HOUSE OF ASSEMBLY

Friday, 24 July 2015

ESTIMATES COMMITTEE A

Chair:

Ms F.E. Bedford

Members:

Hon. J.M. Rankine
Ms N.F. Cook
Mr J.P. Gee
Mr S.S. Marshall
Dr D. McFetridge
Mr V.A. Tarzia

The committee met at 10:31

Estimates Vote

DEPARTMENT FOR HEALTH AND AGEING, $3,184,564,000

DEPARTMENT OF STATE DEVELOPMENT, $674,320,000

ADMINISTERED ITEMS FOR THE DEPARTMENT OF STATE DEVELOPMENT, $7,629,000

Minister:

Hon. J.J. Snelling, Minister for Health, Minister for Mental Health and Substance Abuse, Minister for the Arts, Minister for Health Industries.

Departmental Advisers:

Mr D. Swan, Chief Executive, SA Health.

Mr S. Archer, Deputy Chief Executive, SA Health.

Mr J. Woolcock, Chief Finance Officer, SA Health.

Ms L. Dean, Acting Deputy Chief Executive, System Performance, SA Health.

Mr D. Slape, Manager, Liaison Services, SA Health.

Mr P. Louca, Chief of Staff.

The CHAIR: The estimates committee is a relatively informal procedure and, as such, there is no need to stand to ask or answer questions, although standing orders do apply, and I remind members particularly of standing order 142. I understand that the minister and the lead speaker for the opposition have agreed on an approximate time for the consideration of proposed payments, which will facilitate a change of departmental advisers. Could the minister and the lead speaker for the opposition confirm that today's timetable, previously distributed, is accurate? Minister, is the timetable accurate?

The Hon. J.J. SNELLING: Yes, Madam Chair.

The CHAIR: And the leader is happy with the timetable?

Mr MARSHALL: We are delighted with the timetable. Unlike some other ministers who have tried to cut down their time—

The CHAIR: Never mind—

Mr MARSHALL: —this minister is a hardworking and diligent minister who is happy to answer questions.

The CHAIR: I need to finish this off, then you can have a turn to speak in just a moment. Changes to committee membership will be notified as they occur. Members should ensure the Chair is provided with the 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, 30 October 2015. This year, estimate committee responses will be published during the 17 November sitting week in corrected daily *Hansard* over a three-day period.

I propose to allow both the minister and the lead speaker for the opposition to make opening statements of about 10 minutes each should they wish. There will be a flexible approach to giving the call for questions based on about three questions per member, alternating each side. Supplementary questions will be the exception rather than the rule. A member who is not a part of the committee may ask a question at the discretion of the Chair. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced at the beginning of each question.

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 tabling of documents before the committee; however, documents can be supplied to the Chair for distribution to the committee. The incorporation of material into *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 redirected to the minister and not the minister's advisers. The minister, however, may refer questions to advisers for a response.

During the committee's examination, television cameras will be permitted to film from both the northern and southern galleries. I will now proceed to open the following lines for examination. The proposed payments for the South Australian health department and health industries SA. The minister appearing is the Minister for Health and the Minister for Health Industries. I declare the proposed payments open for examination, and refer members to Agency Statements, Volume 3. I now call on the minister to introduce his advisers and then to make his opening statement, if he wishes.

The Hon. J.J. SNELLING: I will introduce the officials here at the table with me and then I have a few very brief remarks. To my right is Mr David Swan, who is the Chief Executive Officer of the Department for Health. To my immediate left is Mr Steve Archer, Deputy Chief Executive, Department for Health, and to his left is Jamin Woolcock, who is the Chief Financial Officer for the Department for Health.

Obviously the department is going through an enormous change process. We have a number of very significant projects on the go at the moment. The principal one is, of course, Transforming Health, which is a reconfiguration of our health service delivery right across metropolitan Adelaide. There is basically not a metropolitan hospital that is untouched by the changes we are making, but at the core of the changes we are making are better outcomes for patients. We are very confident that, in getting better outcomes for patients, we will make the growth in our health expenditure more sustainable, but quality is absolutely at the heart of it. It has meant that we have had to make some very difficult decisions, but the simple fact is that the clinicians who I asked to have a look into our health system over the last 12 months—their unanimous and unambiguous advice to me was that the standards which they developed could not be delivered with our health system configured as it currently is, so we have had to make some significant changes.

In addition to that, we have the new Royal Adelaide Hospital scheduled for opening in the new year. It is an extremely exciting time for our health consumers and for our clinicians, but of course it is a project of incredible complexity. It has really never been done before that we have moved an entire hospital on that sort of scale. We have people working incredibly hard on that transition, because it is not just a matter of moving patients and equipment from one end of North

Terrace to the other end of North Terrace but it will also require some significant changes to the way our clinicians—our doctors, nurses and allied health staff—do their work in a completely different environment.

The third project is our IT rollout, and EPAS is the principal one. All IT projects are difficult. I do not think many people could point to many IT projects that have not had their teething problems, whether they be in government or in the private sector, and of course EPAS is no different. One of the big challenges that we have with EPAS is that not only is it an IT program but also we are asking our clinicians to change significantly again the way they do their work in some pretty significant ways.

They are the main things, but I have to say, off the top of my head, that I think about 8,000 South Australians every single day have some interaction with our health system and, overwhelmingly, of those 8,000 people every day, they come away satisfied with the health service that they have been delivered. That would not be possible if not for our hardworking health professionals—our doctors, nurses and allied health professionals. I see the member for Fisher smiling back at me, because of course it is her profession. So I would like to thank those clinicians. Often we ask them to work in very trying circumstances, and I make no secret of that, but they always do it with aplomb.

I would also like to thank the gentleman and lady behind me for the incredible work they do. Our health bureaucrats work incredible hours, having to deal with all the various issues that come up in our health system day to day. Again, they are incredibly dedicated and selfless South Australians. With that, I am more than happy to open it up to questions.

The CHAIR: Do you have a statement, leader?

Mr MARSHALL: Yes, I would like to join with the minister in thanking the people who work in the department. This is a very important department for the people of South Australia. We agree with the government that there is a need to constantly update the system in which we are currently operating and we wish the government all the very best. Certainly, we would like to work in a cooperative way towards transforming our health system to deliver better outcomes for the people of South Australia. My first question reference is in Budget Paper 4, Volume 3, page 15, and this series of questions really relates to the new Royal Adelaide Hospital (NRAH). Can the minister advise the committee what the expected completion date will be for the construction of the new Royal Adelaide Hospital?

The Hon. J.J. SNELLING: As we announced late last year, the government has received independent advice from consultants that we engage about where the project is at. Their advice is that the project will be in the second half of next year; and so, in terms of the way the budget papers are configured they are based upon that independent advice. I have to say, though, there has been no change to the contract. The builder has not approached the government seeking an alteration of the contract, so as far as my department is concerned we are working towards April 2016.

From the government's perspective we will certainly be ready to move into the new hospital and take possession of the new hospital in April 2016, but our independent advice is that it will probably be in the second half of 2016 rather than April. However, I am very keen to emphasise that the builder has not sought an alteration at this stage to the contract, and in all their public statements they have said that they are continuing to work towards April 2016.

Mr MARSHALL: Just for clarity, if you are going to take possession on April 2016 when would you need construction completed so that you could undertake the technical checks or the 90 days of testing? Are you still on track for three months before, so—

The Hon. J.J. SNELLING: That's right. It is a three month provision in the contract for us to deal with the technical checks; so that would mean that, if we were to meet the April 2016 date, we would have to have access to the hospital in mid January.

Mr MARSHALL: So that is in fact less than six months away. I am still a little bit confused. You are working to take over and beginning your checks in less than six months?

The Hon. J.J. SNELLING: Well, that is right. We have to make sure that we are ready in January next year to start that process. As I say, that is what the contract at the moment says. There has been no alteration to the contract.

Mr MARSHALL: At what point does the consortium building the NRAH advise you whether there is going to be any slippage?

The Hon. J.J. SNELLING: Well, that is an issue for them. They would have to come to government at some stage, approach us and say, 'We don't think we're going to meet the April 2016 contracted date.' They would have to approach us and seek an alteration to that contracted date. But, as I say, at this stage the builder has not made an approach to seeking an alteration of that date.

Mr MARSHALL: Minister, are you aware that the NRAH steering committee has provided advice to the Treasurer to suggest that the NRAH will not be completed as per the schedule that the builders provided?

The Hon. J.J. SNELLING: Yes, that would be consistent with the independent advice that the government has got. We make no secret of that. We stated in December last year that we employ independent consultants—I presume that they are experts in construction. They reviewed the progress of the works, and they have provided to us independent advice that the project is more likely to be in the second half of 2016.

The Treasurer made a decision as part of the Mid-Year Budget Review to reprofile us taking the financial acceptance of the hospital being in the second half. I guess that the simple fact is that the government expects it to be in the second half of 2016. There is no secret about that. That is when we expect it to be, but the consortium, and the builder in particular, have not sought to change that date. And every press conference I have done with Peter Salveson from HYLC (who is responsible for the construction) has said that they continue to work towards April 2016. I cannot say any more or add anything to what the builder itself has said in its public comments.

Mr MARSHALL: So when the NRAH steering committee has provided advice to the government that it does not believe that it is going to be completed in time for the 90-day checks to open in April next year, has the government sought any assurances from the builder that they are on track?

The Hon. J.J. SNELLING: Obviously we have made our position clear, but I think the incumbent thing upon us is that we are ready in April 2016. The last thing we want is a situation like in WA where essentially the government was not ready to move into the hospital when the hospital was ready and the Western Australian government was subject to significant financial penalties because of that. As far as the Department for Health and the work that is being done, we continue to work towards April 2016 until such a time as the builder and consortium come to us and seek a change to that contract.

Mr MARSHALL: Just for clarity, you have not sought any confirmation from the builder. You are basically saying in the absence of them advising us—

The Hon. J.J. SNELLING: I certainly have met with the consortium. For the last 12 months, I have had meetings with the consortium and made it quite clear that my preference would be to have some greater certainty around the delivery date, because of course it would be in our interests, from our planning perspective, if it is going to be in the second half, for the builder to confirm that with us so we could map out our planning for the move accordingly. At this stage, all the builder's statements to us are what their public statements are, and that is April 2016.

Mr MARSHALL: When was your last meeting with the builder?

The Hon. J.J. SNELLING: My last meeting with Peter Salveson was when we did a press conference I think a few weeks ago and he said to me exactly what he said to the television cameras, and that is April 2016, but I have had a number of meetings over the last 12 months.

Mr MARSHALL: Just for clarity, you have met with the builder in the last couple of weeks and they have confirmed that they are ready to start the commercial trials in less than six months?

The Hon. J.J. SNELLING: I am just making the point that the builder, Mr Salveson, when I met with him, did not say anything to me at that meeting that he did not say publicly, and that is that the builders continue to work towards an April 2016 delivery date. As I say, our independent advice is that they are not going to meet that, but I am not going to slow down our preparations because of that advice, because things in construction change. It may well be within Mr Salveson's view, if you

are speaking to him, that they can make time up. I think the advice probably is that they have made some considerable time up over the last couple of years.

Mr MARSHALL: Is the government ready to begin the trials on the site as of the first week in January?

The Hon. J.J. SNELLING: Yes, we will be, of course. We have to be—we cannot be late—and we are working towards being ready in January so that if the hospital is ready in January then we are ready to start our technical checks.

Mr MARSHALL: Just over six months ago, the government gave the first indication via the Mid-Year Budget Review that there would be a new budget line for essentially this transition from the old Royal Adelaide Hospital to the new Royal Adelaide Hospital. Before that, you did not have a budget line, but you published that there would be $176.6 million over the next three years for the transition. In that, it provided for, in the previous financial year, $86 million allocated. How much was actually spent on that transition to the new Royal Adelaide Hospital in the last financial year?

The Hon. J.J. SNELLING: The estimated result is $36.5 million, which I am advised is consistent with the revised budget at MYBR.

Mr MARSHALL: I do not quite understand that because in the Mid-Year Budget Review it was quite clear that there was $86 million allocated in the 2014-15 financial year for the transition. So, if you have spent $36 million, is there a delay in spending the $50 million, and what was that on?

The Hon. J.J. SNELLING: My advice is that $86 million is operating and investing expenditure.

Mr MARSHALL: I think the entire budget for transition was a combination of capital and operating expenditure.

The Hon. J.J. SNELLING: The $36.5 million is the operating and investing that was spent, just a shade under $18 million.

Mr MARSHALL: Eighteen?

The Hon. J.J. SNELLING: Yes.

Mr MARSHALL: What happened to the rest of the $86 million allocation?

The Hon. J.J. SNELLING: It has been carried over.

Mr MARSHALL: Does it seem odd to you that, not having had a budget for transitioning from the old Royal Adelaide Hospital to the new Royal Adelaide Hospital, you would put it in place and then spend it well before that transition occurred? What is this sort of money being allocated for?

The Hon. J.J. SNELLING: Your preparations for the move of the hospital do not happen when you actually do the move. There are incredible preparations that need to be done. We need to settle on models of care for our doctors and nurses; they need to be familiarised with the environment.

I have just been given a list of the sorts of things that it is spent on: operational design policy review and development commissioning planned development; facility readiness, including equipment procurement, commissioning operation or commissioning execution (so, purchase of equipment for the new hospital); and people readiness, including extensive training and communication programs; system readiness (in particular, ICT systems and the supply chain). So, yes, of course you need to spend significant amounts of money in preparation for the move.

Mr MARSHALL: Well, you say 'of course', but of course you did not have this in place until December last year. Why was it never envisaged in the original budget for the NRAH? Why was there never an original budget for the transition from the old hospital to the new hospital if it is so obvious now?

The Hon. J.J. SNELLING: These were decisions taken I think before I was even in cabinet, but certainly long before my time as—

Mr MARSHALL: It was the previous minister.

The Hon. J.J. SNELLING: —health minister. But, certainly, as we started to get close to the move, it became clear that considerable amounts of money were needing to be spent. A significant amount of planning had been happening over that time. I think, to be fair, it was not quite clear exactly how much was going to be needed seven years out from the new hospital, about what it was going to take to transition from the old to the new.

The other issue is that there is obviously a considerable period of time that has been provided for for running the two hospitals side by side. We are still doing work on exactly how long we are going to need to require the two hospitals to be running.

Mr MARSHALL: Can you just give us an update as to whether the $176.6 million over three years remains current? That was handed down in the Mid-Year Budget Review; is that the same figure that is reflected—

The Hon. J.J. SNELLING: Yes; there has been no change to that.

Mr MARSHALL: And there has been no update since the budget was handed down in June?

The Hon. J.J. SNELLING: No.

Mr MARSHALL: What is the projected cost of decommissioning the existing Royal Adelaide Hospital?

The Hon. J.J. SNELLING: Renewal SA obviously are taking responsibility for what happens to the hospital, but there is a provision of that $176 million for securing the site, such as turning off the power and water and doing all those sorts of things—locking it up, essentially. Just off the top of my head, it was several million dollars, but I am happy to get back to the committee with an answer.

Mr MARSHALL: Just for clarity, the movement out of the hospital is contained within the $176 million transition fee—

The Hon. J.J. SNELLING: That is right.

Mr MARSHALL: —but the remediation of the site would be the responsibility of Renewal SA?

The Hon. J.J. SNELLING: The removal and the securing of the buildings, basically up to the time where we leave the site, is included in the 176. Thereafter, the site will become the responsibility of Renewal SA and they have oversight of what happens on the site.

Mr MARSHALL: Is there a cost associated with any waste products that remain on the old Royal Adelaide Hospital site, and would that be the responsibility of the transition budget or Renewal SA? In particular, I speak of nuclear waste that might be on the site.

The Hon. J.J. SNELLING: My advice is that any normal medical waste, rubbish and all that sort of stuff is, of course, included in the 176 but anything—for example, any decontamination or whatever like that—that needs to happen on the site would be the responsibility of Renewal SA.

Mr MARSHALL: Does the minister have any advice as to what the cost of that is likely to be?

The Hon. J.J. SNELLING: No, I do not, and I am not sure if an estimate has been done, but I am happy to provide that information to the committee.

Mr MARSHALL: Does the minister have any advice as to what the volume of potential nuclear or medical waste would be on that site currently?

The Hon. J.J. SNELLING: I would have to get back to the committee with an answer to that.

Mr MARSHALL: Can the minister advise the committee whether there are any outstanding legal disputes between the consortium and the government with regard to the project or payment or costs?

The Hon. J.J. SNELLING: There is a dispute. I am not sure you would characterise it necessarily as a legal dispute because it has not gone that far yet, but obviously the consortium has made a claim on the government for the cost of unforeseen contamination. They had put in a claim. That claim had been assessed by the project director and she had made an assessment that their claim was excessive. That has gone back to the consortium.

Mr MARSHALL: How long has that claim been outstanding?

The Hon. J.J. SNELLING: It has been outstanding a long time, I have to say, but all the delay has been on the consortium's part, not on our part. As soon as the claim came to us, it was assessed within, I think, the required time frames under the contract.

Mr MARSHALL: What is the value of the claim to the government?

The Hon. J.J. SNELLING: One part of the claim, two of the components, is in the order of $1 million, and that has been agreed to—50 per cent of the claim costs. That was in early 2014. The balance of the claim, which, my advice is, has 22 components, is in the order of $30 million, and that was submitted on 6 November last year.

Mr MARSHALL: Is that the totality of all claims?

The Hon. J.J. SNELLING: At the moment, yes. That is all that has been put to us.

Mr MARSHALL: Have you been advised that there are any other claims pending or any other claims likely?

The Hon. J.J. SNELLING: Obviously, the claims we have in front of us are just for the direct costs of removing the contamination. We would expect that the consortium would be putting in another claim for the extra time that it took them to remove that waste. As of now, they still have not put in such a claim, but we would expect that there would be a delay claim associated with these claims.

Mr MARSHALL: Do you have any indication of what the value of that delay claim could be at the upper limit?

The Hon. J.J. SNELLING: No, we do not. I have to say we would not want to speculate because we would not want to show our hand to the consortium.

Mr MARSHALL: But apart from the two claims you have outlined and the potential for a delay claim related to the remediation, are there any other claims that the consortium have spoken to the government about or that you envisage could be coming?

The Hon. J.J. SNELLING: The only other thing would be relatively minor, which would be where we have asked for the consortium to make modifications to a build. That is a figure that moves backwards and forwards because sometimes we are essentially in credit on those modifications and sometimes we would expect there would be a little bit more we would have to pay, but those would be relatively minor sums.

Mr MARSHALL: How many beds are there at the current Royal Adelaide Hospital?

The Hon. J.J. SNELLING: Well, whenever I am talking about bed numbers, it always comes with the—

Mr MARSHALL: It is so confusing.

The Hon. J.J. SNELLING: —addition that our bed numbers change day to day. There is no set number of beds.

Mr MARSHALL: What is the current capacity?

The Hon. J.J. SNELLING: Generally speaking, when we are talking about the bed capacity of the Royal Adelaide Hospital, the figure is—

Mr MARSHALL: So capacity rather than the current usage might be best then.

The Hon. J.J. SNELLING: We flex up and down.

Mr MARSHALL: That is what I mean, so the capacity rather than the current use.

The Hon. J.J. SNELLING: If we are hit with a large number of presentations, then we will have to flex up. Obviously, we flex up over winter.

Mr MARSHALL: Do you know what that upper limit capacity currently is for the existing Royal Adelaide Hospital?

The Hon. J.J. SNELLING: The average available beds, bearing in mind that we flex up and down, at the Royal Adelaide Hospital is 671.

Mr MARSHALL: Yes, and what is the upper limit capacity on that site? I have got one dashboard that is three years old that shows well in excess of 700 beds.

The Hon. J.J. SNELLING: I dare say, in terms of just physical space, yes, it would be that much, but you cannot just put the beds in. You have to staff them, and there are a range of industrial instruments in place, particularly with the nurses federation, about staffing of beds. While there might be the physical space for a bed, and that may well be in the 700s, we could not just do that; we would have to staff it with appropriate numbers of nursing staff.

Mr MARSHALL: I understand, but just in terms of the physical capacity as distinct from the operational and the industrial capacity, what is the maximum capacity of the existing Royal Adelaide Hospital?

The Hon. J.J. SNELLING: If you are prepared to put people in corridors and everywhere else, it would be quite large.

Mr MARSHALL: I would not, but—

The Hon. J.J. SNELLING: I am just looking back at the bed numbers we have had there over the past 15 years, and the highest number I can see is in 2010-11 when we had an average of 684 beds.

Mr MARSHALL: Actually, I have a dashboard in front of me that shows well in excess of 700, so it must have been—

The Hon. J.J. SNELLING: The information I have is that, over the last 15 years, in terms of average—you are talking averages—the highest number of average bed numbers in any given year is 684, and that is 2010-11.

Mr MARSHALL: But, with respect, I am not asking about averages: I was asking about maximum capacity. You do not know?

The Hon. J.J. SNELLING: I would need to find out but, yes, it would be considerable, without doubt.

Mr MARSHALL: Has there been any time in the history of the Royal Adelaide Hospital when there has been in excess of capacity for 1,000 patients on site?

The Hon. J.J. SNELLING: I am talking to the chief executive who has been in the health system much longer than I have, and he says not to his knowledge.

Mr MARSHALL: But does the chief executive know what the maximum capacity currently is?

The Hon. J.J. SNELLING: We need to check.

Mr MARSHALL: Extraordinary, isn't it? What is the maximum capacity going to be at the new Royal Adelaide Hospital?

The Hon. J.J. SNELLING: The capacity of the new Royal Adelaide Hospital will be 800 beds. I have to say that includes day beds for day procedures as well.

Mr MARSHALL: Can you just give an example of what these day beds involve? Does that include, for example, dialysis beds?

The Hon. J.J. SNELLING: Yes, it would—dialysis, day procedures. It is an increase from I think about 30 day beds that we have at the existing Royal Adelaide Hospital to about 100, and that is because it is the way medicine is going. We are able to do far more procedures as day procedures, and many patients who otherwise would have had to be overnight admitted in the past can now have either day surgery or other procedures done as day procedures. The hospital has been built with that in mind.

Mr MARSHALL: For clarity, we are not 100 per cent sure what the existing maximum capacity of the current Royal Adelaide Hospital is.

The Hon. J.J. SNELLING: I am not sure what you mean. If you wanted to squeeze in every single bed and occupy every single piece of floor space then obviously that would be a very large number, but that would hardly be desirable.

Mr MARSHALL: But what would that number be?

The Hon. J.J. SNELLING: I do not know. But if you are talking about what would be a safe and reasonable number of patients that you would want to see in the Royal Adelaide Hospital, it would be, I guess, somewhere slightly above the 670 figure that it currently is.

Mr MARSHALL: So the maximum capacity of the new—

The Hon. J.J. SNELLING: Sorry, the chief executive has just pointed out to me that in terms of the average occupancy in the Royal Adelaide Hospital at the moment for winter, so just taking into account the winter that we are currently in, the average occupancy is 639. So, of the 671 beds on average, 639 beds in winter are occupied. We are running at about the right surplus capacity that you would want in a hospital.

Mr MARSHALL: I am getting more confused, because only a few minutes ago you said that the average usage was 670—

The Hon. J.J. SNELLING: No, the average number of beds that we had at any one time was 670. I am talking about usage: the average number of those beds that are actually being used, and just winter. Obviously our usage is much lower in the summer, but if we just take into account winter, it is 639.

Mr MARSHALL: The capacity of the new hospital is 800: 700 inpatient beds and 100 day beds; is that correct?

The Hon. J.J. SNELLING: Yes, that would be right. Of that is a considerable number of ICU beds. There is a considerable expansion of the intensive care unit in the new Royal Adelaide Hospital.

Mr MARSHALL: Sure, but that is included in the 700 beds.

The Hon. J.J. SNELLING: Yes, it is included in the 700.

Mr MARSHALL: What will be the usage in the new hospital? We have talked about the capacity in the existing hospital being over 700, the average has been 670 (funded) and the usage has been 530. What do you consider the metrics to be in the new hospital?

The Hon. J.J. SNELLING: In terms of the number of beds, we would actually commission up-front. Obviously we are not going to commission all of that capacity on day one of the new hospital; we will build up over time. The hospital has been built with a view to it basically, without too much alteration, being able to look after the health needs of South Australians for I think around 50 years. So we are not going to commission, and expect to have used, every single bed of that 800.We are certainly not going to need to increase our ICU capacity—and they are very expensive. I think the current ICU is 48. We are certainly not going to need to increase that to 70 overnight, so certainly in intensive care it is a good example of where we have provided for what we expect will be our needs over the next 40 or 50 years. Work is still being done around that.

Obviously we are moving services around all over the place in metropolitan Adelaide, so there is a whole lot of work that needs to fit in with what is happening in Transforming Health as well. Work is being done about what work is done at the Royal Adelaide Hospital, what work is done at

The Queen Elizabeth Hospital. As well is that, the chief executive has just pointed out to me that what we have been doing in the last decade is repatriating a lot of activity back to the Lyell McEwin Hospital. We have significantly expanded that hospital and the range of services it provided so that South Australians, or people in Adelaide who live in Adelaide's north, can be treated at the Lyell McEwin Hospital. So, a lot of activity and funding for that activity has been moved to the Lyell McEwin.

Mr MARSHALL: Does the government have a clear picture yet of what capacity will be open of the maximum capacity of 800 when the hospital opens and what it will be at 12 months down the track?

The Hon. J.J. SNELLING: My guess would be that it would be considerably less. I expect that we would perhaps have that hospital running at about half capacity, because we need to reduce the work going on at the Royal Adelaide Hospital prior to the move. Obviously we want it as small as possible, have it safely down and have activity put into other hospitals as much as we can prior to the move, because obviously the fewer number of patients in the hospital, the fewer number we have to move. So, if you are talking day one, in the hospital it would be a relatively small number of its overall capacity.

Mr MARSHALL: What about 12 months down the track?

The Hon. J.J. SNELLING: Well, 12 months down the track, we are doing work on that, but there are a lot of variables that have to be fed in—for example, what work we are going to feed out into the Lyell McEwin Hospital because it is a hospital that is growing that we are putting new services into, what the split of activity between The Queen Elizabeth Hospital and the Royal Adelaide Hospital will be—and there are all the other things that are going on as part of Transforming Health, where services are being realigned and activity is being moved from one hospital to another. So at the moment, it is a work in progress.

Mr MARSHALL: But you have provided estimates over the forward four years, so what occupancy did you provide in your costing for occupancy of the new Royal Adelaide Hospital in those four year forward estimates?

The Hon. J.J. SNELLING: The way our budgeting is done is based upon what we expect our normal activity growth to be. The budget assumption is about 2 per cent a year, so our budgeting would be based upon a 2 per cent activity growth-type figure.

Mr MARSHALL: Let's just get this straight. The way that you determine your costs going forward is based upon a figure of 2 per cent volume growth in the total—

The Hon. J.J. SNELLING: That is the way health budgets are done, yes.

Mr MARSHALL: Well, I just want to query that because there is no consideration of bed numbers in determining the total costing?

The Hon. J.J. SNELLING: So the 2 per cent activity growth, there are assumptions about what are the costs of 2 per cent activity. Now, that would become a whole range of things: day surgery, overnight surgery, hip replacements, number of beds used, number of emergency departments' presentations. There is a whole well-recognised and universally used metric for how you measure the cost of activity, and that is—

Mr MARSHALL: Sure, but you just said it was a 2 per cent increment.

The Hon. J.J. SNELLING: Two per cent activity growth, that is right. In terms of the dollars—and that is an estimate, of course. It can vary sometimes quite wildly from that but that is the nature of health care. The 2 per cent is what we expect the activity growth to be and, within that in terms of arriving at a dollar figure, there are well accepted metrics about how you measure the cost of that activity growth, and that includes a whole range of things, not just how many beds you necessarily need. You have to remember that while activity growth might be growing at 2 per cent, that does not necessarily mean the number of beds we require will be growing at 2 per cent because the way medical technology is going, there is a far smaller emphasis on overnight stay and bed use. A lot of that activity growth will be being done in day procedures and the sorts of things that do not require an admission to hospital.

Mr MARSHALL: I am just trying to get a handle, because I would have assumed that the major cost driver for the health system projections going forward would be the number of hospital beds. The minister has been going to some—

The Hon. J.J. SNELLING: It is, and the department budgets on the basis of an average 2 per cent activity growth. You asked about the forward estimates and how do we budget over the forward estimates? The simple answer to that is we budget on the basis on an assumption of 2 per cent activity growth every year and we make estimates about how much we think our health budget is going to cost every year on an assumption of 2 per cent activity growth every year.

Mr MARSHALL: Do you factor in seasonal factors?

The Hon. J.J. SNELLING: Yes, of course.

Mr MARSHALL: So how do you do that? For example, last year you have gone to some extent to inform the public about the unusually difficult flu season—

The Hon. J.J. SNELLING: Yes.

Mr MARSHALL: —last year, and I think you have talked about opening up 100 beds at one stage to deal with that, so do you factor in a lower rate this year?

The Hon. J.J. SNELLING: Yes, and if you have a look at the budget papers they reflect that. If you have a look at the budget papers, you would see from the budgeted result as opposed to the actual result or estimated result for the 2014-15 financial year it is considerably greater than what the budgeted result was. That did not mean we were running a deficit because we had extra income both from state and commonwealth, reflecting the fact that we had far greater activity than we were expecting, so our budget reflects that. This financial year, we do not at this stage expect a big spike in activity like we had last year, so our budget reflects that.

Mr MARSHALL: You say that, but you have already been out so far this year—certainly in May you were out this year saying that it was going to be an unusually tough flu season.

The Hon. J.J. SNELLING: Yes, indeed, and there is no doubt that in terms of reported flu cases they are very, very high—higher even for this time of year than they were last year, which is a cause for concern. I think it is still probably a bit early to see what effect that might have on our activity. I think our ED presentations are pretty much on track with last year's, but if they are then that will be reflected this time next year in our budget, where we will have increased expenditure and increased income because of increased activity.

Mr MARSHALL: For clarity, the budget for the current year does not have a flu factor built into it.

The Hon. J.J. SNELLING: It does, but only on the basis of historic experience. We do not budget every single year for essentially a flu pandemic, because we do not expect that to happen every single year.

Mr MARSHALL: And we do not expect it to happen this year; we have no information at this stage that—

The Hon. J.J. SNELLING: We did not when the budget was done. As I have said, flu reports to the SA Department for Health, basically from GPs about flu cases, is very high. If that does end up translating into increased presentations and increased admissions, that means we will have to take measures similar to what we did last year: we will have to significantly flex up our capacity, we will have to have more staff on to reflect the fact that there are increased presentations, and you will see that in the budget. It means that we would have a budget expenditure of considerably more than what the budget papers reflect.

Mr MARSHALL: Surely, if we just reduce the number of hospital beds in South Australia that is going to significantly reduce the expenditure. The minister has been hinting at this repeatedly over the last 12 months; that is, we have an unacceptably high number of hospital beds per head of population, significantly higher than any other jurisdiction in Australia. Surely that has been a factor. In fact, the minister has been doing some work on reducing the number of beds over a period of time.

Is that bed reduction number built in to the budget or are you telling the committee that you are just factoring in a 2 per cent increase going forward?

The Hon. J.J. SNELLING: Our budgeting is done on the basis of a 2 per cent activity growth, but with regard to—

Mr MARSHALL: Not of bed numbers—just for clarity.

The Hon. J.J. SNELLING: I am happy to talk about bed numbers all day. I think one of the issues we have in South Australia is the mix of services we deliver. We probably spend and have too much at the acute end and not enough on stopping people going into hospital through better chronic disease management and getting people out of hospital quicker. I think generally most people would agree that, while we have too many acute beds, we do not have enough subacute beds. We do not have enough of the sort of beds which are focused on getting people out of hospital.

It is not necessarily about making savings, but I think there is a very strong case to be made for changing the mix of services, because I think we do too much standing at the bottom of the cliff waiting for people to fall off. There are a lot of services there, relatively speaking, compared to other states, but the reason we do that is that we are not doing enough in getting people out of hospital quicker and we are not doing enough in stopping them getting there in the first place. So really it is about changing the mix of services that we provide. It is quite clear that we do not have enough allied health professionals in South Australia. We have more doctors and more nurses per head of population than anywhere else in Australia, but we do very poorly when it comes to allied health.

We need to change the mix of our workforce and we need to change the way our service is structured so we are doing far more at the preventative end and far more in getting people out of hospital quicker, and that is really what Transforming Health is all about. You would see a similar, if not increased, level of overall services across the health spectrum, but I think most independent experts and most clinicians would agree that we do need to change the way our health services are structured so that we are doing more in stopping people coming into hospital and getting them out earlier.

The fact that we underinvest in those other things is the reason that we have more and that we need more, at the moment, acute hospital beds than anywhere else in Australia—because we are underinvesting in those other areas. I would hope that, as we increase our investment in those other areas, it will mean that you will not need to have the highest number of acute hospital beds per head of population than anywhere else in Australia and we can get that number down.

Mr MARSHALL: Do you regret the government's decision to implement the findings of the McCann non-hospital services report, which slashed the budget for preventative medicine in South Australia?

The Hon. J.J. SNELLING: No, I do not. While preventative stuff that we do is very important, it does not mean that those sorts of things need to be reviewed to make sure that we are getting good value for money. Health spends $800 million a year; so almost a fifth of our budget is spent on NGOs.

Mr MARSHALL: But I am talking about preventative medicine.

The Hon. J.J. SNELLING: Okay; we would spend about $800 million a year on NGOs, and that is something that we need to constantly be having a look at to make sure that we are getting good value for money. What the McCann review did was have a look at our contracts in this sector, and we are putting money into making sure that we are getting good health outcomes commensurate with it. He made a number of recommendations. I did not accept all the recommendations in that, but I did accept that there were certain areas where we probably did not need to be investing as much because we were not seeing health outcomes commensurate with what we were investing in those areas.

Mr MARSHALL: Does the minister stand by his commitment that all services provided at the current Royal Adelaide Hospital will be provided at the new Royal Adelaide Hospital?

The Hon. J.J. SNELLING: Obviously there is a body of work that is being done about service delivery across the two sites. I think what is quite clear is that increasingly we need those

two sites to work more cooperatively and for some rejigging of services across the two sites. There is work that is being done on that at the moment. Professor Guy Maddern is certainly leading it in the surgery area, and at the end of the day I will go for anything that is going to result in better outcomes for patients, and, to be honest, even if that means that we might be moving services both from The QEH and the Royal Adelaide.

A good example of where we did that, where it has undeniably worked very well, is when we made the decision to relocate kidney transplant from The QEH to the Royal Adelaide. All the clinicians involved in that would recognise that that was a good thing to do. Likewise, I will be guided by good clinical outcomes with regard to where services are best located. If a convincing argument has been made to me that moving a service from one hospital to another is going to result in better outcomes, I am certainly not going to stand in the way of that happening.

Mr MARSHALL: But nevertheless, minister, you have previously said that all services at the existing Royal Adelaide would be replicated at the new Royal Adelaide Hospital. What you are informing the committee now is, 'Well, look, we're going to put those services where they are best suited, not necessarily at the new Royal Adelaide Hospital.'

The Hon. J.J. SNELLING: That's a fair thing to say.

Mr MARSHALL: When did you make this decision?

The Hon. J.J. SNELLING: Well, I have to say, I do not think any decisions as yet have been made, but Transforming Health has obviously had a big impact on that. We do need to make sure that we put services where they can best be located and where they are going to result in best patient outcomes. I am not going to tell Professor Guy Maddern that I know better about how he configures surgery services across the Royal Adelaide Hospital and Queen Elizabeth Hospital, and if he is convinced that a better patient outcome is going to be received by moving a service from one site to another I am not going to be so arrogant as to stand in his way and say it cannot happen.

Mr MARSHALL: With respect, though, that is what you have said repeatedly in the media, that all services will be there. So now they going to be where they are 'best suited', not necessarily at the new Royal Adelaide Hospital. When will you be making a decision about where all of the existing services will be going? What is the time frame, given the fact that at this point you are theoretically taking it over for trials in less than six months?

The Hon. J.J. SNELLING: Well, I point out that I do not make these decisions. These decisions are made by senior clinicians. They certainly do not involve the Minister for Health, and I am not even sure to what extent they would involve the chief executive. They would be happening with our clinicians who are actually on the ground.

Mr MARSHALL: But do you have a plan?

The Hon. J.J. SNELLING: Yes, there is a plan.

Mr MARSHALL: So what services—

The Hon. J.J. SNELLING: There is a body of work that is being done within the Central Adelaide Local Health Network about where is the best place to deliver services. That work is ongoing. If you want to know when it will be completed, I will need to speak to Professor Maddern and get a report back to you.

Mr MARSHALL: That would be great.

The Hon. J.J. SNELLING: Essentially, with regard to the surgical services, he is leading that. I think that there is another body of work being done by another senior clinician around the medicine area, and I am happy to get back to the committee with some indication when we expect that to be completed. I can assure you that it will be completed well in time so that we are ready to be moving into the new hospital. I have made that very clear that we need to be ready to move into the hospital in April 2016.

Mr MARSHALL: You are not concerned that we are less than six months away now from beginning the trials on the site and you do not know what services are going to be provided?

The Hon. J.J. SNELLING: Let us be quite clear about the trials on the site. It means that we are making sure that the services are working, it means that we need to make sure that the various medical gases are flowing where they are meant to be—the electricity, the IT systems. We are not actually going to be moving any patients in while those trials are happening. Basically the purpose of those trials is to make sure that the hospital is ready, is contracted, meets all the contractual requirements and is safe for us to move patients into. We will not move a single patient into the hospital—

Mr MARSHALL: All right, so nine months. You are less than nine months out?

The Hon. J.J. SNELLING: We are talking about April 2016; and, yes, I have enormous confidence in the work that is being done. I have enormous confidence in Professor Maddern and the other senior clinicians—

Mr MARSHALL: But no decisions yet? You do not know what services are going into the new Royal Adelaide less than nine months away?

The Hon. J.J. SNELLING: It has just been pointed out that most of the services are going to be transferring from the Royal Adelaide Hospital to the new Royal Adelaide Hospital. I do not expect any significant—it is not like an overhaul in terms of the services that are being delivered. If there are any changes—

Mr MARSHALL: Have you made any decisions yet?

The Hon. J.J. SNELLING: It is essentially going to be at the margins. As I pointed out, where we put services and where is the best place to deliver services—

Mr MARSHALL: I accept that.

The Hon. J.J. SNELLING: —is not something that the minister makes, it is not something that the chief executive of the department makes: they are decisions made by senior clinicians. But I am very, very confident in the work that is being done. I have enormous faith in the senior clinicians who have responsibility for this body of work. As I just pointed out, any changes will be essentially relatively marginal. We are not talking about a major overhaul of service delivery from one hospital to another.

Mr MARSHALL: But have there been any decisions made at this point or are they still all being envisaged as services currently provided at the existing Royal Adelaide where you have already made a decision, 'Well, we know for a fact that is not going to happen at the new Royal Adelaide; that is going to be transferred to the Queen Elizabeth or—

The Hon. J.J. SNELLING: Well, I think that the main decisions have been made. Most of the services are going to be delivered in the existing way—

Mr MARSHALL: I understand 'most', but I am saying—

The Hon. J.J. SNELLING: —and offered at the new Royal Adelaide. With regard to whatever changes that are going to be made, no final decisions, I am advised—

Mr MARSHALL: No final decisions?

The Hon. J.J. SNELLING: —no final decisions—with regard to where services are going to be delivered have been made at this time.

Mr MARSHALL: I find that extraordinary. With less than nine months to open no decisions have been made—

The Hon. J.J. SNELLING: You can find it as extraordinary as you want, it is the reality.

Mr MARSHALL: I will take you at your word. You are a reputable person.

The Hon. J.J. SNELLING: I am not concerned.

Mr MARSHALL: Okay.

The Hon. J.J. SNELLING: I am confident. I have made it quite clear. I guess the heart of your question is: are we going to be delayed from moving in because we have not done this work? And my answer to that is no.

Mr MARSHALL: Thank you. Is the government committed to operating a hybrid suite at the new hospital?

The Hon. J.J. SNELLING: Work is being done, and I think a business case is being prepared around having hybrid suites. The importance of hybrid suites and the opportunities for use of hybrid suites is really something that has come into their own, I guess, only in the last few years. When the original hospital was originally being designed, if they existed, their application was pretty limited, and so the opportunities really have only become apparent in the last couple of years.

I know that there is a lot of interest in having the opportunity for hybrid suites and there is a body of work going on. The great thing about the new Royal Adelaide Hospital is that, because it has a flexible floor plate, relatively speaking it will be straightforward to make hybrid suites available once we have done the business case and we know that it makes sense for us to have them.

Mr MARSHALL: Do you envisage that there will be a hybrid suite available in the new Royal Adelaide Hospital when it opens or soon thereafter?

The Hon. J.J. SNELLING: No, we would not, because it would not make sense for us to have that done as an alteration to the contract. So, if it has to be done it will be something we would do post opening.

Mr MARSHALL: So, what is your time frame at this stage for the establishment of a hybrid suite at the new Royal Adelaide?

The Hon. J.J. SNELLING: That depends if we do have a hybrid suite. There is a business case that is being done around hybrid suites because, of course, we have to work out how many hybrid suites we need. So that is a body of work that is being done.

Mr MARSHALL: Who is doing that work?

The Hon. J.J. SNELLING: There is work that is being done within the Central Adelaide Local Health Network in consultation with their clinicians.

Mr MARSHALL: What is the time frame for the decision on that?

The Hon. J.J. SNELLING: We would expect to get a business case in the next couple of months.

Mr MARSHALL: But would you be ruling out the possibility of a hybrid suite at the opening of the new Royal Adelaide Hospital?

The Hon. J.J. SNELLING: Yes, I would. There will not be hybrid suites there on the opening day but, if there is a strong business case for us to have hybrid suites, then that would be something that we would be wanting to have at the hospital relatively quickly, but it will not be the opening day.

Mr MARSHALL: Are you contemplating a hybrid suite in any other LHN?

The Hon. J.J. SNELLING: I have met with a group of surgeons at the Flinders Medical Centre and they are very keen to have hybrid suites. There is a business case happening in the Southern Adelaide Local Health Network about that as well. There is opportunity there if it makes sense for us to have hybrid suites. When we did the redevelopment of the operating theatres there, there was some extra capacity provided for, so a couple of areas have been notionally tagged as for operating theatres. If financially it makes sense for us to convert those into hybrid suites, that is something we will give very earnest consideration to.

There is no doubt that the surgeons anyway that I have spoken to believe that use of hybrid suites can result in considerable savings to the health system because it means that things can be done as day procedures that otherwise would require an operation and an overnight stay. We just need to make sure that the numbers all add up and, if they do, I would certainly be giving very favourable consideration to that.

Mr MARSHALL: Can the minister inform the committee whether organisations outside the department have been offered funding to employ people to facilitate the transition envisaged in Transforming Health? Most specifically, I note recently that the ANMF has run an ad for a Transforming Health liaison officer. I just would like to know whether this will be partly or fully funded by the government and, if so, over what period of time, to what value, and what conditions, if any, are associated with these grants?

The Hon. J.J. SNELLING: We have. Certainly, we had requests made to us given that, particularly for the nurses federation, Transforming Health is going to require considerable extra work on their part because the nurses federation is obviously having to deal with members who are at the Repat who are being affected by the decisions as part of Transforming Health. The department has been very happy to make funding available to them to engage extra resources to deal with that.

Mr MARSHALL: What sort of money?

The Hon. J.J. SNELLING: It is about $100,000.

Mr MARSHALL: Each year for how many years?

The Hon. J.J. SNELLING: I think it is only one year at this stage, but if they came back to us and were seeking extra to engage those extra resources for a longer period of time that is something the department would give consideration to.

Mr MARSHALL: What conditions are associated with these grants? Is there a reporting—

The Hon. J.J. SNELLING: I think they would be the normal acquittal requirements with any of these sorts of contracts and just the normal requirements we would expect of any outside organisation to which we are providing funding to make sure that the funding was put towards the purpose for which it had been provided.

Mr MARSHALL: Are there any other organisations apart from the ANMF that have accepted an offer from the government, and are there any other organisations that the government has sought to provide funding for?

The Hon. J.J. SNELLING: The PSA have taken funding. We would also point out that the government has provided money to the Repat Foundation as well. We were a significant sponsor for the ANZAC Day Gala Ball and provided funding I think to enable them to make, obviously, a transition from being the Repat Foundation to—

Mr MARSHALL: How much money was provided to the Repat Foundation for their ball sponsorship?

The Hon. J.J. SNELLING: $500,000.

Mr MARSHALL: For the ball sponsorship?

The Hon. J.J. SNELLING: For the ball and because obviously they have to considerably change the way their business is structured. It is structured around the fact of there being a Repat Hospital.

Mr MARSHALL: So you have provided half a million dollars—I have got this wrong, I think—to sponsor the ball committee for the Repat Foundation? Please tell me that that is not true.

The Hon. J.J. SNELLING: If you stop talking so that I can get some advice, I can go through it. My advice is that $500,000 includes the maintenance of the garden and the maintenance of the chapel, to help the organisation restructure and transition from being a Repat-based foundation into having a broader veterans' health focus, and obviously to enable them to proceed with the ANZAC Day Ball.

Mr MARSHALL: Is there a contract that has been tabled or can be tabled, as this is a little bit more complicated as to what they are required to do for the $500,000 than the ANMF; is that possible?

The Hon. J.J. SNELLING: We are just checking, but we are pretty sure there is a grant deed.

Mr MARSHALL: And we can have a look at that?

The Hon. J.J. SNELLING: We will just check. I will get some advice, but I certainly have no personal objections to your having a look at it.

Mr MARSHALL: So it is a one-off payment of $500,000 to the Repat Foundation?

The Hon. J.J. SNELLING: Yes, that is right.

Mr MARSHALL: And then an annual payment to the PSA and the—

The Hon. J.J. SNELLING: No; at the moment, they are both one-off payments as well.

Mr MARSHALL: Sorry. But you have said that if they applied next year—

The Hon. J.J. SNELLING: I would say that if they came back to us and were seeking extra funding, or they wanted to continue that, then obviously we would give consideration to that. But, at the moment, it stands as one-off funding.

Mr MARSHALL: How did it work? Did you approach these organisations and say, 'Would you like some money?' or did they approach you, or was there something that was advertised, or is there a grants program?

The Hon. J.J. SNELLING: The issue was raised in meetings I have had with the various industrial bodies over Transforming Health, and—

Mr MARSHALL: It was raised by you or by them?

The Hon. J.J. SNELLING: All I can say is the issue was raised. My advice to them was to write formally seeking funding. The organisations which have received such funding have written and they have received it on the basis of those requests.

Mr MARSHALL: Was there any payment made to the AMA, or SASMOA, or any of the other organisations?

The Hon. J.J. SNELLING: No, not yet, but certainly we would be open to it if they made a request.

Mr MARSHALL: So we should encourage the AMA to write and ask for $100,000; is that the gist of it?

The Hon. J.J. SNELLING: Certainly. If either of those organisations (particularly SASMOA, given that they have industrial interests) were to write requesting funding, then, yes, we would give that very favourable consideration.

Mr MARSHALL: And what other organisations would be available to apply for this generous payment?

The Hon. J.J. SNELLING: It is essentially to the industrial bodies involved.

Mr MARSHALL: Just to industrial bodies?

The Hon. J.J. SNELLING: Yes, industrial bodies that are affected by the decision we have had to make. The ANMF—

Mr MARSHALL: The Repat Foundation is not an industrial organisation.

The Hon. J.J. SNELLING: No, and that was one-off funding, given the unique circumstances which we were expecting of the Repat Foundation.

Mr MARSHALL: Should the Daw House foundation—

The Hon. J.J. SNELLING: No. I met with the Daw House foundation and they have been quiet; they have not made any request for funding.

Mr MARSHALL: But should they? If they did, would they receive the money?

The Hon. J.J. SNELLING: I do not think the Daw House foundation are faced with circumstances similar to those being faced by the Repat Foundation. The Repat Foundation's raison

d'être was the Repatriation General Hospital, which the government announced is closing. That presents considerable challenges to the Repat Foundation. I think there was actually a real question about whether the Repat Foundation wound up.

From a policy perspective, that was something I was very keen not to happen; I wanted them to continue doing their great work. I think they do do great work, particularly in the veterans' health space, and I think it would have been an enormous shame if that organisation wound up. They are an organisation who do great work and we want them to continue doing great work.

Mr MARSHALL: When did the government first learn that, on average, there are 500 more deaths in South Australian hospitals each year compared with hospitals in other Australian jurisdictions?

The Hon. J.J. SNELLING: I do not know the precise date, but I learned it as a result of the work that was being done by the clinical groups who had been meeting since last year, analysing the data from across our health system.

Mr MARSHALL: So there was an internal analysis done across jurisdictions?

The Hon. J.J. SNELLING: It was arrived at by McKinsey, who had been doing data analysis, looking at our data, comparing and benchmarking us against interstate. It came from the work that McKinsey were doing in conjunction with the Ministerial Clinical Advisory Group which had been meeting since last year.

Mr MARSHALL: When was that work completed and provided to the government?

The Hon. J.J. SNELLING: I would need to go back to give you precise dates.

Mr MARSHALL: Has it been published? Will the government release the McKinsey report?

The Hon. J.J. SNELLING: We have put all the data on the internet, so it is all on the Transforming Health internet site. I think all the data that was provided to the clinical groups, which includes that, obviously, has been put on to the internet.

Mr MARSHALL: The detailed information provided by McKinsey regarding the state-by-state comparison of mortality rates is—

The Hon. J.J. SNELLING: I will double-check, but I am pretty sure. Certainly, the intention—

Mr MARSHALL: But if it is not, you will release it?

The Hon. J.J. SNELLING: I am more than happy to have a look. The chief executive is saying that it probably compares against the national average, but all the data, all the slide sets that were shown to the clinical groups that enabled them to arrive at the conclusions they did about what we needed to do, as far as I am aware, have been put up on the internet.

Mr MARSHALL: What areas of hospital care in South Australia have the greatest level of variation in terms of mortality rates compared with other jurisdictions?

The Hon. J.J. SNELLING: We have to be very careful about benchmarking individual services and individual sites, because just looking at the mortality data can give people the wrong idea. It is one thing to compare a whole state with another state, but when you are starting to look at individual services or individual hospitals it can be quite misleading, because of course mortality data will be largely affected by the acuity of the presentations that are going to that particular service.

There is no doubt that the Royal Adelaide Hospital—in particular, the really high-end services of the Royal Adelaide Hospital—would have relatively high mortality rates because they are dealing with much sicker people than a service that is dealing with relatively straightforward type presentations. We have to be very careful. There is no other state that I am aware of that publishes mortality data and breaks it down in a granular way, because it could make people anxious about presenting to a particular service, on a figure that, on its own, might not mean very much.

We do make mortality data available, I think, to our clinicians to enable them to review their work and to make comparisons about particular services because they are obviously able to look at that and take into account whatever other factors might be contributing to that particular data. There

are things that have already been made public, and it is not necessarily a variation from location to location, but a variation on the time of presentation.

There is no doubt that if you have a stroke and present to a hospital between midnight and 8am, your chances of dying are significantly greater—I think, three times greater, from memory—than if you present with a stroke during the day. We have excellent stroke outcomes during the day but we are not able to provide that consistently 24 hours. Having said that, I do not think there is any state that breaks down its mortality data from site to site because of the confusion that that could create.

Mr MARSHALL: In the Delivering Transforming Health—Our Next Steps document, where it deals with this variance in mortality rate, it specifically says that SA Health, LHNs and other clinicians—and triangulated with alternative data sources including health round table data—will be validated with regard to this additional work. Has that additional work been done, over and above the original McKinsey report?

The Hon. J.J. SNELLING: I would need to check. We do not expect it has been completed, no.

Mr MARSHALL: The opposition lodged a freedom of information request for standardised mortality ratio data more than three months ago. Can the minister assure the committee that the FOI requests have not been delayed in his office or at the direction of a member of his office?

The Hon. J.J. SNELLING: I would have to have a look but, as I have said, with regard to mortality rates of individual services and individual sites, it is not something we make public. It is not something that anywhere else in the country makes public for the reasons I said. I do not know about the individual FOI request. I would need to get a report back from the house but I am more than happy to have a look at it. We are always happy to provide whatever information we possibly can to the opposition and to the public.

Mr MARSHALL: Just with regard to the Repatriation General Hospital, who is actually managing the registration of interest and the expression of interest process there?

The Hon. J.J. SNELLING: The Department for Health and it is Brendan Hewitt, who is the Director of Infrastructure in the Department for Health.

Mr MARSHALL: Will the government continue to own and manage all of the heritage assets—e.g. the memorial garden you referred to earlier, the chapel museum and other heritage listed buildings on that site—going forward?

The Hon. J.J. SNELLING: I would expect so, but if an organisation came to us and said that they were interested in running those, and as long as they met heritage requirements and whatever outcome was something that was acceptable to veterans and acceptable to the wider community, I am more than happy to consider that, but I do not expect that would happen. I would expect that the government would continue to operate and to be ultimately responsible for those heritage buildings.

Mr MARSHALL: With regard to the subacute beds at the Repat Hospital, in last year's budget papers there was an estimate that the new beds there would cost $32 million. Was that an accurate reflection of what did happen there? Can you advise also what proportion of that was funded by the federal government?

The Hon. J.J. SNELLING: We will have to get back to you. It would be in last year's budget papers, so we would need to check but, yes, the expectation was there was commonwealth funding.

Mr MARSHALL: I would just be interested to know what the project came in at because, in last year's budget—it was not reported in this year's budget—it was budgeted at $32 million. I would just be interested to know what the project came in at.

The Hon. J.J. SNELLING: Are you talking about ViTA or are you talking about something else?

Mr MARSHALL: It just said last year 'subacute care beds project for the Repat Hospital'.

The Hon. J.J. SNELLING: We just need to double-check because it is in last year's budget papers, but we think what that is referring to is the ViTA facility down at Daw Park.

Mr MARSHALL: Who owns those beds?

The Hon. J.J. SNELLING: It is a joint initiative between us and ACH. They own the beds. The way it works is they run half of those beds. We have a contract with them for the other half for public patients. It is in the brand-new ViTA facility at Daw Park. With regard to the building costs and everything, I would have expected that that would have been managed by ViTA rather than the department. We made a contribution to it, but we did not take responsibility for the actual building project because it was being done by ACH.

Mr MARSHALL: Just for clarity, on that ViTA site, there are 20 beds: 10 of which you fund, which are subacute beds for public patients, and 10 that they run themselves. We are not clear about who paid for the building.

The Hon. J.J. SNELLING: It was pretty much the commonwealth who would have paid the capital for the building, but we have a contract with them, a fee-for-service contract basically, for half of those subacute beds, so you will have a public patient in that.

Mr MARSHALL: What is the term of that contract? Do you envisage that contract continuing after you exit that site?

The Hon. J.J. SNELLING: Yes, we certainly would expect it to continue beyond us exiting that site. There is no reason why we would discontinue it.

Mr MARSHALL: Ten subacute beds?

The Hon. J.J. SNELLING: Yes, that is right, because they are being managed by ViTA, so it is a good financial outcome for the state.

Mr MARSHALL: Would it be fair to classify this as the privatisation of 10 subacute beds? These were beds which would have historically been within the Repatriation General Hospital. You have moved 10 beds out, and you have privatised those 10 beds?

The Hon. J.J. SNELLING: No, because they were either additional beds—I need to check—beyond what we already had, and I am almost certain that would be the case, or, alternatively, they were beds that were being provided by another NGO on a contract with the government.

Mr MARSHALL: I am not sure what you mean. These are subacute beds—

The Hon. J.J. SNELLING: When you talk about privatising, generally you are talking about moving something from the public sector to the private sector. My point is these are 10 additional—

Mr MARSHALL: Ten additional beds. So, there were no subacute beds closed.

The Hon. J.J. SNELLING: —either 10 additional beds, so they were new subacute beds that we were creating on top of our existing subacute bed stock. It was either that or, alternatively, they may have been being provided by another NGO already, under a contract.

Mr MARSHALL: Are there other subacute beds provided and serviced by NGOs in South Australia?

The Hon. J.J. SNELLING: Yes, there are, all over the place.

Mr MARSHALL: Can you give another example of that?

The Hon. J.J. SNELLING: If you go over to Glenside, Mind is run by an NGO. In the mental health space in particular we use NGOs significantly. All the transition of aged care places are NGO provided. Historically this is something we have done for a long time. It is nothing new.

Mr MARSHALL: With the Transforming Health document, in particular it talks about the Repat Hospital and the next steps. It says that most clinical services currently provided at the Repat General Hospital will continue but at different locations across the metropolitan hospitals.

The Hon. J.J. SNELLING: Yes.

Mr MARSHALL: Orthotics and Prosthetics SA will continue at this site.

The Hon. J.J. SNELLING: Yes.

Mr MARSHALL: When you say that most of the services will continue, which ones will not?

The Hon. J.J. SNELLING: We are still doing work over that. There is no service that is being discontinued. All the services that are currently at the Repat will continue to be provided, just at different locations.

Mr MARSHALL: I accept that, but in your literature it states 'most'; you are now happy to substitute that with 'all'?

The Hon. J.J. SNELLING: That is my advice, yes.

Mr MARSHALL: So that is your commitment?

The Hon. J.J. SNELLING: Yes.

Mr MARSHALL: All services. And will the statewide motor neuron disease clinical services currently delivered from the Repat continue to be based on that Repat site? If not, from what site will that be delivered?

The Hon. J.J. SNELLING: I would need to check. It is not something that has come up in discussions we have had. Most of the work we have done so far is about the big services we provide on that site: surgery, medicine, rehabilitation, and mental health, so PTSD and the Ward 18 older persons mental health unit. They are where most of the discussions have been. We admit that there are a number of smaller services there that are going to have to be provided at different sites—I just met the other day with the sleep clinic people—and we are working through that at the moment.

Mr MARSHALL: It has been suggested to the opposition that there is a lot of logic in keeping the motor neurone disease clinical service co-located with the swallowing disorders clinic and the sleep clinic, thereby allowing those three specialty areas to operate.

The Hon. J.J. SNELLING: It is probably a valid point. It would be work that is happening at the moment as we talk to the clinicians who are involved in these areas about where is the best place for them to continue to provide that service. I would expect that most of these services, as much as we can, will continue to be provided within the Southern Adelaide Local Health Network.

Mr MARSHALL: Where will the clinical services currently provided by the prostate cancer specialist at the Repat Hospital be based under Transforming Health?

The Hon. J.J. SNELLING: That would be work that is being done at the moment.

Mr MARSHALL: What is the time frame for determining where these things go?

The Hon. J.J. SNELLING: The time frame for us getting that off that site is within the next two years. It is largely being driven by our ability to build the new rehabilitation building at the Flinders Medical Centre, but we would expect within the two to three year time frame. So, as we approach that we would expect that there will be greater clarity about where the smaller services will be provided from.

Mr MARSHALL: The budget papers provide a very significant increase in ambulance service operational costs going forward per year, something in the order of $8.9 million extra per year. Is that envisaged essentially to facilitate the transfer of patients from existing emergency departments to the super emergency departments?

The Hon. J.J. SNELLING: There are two components. Obviously with Transforming Health we would expect greater utilisation of ambulance services, but I think it would be fair to say that over the last number of years there has been phenomenal growth in the activity of our ambulance service. We have seen that our ambulance officers are incredibly busy, and that has been without Transforming Health. I would expect that, even putting Transforming Health aside, we will have to reinvest considerable amounts of money into our ambulance service just to deal with the growth that is there.

Mr MARSHALL: What value of the $8.9 million additional annual uplift in ambulance operational costs can be associated with just this transfer—

The Hon. J.J. SNELLING: Yes, I will have to get that detail.

Mr MARSHALL: But that detail exists?

The Hon. J.J. SNELLING: I would say so because the ambulance service would do calculations based upon what their budget requirements were, and presumably they have taken into account the extra money that they would require from Transforming Health.

Mr MARSHALL: The budget paper itself provides—and I cannot remember the exact wording—something along the lines of 'mainly for Transforming Health'.

The Hon. J.J. SNELLING: What we have stated in the past—and I do not have figures but I have what we expect as a result of Transforming Health—we would expect metropolitan paramedic and support staff numbers to increase by 72 and then we would add an extra 12 ambulances to the metropolitan fleet as a result of Transforming Health. I do not have the breakdown.

Mr MARSHALL: Is there any other reason in Transforming Health—other than the transfer of patients, for example, from the Noarlunga emergency department to the Flinders super emergency department. Am I missing anything else?

The Hon. J.J. SNELLING: I do not think so.

Mr MARSHALL: Is it just additional transportation?

The Hon. J.J. SNELLING: The idea is to get people to the right place the first time, so we are not necessarily talking about transferring people. We are actually talking about making sure that people go to the right hospital the first time. We would actually like to see fewer transfers as part of Transforming Health than we currently have because at the moment we have a lot of people having to be transferred from one hospital to another. We get people having to be transferred because they are in rehabilitation at Hampstead or Glenside, their condition deteriorates so they need to go back to an acute hospital setting, people being transferred into rehab, and people of course within emergency departments going to an emergency department that does not have the services to treat a person of their acuity and they need to be transferred. So, all in all I would hope that we would end up in the position of fewer transfers, not more.

Mr MARSHALL: Even though your budget provides for a $9 million increase in patient transfers per year?

The Hon. J.J. SNELLING: Well, we would expect more and greater ambulance activity. One of the things we want is people calling ambulances rather than driving themselves into hospitals. It is far better if you are having a stroke or a heart attack to get on the phone and get an ambulance to come and pick you up because your treatment starts straight away, rather than people driving themselves which unfortunately they do far too often. We have made provision for extra ambulance activity, but I have to say—and I will double check this—we would need to go back to the ambulance service to check but even without Transforming Health there has been significant growth in activity in the ambulance service over the last five to 10 years.

Mr MARSHALL: If the government's plan is for people to call more ambulances, people are going to be billed for those ambulances. The only additional cost to the government is going to be from the interemergency department transfers.

The Hon. J.J. SNELLING: They get billed if they have ambulance cover, if they have private health insurance which includes cover in it, but we would get the figures for you. There is a considerable amount of money the ambulance service writes off every year in people who cannot pay their ambulance bills.

Mr MARSHALL: So what is the cost of an ambulance transfer?

The Hon. J.J. SNELLING: Several hundred dollars. It depends upon the urgency. I think there is a fee schedule that can vary.

Mr MARSHALL: And you will provide us with the unpaid ambulance fee—

The Hon. J.J. SNELLING: It is a considerable amount of money that we write off every year in people who have an ambulance bill, they do not have health cover, they do not private ambulance cover. You have to remember, too, some of the private health insurers only cover a certain number of ambulance trips a year as well.

Mr MARSHALL: Sure. So, how do you determine what to write off? Do you just write off anybody who does not have private health insurance?

The Hon. J.J. SNELLING: No, it is based upon the ability to pay of the person with the bill.

Mr MARSHALL: Right, and you will tell us how much that is per year?

The Hon. J.J. SNELLING: Yes.

Mr MARSHALL: Thank you.

The Hon. J.J. SNELLING: I am happy to.

Mr MARSHALL: Can I just ask some questions about the EPAS system? Is the EPAS—

The Hon. J.J. SNELLING: Sorry, it has just been pointed out to me that in terms of the fees, the rates for emergency are $918; for a non emergency, $205; for a 'treat no transport' (sometimes ambulance officers will turn up to a site, treat someone and not necessarily transport them into hospital), $205. It has just been pointed out to me that those fees do not fully cover the cost of the service. The service is in addition, subsidised, I guess, by government. The cost is far more expensive, putting aside even what we write off. The cost of our ambulance unit for an emergency is $918—what we charge—but the costs of providing that are far greater.

Mr MARSHALL: Some questions on EPAS: is EPAS going to be ready for the new Royal Adelaide Hospital in April next year?

The Hon. J.J. SNELLING: It better be.

Mr MARSHALL: What contingency planning have you put in place, considering there have been pretty high-profile cases of EPAS-like systems holding up the move into hospitals?

The Hon. J.J. SNELLING: Indeed, I make no secret that it is a considerable concern of mine, and that is why, with EPAS, we have changed the program to enable all our resources to be put into making sure EPAS is ready, or a form of EPAS is ready, I should clarify, for the new Royal Adelaide Hospital. It will be very unlikely that it will be the full suite of EPAS clinical functionality, but it will meet the requirements that are upon us with our contract with SAHP in terms of our IT systems and what they need to be, the standard they need to be at to interact with the IT systems of SAHP.

Mr MARSHALL: What functionality is not going to be present when we move into the new Royal Adelaide Hospital?

The Hon. J.J. SNELLING: We are working through that with clinicians at the moment. Discussions are being had with clinicians. For example, you would not have the full eHealth record. For medications management, you would not have the whole eHealth record component. In terms of our requirements and ability, it is the replacement of the old PAS system. There is an existing PAS at the existing Royal Adelaide Hospital, and that does not meet the requirements for the new hospital. So, at the very least, we have to make sure that we have the PAS component of EPAS ready for the move.

There will probably be some additional functionality, not just that, that will be available, but the more complex aspects of it will not be. The main reason for that is not so much an issue of readiness, but just about the complexity of clinicians moving into a new working environment. You do not want them having to adjust to eHealth records, medications management, and those sorts of things, which are complex and take some time for people to get up on in dealing with that, and the complexity of new working and new operating environments. That is work that is happening at the moment.

Mr MARSHALL: When do you think it will be fully operational at the new Royal Adelaide Hospital? Can you put a year on it? Round it up.

The Hon. J.J. SNELLING: Our expectation is within six months we would have full functionality.

Mr MARSHALL: What are you prepared to put on that?

The Hon. J.J. SNELLING: I wouldn't put anything on it.

Mr MARSHALL: You wouldn't put anything on it?

The Hon. J.J. SNELLING: Any IT systems are incredibly complex.

Mr MARSHALL: So why tell me six months if you are not even prepared to—

The Hon. J.J. SNELLING: That is my advice, it is what our expectation is, about six months.

Mr MARSHALL: Well, put something on it. What are you prepared to put on it?

The Hon. J.J. SNELLING: I thought this was an opportunity to ask questions, not place wagers.

The CHAIR: Order! Back to business.

Mr MARSHALL: Forgive me for being cynical, Madam Chair.

The Hon. J.J. SNELLING: It will depend upon—

Mr MARSHALL: What was the original due date for the completion of the system?

The Hon. J.J. SNELLING: It will depend upon the take-up of clinicians. You are talking about not just rolling out new technology, you are actually talking about change management with the workforce who have to use that. There are any number of uncertainties when you are talking about getting clinicians to work in a new environment.

I remember when IT systems were rolled out here, which are a fraction of the complexity of what we are talking about the new Royal Adelaide Hospital. The number of times I have heard MPs whinge and moan about having to deal with a new, relatively straightforward IT system here in Parliament House, and we are talking about something which is of immense complexity relative to that. So, no, I am not going to put any money on it, but I indicate that our expectation is that we would be looking at full functionality, we would be aiming towards full functionality, within about the six-month mark.

Mr MARSHALL: So, within six months of moving in, the product will be—

The Hon. J.J. SNELLING: I am not going to play this game where you go back and say, 'He promised it would be within six months.' I am not interested in that game. I am trying to give you the information as accurately as I can for the benefit of the committee. If you are actually interested in information, as opposed to trying to set traps for me, I am happy to provide information but I am telling you where we are at, and we would expect that there would be full fix functionality within six months. Am I going to promise it? Am I going to guarantee it? No, of course not, because I am not in a position to, because we are talking, essentially, to a large extent, about things that are outside my control.

Mr MARSHALL: What we are going to have for the first six months of operation is a sort of a combination between the electronic system and a physical, records-based system?

The Hon. J.J. SNELLING: Sorry, say that again. I missed your question.

Mr MARSHALL: Until it is fully implemented, we are going to have a combination between a physical—

The Hon. J.J. SNELLING: You would expect so: yes, that is right. It would be a mixed system, a hybrid system.

Mr MARSHALL: Will that require additional physical storage space?

The Hon. J.J. SNELLING: Yes, quite possibly.

Mr MARSHALL: Does that exist at the new Royal Adelaide Hospital?

The Hon. J.J. SNELLING: No, that is something that we are working through but, as I say, it would be for a temporary period. It would not be a permanent thing. We would just have to have temporary storage facilities for those paper-based records.

Mr MARSHALL: But you have now developed a contingency plan based upon using—

The Hon. J.J. SNELLING: We are still working through that but, yes, I do not have any particular concerns about paper storage if that is what is required. It will be for a relatively short period of time.

Mr MARSHALL: In short, there is no way that the EPAS system will be ready from day one?

The Hon. J.J. SNELLING: No, I have never, ever said that. EPAS is ready. EPAS would be ready. The issue for us is not about the readiness of EPAS, because it is ready. The issue for us is about the complexity of moving doctors, nurses and other clinicians into a new working environment and adding onto that the complexity of them having to deal with a new IT system as well. The issue is not that EPAS is not ready—EPAS will be ready—but we are making, I think, a sensible decision to make sure that the transition to the hospital goes as smoothly as it possibly can and that we do not overlayer what is going to be a very complicated piece of work with unnecessary complexity by expecting them to adapt to a new IT environment as well.

Mr MARSHALL: Is the CHIRON system still operational?

The Hon. J.J. SNELLING: That is in our country hospitals. Yes, it is still operational. Obviously, there are contractual issues with the provider of the product that are being worked through at the moment but, as we speak, CHIRON is continuing to go.

Mr MARSHALL: Can I get some clarity? The CHIRON system was originally envisaged to be replaced by the EPAS system.

The Hon. J.J. SNELLING: No, that is not correct. When EPAS was taken to cabinet, its scope was 'what is its current scope?' and that was the metropolitan hospitals, two country hospitals, the SA Ambulance Service and the GP Pluses. There has been no alteration to the scope of EPAS since it went to cabinet.

Mr MARSHALL: With respect, we have the *Hansard* with the previous minister making it quite clear that the original—

The Hon. J.J. SNELLING: I have double-checked this and there has been no change to the scope. Cabinet has never changed the scope of the EPAS project. It has always been—

Mr MARSHALL: That may be the case, minister, because you have been in cabinet and I have not been.

The Hon. J.J. SNELLING: I work on the basis of what cabinet decides.

Mr MARSHALL: I am not in cabinet so I can only work on what ministers report to the house. Originally, the recommendation to this house, the strong commitment, was for the EPAS system to replace CHIRON. Nevertheless, if that was not the case, what were you planning to replace CHIRON with and over what period of time?

The Hon. J.J. SNELLING: Ultimately, it will be replaced by EPAS—that would be our intention—but there has been no change to the original scope as it was taken to cabinet.

Mr MARSHALL: So CHIRON is currently out of—

The Hon. J.J. SNELLING: There have been issues with the provider because, of course, they are keen for us to move to their new product but, in terms of its ability to do the work that we expect of it in our country hospitals, there are no issues with functionality. The issues are completely with regard to the vendor wanting us to move off it for commercial reasons and, no surprise to anyone, they would be very, very keen for us to purchase their new system.

Mr MARSHALL: You are using a system now without a licence?

The Hon. J.J. SNELLING: We are within our legal rights. I have to be a little bit careful about what I say, because obviously there is legal disputation, but it is public that our licence had

expired but we are continuing to use it, and our advice is that we are within our legal rights to continue to use it.

Mr MARSHALL: You are operating a system that you do not have a licence for and the vendor for that licence is currently suing the state government?

The Hon. J.J. SNELLING: No.

Mr MARSHALL: What part of that is incorrect?

The Hon. J.J. SNELLING: They have taken us to the Federal Court—

Mr MARSHALL: So what part of what I said—

The Hon. J.J. SNELLING: —over legal disputation. I have just got to be careful about what I say given that this is all stuff that is currently before the courts.

Mr Tarzia interjecting:

The CHAIR: Order!

Mr Tarzia interjecting:

The Hon. J.J. SNELLING: They have taken us to the Federal Court; I think that is all I can say.

The CHAIR: Order, member for Hartley! Just a minute, before we go any further, member for Hartley, that is not how it works here. Your leader has the call. If you wish the call, you ask for the nod. Please do not speak over each other, and I might also ask that you allow the minister to finish his answer before we go on to the next question, because we are listening to it up here and we are finding it quite difficult to hear who is speaking when you are speaking over the top of each other. Have you finished your answer to that question, minister?

The Hon. J.J. SNELLING: Yes.

Mr MARSHALL: Just for clarity, we are operating the CHIRON system without a valid licence, yes? You have confirmed that. Secondly, you have said—

The Hon. J.J. SNELLING: Hang on, hang on. You have asked me a question, allow me to get some advice to answer it. Our legal advice is that we are within our rights to continue to use it. That is our legal advice.

Mr MARSHALL: But in fact CHIRON is asserting —

The Hon. J.J. SNELLING: It is true that we are operating outside of the licence, that is correct, that is factually correct, but it is also true that our legal advice to the department is that we are within our rights to continue to operate the system.

Mr MARSHALL: What is the basis of the legal action that CHIRON is taking against the state government?

The Hon. J.J. SNELLING: I think that is all I can say. I am happy to—

Mr MARSHALL: When does that appear in court?

The Hon. J.J. SNELLING: —provide or make available officers to give the Leader of the Opposition a briefing about this particular issue.

Mr MARSHALL: Thank you, I appreciate that.

The Hon. J.J. SNELLING: On the basis that if there is legally privileged information he is provided with he keep that confidential, but in the public sphere the advice of the department is that I have just got to be very, very careful about what I say. In summary, what I can say, reiterate, is that it is true, as the Leader of the Opposition says, that it is being operated without licence, but advice to the government is that we are within our legal rights to continue to operate the system as we currently are.

Mr MARSHALL: When does it appear in court, do you know?

The Hon. J.J. SNELLING: My advice is that there are a number of court hearings over the next couple of months.

Mr MARSHALL: What would happen if CHIRON were successful and it prevented you from continuing to use its EPAS software used across all but 12 of our 75 hospitals in South Australia?

The Hon. J.J. SNELLING: I am not going to engage in speculation, other than to reiterate what I have said that the legal advice to the government is that we are within our rights to continue to operate the system.

Mr MARSHALL: You assert that you are within your legal rights, but what is your plan for the EPAS across Country Health SA?

The Hon. J.J. SNELLING: Ultimately, our plan is that, when we are in a position to do so, we would roll EPAS out to all of our country sites.

Mr MARSHALL: Do you have a time frame that you envisage for that at this stage?

The Hon. J.J. SNELLING: At the moment, I am concentrating on the metropolitan hospitals and in particular I am concentrating on the Royal Adelaide Hospital but, once we have completed the current scope of hospitals, we will move on to our country hospitals, and our expectation would be to continue to operate, to use CHIRON until that time.

Mr MARSHALL: Can you give an indication to the committee? Is this something you would envisage, moving to EPAS within the next 12 months?

The Hon. J.J. SNELLING: No, I would not say that it would be within the next 12 months.

Mr MARSHALL: The next five years?

The Hon. J.J. SNELLING: Yes, I would say. Obviously, cabinet would have to approve it. There is no budget contingency for it at the moment, so it would be something that would have to be done either as part of the budget process or be subject to cabinet approval. Yes, we would expect it would be in the next five years.

Mr MARSHALL: I only ask, minister, because I have looked at the forward estimates and I cannot see any reference to a new EPAS across Country Health SA.

The Hon. J.J. SNELLING: Because it has not been approved by cabinet or through the budget. You would not expect to.

Mr MARSHALL: That is why I am asking. What is your time frame for implementing that?

The Hon. J.J. SNELLING: Cabinet has not approved it. There has been no approval as part of the budget process for replacement of CHIRON with EPAS, but my expectation and the plan, and the expectation of the department, would be that, once we have completed the rollout of EPAS on the current scope, we would move on to our country hospitals. We view that as a priority, but there have been no budget approvals for that and there has been no cabinet approval of that. That would of course be contingent upon cabinet and budget approval for those things.

Mr MARSHALL: Have you actually instructed any of your staff, ministerial or departmental, to prepare a cabinet submission for a new EPAS or PAS across regional South Australia?

The Hon. J.J. SNELLING: The department is working on that and on replacing CHIRON with EPAS, but our focus at the moment is rolling EPAS out to our metropolitan hospitals, and to the new Royal Adelaide Hospital in particular.

Mr MARSHALL: But there has been no cabinet submission and no work on a—

The Hon. J.J. SNELLING: I would not expect there to be a cabinet submission.

Mr MARSHALL: Well, it is out of licence.

The Hon. J.J. SNELLING: I was going to say that we are not going to be proceeding with rolling EPAS out to our country hospitals until the new Royal Adelaide Hospital rollout has been completed to success and to the metropolitan hospitals. I am not even going to be really thinking about rolling it out to other sites until I am satisfied that EPAS has been successfully rolled out to our

metropolitan hospitals. I have to complete the current scope of the project before we start thinking about or giving earnest consideration to other aspects.

Dr McFETRIDGE: Budget Paper 4, Volume 3, pages 26, 31, 35 and 42—

The CHAIR: Do you have a question for each page or—

Dr McFETRIDGE: They are just the various references to this particular topic of—

The CHAIR: We did ask to have them referenced at the beginning of each question, but we have been very liberal with you all this morning. We will do our best to allow you to continue.

Dr McFETRIDGE: I have appreciated your style in running this committee. The delivery of palliative care services, particularly with the changes at the Repat, is very topical at the moment. In relation to Country Health, and Mount Gambier down there in a beautiful part of this state, out of 124 job losses indicated in the FTE reductions on page 42 of the budget paper, how many will be from the South-East and how many are from the palliative care service in the South-East?

The Hon. J.J. SNELLING: The first thing to point out is the reason that this is an issue at all is that the federal government either did not honour or let expire a national partnership agreement on subacute services, and this is not just an issue in Mount Gambier, it is an issue right across the state. The national government have not renewed the national partnership agreement on subacute services, so I find it extraordinary that there is complaining to me. People really should be taking their complaints to the federal member for Barker about why the government of which he is a part has not renewed a national partnership agreement that is delivering palliative care services to the people of the South-East. It is an absolute disgrace and—

Dr McFETRIDGE: When was that due for renewal?

The Hon. J.J. SNELLING: —reflects poorly on the ability of that gentleman to effectively represent his electorate that such a thing is allowed to happen. I find it completely gormless that he has been unwilling to stand up for his community to deliver on palliative care services. That money has been ripped out of palliative care services. What we are doing is reallocating roles so that we can continue to deliver a palliative care service to the people of the South-East.

My advice, from when I have had discussions with Country Health about that, is that for all intents and purposes, we do not expect people in the South-East to really notice all that much difference in the delivery of palliative care to them out of Mount Gambier. This is because we have put in reallocated staff and funding to enable that palliative care service to continue. It will not be, for want of a better word, the rolled gold type service we were able to provide with that federal government funding, but my expectation is that I doubt there would be any significant change that people receiving that service would notice. Basically, we have done our best to fill the hole that has been left by the federal government's removal of that money.

With regard to FTE numbers, I can say that across South Australia, a 200 FTE reduction will happen as a result of the federal government either not renewing national partnership agreements or in fact reneging on national partnership agreements or cutting them off before they have even had the chance to run through. So, a reduction of 200 FTEs will be occurring this financial year because we are no longer receiving funding for those positions because of various NPAs from the federal government, of which this would be one.

My advice is that, with regard to the South-East, I think the staff who were working in there have been reallocated, but I would need to double-check. I think in terms of where there have been reductions, we had staff who were on contracts. Often when we have funding that is provided through an NPA, we have contract staff, and their contract expires when the NPA expires, so there might be some staff associated with that. But, as far as we possibly can, we have reallocated staff so that people have not had to be made redundant because of this, quite frankly, appalling behaviour on the part of the federal government.

Dr McFETRIDGE: When did the NPA expire, or when was it supposed to have been renegotiated?

The Hon. J.J. SNELLING: It expired in 2013, but the commonwealth government allowed us to redirect some of the funding on the National Partnership Agreement on Improving Public

Hospital Services towards continuing this. So, it did expire in 2013, but we did have agreement from the commonwealth to redirect money from another national partnership agreement so we could continue this service, and that expired on 30 June.

Dr McFETRIDGE: Why weren't negotiations held in 2013 to ensure that—

The Hon. J.J. SNELLING: I have taken this issue up repeatedly with the commonwealth health minister, both minister Dutton and minister Ley, both of whom have said that they would not be renewing these national partnership agreements.

Dr McFETRIDGE: Was it before the federal election in 2013, because—

The Hon. J.J. SNELLING: I would need to check, but this money was being—

Dr McFETRIDGE: —it may have been the former Labor government that did not—

The Hon. J.J. SNELLING: We would have expected that national partnership agreement to be renewed, or that funding to be continued—

Dr McFETRIDGE: Well, was that a failure of the Premier not to negotiate with the then—

The CHAIR: Order, member for Morphett!

The Hon. J.J. SNELLING: There was an agreement from the previous government that enabled us to continue that program for another six months.

Dr McFETRIDGE: The previous government?

The Hon. J.J. SNELLING: The previous federal government.

Dr McFETRIDGE: So it is not the member for Barker, who you have sledged; it really should be the Premier or the minister who should have gone back and—

The Hon. J.J. SNELLING: No, the commonwealth government has always been—

Dr McFETRIDGE: —negotiated with the Labor federal government.

The Hon. J.J. SNELLING: There has always been provision for these sorts of services through national partnership agreements, and the commonwealth government's decision—

Dr McFETRIDGE: It was the same as the homelessness national partnership; it was the failure of this government to negotiate with the federal Labor government.

The Hon. J.J. SNELLING: —not to continue these national partnership—

The CHAIR: Could I just ask for order. Member for Morphett, if you continue to do that, we will have to cease the committee's sitting for a while, until you understand that it is not acceptable to talk over the minister while he is answering. Please allow—

Dr McFETRIDGE: Well, a free sledge at a federal member, ma'am—

The CHAIR: No! Please allow the answer to be finished, and then you will immediately have another turn. Alright?

Dr McFETRIDGE: Thank you.

The CHAIR: Minister.

The Hon. J.J. SNELLING: The simple fact is these positions have been funded by a national partnership agreement with the commonwealth government. The commonwealth has refused to renew these national partnership agreements, and as a result of that we have reduced funding for palliative care services than we did.

There has been a hole left by the federal government as a result of their removing that, and we have done our best to fill that hole. My advice from Country Health has been that, for all intents and purposes, people should not notice a reduction in palliative care services in the South-East, despite what the federal government has done. We have done everything we possibly can to try to fill that hole, to make sure that people are not disadvantaged as a result of this decision.

Dr McFETRIDGE: I am conscious of the time, so we will move on to Budget Paper 4, Volume 3, page 44 concerning Aboriginal health and mobile dialysis. Two weeks ago, with the member for Napier and other members of the Aboriginal lands committee, I had the pleasure of visiting Purple House in Alice Springs. They are very keen to run their mobile dialysis into the APY lands. Can you give the committee some information on how the mobile dialysis service is performing and the number of clients treated? Also, the cost per treatment would be an interesting thing to know.

The Hon. J.J. SNELLING: The mobile renal dialysis truck provides services to remote Aboriginal communities, including the APY lands. Currently an estimated 21 people from the APY lands are receiving dialysis in Alice Springs, Adelaide or Port Augusta. Of those, 11 people receive dialysis in Alice Springs, with a further 10 receiving dialysis in South Australia. Eight of these are based in Adelaide and two are in Port Augusta.

In the 2014 calendar year, the truck spent 14 weeks in areas such as Coober Pedy, Leigh Creek, Yalata and the APY lands, where it provided 176 dialysis treatments. The 2015 schedule is well underway with visits being held in the APY lands and Coober Pedy to date. Visits to Leigh Creek and Yalata are scheduled for the second half of the year, as well as the APY communities and Coober Pedy. That is all the information I have. I am happy to have a look at what the cost is.

Dr McFETRIDGE: The cost per treatment is an important thing because, obviously, there is still the debate about providing permanent dialysis chairs on the APY lands compared with the truck.

The Hon. J.J. SNELLING: I am happy to talk about that because, when I was in the APY lands, we had considerable discussions. I do not want to put words in their mouth but when I have had discussions with Nganampa Health, they have a very strong opinion that we should not be putting fixed dialysis facilities in the APY lands. There are a few reasons for that. The lands are so large that, if you put one dialysis centre in the lands, people are still going to have to travel considerable distances to get there, no matter where you put it.

Secondly, there would be an issue about our being able to effectively and safely staff a permanent facility in the APY lands, and I think, in terms of both clinical safety and good value for money, it would not tick the boxes. This is not only the opinion of the Department for Health but—and I do not want to put words in their mouth—if you are wanting to talk about this issue to anyone with experience and understanding of health delivery in the APY lands, I think you would find that they would certainly agree with me that a fixed dialysis facility is not the answer to providing dialysis on the lands. The mobile truck is a far better, more flexible and far more cost-effective solution to delivering dialysis on the lands.

Dr McFETRIDGE: I think Purple House would be more than happy to talk to you about extending their mobile services on the lands.

The Hon. J.J. SNELLING: I am more than happy to talk about it to the extent we can. I think if you wanted to expand dialysis services on the lands, if you are going to invest in anything, you would probably do it with a second truck or more frequent visits of the truck to the lands, rather than a fixed facility. It would be far more beneficial to people who live on the lands. Clinically it would be far safer and far better value for money to deliver the service in that way.

Dr McFETRIDGE: Just moving on to country ambulance services, I refer to Budget Paper 4, Volume 3, page 47, Sub-program 2.6: SA Ambulance Service. What is the 2015-16 budget for volunteer ambulance training? I understand there are numbers of willing applicants to become ambulance volunteers but access to training has been a real issue.

The Hon. J.J. SNELLING: I would need to get back to you, but I have to say that that is not my understanding. We have enormous difficulties recruiting volunteers for our country ambulance services. I have never heard in my entire time that any of that stems from people not being able to get training. That is the first I have heard of it. If you have a particular example, let me know, and I am more than happy to have a look into it, but that is not my understanding from the Ambulance Service and it is not my understanding from ambulance volunteers I talk to.

Dr McFETRIDGE: Just on that same issue, has the government considered or entered into any discussions with the Country Fire Service to look at training CFS volunteers, that their levels of

training should be increased? With the new Inter-CAD, which is a first-responder system, it could be the CFS, say, particularly in the country obviously, which responds to road accidents.

The Hon. J.J. SNELLING: Not I am aware of, but I am happy to have a look at that. It might well be something that has merit.

Dr McFETRIDGE: I understand that in New Zealand and in other places they actually have combined ambulance/fire appliances. It is an interesting concept, but we will move on.

The Hon. J.J. SNELLING: As you know, the CFS is particularly sensitive about issues of combining services together, so that is not—

Dr McFETRIDGE: No, that is expanding the service.

The Hon. J.J. SNELLING: —that is not something I would be willing to take on. I am more than happy to give consideration to anything that has merit.

Dr McFETRIDGE: The next reference is the same budget paper, Volume 4, page 15, under the annual programs. In the 2014-15 budget, the annual program for the Department for Health and Ageing included an allocation for volunteer ambulance stations of $2.26 million. What is the budget expenditure for these stations in 2015-16?

The Hon. J.J. SNELLING: We will need to get back to you, sorry; we do not have it.

Dr McFETRIDGE: I will have to find the budget reference to the same one as the leader was using.

The Hon. J.J. SNELLING: That is okay, just ask the question.

Dr McFETRIDGE: Minister, in your opening statement, you talked about moving the entirety of the current Royal Adelaide across to the new Royal Adelaide, and you have also spoken publicly about the need to reduce the number of acute beds in South Australia. You have said that you would do that by reducing the average length of stay in hospitals. What is the current situation with disability patients occupying acute beds in our hospitals, and what is the longest stay for a patient? I understand it is close to three years.

The Hon. J.J. SNELLING: I am not sure about three years, but certainly it would be long, and there can be any number of reasons for that. One of the big problems we have, and the reason we do get disability patients stuck in our hospital beds, is that they have a motor vehicle accident claim, and that can often take years to go through the courts. I met one young lady at Hampstead who had been there a considerable time, severely brain injured, and the only reason she was there was that she was waiting for her motor vehicle accident claim to go through the courts.

My guess would be, if there is someone there for years, the probable explanation for that would be because we are waiting for something to go through the courts. I have to say that the changes we made to the motor vehicle accident reform, the CTP reforms, which had the support of the Liberal Party and I have to thank you for that, will undoubtedly see the times when that happens being drastically reduced. In fact, we already have cases of people who otherwise would have had to wait considerable periods of time before they got some disability services and rehabilitation they needed being looked after.

There is no doubt that we have people waiting for aged-care places. I think, on average, of our 2,700-odd beds, about 100 would be taken up by people waiting for an aged-care place. There would be a smaller but nonetheless considerable number of people who would be waiting some period of time for supported accommodation of some description. We have mental health patients, too, who are waiting for supported accommodation.

Dr McFETRIDGE: Can you come back to the committee with some numbers on the average?

The Hon. J.J. SNELLING: I can see what data we have. It is no secret that we have patients who are having to wait periods of time because they are waiting for some other service to become available, and not necessarily always a state government provided service either.

Dr McFETRIDGE: Can you provide an average for, say, disability patients, aged-care patients, mental health patients, and also how many country patients are in our metropolitan hospitals? Can you take that on notice?

The Hon. J.J. SNELLING: At any one time in our metropolitan hospitals about 18 per cent, I think, of our beds are taken up with patients from country South Australia. It is about 18 per cent. Roughly 20 per cent of the 2,700-odd beds would be taken up with country patients. I am happy to look at that and see what data we have, and I am more than happy to make it available to you.

The CHAIR: Member for Hartley.

The Hon. J.J. SNELLING: The best for last.

An honourable member interjecting:

The CHAIR: Order!

Mr TARZIA: I refer to Budget Paper 4, Volume 3, page 13, Ministerial office resources. I note that this year the budget allocation for your office is over $2 million, with 13 full-time employees. Minister, for the last financial year did you undertake any overseas official travel?

The Hon. J.J. SNELLING: I did. In the last financial year, I took two overseas trips. One trip was to Europe and I took two staff with me. It was at the invitation of Festivals Adelaide for me to visit the Edinburgh Festival, which I did. I also travelled to London and met a number of companies as part of my health industries portfolio responsibilities. I think I visited some hospitals as well. The total cost of the trip was $45,799.51.

I also travelled in December last year to the United States. That was to look at Transforming Health. I travelled with the two staff, the chief executive of the department and the executive director, who has responsibility for Transforming Health, and I think three clinicians: Professor Dorothy Keefe, Professor Guy Maddern and Professor Maria Crotty. I think the length of the trip was six or seven days and the cost of that trip was $55,246.79. I have to say that about three-quarters of the cost of the overseas travel was essentially airfares.

Mr TARZIA: Minister, why have you failed to disclose that information on the so-called open government website, as you are required to do?

The Hon. J.J. SNELLING: I am not happy about that and I was surprised that it had not been. My expectation was that it had been disclosed and that it was on the website, and I am disappointed that it is not. I have spoken to my office this morning and we are taking immediate steps to put it on the website as soon as possible.

Mr TARZIA: When were you made aware that none of this travel was put on the website?

The Hon. J.J. SNELLING: It was this morning when I saw it in *The Advertiser.*

Mr TARZIA: Can you provide an estimate of the total cost of your overseas travel in the last financial year, both you and your office, to the South Australian taxpayer?

The Hon. J.J. SNELLING: If you just add those two figures that I gave you, it is almost $100,000.

Mr TARZIA: It would not be $150,000?

The Hon. J.J. SNELLING: No, $100,000. I have given you the figures; you can just add them together.

Mr TARZIA: What is the minister doing to rectify this matter and make sure that this information is uploaded?

The Hon. J.J. SNELLING: In terms of it being on the website?

Mr TARZIA: When I look at the website, for example, it says that it was last modified on 1 July.

The Hon. J.J. SNELLING: I can make no excuses. It should be on there. I was not aware that it was not, but I made very, very clear to my office that I expect it to be on there as soon as possible. I have been up-front and have provided to the committee full details of my overseas travel.

Mr TARZIA: Isn't this open government website declaration part of a cabinet endorsed policy to publish these details on the website?

The Hon. J.J. SNELLING: Yes, and it should have happened. I can make no excuses. It should have happened. It was meant to be on there. I was not aware that it was not and I am taking steps to make sure that it gets put up as soon as possible.

Mr TARZIA: Thank you.

Mr MARSHALL: Can we go back to talking about elective surgery? You previously advised the committee that you were allocating something like $88.6 million under an elective surgery strategy. Has a new four-year elective surgery strategy been completed and lodged, as previously envisaged?

The Hon. J.J. SNELLING: I will ask the chief executive to take the question.

Mr SWAN: There was a new elective surgery strategy approved as part of the election promises back in 2014, so we have completed 12 months of that and we are in our second year of a four-year approval program for elective surgery.

Mr MARSHALL: Has the government allocated an increased elective surgery budget?

Mr SWAN: Yes, that is correct. The budget for 2015-16 is $27,319,000 and for 2014-15 the original budget was $26,730,000.

Mr MARSHALL: $27 million?

Mr SWAN: $27,319,000.

Mr MARSHALL: Can the minister explain why there has been such a substantial increase in elective surgery waiting lists at the same time as spending considerably on this new elective surgery strategy? In fact, if we look at the overdue elective surgery patients at the time of the election, we were down to nil. We now have a very considerable elective surgery waiting time in South Australia.

The Hon. J.J. SNELLING: No, as of 30 June there was no-one overdue for elective surgery outside the clinically recommended waiting times.

Mr MARSHALL: As at 30 June, but certainly there are plenty of times—and I have plenty of cases in front of me—during that 12-month period where there have been in excess of 400 to 500 people on that elective surgery waiting list.

The Hon. J.J. SNELLING: During the year there will always be people who are on the waiting list for elective surgery, but the way we work it is that by the end of the financial year we work hard to make sure that there is no-one overdue and, as at 30 June this financial year, there was no-one overdue, and that is a significant improvement.

Mr MARSHALL: Can the minister outline to the committee what the current plan is with regard to the Women's and Children's Hospital, and in particular with reference to the upgrade that was promised at the time of the election? There was a $10 million cut to that election promise in last year's budget. In this year's budget there was a further $31 million cut. What is happening with the upgrade on the existing Women's and Children's Hospital site and what is the plan for the government to move—

The Hon. J.J. SNELLING: Essentially, and the reason there are some things that we are not proceeding with at the Women's and Children's Hospital is because it would not make financial sense for us to be doing significant work on that site when we have made it very clear that the government's intention is to move off that site and onto the new Royal Adelaide Hospital site. Our time frame for that is 10 years. A review was done on all the capital works that happened at the Women's and Children's Hospital. Obviously we need to ensure that it continues to operate safely and clinically and that it meets all the relevant standards that we expect for the Women's and

Children's Hospital to continue being a world-class hospital. There are some works that do not need to happen and it would be financially foolish to be spending unnecessary funds on a building which hopefully in 10 years' time we will not be occupying anymore.

Mr MARSHALL: But can you—

The Hon. J.J. SNELLING: We certainly will not be using it as a hospital anyway.

Mr MARSHALL: Can you just provide some clarity, though, of the original estimated project that was taken to the election of $64 million worth of capital upgrades on that site? We are now down to $23 million. What has been cut? I appreciate that $41 million has been cut, but what specific projects have been cut?

The Hon. J.J. SNELLING: The 2013-14 budget allocated $64.440 million towards the Women's and Children's Hospital upgrade for additional ward space and the redevelopment of the 'hot floor' dedicated floor space to support the co-location of critical and intensive care services and new high level intensive care cots and other developments.

Mr MARSHALL: So that is the original $64 million.

The Hon. J.J. SNELLING: Really now, the work that we are doing is towards sustaining the facility so that it continues to be used. This is a good news story: we are building a new Women's and Children's Hospital. I think if you asked the patients and the staff of that hospital, 'Do you want us to continue to patch up the existing hospital, or do you want to move into a new hospital?', they would say, 'We want to move into the new hospital.' I would have thought an opposition who had concern for the way public money was being expended would, if I was proceeding with continuing extensive works on a hospital that we were only going to occupy for probably for less than the next 10 years, be critical of me. If you were not, I am pretty sure—

Mr MARSHALL: With respect, minister, you are—

The Hon. J.J. SNELLING: I am pretty sure the Auditor-General would have something to say.

Mr MARSHALL: You are spending $23 million on capital upgrades.

The Hon. J.J. SNELLING: We are and we are doing what we have to to make sure that it is a sustained hospital and continues to meet all the requirements and continues to be used for the next 10 years. So, the $23 million we are spending is what we believe we need to spend to make sure that it still continues to be fit for purpose for the next 10 years, but we are not going to be spending a dollar more than that because we are not going to be on that site.

Mr MARSHALL: What is the time frame at this stage for moving to the new site?

The Hon. J.J. SNELLING: Roughly 10 years. The preliminary work has been done. We have engaged consultants to have a look at the site to work out how big a floor plate we need for the new Women's and Children's Hospital, what services can be shared, because obviously we do not need to recreate a lot of the services. We do not really need to rebuild a lot of the building services because they can be shared across both sites. That work is being done at the moment. As I said, the expectation is that the time frame for a move would be roughly 2024/2025.

The CHAIR: As there is no further time for questions for the Minister for Health, I declare the examination of the proposed payments for the Department of State Development adjourned until later today.

Sitting suspended from 12:46 to 13:45.

Membership:

Mr Bell substituted for Mr Marshall.

Departmental Advisers:

Mr D. Swan, Chief Executive, SA Health.

Dr A. Groves, Chief Psychiatrist.

Ms M. Bowshall, Acting State Director, Drug and Alcohol Services South Australia.

Dr T. Bastiampillai, Director, Mental Health Strategy, SA Health.

Ms L. Dean, Acting Deputy Chief Executive, System Performance, SA Health.

Mr J. Woolcock, Chief Finance Officer, SA Health.

Mr P. Louca, Chief of Staff.

The CHAIR: I call on the minister to introduce his advisers and then, if he wishes, to make an opening statement.

The Hon. J.J. SNELLING: Thank you, very much. To my left is Mr David Swan, Chief Executive, Department for Health. To my right is Dr Aaron Groves, who is the Chief Psychiatrist.

The CHAIR: He may be able to help us all later.

The Hon. J.J. SNELLING: Maybe; I often introduce him as my psychiatrist.

The CHAIR: He is observing as we sit here?

The Hon. J.J. SNELLING: When I am having a meeting, I say, 'I'm off to see my psychiatrist.' To my far left is Marina Bowshall, who is the Acting State Director of Drug and Alcohol Services.

The CHAIR: No opening statement, minister?

The Hon. J.J. SNELLING: I do not think so, Madam Chair; I am happy to throw it open to questions.

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

Dr McFETRIDGE: I will go straight to questions.

The CHAIR: Sounds good, and we are all going to remember that 142 means that we do not speak over each other and wait for the answer before starting again. That means all of you on my right as well, noisy lot you have been this morning.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 3, page 17, System Performance and Service Delivery, which includes the coordination and operation of mental health service delivery and clinical support for mental health. Minister, in early 2014 you wrote to the Mental Health Coalition, and there were public election promises about a mental health commission. Can you tell us what is happening there and where it is going? I understand that that commission was going to be the lead for any changes to mental health policy in South Australia.

The Hon. J.J. SNELLING: The work is underway. It is being led by my parliamentary secretary, Ms Vlahos, who has undertaken that work. We have been doing work about other interstate models, where they have a mental health commission, and how they work. There has also been a lot of discussion about whether we would expect that position to have legislation underpinning it, and there is some debate within government about whether that would be the case. Dr Groves, is there anything that you want to add to that about the mental health commission?

Dr GROVES: No, I do not have anything more to add except that, in terms of what the minister has already covered, the types of mental health commissions that exist around Australia and, in fact, throughout the world, vary quite substantially in style from, for example, the West Australian Mental Health Commission, which holds dollars and purchases services directly from the health department and other departments and the non-government sector, all the way through to the New South Wales model, which is much more of a planning and policy-making commission. So, part

of the work that has been done in preparation for government has been to look at the strengths and weaknesses of each of those commissions and to advise about which one would work best in South Australia given the current context of mental health services.

Dr McFETRIDGE: In the letter to Mr Geoff Harris on 20 February 2014 you said that, 'The commission will be independent of South Australian Health, monitoring and providing advice on services across government, including programs and services provided to people with a mental health illness, such as education, employment, housing.' That is more the New South Wales model rather than the Western Australian model?

The Hon. J.J. SNELLING: I think either model would fit with the undertakings in that letter.

Dr McFETRIDGE: How far away are we? There was a $9 million promise, I think in February last year.

The Hon. J.J. SNELLING: In the next few months. Certainly before the end of the year.

Dr McFETRIDGE: Are you at the stage of asking for expressions of interest for the position of commissioner?

The Hon. J.J. SNELLING: There is consideration being undertaken within government at the moment about who the possible person might be, but no decision has been taken.

Dr McFETRIDGE: Is there a task force or planning group or anything at the moment?

The Hon. J.J. SNELLING: There will be people within government, and the Chief Psychiatrist is intimately involved in this body of work, but it is being led by my parliamentary secretary.

Dr McFETRIDGE: The $1.928 million that was in last year's budget paper, the operating budget for the commission, has just been carried forward?

The Hon. J.J. SNELLING: No, because it was operating it has been put to other purposes within mental health.

Dr McFETRIDGE: You have no idea of the number of FTEs at this stage?

The Hon. J.J. SNELLING: I think the thinking is that you would, at least initially, start with a fairly small number of FTEs. There was a certain number that was part of the election promise; it was a relatively small number. As the responsibilities of the office grew and the commissioner undertook further responsibilities then obviously we would give consideration to expanding the number of FTEs.

Dr McFETRIDGE: Is there any draft legislation that has been prepared, or anything like that?

The Hon. J.J. SNELLING: No, because we have been having a discussion about whether, in fact, you would have legislation underpinning the position, at least in the early stages. It might well be that you would establish the position and use existing powers that the government has for someone to appoint someone and then, in time, you would give consideration to whether it was desirable to have legislation underpinning the position.

Dr McFETRIDGE: Moving on to a slightly different subject, that is, the number of mental health patients waiting in EDs, as we speak, I am looking at the dashboard and the Royal Adelaide ED is at 130-odd per cent capacity with mental health being in the red zone now. There is one patient that has been waiting more than 24 hours for a bed and there are seven who have been waiting more than 12 to 24 hours for a bed. How far along are we to achieving this aim in the targets? On page 28 it says 'reduce to nil the number of mental health patients waiting in EDs longer than 24 hours for an inpatient bed'.

Particularly when you look at page 29, the percentage of patients seen, treated, discharged or admitted within four hours was not anywhere near the target of 90 per cent for 2016. Even the target last year was 82 per cent. The actual reality was that just over half, 53 per cent, were discharged or admitted within four hours. We certainly all sympathise with the mental health patients

who, for various reasons (because of comorbidities), may have to be observed for a bit longer. How are you going to achieve your target?

The Hon. J.J. SNELLING: There are a few issues there. Firstly, I think it would be fair to say that there has been significant improvement in the treatment of mental health patients in our EDs. It has been somewhat masked by a couple of things. We have been down a certain number of mental health beds on a temporary basis. They will come back on line soon, but that has meant that we have been having to operate with slightly fewer acute beds than we would normally have, but that will be rectified very soon.

The other issue we have that we hope to have rectified very soon is forensic patients. Basically, when James Nash House is full, forensic patients end up in our general PICU (Psychiatric Intensive Care Unit) beds, which are secure units. They might not necessarily be acutely mentally unwell but, because they are under some order, they have to be kept in a secure unit. At any one time you might have 10 of our PICU beds being taken up with forensic patients.

We have 10 new forensic mental health beds coming online, hopefully before the end of the month. I think the plan is to have roughly half of those extra 10 forensic beds open, and about the month after that having the full complement of 10 extra beds. We would expect that those 10 extra beds would take considerable pressure off our general PICU beds. Often the patients who are kept waiting the longest in our emergency departments are patients waiting for a PICU bed.

Having said that, I still think that some work needs to be done about the number of acute mental health beds that we need. We are doing some work at the moment about whether we in fact need some extra acute mental health beds because, to be quite blunt, it may be the case that we do not have enough. I would expect to see some considerable improvement when the number of mental health beds that we have comes back to where it should be; and when we have those 10 extra forensic beds over the next month or so that we should see some further considerable improvement.

I have always said that these are ambitious targets, but I have made it very clear to the department and to the chief executives of the local health network that I will be holding them accountable when they have a particular promise that by 1 January no-one will be waiting longer than 24 hours for a mental health bed in an emergency department.

Dr McFETRIDGE: I refer to that same reference, and the segue is there, minister. With respect to James Nash House and in the same letter to Mr Harris (which is available online), you said on page 2:

> To assist the improvement of access to forensic mental health services, Labor will create a specialist unit within the expanded James Nash House specifically for patients with an intellectual disability.

The funding was $1.6 million. What has been done, because we do know that there are patients who unfortunately have been housed in our prison system rather than the mental health system, particularly with disabilities. What is the government doing there?

The Hon. J.J. SNELLING: The issue there is not so much that they are in the prisons but that there are patients who are in James Nash who have an intellectual disability as opposed to having a mental illness. So, at the moment, patients with an intellectual disability who are found under the relevant section of the Criminal Law Consolidation Act not to be guilty but who are nonetheless given a term of secure treatment at James Nash, we mix up those patients with an intellectual disability along with patients who have a mental illness there, and that is far from being best practice.

There is not a huge number of these sorts of patients. They are a relatively small number but it is not best practice to have them mixed up. The election pledge was to create within James Nash House an area that is particularly devoted to those sorts of patients.

Dr McFETRIDGE: It was funding of $1.6 million.

The Hon. J.J. SNELLING: I will need to get back to you on where we are at with that. I think that we have had some other issues, but I am happy to get back to the committee with an answer to that question where exactly we are with the delivering of that.

Dr McFETRIDGE: Am I to assume from your answer that there are no mental health patients with disabilities in our prisons?

The Hon. J.J. SNELLING: There may well be, but the bigger problem that we have, or the reason, the thinking behind that particular election pledge was to deal with patients with an intellectual disability who are in James Nash House and try to rectify that. I would need to check about who we have. We do have forensic patients who are in prisons, it is true. They might be there for any number of reasons. The Chief Psychiatrist can add to that.

Dr GROVES: Just by way of clarity, there are currently a number of patients who are in prisons in South Australia who are forensic patients, and one or two of them have an intellectual disability as well as a mental illness. If the question is: does somebody have an intellectual disability? The answer is yes, but as far as I am aware at the moment none of the people who are on forensic orders are in prison solely with a diagnosis of intellectual disability. They probably have a mental illness as well.

Dr McFETRIDGE: Thank you for that. Are they being held in G Division, do you know, of Yatala? If you have not visited G Division, it is an eye-opening experience.

Dr GROVES: My understanding is that there is one person in G Division who has an intellectual disability as well as a mental illness.

Dr McFETRIDGE: Is this patient or consumer (whatever the term is nowadays) given any particular extra care or observation by Department for Health officers?

Dr GROVES: They are given the level of care and clinical interventions that would be warranted for the person, so that will change over time depending on their clinical state.

Dr McFETRIDGE: I admit this is a really difficult area, so I am not being critical; I just want the best outcomes for these people, as I know you do and the minister does. The need to expand forensic facilities, and particularly for disability patients, is one for which certainly the Public Advocate has been lobbying for a long time, and I certainly would be more than happy for the committee to receive as much information as possible on the timing and funding of this change.

Securing people in James Nash and in other facilities is one thing, and then there is also restraint and seclusion, and I am referring to the former chief psychiatrist's report. On page 14 of that report, it talks about restraint and seclusion. Of the 1,649 total cases of restraint and seclusion, I am surprised that nearly 60 per cent of those people were restrained either mechanically or physically. What is the government doing to change the way we treat mental health patients with mechanical and physical restraints? Certainly chemical restraint is there. I should say that my father's first job in 1954 was in Z Ward at Parkside, as it was then, and some of the stories he told me then shocked me and some of the stories you hear now also shock me.

The Hon. J.J. SNELLING: I think I will ask the Chief Psychiatrist to comment, because he has particular interstate experience about this issue and probably has a better appreciation than I do of where we sit relative to Australia. But I think there is no debate and no argument that we overuse physical and, to some extent, chemical restraint of mental health patients, particularly in our emergency departments.

I think at the heart of that, and the reason why I am so determined to make sure that we do reduce the amount of time that patients spend in emergency departments, is because I am in no doubt that that is probably the main factor for why we do it more than anywhere else: because our patients are probably waiting longer in EDs than they are interstate. I think probably, and they are better qualified than me, it is partly an issue of practice among our clinicians. I think there probably would be some issues of training and changes to clinical practice to try to deal with that, but I might ask the Chief Psychiatrist. He would be better qualified than me to deal with that.

Dr GROVES: Thank you, minister. The important point here is to actually understand what constitutes a mechanical or physical restraint.

Dr McFETRIDGE: Thank you, I was going to ask that.

Dr GROVES: In fact, the numbers for last year's annual report are significantly more than the annual report from the previous year. That does not reflect that there was an increase in

mechanical restraint; it actually indicates that, in the year between the previous reporting period and this reporting period, the previous chief psychiatrist made clear that some types of behaviour that had previously not been reported as mechanical restraint should have been. That in fact constitutes the largest number of people who are mechanically restrained.

The common scenario is that it is an elderly person, often with significant cognitive impairment, who might be in a facility and, if they are not constantly supervised, what can occur is that they can get up and walk around and often cause damage to themselves or others. They might be at risk of falling, so it is not uncommon practice that a lap belt is put across to help restrain them in a chair whilst they are being nursed. That actually constitutes mechanical restraint under the understanding that we have in South Australia for what should be mechanical restraint. So, several hundred of those mechanical restraints constitute that, and it is by far and away the largest proportion of mechanical restraint that we have in South Australia.

The minister has also alerted you to the issue of emergency departments, particularly amongst those people who present intoxicated with amphetamine and amphetamine-related products, particularly ice, where the degree of cognitive impairment that they might have as a consequence of them being intoxicated means it is very difficult in an emergency setting to manage them, and so often they are mechanically restrained.

The number of people who have bona fide mental illness, though, who are mechanically restrained in South Australia is quite low. At the national level, we are doing benchmarking practices to try to compare the rates and incidence of mechanical restraint and seclusion. South Australia has had a significant improvement in its rate of seclusion over the last couple of years, such that we now have the second lowest rate of seclusion in the country, and we are hoping to have that continue on a pathway to reduction.

When we come back to the issue of mechanical restraint, it is something that, during the next year, we hope to try to turn around, particularly in the old adult sector, where people are frequently needing to have safe and soft lap belts used to restrain them in chairs.

Dr McFETRIDGE: On that same reference, what is the budget for security guards to assist staff in EDs? What is it at the Royal Adelaide Hospital?

The Hon. J.J. SNELLING: We would have to get back to you with that; I do not have the number.

Dr McFETRIDGE: If you could come back with the amount for each of the major hospitals, it would be interesting to see where we are going there. Is the new Royal Adelaide Hospital going to alleviate this problem? I suppose your answer will be, 'Yes, it is,' but can you give detail on that?

The Hon. J.J. SNELLING: I think there are some features in the new Royal Adelaide Hospital which should reduce the need for security guards. One is that we will have the mental health unit adjacent to the emergency department and with direct entry, hopefully more often than not, of mental health patients directly to the mental health ward at the hospital.

Generally speaking, you will not have mental health patients being looked after and treated in the emergency department. Sometimes they will need to go to the ED because they will have other conditions, or they might be intoxicated or whatever, but for that pure mental health presentation they will be able to go straight to the mental health ward and be able to be cared for there.

The mental health ward has been purposely designed to give better line of sight, designed in such a way as to make it a secure and safe environment for mental health patients and staff, hopefully without the need for as many security guards. I would not say that we would eliminate them ever, but certainly we would expect, with the new design and with the location, there would be a reduced incidence of security guards.

Dr McFETRIDGE: On the same issue of restraint and seclusion, there are—I have not added it up, but it would be around 120 just looking at the figures here—Child and Adolescent Mental Health Service (CAMHS) patients who have been either restrained or secluded. Can you tell the committee what the numbers would be of these young people who would be secluded? There are special provisions, I would imagine?

The Hon. J.J. SNELLING: I will ask the Chief Psychiatrist to answer.

Dr GROVES: The issue of seclusion amongst children is a very significant one. What we often find is that the rates of seclusion are usually confined to youth. So, it is people more in the adolescent age group when, if they are in the adolescent unit, they are much more likely to be at risk. In child and adolescent mental health practice, the use of what we call time-out as an approach to get a young person who is significantly agitated or aroused into an area where they are able to settle down and get themselves under control is a very common practice.

How we have approached it in South Australia is to define that it is still seclusion if somebody goes into their own room. Those episodes of time-out are usually very short in duration, but nevertheless they add to the number when we count them up. That is probably best practice in Australia in terms of an approach to time-out, rather than putting people in a seclusion room, and that is what we are attempting to do. The number of bona fide seclusions, where somebody goes into a seclusion room, is very low in child and adolescent mental health practice, but we still lump them together and we include both time-out and seclusion.

Dr McFETRIDGE: Going to the front end of mental health patients often being admitted by the Ambulance Service, has the MOU between SAPOL and the health department been upgraded or changed at all to reflect different methodologies and accepted protocols?

Dr GROVES: Yes, that is updated on a regular basis. In fact, I chaired the group this morning that oversees the MOU between the various agencies, also including SAAS and RFDS. We are constantly updating various aspects of it on the basis of what is needed for all four agencies involved.

Dr McFETRIDGE: I hear stories about cargo nets and capsicum spray being the standard response, and I just hope we have come a long way from that. I will go through some of these questions my colleague in the other place would like me to ask about the Glenside campus redevelopment, referring to Budget Paper 4, Volume 3, page 15.

The cost of the Glenside campus redevelopment, now totalling $16.2 million, he says here, increased by another $1.7 million last year. Given that the project was first announced in the financial year 2008-09 and originally due to be completed by mid-2012, what level of confidence can we have that this project will be completed, obviously not on time, but without blowing the budget any more?

The Hon. J.J. SNELLING: It is largely completed. My advice is that just some small bits and pieces need to be done, but largely it is completed. Of course, we had the issue with the fire there and, of course, considerable extra expenditure was required because of that.

Dr McFETRIDGE: What was that issue?

The Hon. J.J. SNELLING: When we had the fire there, whenever it was—about two years or 18 months ago, I think. Of course, we had to go and retrofit sprinkler systems as well to our wards to make sure they were compliant with the various building requirements, so we have been doing that. We had been set back principally because of that, but my understanding is that the works are basically completed.

Dr McFETRIDGE: Regarding the redevelopment of Glenside, I asked you in question time about moving Ward 17 from Daws Road to Glenside. Is there room to do that if that was something that the government concluded should happen?

The Hon. J.J. SNELLING: I just want to be a bit careful because I do not want to pre-empt the work that has been done by the working group, but my understanding is that, of the options they are looking at—and there are a number of options, including staying at Daw Park—Glenside is a possibility. I am certain there would be room to do it if that was what the committee decided.

Dr McFETRIDGE: Has there been any consideration to opening an emergency department at Glenside?

The Hon. J.J. SNELLING: No, there has not, except for once when I was so frustrated I asked the chief executive of the department whether it would be possible, because I was pretty frustrated with how it was going. The firm advice back was, no, that would not be desirable principally because of comorbidity issues. You have mental health presentations which, of course, are not just mental health presentations, particularly these days with intoxication from alcohol and various drugs.

From a clinical perspective, it would be unwise for us to have a separate department. While it has its drawbacks, you have to say, other states manage to have mental health admissions through their normal metropolitan emergency departments and, on the whole, do it pretty well, so I am confident that we can do it here. Certainly, other than a fleeting thought on my part, there has been no serious consideration given to basically reopening the mental health ED at Glenside.

Dr McFETRIDGE: Did we end up using the old morgue for part of the postnatal psychosis unit in the end?

The Hon. J.J. SNELLING: I do not think so. It has been a little while since I have been down there, but the old morgue is just a heritage building. I do not think it is used for any purpose.

Dr McFETRIDGE: What is happening particularly with country patients with postnatal psychosis? Do they have a special unit there now?

The Hon. J.J. SNELLING: Postnatal depression? Yes, that is Helen Mayo House. It has eight beds, and it has been operating for a long time.

Dr McFETRIDGE: I thought there were some changes, but I have not been over there for a while. In fact, I should go over. I would love to go over and have another look.

The Hon. J.J. SNELLING: I am more than happy to arrange for that. The Chief Psychiatrist has something to add.

Dr GROVES: Just to add to that, in terms of Helen Mayo House, it is actually a perinatal unit. It will manage people both with depression and psychosis. I may also make some remarks, if the minister is comfortable with this, in relation to an emergency department in Glenside. This would probably run counter to what has happened nationally for about the last 30 years in Australia.

We have had a very clear policy in mental health to try to mainstream mental health services within general hospitals. With stand-alone mental health hospitals or hospitals whose primary role remains mental health, we tend not to put emergency departments there because it is generally unsafe for people to go there with a whole lot of other clinical issues as well as mental health issues.

It is much easier, if there is a mental health site that is distant from physical services, to take them to the general hospital if they have physical health problems rather than create a pathway where they go to a mental health hospital and an emergency setting first. If it is within a general hospital setting, it is a good idea. If there is not a general hospital facility there, it is actually not clinically safe.

Dr McFETRIDGE: With the sale and redevelopment of part of the Glenside site, I think there are a number of self-contained units that are already used for mental health patients. Have the new protocols and the new circumstances worked as well as we hoped?

The Hon. J.J. SNELLING: Do you mean the step-down units?

Dr McFETRIDGE: Are the step-down facilities working as well as we expected? Is there extra funding that needs to be put in? Is there extra resourcing that needs to be put into those? Have we saved money and been able to put money into other areas, particularly country areas?

The Hon. J.J. SNELLING: It is a good question. I think it would be fair to say that, for a number of reasons, they have not quite worked the way we intended them to and hoped they would. I think there was probably a bit of overexpectation about the contribution they might be able to make to reducing the number of acute beds, and that they could almost be a sort of one-for-one swap for the two which, probably for a number of reasons, has not turned out to be the case.

I think there are some issues around the governance of the way mental health systems operate within our LHNs, which we have addressed. The chief executive has given particular directions to our local health networks about the clinical governance in mental health within each LHN, basically to try to get better integration between the different steps.

I think, in principle, yes, it is a good idea that you have different treatment options for different mental health patients and different options for what is the most appropriate place for them to be.

We are confident that, with these changes to clinical governance within the LHNs, we will get them working probably a bit better than they currently do.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 3, page 14, and the development of the six community mental health centres. Has this project progressed as originally planned? There seems to be an underspend of nearly $3 million from the budget figures.

The Hon. J.J. SNELLING: I think the main issue has been with the Noarlunga community mental health centre—the completion of the fit-out of the Outer South Community Mental Health Centre at Noarlunga—which has a total capital cost of $3 million and which is the final part of funding for the $30.704 million community mental health centre program that was announced in 2008-09. It will be part of 2015-16, so that is happening at the moment and will be complete this financial year.

Mr TARZIA: I refer to Budget Paper 4, Agency Statements, Volume 3, Sub-program 2.1: Central Adelaide Local Health Network, page 26. Will the services at the BIRCH facility at 8 Briar Road be integrated and transferred into the new Royal Adelaide Hospital when that becomes operational?

The Hon. J.J. SNELLING: I am happy to take the question, but it is more rehab than mental health.

Mr TARZIA: It says 'Community Mental Health Service', sir, on the sign so, if you want to trivialise the issue, you may.

The Hon. J.J. SNELLING: I need to check, but BIRCH is for people with brain injuries, not mental health issues.

Mr TARZIA: The sign out the front says 'Community Mental Health Service'. I have constituents in my electorate who currently receive hydrotherapy treatment at the service. What will be the effect on the site? Does the government have any intention to sell the site, move from the site or close down any facilities at the site?

The Hon. J.J. SNELLING: I am just checking. My advice is that there have been no decisions about changing the future of BIRCH. It provides rehabilitation for people with brain injuries. It is not anticipated that it will be closing or anything like that. The NDIS in the future may mean that there are implications for the services that are delivered there, but as far as the facility itself there are certainly no plans to change it.

Mr TARZIA: How many residents currently use the hydrotherapy services at that site?

The Hon. J.J. SNELLING: I need to find out; I do not know.

Mr TARZIA: There have been no moves or inquiries made to sell that site or reduce any service at that site?

The Hon. J.J. SNELLING: My advice is no.

The CHAIR: Member for Morphett.

Dr McFETRIDGE: I refer to Budget Paper 2, page 7. It is about the only budget paper that I do not have with me, so I will have to rely on that as being the correct reference.

The CHAIR: The minister has been very good.

Dr McFETRIDGE: He has; he is very cooperative.

The CHAIR: I do not think you have to worry.

Dr McFETRIDGE: The description of the issue is that there is $159.5 million at the Flinders Medical Centre for a new 55-bed rehab centre, a new older persons mental health service and a new multilevel car park. Can the minister give the committee some information about the Older Persons Mental Health Service at the Repat, which I understand is going to be transferred to the Flinders Medical Centre as part of Transforming Health? When will the transfer occur, how many mental heath aged beds are there currently at the Repat, how many will be at the new Flinders—

The Hon. J.J. SNELLING: It is Ward 18, so there are 30 beds there. The older persons mental health facility is at Glenside campus, and we will be moving that with the completion of the new building at the Flinders Medical Centre. It is part of that rebuild.

Dr McFETRIDGE: Is there an outpatients part of this service at the moment and will that continue?

The Hon. J.J. SNELLING: We would need to check. There is a whole body of work over outpatient services and how they are going to be provided. Outpatient services are currently at the Repat, but we would expect that if they are not offered directly from the Flinders Medical Centre it will be somewhere very close

Dr McFETRIDGE: Is the new car park going to be an extension of the current car park? Is there land there?

The Hon. J.J. SNELLING: No, that is around the other side, is it not? It is a different building around the other side of the Flinders Medical Centre where that will be built. It is on the southern side.

Dr McFETRIDGE: On the southern side, up the hill a bit.

The Hon. J.J. SNELLING: I am happy to arrange a briefing for the member.

Ms COOK: On the current car park it is south.

The Hon. J.J. SNELLING: So it is on the current car park—but that is just a flat asphalt car park. There is an existing flat asphalt car park at the moment and that will be turned into a multidecker.

Dr McFETRIDGE: The only reason I ask is that with elderly patients generally, and particularly elderly mental health patients, ambulating from one place to another—

The Hon. J.J. SNELLING: Car parking—there is no doubt about it—is going to be a challenge at the Flinders Medical Centre because there are issues with car parking there at the moment. The department is very much aware of it. We particularly have very strong consumer engagement as part of this process, so we expect that we will be able to find solutions to these issues.

Dr McFETRIDGE: Thank you, minister. Budget Paper 4, Volume 3, page 17: the KPMG report highlights that there has been a 53 per cent increase in ED mental health presentations related to anxiety disorders since 2011-12. Is the government doing any investigations into what is driving this issue as part of a public health program? I understand that anxiety and depression costs the national economy $20 billion a year. It is an incredible issue.

The Hon. J.J. SNELLING: It is just part of the increase in both depression and anxiety that is happening in our community. Yes, there is general work being done and, of course, we give a considerable amount of money to the NGOs in particular—*beyondblue*, for example. We have a significant contract with *beyondblue* around these sorts of issues to do the great work that they do in this area. I will ask the Chief Psychiatrist to add to that.

Dr GROVES: If I can assist the honourable member, the prevalence of depression and anxiety in the Australian community is very high. What we have seen over the last 10 years is an increase in the number of people who are now presenting to general practice and primary care for assistance in treating anxiety and depression. I think it is fair to say that 15 years ago the Australian community by and large was reluctant to acknowledge when they had problems with depression and anxiety, and that is considered to be the main reason why there is a much higher rate of treatment of people with depression and anxiety.

Of course with that, general practice is not always well placed to be able to provide care to all people with anxiety and depression. It is not unusual that because more people are seeking treatment they are also going to emergency departments and presenting with problems there. The minister has talked a little bit about how we go about approaching it within the public sector but I think it is also fair to say that most cases of people with depression and anxiety can probably be looked after in primary care and in the private sector. It is a very limited number of people who need the

highly specialised approaches that we would have for very severe anxiety and depression. Most of it is looked after not within South Australian public health.

Dr McFETRIDGE: Thank you for that. On a similar subject—borderline personality disorder—has there been any consideration by the government in establishing a unit or a clinic, similar to the one I understand runs very well in Melbourne. I understand that Deloitte has done an economic impact on establishing one of these units. For a relatively minimal cost—I say 'minimal, but we are still talking millions—there are returns of (I do not have the report with me) well over $100 million in savings. It is astronomical the savings if you established one of these units. Has there been any work done by the government on that?

The Hon. J.J. SNELLING: I invite the Chief Psychiatrist to say a few words.

Dr GROVES: Through the minister, the parliamentary secretary has taken a major interest in our approach to borderline personality disorder. I am aware that only a week and a half ago she was in Brisbane and had an opportunity to speak to the Chief Psychiatrist in Queensland who had previously been in New South Wales. As part of that discussion, we explored the various different models in the larger Australian states where they have slightly better economies of scale for running statewide services.

Part of what we are doing at the moment is exploring the value between things such as Spectrum, which is the name of the Victorian unit you would be talking about; Project Air, which is the New South Wales approach; the Queensland approach; and an approach in Western Australia. I think it is too early at the moment to conclude what is best value out of that.

As to the Deloitte study that you are referring to, I think we need to be careful between what is the cost of providing care to people and, if you provide care, whether you get a direct economic result from providing care differently or whether it just provides you capacity to then provide services to other people. I do not think there is a direct economic saving in terms of treating people with borderline personality disorder with different approaches. The health system still has a capacity issue.

Dr McFETRIDGE: I think that Deloitte was looking at the whole of the social impacts of borderline personality disorder. Studies have been done into the other mental health issue which, as I understand it, has the highest death rate, and that is the eating disorders. Can the minister tell the committee what is happening with the eating disorder unit and the funding for the NGOs, whether that has been improved at all? Again, I understand the social impact, which includes parents having to sell their houses and leave their jobs, is in the millions if not billions of dollars nationally.

The Hon. J.J. SNELLING: The Statewide Eating Disorder Service has been developed under the new model of care for eating disorders in South Australia. The service has become a dynamic, responsive, assessment, treatment, liaison, research and patient-focused clinical organisation and is leading the way to a bright future for eating disorder care in South Australia. The service is rolled out as a clinical expert-led service, with an emphasis on easy patient access, rapid assessment and evidenced-based treatment options delivered in a stepped model of care.

Additional benefits include embedded research and continuous quality improvement, with a clear vision for future growth. A steady stream of referrals has confirmed the need for this service, assessing and planning care for 330 patients since it opened 12 months ago. The first 12 months has seen a focus on establishing a centre for excellence with the following features:

- Ease of access for patients, carers, families and professionals helping patients with an eating disorder. Comprehensive assessments are undertaken in a timely, sensitive and appropriate manner, and treatment plans are delivered with best practice evidence-based care options.
- Best practice life-saving care procedures and protocols have been developed at Flinders Medical Centre and are provided on a consultation liaison basis to hospitals right across the state.
- The inpatient treatment program had 119 admissions in 2014 and 53 admissions to date for 2015. Improved treatments have been added to the inpatient program, including

motivational interviewing, supported eating, ward reconfiguration and cognitive behavioural therapy, with increased psychological expertise.

- A new day patient program has been developed. Patients are treated in a community-based, home-like setting, with best practice evidence-based psychological management. Patients receive a program of supported eating, group and individual psychological care. These skills can then be used at home for integration into their lives. Twenty-six patients have been treated since opening.

Preliminary analysis of clinical results resulted in an improvement in physical health and reduced eating disorder symptoms, with significant improvement in quality of life. This demonstrates the service is delivering cost-effective outcomes, not just activity.

Outpatient multidisciplinary care integrated with SA Health and private providers sees delivery of family-based therapy, cognitive behavioural therapy, specialist support of clinical management and comorbid condition care. The service is currently developing a plan for a state-of-the-art day program and a new eating disorder clinic building in partnership with the Flinders Foundation. The next development will be service expansion, using a hub and spoke model to provide more education, protocols, procedures, consultation and liaison support across South Australia. The Statewide Eating Disorder Service will review and accredit associate providers, giving them official recognition as a mark of quality of best practice eating disorder care provision to SA Health and non-government organisation providers.

The Statewide Eating Disorder Service will then work collaboratively in clinical care teams to deliver flexible treatment options to their patients, and it partners these associate providers in education, training and development. In an Australian first, the Statewide Eating Disorder Service is introducing a recovered peer coordinator to guide people who have lived the experience of an eating disorder to assist others in their recovery. The Statewide Eating Disorder Service Foundation treatment partnership with Flinders University has seen studies undertaken in areas of body image, recovery focus and patient care needs.

Dr McFETRIDGE: You talked about peer support. Are you considering any funding for an organisation such as the Eating Disorders Association? I think they came to us, and they probably came to you, looking for $150,000 a year to provide support. I was very sympathetic to it. They gave me anecdotal evidence of having saved seven bed nights, not last Christmas but the Christmas before 2014. I think that $1,500 per night is a significant saving, which I think will be repeated many times over.

The Hon. J.J. SNELLING: There was NGO funding in this area, but through the tender process it went to another organisation. The peer support person is someone who we directly employ as part of the service; so we directly employ someone to provide that service.

Dr McFETRIDGE: The same budget reference: whether this is linked to high anxiety or not, in terms of the use of medicinal cannabis, what is the government's position at the moment, considering the legislation to enable the use of medicinal cannabis?

The Hon. J.J. SNELLING: Basically, we are waiting for the New South Wales trials to happen, and we have said to New South Wales that if they require any of our expertise in this area we are more than happy to make it available. We have a completely open mind about this and we will see what comes of the New South Wales trials.

Dr McFETRIDGE: Is there a budget allocation for it?

The Hon. J.J. SNELLING: No, there is not because they have not approached us asking but, if they did, it would be met within the existing drug and alcohol services budget. I would not expect it would necessarily be a significant amount of money.

Dr McFETRIDGE: Budget Paper 4, Volume 3, page 17, system performance service delivery again. The NDIS is progressing well in some parts; in fact, in South Australia we are ahead of the rest in some areas, which we will talk about with the minister on Monday. What state-based mental health services will transfer to the NDIA (National Disability Insurance Agency)?

The Hon. J.J. SNELLING: It is still being scoped out, but I will ask the Chief Psychiatrist to add to that.

Dr GROVES: You will be aware that, through the NDIA, they have established a mental health reference group. The NDIA is still trying to finalise definitions and classifications for us to make it easier to determine exactly what is in scope to transfer from the state to the commonwealth through that process but, as the minister has already outlined, it is mostly going to affect services that we fund through the non-government sector rather than through the public health service provision, which is likely to be out of scope.

Dr McFETRIDGE: Certainly, it will be interesting to see the definitions and classifications. I remember one of the senior bureaucrats in Disability SA last year saying that people would morph from the health sector into the disability sector, so I look forward to seeing how we are going to define, classify or morph.

On the distributed Mental Health Services Pathways to Care policy guidelines and directives at Budget Paper 4, Volume 3, page 18, will the Mental Health Services Pathways to Care process include the direct admission to mental health beds talked about in Transforming Health and, if so, how will that work?

Dr GROVES: It is actually part of the Pathways to Care document already. Wherever possible, we try to ensure that, if somebody can be directly admitted into an inpatient unit, they do so. My colleague Tarun Bastiampillai, who is leading the process of trying to reduce the number of people in emergency departments for longer than 24 hours, has been in regular consultation with the areas in each of the hospitals about how they do that.

Certainly, from the new RAH's perspective, when that comes online, it will be expected that people can be admitted directly to the RAH, but that is only one hospital where that would be best practice. We are trying to ensure that, where possible and appropriate, anybody who can be directly admitted into a hospital rather than through an ED would actually have that occur.

Dr McFETRIDGE: Budget Paper 4, Volume 3, page 14, construction of the $15.1 million new Post Traumatic Stress Disorder Clinic due to be completed in June 2017, how much funding was expended last financial year as part of the process of identifying the site for the new PTSD clinic, including cost of payments to expert panel members, cost of panel workshops and cost of scoping work?

The Hon. J.J. SNELLING: It would be virtually nothing. My advice is that we are not paying people on the panel: they are doing it gratis.

Dr McFETRIDGE: On that same reference, the same topic, it has certainly been put to me and I would be interested to get the minister's opinion, is the minister concerned that if the government decides to build a new Ward 17 as a stand-alone facility it risks stigmatising people being treated for PTSD and making it less likely that they will seek treatment and support?

The Hon. J.J. SNELLING: No, I do not agree with that. It would be no different from the way it is currently configured with people going to the Repatriation Hospital.

Dr McFETRIDGE: If you are building a stand-alone psychiatric treatment centre, you do not think there would be an issue there?

The Hon. J.J. SNELLING: No, I do not. All these issues, all these considerations, will be taken in by that panel. It is an expert group and consists of representatives across the mental health space; the veterans mental health space has Professor Sandy McFarlane, who is Australia's pre-eminent expert in the treatment of people with post-traumatic stress, and he is the current clinical director of Ward 17, and veterans who are well known for their interest and expertise in this space. I have complete confidence in this group that they will give me appropriate advice, and all these issues they will take into account.

Dr McFETRIDGE: I refer to the same budget reference as most of the other questions, page 17, system performance and service delivery. There was an article in the public sphere—we are not allowed to say the media, are we—about some South Australians' use of ice or methamphetamine and that apparently we are one of the largest users, and I use that 'we'

colloquially. How do we rate? There was a public meeting in the Riverland and there was a police officer who was misinformed; I felt so sorry for the guy.

The Hon. J.J. SNELLING: There was a policeman who made certain public comments that turned out to be untrue. I think that the short answer is that it is very, very difficult to know. Obviously, people do not report their use of these illegal drugs, so it is very, very difficult to compare jurisdictions about it. I will ask Marina Bowshall from Drug and Alcohol Services to comment.

Ms BOWSHALL: We do have data from the 2013 National Drug Strategy Household Survey, which reports on individuals reporting their use of specific substances. The rate for South Australia for methamphetamine reported use in the last 12 months is 2.2 per cent, which is approximately the national average. There is no statistical significant difference.

Comparatively, there are larger proportions of people from Western Australia, Tasmania, Northern Territory and Queensland reporting use for methamphetamine, and that is in the last 12 months. That is based on the best comparable data we have in Australia, which is the National Drug Strategy Household Survey.

Dr McFETRIDGE: When does it become an epidemic? Is it just a media term? People I have spoken to have said to me that it is not an epidemic; in fact, in their opinion ice use has actually gone down.

The Hon. J.J. SNELLING: Look, epidemic—

Dr McFETRIDGE: I know what an epidemic is, yes.

The Hon. J.J. SNELLING: For health purposes, medical purposes, it refers to a disease not to the usage of a particular illegal substance.

Dr McFETRIDGE: An affliction perhaps.

The Hon. J.J. SNELLING: If people are looking for nothing more than a headline, then it is when they decide it is worthy of a headline. There is no doubt that it is a problem: it is a problem in our emergency departments and it is a problem in terms of usage. However, I have to say that, in terms of health consequences, it would be dwarfed by alcohol. By far the biggest health problem from substance abuse would be substance abuse from alcohol. We certainly have a lot more admissions to emergency departments as a result of alcohol than any other drug.

Dr McFETRIDGE: That is a terrific segue to Sub-program 1.1: Performance Indicators T81, alcohol consumption, risky alcohol consumption. Was an annual progress report to the South Australian Alcohol and Other Drug Strategy completed last year as required under the strategy, and if it was why has that report not been posted on the SA Health website like previous progress reports, and can the minister make sure that the committee has a copy of that report?

The Hon. J.J. SNELLING: It has come to my office; it is just waiting for me to approve it.

Mr TARZIA: I refer to Budget Paper 4, Volume 3, page 17 with regard to ice. The last time I believe the government held an ice summit was over 10 years ago. Does the minister see value in having another drug summit in Adelaide—a summit for all substances.

The Hon. J.J. SNELLING: Yes, all substances. I am happy to give it consideration if it could be demonstrated that there would be some value in it. It would take up a fair bit of time from my officers, particularly in Drug and Alcohol Services. I would be somewhat loath to pull them away from other important things they are doing; but, if it can be demonstrated that some value would come of it, I would be more than happy to consider it.

Dr McFETRIDGE: Budget Paper 3, page 19, that same reference as before about the Alcohol and Other Drugs Strategy: have SA Health and the Department for Education and Child Development developed an interagency strategy to improve coordination of services for children and caregivers of children? Obviously the Chloe Valentine case comes to mind here where we need to be extremely vigilant in monitoring cases where children could be put at risk.

The Hon. J.J. SNELLING: Sorry, what was the question?

Dr McFETRIDGE: Have there been any interagency agreements or MOUs or other liaisons between say the Department for Education and Child Development and Department for Health to monitor people who are on drugs, who are being treated for drugs, who have perhaps treatment orders—do we have treatment orders for drugs in South Australia? I do not think we do, do we, for drug addiction?

The Hon. J.J. SNELLING: There has been something that has been set up by the police, and there would be other ministers who would probably be better able to talk about it than me, which Health participates in. A sort of early warning thing has been set up under the auspices of the police, so the Minister for Police and the police commissioner would probably be able to talk to you a lot more about it. It is called MAPS, and it is an interagency body which basically enables information sharing between different agencies where there are particular issues so that, where possible, there can be early intervention.

The other area, in the child protection space, where we cooperate is between Child Protection Services, which operates out of the Women's and Children's Hospital and essentially does the forensic work in the child protection area, and they work very closely obviously with Families SA in this space.

Dr McFETRIDGE: We do not have any treatment orders for people who are affected by alcohol or drugs in South Australia, do we?

The Hon. J.J. SNELLING: I have just been advised that Drug and Alcohol Services do review cases and are required to provide a case review to Families SA in these cases, so the answer is yes, we are involved in that space. With regard to treatment orders, not to my knowledge, no. There are provisions in the Public Intoxication Act and there are powers that police in particular have to detain people and to take them to sobering-up centres and things like that in the short term, but no, there is no compulsory treatment.

It would probably be a question better directed to the Attorney. I think there may be powers that the courts have. Particularly when you are talking about bail conditions and various things like that, they may have powers to direct people to seek treatment, but it is probably a question you would have to direct to the Attorney.

Dr McFETRIDGE: Thank you, minister. Under the same budget reference, Child and Adolescent Mental Health Service in the country, particularly on the APY lands: can you give the committee an overview of what is happening with the funding of the Child and Adolescent Mental Health Service, the number of practitioners involved, are they fly in fly out, and how long they are on the lands for?

The Hon. J.J. SNELLING: It is all fly in, fly out, so it is done on a fly in fly out basis, given these are very specialised professionals. I have to get the data. I am happy to provide that in terms of the number of trips they make, but it is something I have been speaking to the agency a bit about and getting reports back about those—

Dr McFETRIDGE: Could you also provide the committee with the cost of air charters for those fly in, fly outs, because I understand it is significant.

The Hon. J.J. SNELLING: Anything that is fly in fly out is expensive, there is no doubt that, but I would have to get that detail.

Dr McFETRIDGE: Some questions on behalf of my colleague the Hon. John Dawkins in the upper house, who is a very strong advocate of suicide prevention strategies. On Budget Paper 4, Volume 3, page 37: Health Expenditure, under targets for 2015-16, the fourth dot point states, 'Implement the Aboriginal Mental Health Plan'. Can the minister advise whether this plan will include any provisions for suicide-prevention strategies for Indigenous South Australians?

The Hon. J.J. SNELLING: I will ask the Chief Psychiatrist.

Dr GROVES: The Aboriginal Mental Health Program was developed a couple of years ago, and its implementation sits through my office. I have an identified Aboriginal person who leads that, Mr Ian James. As part of that, we have been considering how both social and emotional wellbeing,

as well as suicide prevention, are a part of that. It is fair to say, though, that we do not have any specific dedicated Aboriginal suicide prevention plans in South Australia.

Having said that, we are mindful of what has been happening nationally, that is, the commonwealth has already announced the development of an Aboriginal specific suicide prevention plan. In my view, it makes more sense for us to work more collaboratively with the commonwealth in terms of any measures they would have at addressing suicide prevention in Aboriginal communities, so that whatever efforts we make do not overlap and duplicate.

I understand that this week the federal government and the federal ministers responsible had an Aboriginal summit that looked at both mental health and suicide prevention, and we are keen to hear exactly what comes from that as the best way of taking that forward. We are aware that suicide is a significant problem amongst indigenous communities throughout Australia and in South Australia.

We know that the suicide rate is clearly unacceptable in Aboriginal communities compared with non-Indigenous people. However, it is fair to say it is still a rare event, so anything that you do to try and address rare events when two levels of government are involved should be done collaboratively so that we do not waste our resources for people who are clearly needing to have an array of resources become available for them. I hope that by the time we meet next year we will have a better opportunity to give you an update about that.

Dr McFETRIDGE: On the same dot points under highlights, the fourth dot point states:

- Implemented Mental Health Crisis Respite services, enhancing options for emergency department and hospital avoidance.

Can the minister advise whether this implemented service provision model includes any provision for suicide prevention strategies, training and post-discharge service provision for those who have attempted suicide?

The Hon. J.J. SNELLING: We have 24 crisis respite beds; they are not specific to suicide, but obviously they would encompass that.

Dr McFETRIDGE: In the same reference—one for the lesbian, gay, bi and transexual community: can the minister advise if any funding will be directed towards suicide prevention programs specifically targeted at preventing suicide in the lesbian, gay, bisexual, transgender and intersex community, and how much funding has been allocated towards it?

The Hon. J.J. SNELLING: The Chief Psychiatrist can answer that.

Dr GROVES: The issue of suicide amongst the LGBTIQ community is clearly something that is of a significant concern for us. We know that the suicide rate amongst that community can, on occasions, be around 10 times the rate of people who do not belong to that particular community. We know there are a number of risk factors about that.

We have recently put out applications for people to apply for funding under suicide grants. I am aware that the LGBTI community have put in a number of grants for that. The process of finalising those grants has just been completed and they are about to be awarded, and at that time I will be able to give you more specific advice about the success or otherwise of their application. Into the longer term, we are looking at how we take forward more specific approaches for the LGBTI community.

Dr McFETRIDGE: Thank you for that. On the same reference, under the same highlights, for another very important part of our community—the third dot point states:

- Implemented Young Person's Mental Health Service for 16–24 year-olds.

Can the minister advise whether this implemented service provision model includes any provisions for suicide prevention strategies for youth?

The Hon. J.J. SNELLING: It would encompass the work that they would do. Anything to improve mental health outcomes for young people is going to reduce the incidence of suicide.

Dr McFETRIDGE: I thank the minister and his senior bureaucrats and all those others who put all this time and effort into questions. We will have an early minute once I have read the omnibus questions, and for those who have not heard me read the omnibus questions before, I guarantee it will not take long.

The CHAIR: We are not in a rush.

Dr McFETRIDGE: I will try to do it in two breaths, instead of one, this time. I will slow it down for you:

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above $10,000 in 2014-15 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 2014-15, 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 2014-15, 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 2015-16?

4. Between 30 June 2014 and 30 June 2015, will the minister list the job title and total employment cost of each position with a total estimated cost of $100,000 or more—(1) which has been abolished and (2) which has been created?

5. For each department or agency reporting to the minister, please provide a breakdown of attraction, retention and performance allowances as well as non-salary benefits paid to public servants and contractors in the years 2013-14 and 2014-15.

6. 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 2014-15, provide a breakdown of expenditure on all grants administered by all departments and agencies reporting to the minister listing the name of the grant recipient, the amount of the grant and the purpose of the grant and whether the grant was subject to a grant agreement as required by Treasurer's Instruction 15.

7. For each year of the forward estimates, provide the name and budget for each individual program administered by or on behalf of departments and agencies reporting to the minister.

8. For each year of the forward estimates, provide the name and budget for each individual investing expenditure project administered by or on behalf of all departments and agencies reporting to the minister.

9. For each department or agency reporting to the minister, what is the budget for targeted voluntary separation packages for the financial years included in the forward estimates by year and how are these packages to be funded?

10. What is the title and total employment cost of each individual staff member in the minister's office as at 30 June 2015, including all departmental employees seconded to ministerial offices and ministerial liaison officers?

The CHAIR: There being no further questions for this minister, I declare the examination in these portfolio areas for the proposed payments adjourned and referred to committee B. I thank all advisers for their attendance. In accordance with the now agreed timetable, the committee stands suspended until 3.30.

Sitting suspended from 14:57 to 15:30.

DEPARTMENT OF STATE DEVELOPMENT, $674,320,000

ADMINISTERED ITEMS FOR THE DEPARTMENT OF STATE DEVELOPMENT, $7,629,000

Membership:

Ms Redmond substituted for Dr McFetridge.

Mr Knoll substituted for Mr Tarzia.

Mr Duluk substituted for Mr Bell.

Minister:

Hon. J.J. Snelling, Minister for Health, Minister for Mental Health and Substance Abuse, Minister for the Arts, Minister for Health Industries.

Departmental Advisers:

Ms A. Reid, Deputy Chief Executive, Department of State Development.

Mr J. Andary, Acting Executive Director, Arts SA.

Ms H. Schultz, Director, Cultural Heritage and Assets, Arts SA.

Mr R. Janssan, Executive Director, Strategy and Business Services, Department of State Development.

Mr P. Louca, Chief of Staff.

The CHAIR: We now have the proposed payments for Arts SA, and I declare the proposed payments open for examination. I refer members to the Agency Statements, Volume 4. I call on the minister to introduce his advisers and to make an opening statement if he so wishes.

The Hon. J.J. SNELLING: To my left is Alex Reid, Deputy Chief Executive of the Department of State Development; to her left is Hannah Schultz, Director, Cultural Heritage and Assets, Arts SA; and to my right is Jeff Andary, who is the Acting Executive Director, Arts SA.

We have come off a very successful 12 months in the arts, with a very successful Festival, but I think probably the highlight of the year would have to be the Cabaret Festival, which really did blow all box office records. It was a tremendous success under the artistic direction of Mr Barry Humphries, with many, many interstate and overseas visitor nights generated by that festival.

We have a number of events still to come for the calendar year which we are looking forward to. Our cultural institutions go from strength to strength as well, with the Art Gallery, the Museum, the State Library, just to name a few, doing very important work, and of course very important work is done within Arts SA administering all these things.

I should say at the outset that I have been very disappointed by the decision of the federal government to take $100-odd million out of the Arts Council and redirect that funding towards a ministerial fund, funding arts organisations. That is going to have an enormous effect on our small and medium arts sector in South Australia. It is something we are currently having a look at, as there is no doubt that it is going to have an impact on the way we deliver funding to various arts groups because, of course, a lot of the funding we do is matched funding with funding that comes from the Australia Council, so we will have to have a look and deal with the consequences of that.

We will do everything we can from a state perspective to try to preserve those small to medium arts organisations that have been enormously affected by, I think, what is a very regrettable decision on the part of the federal government. With that, I am happy to take questions, Madam Chair.

The CHAIR: Are you the lead member, member for Davenport?

Mr DULUK: No.

The CHAIR: Does anybody have an opening statement, or are we straight into questions?

Mr DULUK: No, straight to questions. Minister, in relation to the State Library, Budget Paper 4, Volume 4, pages 77 and 78, given that there has been a drop of almost 100,000 visitors to the State Library website since 2013-14, what justification is there for developing a new website?

The Hon. J.J. SNELLING: My advice is that it had something to do with the way that hits to the website are counted, and there have been issues associated with that. I am happy to get a full briefing from the committee and ask the Library for some information.

Ms REDMOND: Still on the same page, minister, could you provide some explanation of just how much impact the relocation of the City of Adelaide Lending Library from the Spence Building has had? The explanation given for the dramatic reduction—you had a projection at the beginning of last year for 900,000 visitors to the State Library and the actual estimated result was 600,000, so a one-third reduction in what you were expecting—was that it is all put down 'to the first full-year impact of the relocation of the City of Adelaide Lending Library'.

Now, that of itself, that explanation, implies that there must have been a part-year impact prior to that and, therefore, one would have thought that there would be an inclination to put a lower projection for 2014-15, yet your projection for 2014-15 at 900,000 was well out of kilter with the actual results. I am curious because I would not have thought that the number of people borrowing or attending at the Spence Building was actually 300,000 or anything like it.

The Hon. J.J. SNELLING: I will ask the deputy chief executive. She can answer the question.

Ms REID: Again, we can get a more detailed answer from the Director of the State Library, but my understanding is that, in the changeover and the transition, they certainly anticipated a reduction as a result of the city lending library moving as it did to the Mall. They completely altered their programming associated with that part of the library—that space.

If you have been in there recently, you will know that it is now filled with students and all sorts of people using their facilities, using their wi-fi, doing a whole range of things and a whole range of programming. They obviously anticipated a level of programming to replace that and build up to that again that was not achieved in that year. It is a target they set for themselves.

Mr DULUK: That is not obviously reflected in, say, users of the website.

Ms REID: No, this is physical access.

The Hon. J.J. SNELLING: I thought Isobel was talking about physical—

Ms REID: This is physical.

Mr DULUK: Minister, in terms of FTEs for sub-program 4.1, there has obviously been a reduction in FTEs. Can we just have a bit of explanation behind that, please?

The Hon. J.J. SNELLING: The FTEs in Arts SA?

Mr DULUK: For the library and statewide information services.

The Hon. J.J. SNELLING: In short, it reflects the fact we are making savings in the portfolio. Those savings have been allocated to the various cultural institutions of which the library is one.

Ms REDMOND: I refer you, minister, to Volume 4, page 76, Program 4: Arts, the summary on that page and the table of the program summary. The number of full-time employees overall is reducing from 99.6 in the year just finished down to 76.9, so there is a significant reduction in the number of employees and, consequently, a significant reduction in, at the very first line of that, the employee benefit expenses. With that significant reduction, how is it that it is still going to cost more for the net cost of providing services? Why is there such a blowout in the net cost of providing services when the number of people providing them is being reduced by about 25 per cent?

The Hon. J.J. SNELLING: Are you talking across the portfolio or just to the library?

Ms REDMOND: Across.

The Hon. J.J. SNELLING: Spending money on things other than employees, for example, a lot of our money goes out in grants to both individual artists and to others. So supplies and services—that is an increase of $2.7 million per annum, primarily due to the budget measure to maintain arts activities. You will be aware that, as part of the budget, $4 million per annum is provided for arts events, including events, exhibitions and public programs provided through the state's arts organisations, cultural institutions and festivals as well as regional initiatives. There would be some operating money associated with the extra money that we are putting into theatres so that would be included in it as well.

Intragovernment transfers—an increase of $6.3 million for the upgrade of infrastructure at regional arts theatres by Country Arts SA, but that is investing. Because it is a transfer from government to outside of government, the expenditure, the extra money that we have put into the regional theatres to upgrade the regional theatres, is reflected as an operating expenditure rather than an investing expenditure because it is a transfer to an outside government organisation. It is within government but it is a statutory authority. The transfer from Arts to Country Arts appears as operating expenditure.

So, yes, we are spending less on employee expenses, but we are spending more in other areas of the arts portfolio. Principally it would be the increased money that we had as part of the budget for arts events and the increased expenditure on our regional arts theatres.

Ms REDMOND: Still on that same page, and in particular on the first line, the employee benefit expenses, I asked you last year about a particular employee by the name of Nicole Burns, and you undertook—both in estimates and in a question a week later in the house—to provide a response to the question as to how that particular young woman managed to be appointed to a relatively highly paid job within Arts, having been moved from the office of the member for Mawson, with no apparent advertisement for the position, no due process for the position and, indeed, with a number of emails going back and forth indicating that there was some need to have a very quiet appointment of this person who was taking on a job at a relatively high level, as I say, but a job that was previously done by a trainee.

If I can quote what you said last year in response to that question, you indicated that you were not privy to the emails but that you would get back to me—'I am happy to find that out for the member for Heysen'—but a year later I still have not had a response as to how Ms Nicole Burns, formerly of the member for Mawson's office, got such a high level appointment previously done by a trainee within your department.

The Hon. J.J. SNELLING: I need to find out what information I have but I have to say that I am not in the practice of speaking in a public forum about appointments of individuals within the public sector.

Ms REDMOND: But, minister, you have had a year to respond to the question.

The Hon. J.J. SNELLING: Probably the reason why I have not is that it is inappropriate for me to comment on the appointment of an individual within the public sector.

Ms REDMOND: If you do not do it in the public arena—

The Hon. J.J. SNELLING: I am satisfied that all the processes that needed to be undertaken were undertaken.

Ms REDMOND: So nothing worries you about an appointment of someone to what was formerly a—

The Hon. J.J. SNELLING: I am very confident with the circumstances of all the appointments that happen with Arts SA.

Ms REDMOND: Really?

The Hon. J.J. SNELLING: Yes.

Ms REDMOND: And that no further explanation is required or warranted.

The Hon. J.J. SNELLING: I am not in the business of sharing in a public forum like the estimates committees, circumstances around the appointment of—

Ms REDMOND: Well, minister, you could have written to me any time over the last 12 months.

The Hon. J.J. SNELLING: I am not going to be sharing circumstances regarding the appointment of particular individuals. If there is concern that there is some sort of probity or something that has been infringed in this appointment, my answer is no, I am not concerned about any of the probity around this appointment.

Ms REDMOND: So you are not concerned about it.

The Hon. J.J. SNELLING: I have confidence in the appointment.

Ms REDMOND: That is not to say that there was a lack of probity, but just that you are not concerned about.

The Hon. J.J. SNELLING: There was not a lack of probity. The appointment was done with regard to and taking into account all the rules regarding public sector appointments, and transferring individual public sector employees from one agency to another.

The CHAIR: The member for Schubert. The answer was not finished; that is why we were waiting.

Mr KNOLL: So, the minister is confirming that there was a job description developed for this position, that there was a process by which applicants were sought for this position and then, as is the normal process, applicants were interviewed and then a person chosen as the best person for this job, that the normal process by which each of the other 80,000 or 90,000-odd public servants go through was followed in this case.

The Hon. J.J. SNELLING: Any public sector employment is done by the relevant public sector employees whether that be the chief executive of the department and obviously it filters down from there depending on the nature of the employment. I presume Arts SA would have been within the Department of the Premier and Cabinet at the time this particular appointment was made and I have confidence in the processes that were taken.

Mr KNOLL: So you are confirming and ruling out the fact that there was no abnormality in the appropriateness of this process compared to the processes normally undertaken.

The Hon. J.J. SNELLING: What I am confirming is that they were done within the rules and guidelines that are there when the appointment was made. I point out that this was long before I took over the portfolio but I have confidence in the officers who were making the appointment at the time.

Mr DULUK: Back to public libraries, in what capacity were South Australian councils and the Local Government Association involved in the development and implementation of the One Card system and were they involved in a financial capacity?

The Hon. J.J. SNELLING: That's a Dorothy Dixer, Sam.

Mr DULUK: I want to see if you get this one right.

The Hon. J.J. SNELLING: The One Card Project started in May 2012 and, over a period of less than 2½ years, 80 separate library databases have been merged into the single One Card system. During 2014-15 the final five councils joined the system, with Yankalilla being the final library to join in September 2014. The speed at which this project progressed was initially considered ambitious. To the credit of everyone involved, every library commenced operations on its agreed go live date.

Using One Card, people can access an item from any library in the state. Library customers can also walk into any library and borrow or return items, as well as use the internet and other services regardless of which library their membership is with. The One Card Project has been an overwhelming success. Public feedback has been significant, almost entirely positive. Making the collections of the state's 138 libraries totally accessible to all library users is very efficient use of an existing resource. With regard to council, the funding came from within the existing annual funding

allocation provided to public libraries through the MOU that we have with the Local Government Association.

Mr DULUK: Thank you for that wonderful answer to that Dorothy Dixer, minister. How will the rollout of the One Card system in Shandong Province, China, be funded?

The Hon. J.J. SNELLING: The One Card system, which allows all South Australian citizens a library card to borrow from over four million items held in any public or school community library in the state, is one of the significant features of the agreement between the State Library and the Shandong Library.

The agreement will see the State Library and public library services use their expertise and experience to support the Shandong Library to achieve its goal of rolling out the One Card management service system to its over 98 million citizens by 2020. In the coming weeks, public library services staff will meet with officials in Shandong to develop the implementation plan. It is also intended that the State Library will host two Shandong staff for a period of up to three months. There are further plans for the State Library and public library services staff to meet counterparts in Shandong.

Mr DULUK: How will it be funded?

The Hon. J.J. SNELLING: It will just be from within their existing budget, but it is in the very early stages, so it would just be utilising staff we already have.

Mr DULUK: Given that it is in its early stages—

The Hon. J.J. SNELLING: Hang on a moment, I am just getting some more advice. The deputy chief executive has just said that in her discussions with the Shandong Library they indicated that their budget for digital services was $70 million alone and they would be looking to invest their own money in this project.

Mr DULUK: Sorry, that was Shandong Province will be investing $70 million?

The Hon. J.J. SNELLING: Yes—no, no, just say the total budget was $70 million. They have a considerable budget for these sorts of things and they would be looking to invest a component of that $70 million in this project.

Mr DULUK: So, there are no specific costs at the moment?

The Hon. J.J. SNELLING: No, not at the moment, but it is very early days. Other than small amounts of travel that would be involved and use of our existing staff, we would not anticipate there being state government money going into the program. It would essentially be funded by Shandong.

Mr DULUK: What do you see as the benefits of this venture for South Australian public library users?

The Hon. J.J. SNELLING: I think any cultural exchange is going to have enormous economic and social benefits and close cooperation between the two states, between Shandong and South Australia. Obviously, it has been a priority of the government to engage more deeply with Shandong in particular to utilise the fact that we have had, since 1986 I think, an agreement with Shandong Province. It is something which the state government put particular focus on when, as part of the Premier's overseas mission to Shandong earlier in the year, the arts sector was very much involved. We had a number of representatives from our arts organisations involved in that particular trip because we believe that there is not just the immediate impact in terms of greater exposure of South Australia within Shandong, but further long-term economic benefits from an engagement of this type.

Ms REDMOND: Just on that, minister, without wishing in any way to disagree with what you have just said about the value of cultural exchanges, I am struggling to understand the relevance of the One Card library system in any such exchange. Can you explain what it is that is going to be rolled out in Shandong or here, what the connection is and why we—

The Hon. J.J. SNELLING: I do not know what problem the opposition has with this. I would have thought, if anything, it was beneficial and certainly relatively harmless, but with regard to—

Ms REDMOND: But in what way? There are 94 million people in Shandong who might have a One Card library system.

The Hon. J.J. SNELLING: What harm is going to be had from us sharing a program with the people of China? I do not understand, for the life of me, what problem you could possibly have with it.

Ms REDMOND: I want to know what cost it is to the state—

The Hon. J.J. SNELLING: It is a very, very negligible cost, a few airfares. The view would be that this is IP that would be sold to Shandong, so the library would benefit—

Ms REDMOND: Okay, that is all I wanted to know, that that is what we are doing with the One Card system.

The Hon. J.J. SNELLING: But even if it was not, even if it was for free, would it not be a good thing?

Ms REDMOND: I just wanted to understand what the nature of the exchange is.

The Hon. J.J. SNELLING: It is an MOU at this stage. There is no contract at this stage, but my advice is that in the medium to long term they would aim to have some sort of contractual arrangement to sell their IP on this particular project to China. Its consultants—

Ms REDMOND: Right. So, we have a One Card system that is throughout South Australia—

The Hon. J.J. SNELLING: Yes.

Ms REDMOND: —and we are like a test case almost.

The Hon. J.J. SNELLING: And they want it. The Chinese like it.

Ms REDMOND: So, 94 million people in Shandong Province, potentially, they could adopt that for—

The Hon. J.J. SNELLING: Yes.

Ms REDMOND: There are not enough books in South Australia, of course, for 94 million people.

The Hon. J.J. SNELLING: If I can just clarify: it has just been pointed out to me that with regard to the answer that I undertook to provide the member for Heysen in last year's estimates, there was an answer provided to exactly the same question to the Leader of the Opposition, Mr Marshall, and that is dated 26 September 2014.

Ms REDMOND: Because I was not the Leader of the Opposition in 2014. I asked the question and it should have been sent to me.

The Hon. J.J. SNELLING: Mr Marshall asked the same question.

The CHAIR: That is an external matter that we should not really waste our time on. Next question, member for Heysen.

The Hon. J.M. Rankine interjecting:

The CHAIR: Order! Member for Heysen.

The Hon. J.M. Rankine interjecting:

The CHAIR: Order! Member for Heysen, just ask the—

Ms REDMOND: Well, no, I am not—

The CHAIR: It is unparliamentary.

Ms REDMOND: —not while I have interruptions from the other side making criticisms of me—

The CHAIR: No, do not argue with me. Do not argue with me.

Ms REDMOND: —over something that is not anything to do with her.

The CHAIR: I am on my feet.

Ms REDMOND: Are you?

The CHAIR: Yes, sadly, Darth Vader and all. You know the rules of this house much better than anyone else in this room and to waste our time is unforgivable. Ignore her. It is unparliamentary to react to her.

Ms REDMOND: It is unparliamentary for her to—

The CHAIR: Do not keep answering me back. I have asked her to desist and I will speak to her in a minute. You should just ask the next question and ignore it. Question, member for Heysen. And you can help by not being—

Ms REDMOND: Minister, can I ask about the dot point under highlights on page 77? The last dot point under highlights relates to increased user access to the State Library's digitised collections. Does that digitised capability extend to the provision of newspaper access on a daily basis? The reason for my question is this: I have had complaints in my local area from people who previously used to access their local newspapers by going to the library.

Everyone accepts that that is not an official way to do it and that having digitised access to the local papers and whatever papers is easier and better. That is fine, but it appears from the experience that is occurring since the One Card system and the whole digitisation that there may be insufficient subscriptions to newspapers to allow the people who would normally have read newspapers digitally in their local library to get access to their local library newspapers.

The Hon. J.J. SNELLING: With regard to digitisation, the only newspapers they are able to digitise are historic, because under the copyright rules they can only do that if they are of a certain age. I think the substance of the question was with regard to access—

Ms REDMOND: Access to daily papers.

The Hon. J.J. SNELLING: —and whether there are enough subscriptions.

Ms REDMOND: Yes, whether there are enough subscriptions to allow the people around the state to access it, or is that something that is done by individual libraries?

The Hon. J.J. SNELLING: I will need to take that on notice. I am happy to get an answer back to you.

The CHAIR: Member for Davenport.

Mr DULUK: Minister, in light of the cuts to vocational music courses at Noarlunga TAFE and the University of Adelaide—

Ms Redmond interjecting:

The Hon. J.J. SNELLING: Sorry, say that again.

Ms REDMOND: Are you going to speak to her, by the way?

The CHAIR: I will speak to her later. You do not have to tell me what to do. It is not really helpful. Two wrongs do not make a right.

Ms REDMOND: You said you were going to.

The CHAIR: If you let her get under your skin that makes her happy. Ignore her completely is my best advice to you. Member for Davenport, do you have a page?

Mr DULUK: At pages 76 to 84.

Ms Redmond interjecting:

The Hon. J.J. SNELLING: Taylor Swift says, 'Shake it off'.

The CHAIR: Pages 76 to 84. Okay, what is your question.

Mr DULUK: In light of the cuts to vocational music courses at the Noarlunga TAFE and the University of Adelaide, can you as the minister outline the steps that the state government is taking to support aspiring musicians in the South Australian local music scene?

The Hon. J.J. SNELLING: You will have to ask minister Gago about what is happening in the VET sector, but there are only a number of things that we are doing, particularly in the live music space, to support aspiring musicians.

Mr DULUK: So there is nothing within arts industry development for aspiring musicians?

The Hon. J.J. SNELLING: Hang on. The James Morrison Academy of Music, for example, is the newest, most innovative place to undertake jazz studies in Australia. The James Morrison Academy of Music at the University of South Australia is a new music school based on the partnership model between the private sector and the university. Bearing James Morrison's name, this new world-class music academy draws on his global connections and expertise. The JM Academy, as it is known, delivers accredited teaching programs that lead to students receiving university awarded diplomas, advanced diplomas and bachelor degrees with a focus on jazz music.

Courses are promoted to local, national and international students, and enrolments to date have been strong. While the academy refines its business model and explores viable opportunities for diverse engagement to meet interest and demand, other education services are on offer, including short courses in improvisation and composition, music camps during semester breaks, and individual music tuition.

In October 2014, cabinet approved funding of half a million dollars to support the academy, with $300,000 to be provided in 2014-15 and the remaining 200,000 to be provided this financial year. Students are enrolled as registered students of UniSA and attend classes at the academy in Mount Gambier. The faculty are all employed directly by the JM Academy and the curriculum is created by the JM Academy. The arrangement provides the best of both worlds, with all the benefits of a large university combined with the focus of a small academy where teachers and the curriculum can be flexible in delivering what is most beneficial to the students.

While James Morrison himself is not one of the core weekly teaching staff, it is his academy and he will be teaching all students during each semester. In addition to this, James has co-designed the curriculum to reflect his philosophy of learning music, which promises an exciting, vibrant environment with the emphasis on playing jazz.

St Paul's Creative Centre is the other area. This centre has been fully operational as a collaborative space for the creative industry since early 2015. It offers flexible working options for small businesses and artists, including coworking spaces, tenancies, training rooms, and events that add value to its community.

St Paul's is becoming recognised as a flourishing centre for the creative industries. It offers many flexible options to support industry growth, clustering and collaboration. Its growing community includes business tenants, coworkers and students. Upstairs the centre houses the Music Development Office and music-clustering organisation Musitec, while downstairs tenants include training organisations, MusicSA, and various other creative businesses. Coworking members are situated throughout the building.

Arts SA has been successful in securing an ongoing allocation of funding for 2015-16 that will provide resources to assist with the day-to-day operations of St Paul's and further facilitate the building of the community that engages with the centre. This builds on funding that was provided in the 2014-15 budget for the development of a music industry cluster of organisations and entrepreneurs at St Paul's being driven by the MDO. The ongoing funding provided will resource a new position which will sit within the MDO and support the strategic growth and operation of the centre.

There is considerable current interest in the notion of coworking, and it is a growing mode of business practice. St Paul's is well placed to take advantage of this. It is differentiated from other coworking spaces through its focus on the creative industries. This point of difference will be further enhanced when makerspace, Fab Lab Adelaide, moves into the modified downstairs kitchen space.

Lab will bring a broader community of designers and creative technologists into the space to collaborate with and build the skills of current tenants and coworkers.

St Paul's is a stunning and distinctive looking space that is in much demand for functions, and several events that benefit the creative community have recently been held there. These included a 'meet the locals event' organised by the Australasian Performing Rights Association, the Media Arts Production Skills film school, launch of five new South Australian audio clips, and community radio station Fresh FM's regular open house events that connect Adelaide's producers and musicians with media professionals.

Those are just a few organisations and things that we are doing in that space. Of course, there is also our grants program. We spend $896,000 every year as part of our 2015-16 grant funding as well.

Ms COOK: I refer to sub-program 4.3, pages 79 and 80. Having some curiosity around entomology, I am particularly keen to hear more about the efforts to restore and preserve collections at the Museum in light of the devastating infestation of bugs.

The Hon. J.J. SNELLING: A very interesting question, and I think we can safely say 'mission accomplished'; the bugs are safe, due to some tremendous work, of course. We do have an issue with looking after our museum's cultural collections and this is, of course, of extreme concern. The Museum does wonderful work, but these are small insects that get into our collections and are not easily defeated by conventional methods. It is not like a bathroom, where the reassuring smell of Dettol, for example, can prevent infection. It requires particular measures to be taken to prevent these sorts of infestations.

I have to say that they have done a wonderful job at the Museum in taking appropriate measures. In 2014-15 we spent $464,000 of a $2.674 million measure to address the infestation of carpet beetles in the museum's entomology collection. The 2014-15 estimated result is that $542,000 of that money was expended to advance this. They have done very well. Having saved the bugs we have now moved on to mammals and birds.

Mr DULUK: Minister, just going back to Generations in Jazz and the James Morrison Academy, which was a wonderful investment, my original question was relation to vocational funding cuts, including at Noarlunga where, now, if you do want to study jazz vocationally, and you live in the southern suburbs, you have to travel some 58 kilometres to the Salisbury campus.

The Hon. J.J. SNELLING: If you have questions about VET—

Mr DULUK: No; in response to my question about vocational funding, you talked about the James Morrison Academy which, of course, relates to high school students and does not relate to vocational—

The Hon. J.J. SNELLING: No; these are graduate diplomas, degrees; they are post-secondary qualifications.

Mr DULUK: Thank you. Can you please outline what controls, if any, are in place to ensure that grants provided by or to Arts SA are used for their intended purpose, and the acquittal process that goes with that?

The Hon. J.J. SNELLING: Sorry, can you ask that question again, and can you give us a budget reference to so that we know what you are talking about?

Ms REDMOND: Well, the $896,000 that you referred to—

The CHAIR: The member for Davenport is asking the question.

Mr DULUK: Page 82; it is in relation to the acquittal of grants provided, and what controls are there, if any, around the acquittal of grants?

The Hon. J.J. SNELLING: I will ask the Acting Executive Director of Arts SA to answer the question.

Mr ANDARY: According to Treasurer's Instructions, all grants have to be acquitted and have a funding agreement. So, there would be, within the funding agreement for every grant, reporting

requirements that would need to be met. They would differ between the different grant programs and the different grants, but those particular funding agreements outline the acquittal process.

Within three months from the end of every project, those funds would have to be acquitted. They would have to give us, probably, a budget breakdown and whether they have achieved the outcomes of the project that they indicated in their application. It is quite a good process, and it is a process that is very much integrated within our grants management system, otherwise they are not able to apply for grants again if they do not acquit grants.

Ms REDMOND: Supplementary to that, if I may ask the acting director: I have come across a situation where a group of young performers, only three in number, obtained a grant, and when they went to Europe two of the three decided they were basically there for a holiday at the taxpayers' expense. In spite of the objections of the third person, who tried to object to the department upon return, nothing was ever done about the failure of that particular grant to be used and expended for its intended purposes.

Mr ANDARY: If they did not acquit properly, they would be 'destatused', which means they could not apply. I am not privy to the circumstances specifically about the case as to whether they in fact did achieve some if not all of the particular objectives that they were aiming to achieve.

Mr DULUK: Moving on to arts, museum and heritage services, pages 79 to 81, can the minister please explain why the international *Fashion Icons* exhibition resulted in a $1.7 million cost overspend?

The Hon. J.J. SNELLING: The *Fashion Icons*?

Mr DULUK: Yes.

The Hon. J.J. SNELLING: Can you tell us what you are referring to, and we might be able to explain it to you.

Mr DULUK: Page 80—$1.2 million increase in expenses.

The Hon. J.J. SNELLING: It is just the government funding, the $1.2 million increase in expenses. Generally speaking (not always), when the Art Gallery puts on an exhibition—and there are several that come to mind, such as the *Turner from the Tate: the Making of a Master* exhibition and the *Fashion Icons* exhibition—we will provide grant funding to the Art Gallery to enable them to put on exhibitions because the scale is such that they would not be able to do it within their existing budget. It is not that there has been an overspend, it is that the government has made a decision to give the Art Gallery extra money to enable it to put on that exhibition. It was split over two financial years, so $150,000 was expended in the 2013-14 financial year and $1.85 million was expended in the 2014-15 financial year.

Ms REDMOND: If I can refer you to page 82. At the bottom of the page there are a few dot points on the estimated 2014-15 result, and the second dot point refers to an increase in agency operating expenditure following the sale of Netley Commercial Park. I take it that that is the area that is currently housing Opera SA and it also houses some of the Museum collection and so on?

The Hon. J.J. SNELLING: Yes.

Ms REDMOND: Can you explain firstly what is meant by that dot point and then what is to happen in terms of the collection of the Museum, for instance, that is held at the back of that precinct? Where is that going to be held in the future given that we have not seen any plans for the expansion of the Museum?

The Hon. J.J. SNELLING: It is just a sale and leaseback project. We have sold it and we are leasing it back from the purchaser, so I presume we are given a budget allocation to enable us to rent the building. In the short term, we would expect that we would continue to use those premises for what they are currently being used for, such as the Museum collection.

Ms REDMOND: Does that explain the $3.4 million operating expenditure increase?

The Hon. J.J. SNELLING: Yes. It is approximately a 10-year lease and yes, we are given extra expenditure authority so we can rent the premises.

Ms REDMOND: In layman's terms, what has happened is the state government owned a precinct—

The Hon. J.J. SNELLING: We have sold it and we are renting it back, yes.

Ms REDMOND: —and they have sold that, pocketed the funds—

The Hon. J.J. SNELLING: Yes.

Ms REDMOND: —and then said, 'Now we have to rent that site—

The Hon. J.J. SNELLING: That is right.

Ms REDMOND: —and that is costing us $3.4 million just for this year.'

The Hon. J.J. SNELLING: On 5 May 2014, cabinet approved the sale and leaseback of Netley Commercial Park. Under the terms of the sale, the Minister for the Arts became the head lessee. The Department of Planning, Transport and Infrastructure acts as the property manager on behalf of the Minister for the Arts and on-charges rental costs to the relevant government tenants, which include the State Opera of South Australia, the State Library, the South Australian Museum and History SA. This is something which the government has been doing across government properties.

Ms REDMOND: I am aware of that.

The Hon. J.J. SNELLING: I have to say that $3.4 million is the rent for the entire site. It is not just for a part of it.

Ms REDMOND: It is for the Netley Commercial site, yes. It is still the case that you sold the property, pocketed the money and now you have to rent the property and you are paying $3.4 million this year.

The Hon. J.J. SNELLING: It has not gone into anyone's pocket. I think the Treasurer would say that it has been used to pay down debt.

Mr KNOLL: Can I ask how much the property was sold for?

The Hon. J.J. SNELLING: You would have to ask the Treasurer, but I think it might be commercial-in-confidence, but you would have to ask the Treasurer.

Mr KNOLL: The 10-year lease is presumably $34 million plus some annual increase.

The Hon. J.J. SNELLING: $3.4 million.

Mr KNOLL: But over the 10-year lease period obviously the total would be $34 million plus whatever—

The Hon. J.J. SNELLING: I can get some more information, but essentially it would be CPI increase.

Mr KNOLL: Would you expect that the sale of the building would have been larger than the 10-year lease cost?

The Hon. J.J. SNELLING: You will need to ask these questions of the Treasurer. The Treasurer and Treasury officials will be able to explain to you why this makes good financial sense. I am simply the head lessee.

Mr KNOLL: So DTF gets the money and you guys get the expenses?

The Hon. J.J. SNELLING: No, because we are provided a budget allocation to pay the lease, so there are no moneys coming out of the arts portfolio. There are no changes at all. We simply get an extra budget allocation.

Mr KNOLL: So there was an extra budget allocation as opposed to having to find savings elsewhere within the department?

The Hon. J.J. SNELLING: There is an extra budget appropriation to pay for the lease, so there are no moneys coming out of the existing arts programs to pay for the lease.

Mr DULUK: In reference to page 80, in relation to the contemporary Aboriginal and Torres Strait Islander Art Festival, given that BHP has provided over $1 million to this festival, how much is it likely to cost the state government?

The Hon. J.J. SNELLING: No separate grant has been provided to the Art Gallery to fund it, but I would imagine the Art Gallery, from within its existing appropriation, would be providing funding to the program for staffing, and so on.

Ms REDMOND: On page 83, minister, about a third of the way down the page is a reference to a $1.5 million decrease in income, which is primarily due to a donated asset for the Adelaide Festival Centre Riverside Bistro in 2013-14 of $1.8 million. I was puzzled as to what that explanation meant. What was the donated asset for the Adelaide Festival Centre Riverside Bistro, and why does it appear as a decrease in income?

The Hon. J.J. SNELLING: Incorporated within the Riverbank bridge development was the fit-out works associated with the Riverside bistro, in which the Department of Planning, Transport and Infrastructure incurred $1.75 million of costs, based on construction cost value during 2013-14. As the asset forms part of the Adelaide Festival Centre within the Arts SA portfolio, it was appropriate for DPTI to donate this asset to Arts SA for recognition in its asset register as a donated asset.

As part of the Riverbank bridge development, cabinet approved the improvements and modifications to the existing precinct adjacent to the Adelaide Festival Centre, including the revitalisation of the Adelaide Festival Centre Bistro. Works to the bistro included the refurbishment of the kitchen facilities and expanded internal dining area and new external terrace space featuring riverfront views. The cost of these works was to be met through the Riverbank bridge project allocation.

The design for the revitalised bistro was undertaken in consultation with DPTI, Arts SA and the Adelaide Festival Centre Trust, and in conjunction with the operators of the bistro. This later discussion was particularly necessary as the construction required closure of the bistro for approximately nine months. Works were completed during the bridge construction works and delivered under the same contract.

Mr DULUK: Minister, what is the expected cost of restoration works for the east wing of the Museum as part of the North Terrace cultural precinct heritage restoration program, page 81?

The Hon. J.J. SNELLING: In 2015-16, the east wing of the South Australian Museum will undergo heritage restorations and external painting and have new safe work access provided at an estimated cost of $747,000.

Mr DULUK: Could the minister provide an update on the rental savings achieved through the relocation of Arts SA from Hindley Street to Wakefield Street?

The Hon. J.J. SNELLING: Over the three financial years from 2013-14 to 2015-16, $70,000, $140,000 and $100,000, so over those three years a total of $310,000, which is the net figure.

Mr KNOLL: To clarify, the net figure per annum?

The Hon. J.J. SNELLING: Yes.

Ms REDMOND: I refer to sub-program 4.1 on page 77. The table at the top of that page refers to the expenses and income of the program and shows in the financial commentary that the significant $1.6 million decrease in expenses is basically because the building they were painting is now finished, which is all understood. But, if you look at the line on income, it has gone from $171,000 in 2013-14 to $45,000 last year and $12,000 this year is projected. What is that income and why has it deteriorated so significantly over the last couple of years?

The Hon. J.J. SNELLING: We need to find out, but my advice is that it is a relatively small figure in the context of a $14 million budget.

Ms REDMOND: I accept that it is a relatively small figure, but it is a big figure of the salaries of the people who are here to advise you, who have no doubt been preparing for months for estimates. I just am puzzled as to why no explanation could be available. I do not understand the

point of having all these people present if we cannot get an answer to a fairly straightforward question on a table.

The Hon. J.J. SNELLING: It just could be part of the normal operating stuff within the library so people are not paying for things any more that previously they had to pay for. We would have to find out from the library to get that figure. It is not their external income: it is just an internal income thing.

Mr DULUK: In regard to building remediation works at the Adelaide Festival Centre, can the minister update the committee on the progress of the concrete degradation investigations?

The Hon. J.J. SNELLING: The 2013-14 state budget included a $3.5 million funding commitment to undertake the highest priority works to address water infiltration at the Adelaide Festival Centre. The government's recent announcement of further upgrades to the Adelaide Festival Centre will complete the final phase of remediation works to address the effects of water infiltration over the last 40 years. Concrete degradation in the Adelaide Festival Centre has been apparent for some time.

Ongoing consultation with industry experts has been undertaken over the past decade to understand and mitigate concrete degradation at the Adelaide Festival Centre. The engineering investigation undertaken in 2013 found that, unless remediation works were undertaken to the theatre roof membranes and surrounding plant areas within the next three years, irrevocable damage to the substructures will occur.

The 2013-14 budget included a $3.5 million funding commitment to commence these remediation works. Funding will enable the Space Theatre plaza waterproofing and Dunstan Playhouse roof membrane waterproofing to be undertaken at a cost of $2.983 million. The Department of Planning, Transport and Infrastructure has engaged contractors Coombs & Barei to undertake these works. As the total project cost is less than the budget due to a favourable tender being received, the uncommitted balance of just over half a million dollars will be held as a contingency to allow for any additional project costs to be addressed, including latent conditions and unforeseen risks.

In March 2015, cabinet approved funding of $5.138 million for the remainder of the remediation works, including $3.625 million for the replacement of the Festival Theatre roof membrane as part of the Adelaide Festival Centre precinct project.

Mr DULUK: Has funding been allocated for this work? I could not see it.

The Hon. J.J. SNELLING: $3.5 million was allocated back in 2013-14, plus there is the most recent announcement which we made in March, with the rest of the project basically being funded as part of the redevelopment of the precinct.

Mr DULUK: There is no direct line item for this and the original allocation has not been fully expended, is that correct?

The Hon. J.J. SNELLING: Of the $3.5 million, the tender came in under, so there is half a million dollars which is being held basically as a contingency. So, if any unforeseen things happen as part of the project, there will be half a million dollars funding there to cover those costs—otherwise, it would go back to Treasury, as it inevitably does.

Mr KNOLL: I am looking at page 119 in non-current assets for the Department of State Development, which I assume would indicate that the Department of State Development holds the $602 million worth of art that the Art Gallery has. My first question is: does the government have a figure on how much art, in a cumulative total of money, it is appropriate to hold and how much the cost of insuring the $600 million worth of artwork is?

The Hon. J.J. SNELLING: The collection sits with the Art Gallery; it does not sit with Department of State Development. There are various views. I think what you are getting at is how much of the collection do you display at any one time. Is that what you are saying?

Mr KNOLL: Yes, and also we have obviously got a reasonable collection. I do not know how much $600 million worth of art looks like, but is there a cost of looking after this artwork while it is not necessarily on display?

The Hon. J.J. SNELLING: There is, because obviously we have to store it, and so there are storage facilities where we store the art that is not on display at the Art Gallery. It has to be conserved and looked after—that all has a cost—but in most art galleries around the world, and in fact probably all the major art galleries, the overwhelming majority of their collections at any one time would be in storage, not on display. The international standard for the percentage of your collection which is on display at any one time is 5 to 7 per cent, and ours is 3 per cent, so it is less than what the international standard is.

Mr KNOLL: Does your department pick up the cost of insurance for the total sum of that work?

The Hon. J.J. SNELLING: It is done by SAICORP, who are the insurer, and the Art Gallery pay a premium out of their grant every year for the cost of insurance.

Mr KNOLL: In the Auditor-General's Report last year, and this obviously feeds into the 2013-14 financial result, there was a Pissarro work that was bought for $4.593 million—

The Hon. J.J. SNELLING: A very nice work it is, too. I recommend you go and have a look at it.

Mr KNOLL: I think I might, at $4½ million.

The Hon. J.J. SNELLING: It would be good for your education. Get Sam to take you.

Mr KNOLL: The difficulty at the time was that Treasurer's Instruction 8 says that any approval of a purchase of a work over $1.1 million needs to go to the Treasurer. I understand that I could ask the Treasurer those questions, except have there been any other purchases which have flaunted Treasurer's Instruction No. 8 within your portfolio?

The Hon. J.J. SNELLING: It does not flaunt Treasurer's Instructions because it was a purchase by the foundation and a gift to the gallery. My advice is, and I am very nervous about saying this, in that report the Auditor-General was in fact wrong. I am very nervous about making that comment, but there it is.

Mr KNOLL: Especially—

The CHAIR: Order! He is still talking.

The Hon. J.J. SNELLING: Let's be quite clear about this: the funds to purchase that particular work were raised by the Art Gallery Foundation. The Art Gallery Foundation sits quite separately to the Art Gallery itself and there was a discussion with Treasury at the time arising from the Auditor-General's finding. The result of those discussions was that the approval of the purchase was within the authority of the board of the Art Gallery.

Mr KNOLL: Have there been any further instances where the Art Gallery or the foundation—

The Hon. J.J. SNELLING: As much as I would like to say that buying $4½ million works of art is a regular occurrence of the Art Gallery of South Australia, I have to say no.

The CHAIR: We are sure it is genuine, so it is not a problem. The member for Heysen.

Ms REDMOND: This might be the last question. I refer to Budget Paper 5, page 54. At the very bottom of Budget Paper 5, there is a new one called 'Maintaining arts activity', and it shows that there was no budget expense for that in the year just finished, but for the next several years in the forward estimates there will be $4 million per annum to 'maintain arts activities to ensure that the state continues to benefit from the social, cultural and economic contribution of the arts'. Can the minister give me some idea of what, in addition to what was already being done across the arts portfolio (and I love the Cabaret Festival and all our festivals), is to be done under this particular $4 million a year?

The Hon. J.J. SNELLING: We do not expect it to go towards anything new; it is essentially there to maintain the arts events that we have. Because of all sorts of pressures, we have needed extra funding to make sure we can continue those arts events, including the Cabaret Festival, of which I know the member for Heysen is very fond.

Ms REDMOND: I have just about revived the state's economy singlehandedly with the Cabaret Festival.

The Hon. J.J. SNELLING: Indeed.

The CHAIR: Having reached the witching hour, and there being no further questions for the Minister for the Arts—

Ms Redmond interjecting:

The CHAIR: No further questions—that is a broad statement—I declare the examination of the proposed payments adjourned until Monday 27 July 2015.

At 16:31 the committee adjourned to Monday 27 July 2015 at 10:00.