the examination of the proposed payments closed.

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION, \$998,989,000
ADMINISTERED ITEMS FOR THE DEPARTMENT FOR COMMUNITIES AND SOCIAL
INCLUSION, \$184,930,000

Membership:

Dr McFetridge substituted for Mr van Holst Pellekaan.

Mr Pengilly substituted for Mr Tarzia.

Mr Goldsworthy substituted for Mr Speirs.

Minister:

Hon. M.L.J. Hamilton-Smith, Minister for Investment and Trade, Minister for Defence Industries, Minister for Veterans' Affairs.

Departmental Advisers:

Mr P. Williams, Director, Financial Services, Department of Treasury and Finance.

Mr P. Sykes, Acting Section Head, Veterans' Affairs, Department of Treasury and Finance.

Mr J. Chapman, Chief of Staff.

Ms J. Barbaro, Ministerial Adviser.

Mr B. Page, Ministerial Adviser.

The CHAIR: I declare the proposed payments open for examination. Do you have an opening statement, minister, or are we going straight to questions?

The Hon. M.L.J. HAMILTON-SMITH: No, I hope to go straight to questions.

The CHAIR: Member for Morphett, do you have a statement or straight to questions?

Dr McFETRIDGE: Straight to questions, thank you, Madam Chair. I would just like to say we will all miss Bill Denny, but he is going on to greener pastures, I understand. Budget Paper 4, Volume 1, pages 107 and 108, is what we are referring to. Under the Description/objective of Veterans' Affairs, it includes health, transport, disability and mental health, so it is talking about all across-government services to veterans. Minister, can you give the committee and the veterans a commitment that the Repatriation General Hospital is not in any danger of closing? You probably know about it, but the health minister certainly would not give us that assurance, and that was very disappointing.

The Hon. M.L.J. HAMILTON-SMITH: The Repatriation Hospital comes under the health minister. You have asked him the question. I am not going to start foraying into other ministers' areas of responsibility. I would simply say that I am not aware of any plans to close or privatise the Repat at this particular juncture, so I think there is a bit of speculation going on. But this is a question for the health minister.

The Repat performs a very important service for veterans and it is valued, but I think the opposition will have to refer any questions about the health plan and the future design of our health system to the Minister for Health, because he is working under very difficult conditions at the moment, given the very, very significant reductions in funding that have been extracted from the state budget by the commonwealth at the recent federal budget. I know it is a struggle, so he is balancing a few balls in the air. You will have to refer any questions about the Repat to him.

Dr McFETRIDGE: Just on that, minister, you have had no discussions at all? This has not been raised with you in any forums about either closing or downgrading the Repat?

The CHAIR: Member for Morphett, bear in mind that we started late and the minister has already answered that question. You were here during the health lines when the minister made it very clear—

Dr McFETRIDGE: This is a very important issue for veterans, Madam Chair.

The CHAIR: I am not saying it is not, but we only have a certain amount of time, and if this is your last question on this particular effort, that would be great.

Dr McFETRIDGE: I will simply say—

Members interjecting:

Mr GOLDSWORTHY: Madam Chairman—

The CHAIR: We have actually talked about health and you were in the room when it was made clear to you about health.

Dr McFETRIDGE: With respect, Chair, the reference is under Description/objectives, 'a central contact point for information about the state government's services to veterans across departments, including health, transport, disability and mental health.'

The CHAIR: Yes, well, I understand all of that.

Dr McFETRIDGE: So I think these are fair enough questions to ask of the minister.

Members interjecting:

The CHAIR: Again, if we could just remind—

Dr McFETRIDGE: With respect, Chair, surely it is across government—

The CHAIR: You are the one wasting time now.

Dr McFETRIDGE: —across departments.

The CHAIR: You are the one wasting time.

Mr PENGILLY: He can ask as many questions as he likes about it.

Members interjecting:

Dr McFETRIDGE: Look, for those who are new to the estimates process, read the process, read the—

Mr PENGILLY: Several hundred veterans in my electorate will be pretty happy to know.

Members interjecting:

The CHAIR: I remind all members of 271 and ask them to treat the committee and the Chair with some respect. The minister is able to answer the question in the way he wishes. He has just done that. If you wish to pursue that, you are just going to be eating into the time in the other areas.

Dr McFETRIDGE: It is my time. It is our time; that is our problem.

The CHAIR: That is entirely up to you, but the minister is entitled to answer the question—

Members interjecting:

The CHAIR: Order! Order! I will have to leave the room, and that would be a shame. The member for Morphett.

Dr McFETRIDGE: I will move on. On a related issue then, and the same reference, that is 'a central contact point for information about the state government's services to veterans across departments, including health, transport, disability and mental health', and that is what it says under Description/objective. The question is: has the minister had discussions with the health minister to address the concerns expressed for the availability of services at the Repatriation General Hospital and the Lyell McEwin Hospital for 7RAR veterans, particularly mental health services?

The Hon. M.L.J. HAMILTON-SMITH: The absolute priority for me—I have said this to everyone in the portfolio, and I said it at quite a large public gathering at the Torrens Training Depot recently—is veterans' wellbeing: their health, their mental health, their welfare. I do not think there is any more important issue for veterans and their families than that so, to me, it is an absolute priority. I would be seeking to ensure that their physical and mental health, wellbeing and welfare, including the benefits they are paid by the commonwealth government, and what small amounts they receive from the state government through their associations, are attended to, so my focus is on that.

In regard to questions about where they are treated, how they are treated and which particular hospital or health system or agency of the health system is there to care for them, I think they are questions better put to the health minister; he runs that system. My goal is to make sure that, when a veteran needs help for his physical or mental health care, there is a bed and a service there for him.

A lot of veterans are on the gold card, as you know. A lot of them choose to use the private system. A lot of them go to general hospitals. They have a different range of choices. Some of them live in the country and some live in the city. I would be lobbying, as the veterans minister, to ensure that there is high-quality health care there for veterans wherever they live or work, but in regard to the details of how that is delivered, that is a better question for the health minister.

Dr McFETRIDGE: Thank you, minister. We will move on to the ANZAC Centenary Memorial Garden Walk project. Minister, can you confirm that the South Australian contribution to the ANZAC Centenary Memorial Garden Walk project is \$3 million, and is the money budgeted for?

The Hon. M.L.J. HAMILTON-SMITH: Thanks for the question. The 100-year anniversary of World War I is going to be a real centrepiece for the next few years in the veterans portfolio. Work on how South Australia should commemorate the centenary of ANZAC began in 2008, when the government of South Australia created the Veterans Advisory Council, comprising 13 members.

Sir Eric Neal AC CVO does a wonderful job as chair, and I thank him on behalf of all South Australians.

Of course, an important part of that is the program to support that centenary, which includes \$3 million for South Australia's contribution to the ANZAC Centenary Memorial Garden Walk. It also includes a \$250,000 increase in funding for the ANZAC Day Commemoration Fund for the 2014-15, 2015-16, 2016-17 and 2017-18 financial years, bringing the total of the fund to \$350,000 per annum, and the establishment of an ANZAC centenary coordination unit.

About the garden walk in particular, the proposal is to create an ANZAC Centenary Memorial Garden Walk that will physically and symbolically link the state's principal site of remembrance—the South Australian National War Memorial—to North Terrace, the Torrens Parade Ground and the Pathway of Honour. The project has been discussed since 2002, when it was considered as part of the North Terrace precinct upgrade. It was the preferred project of the Veterans Advisory Council when it considered the most appropriate way to fund the centenary of ANZAC.

The then premier of South Australia, the Hon. Mike Rann MP, conveyed to the commonwealth government that the project was South Australia's number one ranked project for the centenary of ANZAC. The commonwealth government are aware this remains SA's preferred project, and have indicated they will consider funding 50 per cent of the project, once the Anzac Centenary Public Fund, chaired by Mr Lindsay Fox AC, has raised sufficient funds to enable such support.

It was recently reported to Veterans SA that Mr Fox has raised over \$4 million with pledges of \$50 million, and he is confident of raising \$100 million. That said, as this fund needs to cover the entire nation, it is still unknown if and when the commonwealth will be in a position to pay its \$5 million contribution to the project.

The ANZAC Centenary Memorial Garden Walk will be based on Kintore Avenue. The unique link created between SA's National War Memorial and the Torrens Parade Ground will signify remembrance. The proposal is costed at \$9,725,000. It includes moving the eastern wall of Government House by 10 metres to create a memorial walk. The Premier has written to the commonwealth government seeking that \$5 million contribution—50 per cent—and the Adelaide City Council is seeking \$2 million, a 20 per cent contribution.

The state government agency responsible for delivery of the required works is Renewal SA. A project advisory group has been established with membership from Renewal SA, Veterans SA, Government House and the Adelaide City Council. This advisory group met on 25 February, 12 March and 15 April 2014. The project will stand as a lasting tribute to our ANZAC tradition and it is hoped that the project will be completed prior to Remembrance Day 2015.

Ms DIGANCE: Just building on the member for Morphett's questioning on war memorial projects, I would like to ask the minister a question on a particular project. Budget Paper 4, Volume 1, Program 4, Veterans' Affairs. Can you tell the committee about the Aboriginal and Torres Strait Islander War Memorial project?

The Hon. M.L.J. HAMILTON-SMITH: I thank the member for her valuable question. After many years of hard work and fund raising, the Aboriginal and Torres Strait Islander War Memorial was dedicated on Sunday 10 November 2013 by the former Governor-General, Her Excellency the Hon. Quentin Bryce AC, CVO, and the memorial committee chair, Ms Marj Tripp.

I was proud to attend the ceremony with my nine-year-old son. He got to meet the Governor-General and present a wreath. Aboriginal and non-Aboriginal servicemen and servicewomen, past and present, joined Aboriginal elders and friends for this long-awaited and very special day. The beautiful sculptures atop this culturally sensitive and quite beautiful memorial will now stand forever as true testimony to the military service of our Aboriginal brothers and sisters in peace and war.

The sculptures are particularly noteworthy, and sculptor Robert Hannaford has captured perfectly the spirit of strength, resolve and love of country in the figure of the Aboriginal soldier in World War I uniform and of the servicewoman in World War II uniform. Both sculptures are truly beautiful works of art and are a credit to the designers Tony Rosella, Lee-ann Tjunypa Buckskin and Michelle Nikou.

The Aboriginal and Torres Strait Islander War Memorial Committee is to be congratulated on its hard work that first commenced in 2007. They faced many difficulties and it is pleasing to see their dedication and persistence rewarded. It is the intention of the committee to ask the Adelaide City Council to apply for national recognition of the memorial thus making it the first and only national Aboriginal and Torres Strait Islander war memorial. Such recognition is governed by commonwealth legislation and an application for national recognition cannot be made until the memorial is opened to the public.

Sadly I was unable to attend the first Annual Aboriginal Veterans' Commemorative Service at this fine memorial on Friday 30 May 2014, but I would like to take an opportunity to congratulate the committee who oversaw the project and the fundraising committee co-chaired by the Hon. Sir Eric Neal AC, CVO, and Mr Bill Denny AM, BM, that raised over \$1 million to make the project a reality. If you have not seen the memorial it is well worth a visit. It sits proudly alongside the Vietnam War Memorial adjacent to the Torrens Parade Ground.

Dr McFETRIDGE: Can the minister confirm that the \$3 million for the ANZAC Centenary Memorial Garden Walk project has been budgeted for, because my understanding is that the federal government have the \$5 million available to them?

The Hon. M.L.J. HAMILTON-SMITH: I will get back to the minister on this—to the shadow minister on this. My understanding is that because this project is contingent on—

An honourable member interjecting:

The Hon. M.L.J. HAMILTON-SMITH: It had a good ring about it, though—because this project is contingent upon commonwealth funding and also a contribution from the council and also the activities of Mr Lindsay Fox, my understanding is that the money is in headroom and that once the rest of the project comes together it will be spelled out, but I will seek advice from the agency on that and get back to the committee on that budget line and that amount.

Dr McFETRIDGE: Thank you, minister. I understand that the \$10 million is broken down into \$1.84 million for the War Memorial Plaza, \$5.04 million for western Kintore Avenue main streetscape which includes moving the wall of Government House. Stage 3 is \$0.7 million for Kintore Avenue War Memorial Plaza and then stage 4 is \$1.12 million for the north-west streetscape.

This was information given to me by the federal minister Hon. Michael Ronaldson in discussions. I came away from those discussions 100 per cent confident that the total cost of \$9.725 million is what it is going to be and the \$5 million is in place by the commonwealth. So as early a commitment as possible from the South Australian government and the City Council, should I say, with their \$2 million would be greatly appreciated by all veterans.

The Hon. M.L.J. HAMILTON-SMITH: In answer to that, I thank the shadow minister for those costings. They appear in the Memorial Garden Walk brochure which breaks up the five stages of the project as per his description. I think the government is still waiting for formal notification from the commonwealth that that money is there, so if the shadow minister has had a conversation with the minister in Canberra and he has indicated the money is available, could I ask him to ring him up and get him to send us a letter?

Dr McFETRIDGE: That is my clear understanding.

Members interjecting:

The CHAIR: Order!

The Hon. M.L.J. HAMILTON-SMITH: As soon as he does we can move on, but I understand—

Dr McFETRIDGE: And that would be assuming you have the \$3 million too, Marty.

The Hon. M.L.J. HAMILTON-SMITH: That is right. Yes, well, I am sure if the commonwealth come up with theirs. If I could pick up on an interjection by the member for Finniss, Madam Chair—

The CHAIR: No, probably best not to. Member for Morphett.

Members interjecting:

The CHAIR: Order!

Dr McFETRIDGE: Minister, I was extremely concerned to hear from a veteran who was extremely concerned about the lack of legislation protecting war memorials in South Australia. I understand this particular veteran has spoken to you about one particular war memorial and my advice to him was that, while there is a window of opportunity with the centenary of ANZAC, it might be a good time to introduce legislation to protect all war memorials. Has this issue been raised and where are we going?

The Hon. M.L.J. HAMILTON-SMITH: Yes, you might be referring to the Women's Memorial Playing Fields.

Dr McFETRIDGE: I am, yes.

The Hon. M.L.J. HAMILTON-SMITH: I have met with Mr Bruce Parker and others about that issue. It was on 8 July. You make a very good point. I think there is a case for better protection of that particular memorial and others. We need to ensure that they are protected in perpetuity for the purpose for which they were intended, and I think the Women's Memorial Playing Fields are a very good example and that they are not by some act of government lost as memorial playing fields or memorial gardens or memorials as the case may be. Yes, I have had meetings about that. I intend to pursue it and my agency is doing work on that subject.

Dr McFETRIDGE: I am conscious of the time having to read omnibus questions, which will not take long.

The CHAIR: No, I did not think so.

Dr McFETRIDGE: I was very concerned to read—and this comes under the description/objectives again of health, mental health and disabilities. It does not have corrections in there but it is across government. I was concerned to read recently a report that—and I do not know how many veterans are in our gaols—veterans were being prevented by correctional services from seeing counsellors in prisons. Have you had any discussions with the correctional services minister about this issue that was raised publicly in the media on 8 July?

The Hon. M.L.J. HAMILTON-SMITH: Again, I am very glad that the shadow minister has raised this issue because as a matter of fact I have indeed and so have predecessors in this portfolio. I have only this week written to the corrections minister on the subject. I was advised when I became the Minister for Veterans' Affairs that this was an issue; it was included in the handover brief. It has been discussed at the Veterans' Advisory Council.

We need to identify veterans in gaol, and there is a number, and there is no process at the moment for doing that that is working. At the request of the VAC, my predecessors wrote to the minister for correctional services on two occasions—minister Koutsantonis on 27 May 2011 and minister Rankine on 21 December 2011—requesting creation of a system that allows veterans to self-identify on first contact with the Correctional Services systems.

There are some process issues that have not yet been worked through, and that is why I have raised it again, now that I am the minister, with the Minister for Correctional Services. If there is something we can do to help these offenders through their issues (because, often, they are linked to mental health issues and their service), we should. I am going to hang onto that issue and it is something I intend to raise with the Veterans Advisory Council. I am very happy to work with the shadow minister on it because it is an important issue.

Dr McFETRIDGE: Thank you, minister, and I cannot remember whether it was minister Koutsantonis at the time (I think it was), but I wrote to him on the same issue. I also wrote to the federal minister. I think it was a Labor minister then, and I cannot remember who it was, and it was very disappointing not to have the number of veterans in our gaols identified because, as you acknowledge, minister, there are some serious issues.

Moving on, this really comes under total expenses, or net cost of providing services, shall we say. Can the minister provide the committee with details regarding the current rental situation for the various veterans organisations at the Torrens Parade Ground? Are they secure in their tenancies? Are rents going up or are other overheads being charged or likely to go up?

The Hon. M.L.J. HAMILTON-SMITH: I may have to get back to the shadow minister with details regarding the whole of the site. Can I say that I have had some meetings with the Soldier On program about access to Torrens Training Depot for their organisation, at the request of Lieutenant General Peter Leahy AC, who served as Chief of Army from 2002 to 2008. The purpose of the meeting was to seek state government support to facilitate the establishment of a more formal or permanent presence of Soldier On at Torrens Training Depot.

There are other tenants down there—I think that is the point of your question—such as the RSL and various other service associations. What are their rental arrangements, or what are the arrangements of their tenancy? We have the RSL, the Royal Australian Air Force Association and the Vietnam Veterans Association, and History SA also have a space there. The number of veterans who served in recent conflicts abroad and protection operations who now reside in SA is about 3,500.

One way or the other, they are all represented through these organisations at Torrens. It is owned by the state government and leased to these ex-service and state government organisations. It is managed by the Department of Planning, Transport and Infrastructure. The tenants pay rent on a slightly reduced commercial basis. On-site facilities management is undertaken by Spotless facilities management.

The allocation of office accommodation within Torrens Training Depot is not a function of the veterans affairs portfolio, but DPTI. I do not know whether DPTI have had their estimates, yet. If they have not, the shadow minister might like to inject that into DPTI's questioning; if not, I will certainly make sure I get back to him with some rental information.

Dr McFETRIDGE: Thank you, minister. If you can raise that with minister Mullighan that would be a great thing. To be sure, to be sure, I might read the omnibus questions in, but we have copious notes for Hansard. Take a breath everybody, hang on to your seats.

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 (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 of each position with a total estimated cost of \$100,000 or more—(a) which has been abolished and (b) which has been created?

5. For each year of the forward estimates, provide the name and 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 CHAIR: There being no further questions, and with the tradition of the rapier-quick delivery of omnibus questions having continued, I thank the minister and his advisers for making

themselves available and declare the examination of the proposed payments adjourned until tomorrow.

At 18:46 the committee adjourned until Wednesday 23 July 2014 at 10:00.