

HOUSE OF ASSEMBLY
Wednesday, 3 August 2016
ESTIMATES COMMITTEE A

Chair:

Ms F.E. Bedford

Members:

Hon. P. Caica
Ms N.F. Cook
Mr E.J. Hughes
Mr S.K. Knoll
Mr P.A. Treloar
Mr C. Wingard

The committee met at 09:00

Estimates Vote

DEPARTMENT OF STATE DEVELOPMENT, \$672,950,000
ADMINISTERED ITEMS FOR THE DEPARTMENT OF STATE DEVELOPMENT, \$10,448,000

Minister:

Hon. K.J. Maher, Minister for Employment, Minister for Aboriginal Affairs and Reconciliation, Minister for Manufacturing and Innovation, Minister for Automotive Transformation, Minister for Science and Information Economy.

Departmental Advisers:

Dr D. Russell, Chief Executive, Department of State Development.

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

Mr J. King, Executive Director, Skills and Employment, Department of State Development.

Mr R. Janssan, Executive Director, Corporate Services, Department of State Development.

Mr A. Reid, Executive Director, Industry and Innovation, Department of State Development.

Ms P. Chau, Director, Finance, Department of State Development.

Mr M. McKay, Principal Analyst, Department of State Development.

Ms G. Elston, Director, Automotive Transformation Task Force and Northern Economic Plan, Department of State Development.

The CHAIR: Welcome to committee A. Thank you for your attendance. The estimates committees are relatively informal procedure and, as such, there is no need to stand to ask or answer questions. I understand the minister and the lead speaker for the opposition have agreed to an approximate time for the consideration of proposed payments, which allows for the facilitation of a change of advisers. Could the minister and the lead for the opposition both confirm for me that you have agreed on the schedule which we have here today?

The Hon. K.J. MAHER: Yes.

Mr WINGARD: Yes.

The CHAIR: Changes to the committee membership will be notified as they occur. Members should ensure that the Chair is provided with a completed request to be discharged form. If a minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 28 October 2016. This year, estimates committee responses will be published during the 15 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 an opening statement of around 10 minutes each, should they wish to do so. There will be a flexible approach given to the call for asking questions based on about three questions per member, alternating each side. Supplementary questions will be the exception rather than the rule.

A member who is not part of the committee may 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, which we ask all members to do at the beginning of their question for the benefit of everyone here and of *Hansard*. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion on the assembly *Notice Paper*.

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

During the committee's examination, television cameras will be permitted to film from both the northern and southern galleries. We do ask for cooperation with quiet from those galleries during those times. I declare that proposed payments open for examination and refer members to the Agency Statements, Budget Paper 4, Volume 4. I call on the minister to make his statement if he wishes and to introduce his advisers.

The Hon. K.J. MAHER: Thank you, Madam Chair. I will not make an opening statement. I know that I am here for 4½ hours today being examined. I wish to give the opposition as much opportunity to ask questions over those 4½ hours as possible, so I will not make an opening statement. I am sure that many of the issues I would agitate in my opening statement will come up over the course of those 4½ half hours. I will introduce the officers who are here today who may be referred to. The Chief Executive of the Department of State Development is Dr Don Russell. I will get Dr Russell to introduce his officers from the Department of State Development who are here today.

Dr RUSSELL: I have John King on my left. He is the Executive Director of Skills and Employment. Alex Reid is my deputy. We have Rick Janssan, who is the head of corporate, and Phuong Chau, who is the Director, Finance.

The CHAIR: Member for Mitchell, do you have a statement of any variety or are you going straight to questions?

Mr WINGARD: No, other than to say we see this as a very important portfolio area, given that South Australia has the highest unemployment rate in the nation, so we are very keen to ask questions.

The CHAIR: Where are we starting from?

Mr WINGARD: We will start with the Budget Measures Statement, page 13, on the job creation scheme which is outlined there. I was speaking to the Minister for Small Business yesterday and he referred me to minister Maher for this question. The budget estimates assume that grants will be provided for 14,000 full-time equivalents in this scheme. Given the scheme runs over two years, can we presume it will be 7,000 equivalent positions created across both years? Has the minister done the scoping work to determine how many jobs will be created as full-time and how many will be part-time over the 2016-17 year?

The Hon. K.J. MAHER: I thank the honourable member for his question. That particular initiative rests with the Treasurer. I am happy to take the question on notice and refer it to the

Treasurer. I think the question specifically was the 14,000 target and if there has been work done about the nature of those being part-time or full time, as I understand the question. I will take that on notice and refer it to the Treasurer, who is responsible for this particular budget initiative.

Mr WINGARD: The Minister for Small Business indicated the same thing, but if I can follow up with the same question I put to him: given that this scheme is interlinked with employment, and you are the Minister for Employment and job creation, have you done any scoping work with him? Has he filtered any information to you? Have you asked for any information to determine how this scheme will impact on jobs in South Australia?

The Hon. K.J. MAHER: I do not have the details of the assumptions and the exact modelling that was used by officials to look at the effect that this scheme will have. It is \$109 million in total. It is an exceptionally substantial scheme aimed at stimulating employment growth in South Australia. I give a great deal of credit to the Treasurer for introducing this scheme. There is no doubt it will have a significant positive impact. In terms of the mix of the part-time and full-time jobs, I note that right around Australia we are seeing a change in the nature of the way the workforce is made up.

We are seeing a significant change, not just in South Australia but right around Australia, reflecting more part-time and casual employment than full-time employment. There are a whole range of reasons for that. Diversifying into the services economy is part of the reason for that. We are seeing other people who have not had full-time work, particularly women coming back into the workforce, who tend to be in part-time employment. I will check if there has been modelling done on that part-time full-time mix. However, I know we are seeing right around Australia a trend towards the employment mix being more part-time than has traditionally been full-time.

Mr WINGARD: Just to clarify, you will check on the modelling that has been done.

The Hon. K.J. MAHER: I will check to see if there is an answer that can be brought back for that, yes.

Mr WINGARD: And potentially also how many people then have registered with this scheme since it came online. I am not sure whether you have that figure now but if you can go away and find it?

The Hon. K.J. MAHER: If there is an answer to be brought back, I will take that away for the honourable member and check with the Treasurer who is responsible for this scheme.

Mr WINGARD: I will move over then to the Budget Measures Statement, page 82, referring to the Economic Investment Fund. How was the \$5 million spent in 2015-16? Was it all spent, and how many jobs were created for South Australians?

The Hon. K.J. MAHER: Again, I am happy when there are programs that are asked outside my jurisdiction to take them on notice and refer them. I think that is part of the Investment Attraction Fund that minister Hamilton-Smith administers. I assume that the opposition had a chance to ask the minister responsible for those when he appeared before the estimates committee earlier this week on the exact nature of those, but to the extent that the opposition failed to ask the relevant minister about them, I am happy to take those on notice and refer them to the minister responsible for that program.

Mr TRELOAR: You are the employment minister.

The CHAIR: Order!

Mr WINGARD: What I am wanting to know here is you are the employment minister, so you are responsible for jobs, so I understand that rolls across all portfolios areas fundamentally. What I am potentially asking you on this question is: you are responsible for the jobs aspect, so do you liaise with them, or do you just cut them loose and let them go, or do you call for numbers and ask for this information?

The Hon. K.J. MAHER: Employment is perhaps the number one priority for this government. Right across every portfolio area, employment is exceptionally important. Certainly, there are many programs across every single portfolio area that relate to employment. All those aim to see more

South Australians working. As everyone knows, as I am sure the opposition knows, we are facing significant challenges in South Australia, many of which are outside our control.

The low dollar for much of the last few years, the crashing commodity prices and the decline in manufacturing when the federal government stopped the support for the automotive industry have really had an impact on South Australia unlike any other state. Certainly, manufacturing states like Victoria have been impacted by that decision in the auto industry. Other resource states like Queensland and Western Australia have been impacted by commodity prices. We have borne the brunt of both of those, so there are significant challenges being faced by South Australia.

Every minister has programs and every minister has at the front of their mind the employment challenges being faced in South Australia. I know the Premier, when he was here, talked about the challenges, just how difficult it is in South Australia, and the massive effort right across government aimed at making sure that the government has as much effect on employment outcomes as is possible. In terms of individual ministers' programs aimed at employment, as I have said there are many across there. I am happy to ask relevant ministers for the specifics of programs, but I am sure the opposition, being diligent, has asked relevant ministers about the specifics of their programs when they appeared here.

Mr WINGARD: I appreciate that. Given your response, and given that employment fits across all portfolios and all programs that are run, from what you are saying you do not have that information. I am questioning how much you speak to the other ministers about—

The Hon. K.J. MAHER: Very, very regularly.

Mr WINGARD: So, can you give me numbers? Across all programs that are being run that endeavour to employ people and give people jobs—

The Hon. K.J. MAHER: I gather what you are asking is a similar question to one that was put to the Premier: what is the exact target in the long term for employment in South Australia? Is that where—

Mr WINGARD: Yes. I would also love to see a breakdown under every program of how many jobs are expected to come out of every program.

The Hon. K.J. MAHER: It is very simple: as many as possible. We are looking to create as many jobs as possible. We run programs to have the biggest impact that we possibly can on jobs. I have programs in my other portfolio areas that do that; I know all ministers do that. Certainly, as the Premier stated, we will be doing very well in the short and medium term to keep the employment levels where they are. We know Holden will close by the end of next year. We know that not just with Holden but the supply chain that is associated with Holden, 33 tier 1 manufacturers and many dozens more tier 2 manufacturers, there will be significant job losses in those industries right across every minister's portfolio.

The programs are aimed at providing as many jobs as possible. What I am not going to do is give you a crystal ball sort of view of what an exact number or exact unemployment rate might be in five or 10 years' time. There are many other factors, as we have seen in recent years, with commodity prices, with decisions by the federal government that impact on those. That is not something I am going to do. I can absolutely assure you that the government has been making sure and the government will continue to make sure that all the programs that are impacting jobs have as much impact as they possibly can.

Mr WINGARD: I understand the rhetoric, but what I am looking for are figures and modelling. I cannot believe that you put a program in place across government that is designed to grow jobs and designed to increase employment and it does not have forecasts.

The Hon. K.J. MAHER: For the very specific ones that are in other ministers' portfolios, as I have said, I am happy to go back and ask and bring back a response.

Mr WINGARD: I appreciate that. What I am asking is: can I get them across all programs that are run that have employment objectives, what the forecast is and what the modelling is?

The Hon. K.J. MAHER: If you have specific questions—maybe you might have omnibus questions about those—if you want to point to specific programs, I am happy to take them away.

Mr WINGARD: What I am asking for is for a list of programs that have employment targets that fit under your jurisdiction and others that have a relationship with employment.

The Hon. K.J. MAHER: Others that are directly related to my portfolio areas, absolutely. If there are other ones you have specifically asked about, I will bring back the targets for those, absolutely.

Mr WINGARD: Fantastic. I suppose I am trying to say that you work across all portfolio areas, so are you going to bring back answers for other portfolio areas that have employment targets and are you related to that?

The Hon. K.J. MAHER: There are dozens and dozens and dozens of programs right across portfolio areas. If you have specific questions on specific ones, I am happy to bring those back. As you would understand, it is an exceptionally nebulous thing to go through. I am proud that we have dozens and dozens of programs. If you have specific ones, if you want to put them on notice at the end I am happy to go away and ask those questions.

Mr WINGARD: With all due respect, I would have thought that you would have them on tap and you would be across any programs that has employment objectives.

The Hon. K.J. MAHER: I can probably help you with the specific ones you have asked about this morning. You asked about the Job Creation Grant Scheme—the \$109 million. I am advised that the 14,000 is an FTE; so, that is 14,000 full-time jobs or full-time equivalent jobs made up of casual or part time. In direct response to that question, that is 14,000 full-time equivalents.

I think the second one you asked about was the Investment Attraction agency. As I said, it is in minister Hamilton-Smith's portfolio, but I am happy to let you know. As the budget papers directly say, which I am sure you have probably seen, for the Investment Attraction program run by Martin Hamilton-Smith, there is a target towards the delivery of 6,000 jobs by the end of 2017. It is certainly the case—

The CHAIR: Can you tell us what page that is on, just for the interest of everyone?

The Hon. K.J. MAHER: Page 112, Agency Statement, Volume 4.

The CHAIR: Thank you; sorry to interrupt you.

The Hon. K.J. MAHER: Again, if I can find answers to these questions, as I have been able to very quickly find answers to the two specific ones you have asked about, I am happy to do so. It should be recognised there will be programs that will overlap and be interlinked. If you have very specific ones here today I will see what I can do today or take them away.

Mr WINGARD: If you can take away then any programs that do overlap, I would love to get those figures back. I understand you cannot deliver that now, and that's fine. Just on the investment fund that you managed to find the figures on, I understand the target. Given that we are \$5 million into that program and there is \$10 million, \$10 million and \$10 million rolling forward, I am wondering whether there is a figure on the returns on that \$5 million?

The Hon. K.J. MAHER: I will take that on notice. Again, it is a very important program and I know the minister responsible is doing an exceptional job. I think he has been widely praised for the job he is doing, particularly leading trade delegations and attracting investment to South Australia. I regularly liaise with him as we do overlap in some of our portfolio areas. Just on the weekend we were both at a manufacturer that is manufacturing in northern Adelaide and exporting to the world.

There are areas in which we do overlap. In relation to specific questions in other ministers' portfolios, as I said I am happy to take them on notice and bring back a reply. If you have more very specific ones, then there might be a chance, as I have for all the questions you have already asked, to bring back a response today.

Mr WINGARD: Thank you for following that up for me. I will jump forward to Budget Paper 4, Volume 4, page 117. In relation to the second performance indicator from the bottom, the estimated result for the number of participants gaining a job through employment participation programs in 2015-16 is 6,950. How many of those will be full-time jobs and how many are part-time jobs?

The Hon. K.J. MAHER: This is a program in minister Close's area, but if you give me a moment I will see if we can get some advice on that. We may not have that, but if we can, we will tell you. I do not have the information split on full-time/part-time, but that is the jobs created. I can go and check if there is an answer to that for you.

Mr WINGARD: That would be great, and maybe a breakdown of that in the 3,840 from 2014-15 and then the 7,200 estimated for 2016-17. If you could get a breakdown there of full-time and part-time, that would be greatly appreciated. Given in the Northern Economic Plan there is an increase of 15,000 by 2025, can I just get an update of how you are on track with that, how many have been added so far, and that the projections are for the out years of that program?

The Hon. K.J. MAHER: I thank the honourable member for his question in relation to the Northern Economic Plan. There is a whole range of initiatives under the Northern Economic Plan. It is a very positive initiative that is a joint project not just with the state government but with the three northern councils—with Playford, Salisbury and Port Adelaide Enfield councils—working together. The Northern Economic Plan has identified an initial 38 projects. The Northern Economic Plan implementation group is keeping a watching eye over those. It involves officers from all those councils and from the state government.

There is a very long-term target in the Northern Economic Plan to grow employment in northern Adelaide by 15,000 over the next decade, by 2025. The state government committed \$24.6 million to the Northern Economic Plan for a range of initiatives that include food manufacturing, in the disability sector and in a number of other sectors. I do not have a figure for the number of jobs that have been created in the last six months, but I can go and see if, in the very early stages of implementation, there are any figures. I am happy to take that on notice and bring back a reply.

As I have said, there is no doubt that, particularly in the short and medium term, in northern Adelaide there are going to be significant challenges, including the closure of Holden by the end of 2017. The impact in the mining services and goods sector in northern Adelaide is having a major impact as well. The whole focus of the Northern Economic Plan is to make sure, if councils and the state government can support industries in any reasonable way, that we do so to provide jobs. I am certain that, with the Northern Economic Plan, over the medium term we will see results in terms of job creation in that area of northern Adelaide.

Mr WINGARD: I am just looking for a breakdown and a number. I understand the intention is to grow jobs, but I am not getting any numbers and any set plans going forward. We look under the Northern Economic Plan and there is a business development fund, a food park, a disability employment hub, an electric diesel bus prototype program, support to enable shipbuilding, an advanced modular industry, live music in the north and the Power community programs. For all the funding for all that, how much was new money and how much of that was diverted from other programs?

The Hon. K.J. MAHER: I am glad you ask me. I have been asked that a number of times by your colleague the Hon. Rob Lucas in the Legislative Council. For the \$24.6 million of funding for the programs you have just mentioned, there is a simple answer—all of it is new. All of that money is new money.

Mr WINGARD: Since it has been implemented, can you outline how many jobs have been created under each of those programs? I am happy for you to go away and follow that up.

The Hon. K.J. MAHER: I can go away and have a look, but, as I have said, it was announced earlier this year—and I am confident, as are the mayors who were involved in the program and their councils—that we will see impacts of those certainly over the medium term.

There are projects that I know the implementation group for the Northern Economic Plan are keeping a watchful eye on, including the Northern Connector, which, as everybody would be aware, is forecast for a very significant number of jobs. The NDIS rollout across South Australia and the north is forecast for a significant number of jobs. I know that the National Disability Insurance Agency Market Position Statement for South Australia estimates, for example, the creation through the rollout of the NDIS of 3,500 jobs once fully implemented, up from a previous forecast of 1,700 jobs.

Mr WINGARD: I appreciate that. Regarding those programs I ran through before, and a couple you have talked about under the Northern Economic Plan, are you responsible for all those? Are you directly responsible for all those programs or do they cross over?

The Hon. K.J. MAHER: No, I am not. They cross over, like many areas of government. For example—

Mr WINGARD: I understand that, which comes back to my point—

The Hon. K.J. MAHER: The Food Park is the responsibility of the Minister for Agriculture. The NDIS rollout is the responsibility of the Minister for Disabilities. These programs, as they should, have a responsible minister in that portfolio area overseeing them.

Mr WINGARD: I very much understand that, but the point I am really trying to get at here is: how are you keeping track, given that you are the employment minister and you are in charge in jobs? How are you keeping track across all these different programs of the jobs that are being generated? We are talking about projections—

The Hon. K.J. MAHER: It is a good question, and there are a couple of answers to that. It is certainly the case with the Northern Economic Plan that there is an implementation group, consisting of officers from the state government and those councils, who meet regularly. The implementation group consisting of officers meets about once a month to keep an eye on the projects that are being rolled out under the Northern Economic Plan and in the north. In terms of across sectors, certainly there is a jobs briefing every single cabinet meeting about right across where we are with jobs, what the forecasts are and what the latest jobs figures say. It is front and centre of not just my mind but that of all ministers.

Mr WINGARD: So, there is every likelihood we can get that progressive outcome of jobs figures under the Northern Economic Plan under each thing?

The Hon. K.J. MAHER: Not under every single program broken down—

Mr WINGARD: Some programs.

The Hon. K.J. MAHER: —for exclusive and independent frontal programs. As I said, I will have a look to see what programs that you specifically ask for have figures.

Mr WINGARD: Let me add all those programs under the Northern Economic Plan if—

The Hon. K.J. MAHER: So, the programs under the Northern Economic Plan. You have mentioned those, so I will go and have a look and see what figures there are. I know for some there are specific forecasts and I know others that are in totality and general ambition, as I have stated, for the northern council areas, but for those programs you have mentioned under the Northern Economic Plan I am happy to take them away and have a look.

Mr WINGARD: Can I ask: any program that has an aspirational jobs component to it or a goal or a target, how is that getting delivered month on month, year on year? How are you recording achieving those targets and the KPIs you are setting? So, any program that has jobs related to it, given that it crosses over with your employment ministry, can we get a clear indication of how they are going and how the jobs are growing? That is the question I am ultimately asking.

The Hon. K.J. MAHER: Anything that you request, I will be able to bring back answers that are there. Particularly, there are KPIs against grants programs that we will be able to report on how those are going. Some programs have had independent reviews done on them. I know in some of my areas, which I am sure you will ask about in the two hours you have with manufacturing, for the larger programs there are independent reviews. On some smaller programs, the cost to do a full-blown independent review as a percentage of the program would not warrant going out and doing that. I think taxpayers would be understandably probably annoyed if we spent large percentages of programs reviewing what they are doing, but any programs that do have those and you referred to I am happy to bring back.

Mr WINGARD: Thank you, and again, any program that has a job element I am referring to. Can I go to Budget Paper 3, Budget Statement, page 94, the Unlocking Capital for Jobs Program, which involves:

...the Government of South Australia providing a partial guarantee for loans made by participating banks to South Australian small and medium enterprises that have expansion or transformation plans and have satisfied the participating bank's normal lending criteria other than the provision of sufficient collateral as security for the loan.

How many jobs have been created, how many businesses are expected to take up that option and how will the program be administered?

The Hon. K.J. MAHER: I can give a general overview of the Unlocking Capital for Jobs Program. It is an initiative aimed at stimulating business growth through creating jobs amongst SMEs. It involves providing partial guarantees for loans made by participating banks in South Australia. The government has made up to \$50 million available to eligible businesses. The program is administered by the Department of State Development in conjunction with the South Australian Government Financing Authority (SAFA).

Banks that are currently participating in the program include ANZ, CBA, Bendigo, Adelaide Bank and BankSA. In March 2015, Australian Fashion Labels was the first beneficiary of a guarantee under the program. They are a rapidly growing Adelaide-based global fashion business.

Mr WINGARD: Are they still going?

The Hon. K.J. MAHER: My advice from many nods around me is that, yes, they are still going, employing around 100 skilled staff in Adelaide, and my advice is that they selling to over 3,000 stockists worldwide. I am advised that Australian Fashion Labels demonstrates a significant export potential to create further jobs. I am advised also there is an independent review of the program.

One of the things to point out, I think, is that governments need to try different things and multipronged things. Some things will work well; some things will work not as well as others. I think that the \$109 million jobs grants program in this year's budget is another example of the government making sure we are going as far and wide as possible with programs in a whole range of different areas.

We have almost \$80 million of new investment for innovation in this year's budget. I think it is the single biggest investment in innovation we have ever seen in this state, so I think it is worth pointing out that there are many areas where the government will attempt to do what we can to help companies out, to support those industries and to support those companies who are looking to expand and create jobs as much as we can.

Mr WINGARD: Again, the three questions I asked: how many jobs will be created, how many businesses are expected to take up the option and how will the program be administered? More specifically, how many jobs will be created?

The Hon. K.J. MAHER: I talked about how it was administered—through DSD.

Mr WINGARD: Yes, more specifically, the jobs—

The Hon. K.J. MAHER: With the jobs, the information I have before me is Australian Fashion Labels employs about 100 people in Adelaide.

Mr WINGARD: I am talking about the whole program itself because there is more than one—

The Hon. K.J. MAHER: I can take that on notice and see if there is an answer I can bring back. I am happy to do that.

Mr WINGARD: That would be absolutely wonderful. If we go back to Budget Paper 4, Volume 4, page 117, the performance indicators. On the last dot point, 'No. of participants in pathway projects and services,' you missed the target there by more than 10 per cent, yet you increased the target for 2016-17. What was the reason for that?

The Hon. K.J. MAHER: Again, this is a program in, I think, the skills and training area administered by minister Close, which I am sure the opposition probably asked about when minister Close was here, but I will see if there is any advice I can provide on this program in another minister's area. I am happy to maybe take that question on notice for the member for Mitchell and bring back a reply to that question, given where we are with the time. It will take a few minutes to see if we can find that program that is in another minister's area.

Sitting suspended from 09:32 to 09:44.

Departmental Advisers:

Dr D. Russell, Chief Executive, Department of State Development.

Dr P. Heithersay, Deputy Chief Executive, Department of State Development.

Mr A. Reid, Executive Director, Industry and Innovation, Department of State Development.

Mr R. Janssan, Executive Director, Corporate Services, Department of State Development.

Ms P. Chau, Director, Finance, Department of State Development.

Ms G. Elston, Director, Automotive Transformation Task Force and Northern Economic Plan, Department of State Development.

Mr P. Goiak, Director, Industry Participation, Department of State Development.

The CHAIR: Thank you for joining us again in committee A. We have a new portfolio, minister, Department of State Development, Minister for Manufacturing and Innovation. I call on the minister to make an opening statement if he wishes, and to introduce his advisers.

The Hon. K.J. MAHER: Thank you, Madam Chair. Once again, I know we have two hours to thoroughly look through these portfolio areas, but I am keen to allow the opposition as much time as possible, so I do not have an opening and look forward to questions.

The CHAIR: Would you like to introduce your advisers.

The Hon. K.J. MAHER: We have Dr Don Russell, the Chief Executive of the Department of State Development, Dr Paul Heithersay, Deputy Chief Executive, and Adam Reid, who is in charge of the manufacturing and innovation area in the department. I think it is largely the same folk behind me.

The CHAIR: Member for Mitchell, did you have anything to say, or straight to questions?

Mr WINGARD: No, straight to questions, thank you, Chair.

The CHAIR: Which paper are you on?

Mr WINGARD: My first question relates to Budget Paper 4, Volume 4, page 61. Given the impending closure of Holden and the government's own push to assist manufacturing and high-tech products, why have you cut \$8 million out of the manufacturing and innovation sub-program?

The Hon. K.J. MAHER: I thank the honourable member for his question. I think it is a complete misreading of the budget papers: there has not been a cut of \$8.1 million from manufacturing. This was the profiled spending over the time that this relates to. It is not that the government has decided to cut money out of manufacturing. This was the profile of the significant spending that includes a \$60 million jobs plan. This is what was profiled to be spent in those years. It is not that the government has decided to cut money out.

Mr WINGARD: Last year, there was \$24.4 million, \$24.5 million; this year there will be \$16.3 million. Given the manufacturing industry, and we know that the closure of Holden is looming, why would you be spending less money in trying to work through that process this year than you did last year?

The Hon. K.J. MAHER: As I have said, that was the profile to be spent. It is not a cut; it was a profile to be spent. One thing worth pointing out, as I think we canvassed in our estimates committee previously, is that the government is not taking a one single and that is all we are doing approach to this. We know that there are jobs that will be created in our high-tech industries, and we have seen an investment of almost \$80 million worth of new money in that area in this budget.

The almost \$80 million, including our Venture Capital Fund, our new Commercialisation Fund, Gig City and other initiatives are \$80 million worth of new money. So, I think it is misleading to

say, firstly, that there has been a cut in the manufacturing and innovation area. It is not. This is in line with the profile of spending. Secondly, there are many areas where there are massive increases.

As I have said, there is almost \$80 million of new funding—the biggest investment in this area we have had in the history of the state, I believe—in addition to other programs that we have previously canvassed as well, for example, the Northern Economic Plan and the \$24.6 million of new funding to support jobs in northern Adelaide. So, \$24.6 million to support jobs in northern Adelaide through the Northern Economic Plan is a very significant investment, as is that \$80 million in supporting some of those new high-tech companies in South Australia which support jobs.

Mr WINGARD: Sub-program 2.1: Manufacturing and Innovation is the program we are looking at, and you pointed out—and you can word it any way you like—that almost \$24.5 million was estimated to be spent in 2015-16. Only \$16.3 million is going to be spent in 2016-17. So, that is a reduction or a cut of \$8 million. Which programs will be impacted by that cut under Sub-program 2.1: Manufacturing and Innovation? You cannot deliver the same number of programs you did for \$24.5 million as you can for \$16.3 million, so something has to go. What is the breakdown of the cuts in those programs for manufacturing and innovation?

The Hon. K.J. MAHER: I can go through some of those that I have been given advice on and can talk about. Part of it relates to reduced expenditure as was planned in that year through the Our Jobs Plan of \$4.5 million. Some of the specifics in Our Jobs Plan include the Innovative Manufacturing CRC, which was a one-off spend in the year before of \$2 million which will not be spent in the next year, so that accounts for \$2 million of that \$4.5 million in Our Jobs Plan. It also included a one-off payment of \$500,000 to the Defence Teaming Centre, so things that have been one-off payments to programs or to CRCs.

It also includes a natural decline in payments to the cluster and entrepreneur programs of just over \$1.25 million. There is seed funding, which is great, which decreases over time. There are operational efficiencies across the program through reduced expenditure and vacancies in management areas of about \$1.5 million. So, we are not taking money out, we are making a substantial increase in funding in manufacturing and innovation.

As I have said, this budget has a boost of almost \$80 million in innovation to support our high-tech industries. Earlier this year, we allocated \$24.6 million of new money in the Northern Economic Plan. So, if we are doing the simple arithmetic that you want to do and have a look at the profile of spending, the profile of spending in this area was planned to be \$8 million less for some of the things that I have mentioned, and then you add into it the Northern Economic Plan spending and the new spending in innovation—it is a massive increase.

Mr WINGARD: So, fundamentally, the reduction of \$8 million from last year to this year has rolled over to the Northern Economic Plan? Just before, you were saying the Northern Economic Plan was all new money. Arguably, the \$8 million that has been cut out of this has gone over to the Northern Economic Plan, so it is not really all new money.

The Hon. K.J. MAHER: Can you ask the question again?

Mr WINGARD: Yes. What you are saying is that last year \$24.5 million was spent on this program—we have agreed that—and that this year it has only been \$16.3 million. That is an \$8 million reduction. That money has now gone into the Northern Economic Plan. You said before that the Northern Economic Plan was all new money. Realistically, it is just the \$8 million—

The Hon. K.J. MAHER: No, it is new money.

Mr WINGARD: It is just the \$8 million rolled over from this shortfall here.

The Hon. K.J. MAHER: No, that is not the case at all.

Mr WINGARD: It is absolutely the case.

The Hon. K.J. MAHER: This has been profiled in the budget. This is what was planned to be expended. This is what the budget figures had plugged in and reflected, this profile of spending. The money for the Northern Economic Plan is new money we had not budgeted in to spend. In addition to that, there is the \$80 million for manufacturing and innovation. I know we are talking about

one subprogram, but if we look at industry and innovation in total, as disclosed on page 60, the increase in industry and innovation over the year goes up for that year.

Mr WINGARD: Turning back to page 61, you mentioned the \$4.5 million that has been reduced expenditure, which is a cut out of Our Jobs Plan, and you pointed out some of the areas there, and I know they cross over other portfolio areas, they are not all programs that you are responsible to administer under Our Jobs Plan. With the reduction of that \$4.5 million, as you pointed out before, how many jobs have been lost by reducing that money?

The Hon. K.J. MAHER: I think the question the member is trying to ask is: there is \$4.5 million that was budgeted for and planned to be spent less than the year before on Our Jobs Plan. I think the question he is asking is: are there job losses associated with that reduction in spending? No, there are not job losses associated with that reduction in spending.

Mr WINGARD: So, does that—

The Hon. K.J. MAHER: I will just finish. As I pointed out previously, a number of them are for one-off grants or to start-up things, like cluster programs, where there is seed funding. For much of this, as explained, it is seed funding for programs to increase jobs. Once that seed funding is paid, it decreases over subsequent years. It would be completely misleading to characterise it as potentially leading to job losses.

Mr WINGARD: What you are saying in effect is that the \$4.5 million that was spent on the Our Jobs Plan, call it what you will, is \$4.5 million that is no longer being spent, and that had no job increase attached to it—there was no jobs growth. The \$4.5 million of the Our Jobs Plan had no jobs attached to it.

The Hon. K.J. MAHER: I do not think that is the case at all. The money that was spent—

Mr WINGARD: Well, if it is not being spent—

The CHAIR: Order! Allow the minister to answer. We need the answers.

The Hon. K.J. MAHER: You have asked the question, so I will just have a go at answering it. As has been indicated, a large part of that money was for one-off funding to get programs started.

Mr WINGARD: And did that create jobs?

The CHAIR: Order!

The Hon. K.J. MAHER: Once those programs are started, things like cluster programs and grants to the Defence Teaming Centre I think speak for themselves. I think in large part it was the advocacy of South Australia and, I recognise across the board, of a lot of South Australians and both the state and federal parliaments that saw the reversal of the former Liberal prime minister Tony Abbott's heading towards an offshore build for our submarines. Some of these grant programs have been shown to be exceptionally wise investments, given some of the results that we have achieved in these areas.

Mr WINGARD: Again, I stress the point: it is part of Our Jobs Plan. That is about jobs, so how many jobs grew from that \$4.5 million? You said before that there were none; therefore, there was 4.5—

The Hon. K.J. MAHER: No, I did not say there were none. For example, money for the Defence Teaming Centre and the work they have done has in part contributed to what will be thousands of jobs in South Australia through defence industries. This was a one-off grant for that. One-off grants will help to start cluster programs. The way that many of these industry cluster programs work is with initial seed funding from the government to start, and then often they increasingly have industry support. There will be parts of that money that the government has previously spent that industry in the future will be spending.

Mr WINGARD: Again, no jobs from that \$4.5 million is the answer I take from that. I thank you for that.

The Hon. K.J. MAHER: It would be wrong to say that there are any job losses associated with that decrease in the profile of spending, yes.

Mr WINGARD: So there were jobs created but no jobs loss when it was not spent? If you kept spending it, would you be creating jobs?

The Hon. K.J. MAHER: If you take the extension of the point I think you are trying to get at about the money for the Defence Teaming Centre, I know that in our previous estimates committee you wanted to talk about how that has impacted globally. Under the logic that was trying to be used last time, you would attribute the thousands of jobs that are going to be created in defence to the Defence Teaming Centre.

Mr WINGARD: So, by not spending that money on similar programs we are then not creating thousands of jobs. That is the logic that you are putting to me.

The Hon. K.J. MAHER: No, I think that is completely misleading. We can go around in circles. I am happy to spend two hours going around in circles talking about the fact that much of this, as we have discussed, has gone into setting up things like clusters, where the government spending starting up these clusters will decrease over time. Many clusters work with industry participating and picking that up, so it is the case that parts of this will be picked up by industry. Parts of it that have gone to one-off grants for things like the Defence Teaming Centre have been valuable investments in terms of what it has landed for South Australia. To try to say that the planned profile spending from one year to the next is different, that it will have job losses, is a completely incorrect reading.

Mr WINGARD: I refer to Budget Paper 4, Volume 4, page 61. How much has been spent on administering the manufacturing component of Our Jobs Plan to date?

The Hon. K.J. MAHER: As I understand the question, it is: what part of the government spending on Our Jobs Plan in total is spent on administration of Our Jobs Plan? I have taken some advice. There are a range of areas in the manufacturing and innovation area in terms of the administration that cross over a number of different programs. As to what can be reasonably attributed to a single officer's employment in terms of working on Our Jobs Plan and any of the other programs that individual might administer, we do not have ready figures for those. I am happy to take that on notice to see how accurately that can be drilled down. However, that is just with the caveat that there are departmental officers who work on a number of different programs. We will endeavour to bring back the most useful answer possible.

Mr WINGARD: I appreciate that. Given the discussion we had in the previous committee with employment and the fact that it crossed over a whole lot of portfolios and you were going away to give me a breakdown of all the programs that were administered under the employment banner solely—and I am presuming it is potentially too much to answer right here right now and I am happy for you to take it on notice—but again, can you give me a breakdown of all the programs administered under this portfolio? Again, Our Jobs Plan, as you explained before, crosses over with other areas, and manufacturing and innovation fits under part of it, but if you can give me a breakdown of all the components that are administered under manufacturing and innovation, I would appreciate that.

The Hon. K.J. MAHER: So, those programs that are aimed at creating jobs that are under the manufacturing and innovation portfolios, a breakdown of the administration of those?

Mr WINGARD: More specifically, the ones that specifically fit under manufacturing and innovation. I know there are some that cross over, as we talked about before, that touch on other areas as well.

The Hon. K.J. MAHER: So, any programs that I have sole responsibility for—

Mr WINGARD: Under this program.

The Hon. K.J. MAHER: —under the Our Jobs program.

Mr WINGARD: No, under manufacturing and innovation.

The Hon. K.J. MAHER: Under the manufacturing and innovation areas, more generally. You are looking for a breakdown of the costs of the administration of those programs.

Mr WINGARD: Yes, and the cost of the programs as well.

The Hon. K.J. MAHER: Yes, that will be some detailed work but I am happy to go away and give the officers plenty to do over the next few weeks.

Mr WINGARD: I appreciate it. Equally, to make sure I explained myself correctly in the previous committee, that was the same question that I asked of employment because of that crossover.

The Hon. K.J. MAHER: Yes, I will take those away rather than try to half-answer those for you now.

Mr WINGARD: Thank you very much, I appreciate that. I refer again to Budget Paper 4, Volume 4, page 61. What is the forward plan for the manufacturing components of Our Jobs Plan, and can you provide a breakdown of forward expenditure? Again, that may tie in to the last question I just asked.

The Hon. K.J. MAHER: The manufacturing component, I think this is probably an opportunity to talk about the manufacturing part of that. Manufacturing Works is a comprehensive advanced manufacturing strategy to accelerate the transition of manufacturing towards high value-added activities is the major component of the manufacturing part of Our Jobs Plan. I think we canvassed this briefly in the previous committee about the efficacy of programs that we run across government. Some of them are very small programs where full-scale independent reviews will take a substantive percentage of the budget of that program.

Certainly, the Manufacturing Works program was budgeted for \$11.1 million over four years and received additional funding of just over \$8.5 million in 2014. In 2015, the Department of State Development commissioned an independent evaluation of the Manufacturing Works program from global consulting firm Frost & Sullivan. Given this is a very substantial program, it certainly was warranted to do an independent review of the efficacy of the Manufacturing Works program, the major manufacturing component of Our Jobs Plan.

The Frost & Sullivan review estimated that as a result of the program, up until April 2015, so we have seen another year of that program run since then, there were an estimated 290 new jobs created, there was \$88 million of additional revenue by participants in the program, there was a further \$26 million of value-add at an economy-wide level. Frost & Sullivan found that those who participated in the Manufacturing Works program performed better than the broader manufacturing industry.

For example, sales income increased to participants by 2.7 per cent compared with a 6 per cent decline in the wider industry. Similar results were achieved in relation to employment and sales per employee. Based on the existing four-year funding period, Frost & Sullivan estimate the total future impact of Manufacturing Works will be \$229 million of additional revenue, \$56 million of value added in the wider economy and 847 new jobs.

I hope that provides a reasonably comprehensive answer. Certainly, it is the case with significant programs that there will be independent reviews from time to time looking at the efficacy of those programs. With other programs, we take feedback to see how programs, if need be, can be changed to basically make sure we get the biggest bang for the taxpayer dollar in supporting jobs and growth in South Australia.

Mr WINGARD: I am still on Budget Paper 4, Volume 4, page 61. The 2015-16 budget, last year's budget paper, provided for 50 FTEs in the manufacturing and innovation program. The 2015-16 estimated result showed that there were 35 FTEs at 30 June. Can the minister explain the reduction, why last year's papers are different from this year's papers?

The Hon. K.J. MAHER: I thank the member for the question. The 2015-16 budget for the programs we are talking about budgeted for 40 FTEs. The estimated result for 2015-16 is 35 FTEs, and the budget for this year is for 30 FTEs. The decrease between the budgeted and estimated result is in relation to transfer of FTEs to programs that were in this area but are no longer. Two FTEs, the Director of Strategic Projects and Innovation and a principal project officer, transferred to Program 11: Investment Attraction South Australia, to establish the Investment Attraction unit. Also, FTEs were transferred to DPC to establish the Low Carbon Economy Unit, and there was a further decrease in the overhead allocation of two FTEs.

Mr WINGARD: So resources have gone from the manufacturing and innovation space into other areas?

The Hon. K.J. MAHER: They have gone from areas that were in here. For example, the Low Carbon Economy Unit was in this area and within these programs. Machinery of government changes have put that into DPC. Similarly, with the Investment Attraction agency, these FTEs were in these program areas and have been transferred over to the Investment Attraction agency.

Mr WINGARD: Back to the question, I am not sure that you fully picked it up. In the 2015-16 budget line, in these budget papers here it does say that FTEs at 30 June are 40. The point I am making is that in last year's budget paper that figure was 50. We have just dropped 10 in the print. How did we lose 10 staff there?

The Hon. K.J. MAHER: It is largely the result of other machinery of government changes, and I have outlined some of those. I am happy to take that on notice and provide other machinery of government changes, but my advice is that it is largely due to machinery of government changes and rebasing it from where things line up within government. I do not want to provide a half-correct answer. I have given a couple of examples, but I will take the remainder on notice to provide the member further answers on that.

Mr WINGARD: Thank you, minister, I appreciate that. Just going back to the spiel you gave before about the Manufacturing Works program, this is not a question for now and I presume you will take it on notice, but I am just after the breakdown of funding. If I can get the life program and budgeted forwarded breakdowns of the spending? There are sub-programs in there—

The Hon. K.J. MAHER: Within Manufacturing Works?

Mr WINGARD: Yes. In other words, how much has been spent each year on the program and on the different elements of the program, and then how much is planned to be spent in the coming years on the elements of the program?

The Hon. K.J. MAHER: I can have a crack at answering the question here for you, but I will say let me double check and bring back anything else that needs to be added to these. In the Manufacturing Works programs, as the member has indicated, there are a range of different areas. I am advised that the budgets were allocated for the Manufacturing Works programs have been fully extended each year, so I can go through what was budgeted for, given that the Manufacturing Works programs were fully expended this year.

For the Innovation Voucher program, the 2012-13 budget was \$0.396 million; the 2012-13 budget was \$0.396 million; in 2013-14 it was \$0.648 million; in 2014-15 it was \$0.65 million; and the budget for this year is \$0.039 million. The Business Model Innovation was—

Mr WINGARD: Sorry, just quickly, is that complete? Can you tell me if that program finishes in 2017-18?

The Hon. K.J. MAHER: I can come back with all those. I have, for this budget, in terms of ongoing in the future, I can come back with those. Certainly, it is not in Manufacturing Works but things like the microfinance fund, which was a very small program, will be taken over by our Commercialisation Fund, which is a much more significant investment. As an example of a program that will run its course, it will run to an end but be taken over in something much bigger. I am happy to come back.

Mr WINGARD: Thank you.

The Hon. K.J. MAHER: The Business Model Innovation budget was \$0.005 million in 2012-13 and \$0.005 million in 2013-14. For Building Design Competence, it was \$0.08 million in 2012-13 and \$0.08 million in 2013-14. For Manufacturing Services Series it was \$0.005 million in 2012-13 and \$0.05 million in 2013-14. The Manufacturing Transformation Technologies Program started in 2013-14 at \$0.5 million and continued in 2014-15 to \$0.5 million. The Medical Technologies Program was \$0.325 million in 2012-13, \$0.25 million in 2013-14 and \$0.25 million in 2014-15.

The Cleantech program that ran in the budget year of 2012-13 under the Manufacturing Works program was \$0.85 million. The Manufacturing Leaders Network ran for three years, starting 2012-13, at \$0.06 million per year. High Performance Workplaces ran for two years, starting 2012-13,

at \$0.1 million in both years. The Mining Industry Participation Office has budget allocations in 2012-13 of \$0.112 million, \$0.218 million, \$0.224 million and \$0.057 million from 2012-13 to the 2015-16 financial years.

The PACE Manufacturing program from 2012-13 to 2015-16 years had \$0.123 million, \$0.248 million, \$0.15 million and \$0.038 million. The PACE Manufacturing IT simulation ran for two years from 2012-13 with \$0.15 million and then \$0.025 million. The Defence Industry program from 2012-13, for its two years of running, had \$0.05 million and \$0.025 million. The Competitive Food programs from 2012-13 had \$0.1 million in 2012-13, \$0.2 million in 2013-14, \$0.2 million in 2014-15 and \$0.1 million in 2015-16.

The Cellulose Fibre Chain initiative had \$0.2 million in 2012-13 and \$0.3 million in 2013-14. The Advanced Manufacturing Council, whose funding has been transferred to the office of the Economic Development Board, in 2012-13 had \$0.67 million, and that was the same in 2013-14, 2014-15 and 2015-16. The roadmaps program in 2012-13 had \$0.05 million, in 2013-14 it had \$0.05 million, in 2014-15 it had \$0.025 million and in 2015-16 it had \$0.025 million. The capability mapping for its two years starting 2012-13 had \$0.05 million each year. The Entrepreneurial Business Initiative, for its two years from 2012-13, had \$0.05 million each year. The Manufacturing Strategy website in 2012-13 had \$0.05 million and the SBIR program had \$0.5 million in 2012-13. These are the direct Manufacturing Works programs that were conceived.

For the ones starting from 2012-13, in addition to those, as I think I have outlined, there has been further funding from Our Jobs Plan to Manufacturing Works that have included further industry roadmaps, business transformation vouchers and expanding Manufacturing Works initiatives whose funding has been: industry roadmaps for 2013-14 is \$1 million and for 2014-15 is \$0.45 million. The Business Transformation vouchers in 2013-14 was \$0.5 million; in 2014-15, \$1.25 million; in 2015-16, \$1.75 million; and in 2016-17, \$1 million. The expansion of Manufacturing Works initiatives in 2015-16 is \$500,000 and, in 2016-17, \$500,000.

Mr WINGARD: I am presuming the smart specialisation clusters precinct is not under your portfolio area. That is under another portfolio area, given it was not—

The Hon. K.J. MAHER: That is under my portfolio area. I have outlined the ones that fit under the Manufacturing Works program. That fits more broadly into my area.

Mr WINGARD: To clarify, with the smart specialisation clusters precincts, did I miss that or did you outline that one?

The Hon. K.J. MAHER: No, that is in my portfolio area, but it is not under Manufacturing Works. My advice is that it does not sit under the Manufacturing Works program. It is more broadly under the Our Jobs Plan, but not specifically under the Manufacturing Works program, which I think was the question.

Mr WINGARD: Yes, it was, thank you. That clarifies it. If I could jump back to Budget Paper 4, Volume 4, page 62, dot point 1:

commencement of a job creation and support package for the Upper Spencer Gulf and Outback Regions in response to the closure of Alinta Energy sites in South Australia (\$0.8 million).

How many jobs were created and what was the break-up of full-time and part-time jobs?

The Hon. K.J. MAHER: I am informed that there were various parts of that funding, but there was specific funding for job creation grants for both Port Augusta and Whyalla. I am informed that the projects the Port Augusta portion of that funding was used to fund are estimated to create 48 FTE jobs with that proportion of the funding that was for job creation grants in Port Augusta. That portion of the funding that was allocated to job creation grants in Whyalla has an estimated 60 FTEs associated with it.

Mr WINGARD: Are they all ongoing jobs?

The Hon. K.J. MAHER: That is my advice. They are all ongoing FTE jobs associated with those job creation grants.

Mr WINGARD: Do all the people who obtained those jobs live in the local area?

The Hon. K.J. MAHER: We do not have figures on those. The businesses are located in the Upper Spencer Gulf area—for the case of Port Augusta, in the Port Augusta region; in the case of Whyalla, in the Whyalla region. I think it is important to point out, too, that these are for the grants jobs to be created. They are not jobs that have immediately been created within the first month.

Mr WINGARD: Confirming that the 48 and 60 FTEs—

The Hon. K.J. MAHER: Are the estimated jobs to be created from that grant funding, yes.

Mr WINGARD: But that is not a figure on how many jobs have been created. We do not—

The Hon. K.J. MAHER: That has come from the applications for that job creation grants funding.

Mr WINGARD: How many applicants were there?

The Hon. K.J. MAHER: I am advised there were six successful grants in Port Augusta and eight successful grants for the Whyalla portion of that spending for job creation grants.

Mr WINGARD: When will you go back and measure to see whether or not these jobs were created? They have the grant funding and they are going to create the jobs.

The Hon. K.J. MAHER: I am advised that they report annually on the grants they have received.

Mr WINGARD: How much did it cost to administer the program?

The Hon. K.J. MAHER: I am very pleased to say that it was administered within existing resources. These programs were in response to circumstances facing the Upper Spencer Gulf in terms of mining and operations at Arrium and also at Alinta. These were created in response to those conditions. Those programs were administered within existing structures within the department, so in terms of the administration there was no additional marginal cost for the administration of these new programs.

Mr WINGARD: Can I draw your attention to Budget Paper 4, Volume 4, page 62, dot point 2: the re-profiling of expenditure for the manufacturing components of Our Jobs Plan (\$2.1 million).

Which program did the money come out of to do the reprofiling for the manufacturing components of Our Jobs Plan?

The Hon. K.J. MAHER: I thank the member for his question. The \$2.1 million relates to carryovers which have been reprofiled to continue to be spent. In further years, they relate to Business Transformation Voucher carryover of \$0.25 million that will be carried over and spent on that program. It relates to the Innovative Manufacturing CRC of \$1 million to be reprofiled—that is, carried over from that year to the next year. It also relates to a total of \$0.825 million from the micro finance funding clusters and entrepreneurship programs that will be carried over to be spent on clusters and entrepreneurship.

Mr WINGARD: What was it with the micro financing fund that left that money unspent? Why was that not being utilised for its program that it was set up for?

The Hon. K.J. MAHER: There have been two rounds of the Micro Finance Fund, providing grants of up to \$50,000. There was due to be a third round called, but with the commencement of the \$10 million Commercialisation Fund, the Micro Finance Fund will be spent in other areas of clusters and entrepreneurship while the much more substantial Commercialisation Fund will effectively take its place.

Mr WINGARD: So, that is just reshaped money going into that?

The Hon. K.J. MAHER: Yes, so the \$2.1 million is not a cut in spending at all. As I said, it is a reprofiling of the expenditure. It refers to, predominantly, money that was not spent in the last financial year, to be spent in this financial year. There is no cut. That \$2.1 million will still be spent for the areas that it is designed to be spent on.

Mr WINGARD: It means that part of the Commercialisation Fund really is just rebudgeted money coming across from other programs; it is not \$10 million of new?

The Hon. K.J. MAHER: No, not at all. The micro finance third round will go to other things in that cluster and entrepreneurial area.

Mr WINGARD: Not the Commercialisation Fund?

The Hon. K.J. MAHER: No, not at all. The money that is not spent out of the Micro Finance Fund will be spent in the innovation area, and the \$10 million is on top of the Micro Finance Fund completely.

Mr WINGARD: What area will the Micro Finance Fund go into?

The Hon. K.J. MAHER: Yes, that is a reasonable question. It is in the science portfolio; if you give me a moment, I will be able to find it.

I can inform the member that the amount to be repurposed will go towards Adelaide Smart City initiatives that are in large part partnerships with Adelaide City Council of \$440,000. It will go towards implementation of the SA Commercialisation Fund of \$331,333 to implement the fund in addition to that \$10 million of grants for the fund. The money from the Micro Finance Fund will be spent on Smart City initiatives (\$440,000) and will be added to the \$10 million of the Commercialisation Fund for the implementation of that fund.

Mr WINGARD: What is the total cost to implement the Commercialisation Fund?

The Hon. K.J. MAHER: I do not have the exact figures on those, but I am happy to take that on notice and go away and bring back an answer. These were initiatives that were announced in this year's budget. The exact parameters are being developed. This might be one of the questions that might be one of the last ones to arrive at an answer as these are worked through so that we can get the most accurate figures we can for you.

Mr WINGARD: Thank you, I will come back to that. In Budget Paper 4, Volume 4, page 62, dot point 3 states:

The transfer of budget from DPC for a partnership with the University of South Australia's Centre for Business Growth to deliver expert presentations and assistance programs to small and medium sized companies across the State.

What are the measures of KPIs for UniSA's Centre for Business Growth, and what are the future budget lines to continue its existence? Does the Centre for Business Growth fit under the Manufacturing Works component, or does it have another operating line?

The Hon. K.J. MAHER: I thank the member for the question. It has its own operating line. The government has committed \$4.186 million over four years until 2019 for the University of South Australia's Centre for Business Growth to deliver the program, Growing South Australia's Companies. The initiative was announced in January 2016.

So far for 2015-16, \$698,000 has been provided to this program. The program is designed for CEOs and senior executives of SMEs in South Australia to enable them to identify growth opportunities, overcome business challenges and drive competitive advantage and compete in a global marketplace. The program will deliver single-day growth clinics to at least 240 South Australian businesses and an intensive nine-month program of growth modules to at least 120 South Australian businesses over four years.

Thirty-five companies have participated in 12 growth clinics to date and a further 15 companies are enrolled in the next growth clinic. For the intensive growth modules program, 12 companies are enrolled and six more have registered their interest for the next intake. The initiative is an expansion of the University of South Australia's pilot program, which was supported by \$150,000 funding committed in 2014-15.

The Centre for Business Growth delivered one-day growth clinics to 75 CEOs and the nine-month growth program for 10 companies. The Centre for Business Growth has advised that, in aggregate, the participating companies achieved a 24 per cent revenue growth and a 29 per cent profit growth and added 114 new jobs.

Mr WINGARD: On Budget Paper 4, Volume 4, page 62, dot point 5, why did Hills withdraw from the Innovation Centre?

The Hon. K.J. MAHER: I think the very short answer is that they withdrew given a change in direction for Hills with a new chief executive of the company. To give a bit more to that answer: on 27 May 2015 it was publicly announced that Hills CEO Ted Pretty had resigned from the company. In a subsequent meeting with the Department of State Development on 26 June 2015, Hills discussed its interest in remaining involved with the centre but to withdraw from its operation.

On 14 August 2015, Hills provided written confirmation of its proposal to withdraw from the centre. On 5 May 2016, the South Australian government finalised Hills' obligation to operate the centre. The South Australian government will not pay the remaining \$1 million of funding for this program and Hills will pay any unspent grants funding and transfer equipment at the centre to the South Australian government. On 26 July 2016, Hills reported that the unspent funding as at 30 November 2015 was approximately \$500,000.

The government is currently working with Hills for those funds to be returned. Hills' obligation to continue to support jobs in South Australia has been retained and access to the equipment that was previously at the centre, used by students, researchers and industries, will be maintained at Flinders University through the New Ventures Institute at Tonsley as part of the state government's new manufacturing and technology centre initiative, and the equipment will continue to be available to students, researchers and business.

Mr WINGARD: Just to clarify: \$1 million was money not given to them?

The Hon. K.J. MAHER: Yes.

Mr WINGARD: And then there is a further half a million that you are expecting—

The Hon. K.J. MAHER: Approximately half a million is what Hills have reported but, as you would expect, the government will assess that to make sure that is an accurate reflection, and is negotiating with Hills. So, \$1 million that had not been paid and then approximately \$500,000 of unspent funds to be returned.

Mr WINGARD: When would you expect to receive that \$500,000 back from Hills?

The Hon. K.J. MAHER: I am advised a rough estimate would be before the end of this calendar year.

Mr WINGARD: If I can turn to Budget Paper 4, Volume 4, page 63, targets 2016-17. How many jobs are forecast to be created out of these two projects in 2016-17?

The Hon. K.J. MAHER: Which dot point?

Mr WINGARD: Page 63, targets, first dot point:

Continue to deliver Our Jobs Plan and Manufacturing Works initiatives to accelerate the transformation of the state's economy towards productive and competitive industries that are consistent with South Australia's economic priorities.

The Hon. K.J. MAHER: I am informed, from Our Jobs Plan, from the data that the department has from companies that have been involved, that known jobs are around 452, achieving employment outcomes. It is estimated that there are around 2,908 estimated or modelled jobs from confirmed projects, including construction projects, and around 290 estimated jobs from potential future construction projects that are not yet confirmed through the Our Jobs Plan. From the Manufacturing Works plan, I think we went through that with the Frost & Sullivan report earlier. I could go through it again, but I think we can get more questions in.

Mr WINGARD: Just confirming those jobs and the breakdown of full-time and part-time—

The Hon. K.J. MAHER: I can go back and check. I suspect that many of these are measured as FTEs, but I will go back and confirm that for the member.

Mr WINGARD: If you could confirm that, that would be greatly appreciated. The next point is to 'implement the Northern Economic Plan in partnership with the local government, industry and the community'. Do the councils agree with the target of creating 15,000 jobs by 2025, as outlined in their Northern Economic Plan?

The Hon. K.J. MAHER: This is a very long-term plan. The target for the creation of 15,000 new jobs is over almost a decade until 2025. Certainly, that is an ambition of both the state government and councils.

Mr WINGARD: How have you broken that down—as in is it 1,200 jobs? Do you have it weighted one way or the other?

The Hon. K.J. MAHER: I will take that on notice. Certainly, with jobs in relation to the NDIS there are quite specific figures; in other ones, they will be much less specific. As I said, this is the ambition of our joint efforts. There certainly will be some that have very specific breakdowns, like the NDIS and other known ones, like projects in the north that are being looked at as part of the Northern Economic Plan, such as the Northern Connector infrastructure project, have very specific job figures. If there are more very specific ones, I am happy to go away and see if there are and bring them back.

Mr WINGARD: If you could track it as to how you are going, that would be great to see that comparison. I refer to Budget Paper 4, page 72. The SA Venture Capital Fund will be established. Specifically, what is the forecast of high-growth companies that will be built by the \$50 million SA Venture Capital Fund?

The Hon. K.J. MAHER: Is the question about what sorts of companies, how many?

Mr WINGARD: The forecast of high-growth companies.

The Hon. K.J. MAHER: What exactly is the question?

Mr WINGARD: High-growth companies as opposed to a small business or something like that, what is the forecast for high-growth companies in that venture capital plan?

The Hon. K.J. MAHER: I think I understand the question. In terms of definitions around different sorts of companies, I think it is through not just the SA Venture Capital Fund but also the Commercialisation Fund that goes before that. I think we will see a number of companies come through the Commercialisation Fund into the Venture Capital Fund. They are the sorts of businesses that we are trying to grow. We do not have an exact forecast for the numbers that will flow from it in a given financial year. Certainly, this is an area in which, in jurisdictions right around the Asia-Pacific region, we have not historically done particularly well, particularly compared with European and North American jurisdictions.

It is notoriously difficult to provide exact estimates on companies in this area where some companies take off exceptionally, and others do not take off and fail. We recognised that it is an area that we have not done well in in jurisdictions right around Australia which is why we are establishing that commercialisation fund and the Venture Capital Fund.

Mr WINGARD: I fully understand, so on the back of the Venture Capital Fund, are you saying that there are no forecasts? Do you have no forecasts for high-growth companies?

The Hon. K.J. MAHER: I think the very simple answer is as many as possible. We will use that fund and the fund will leverage private investment also. The very simple answer is as many companies that have the potential to grow as possible.

Mr WINGARD: With respect to that answer, that sounds like a shotgun approach. Are you not more specific in where you think you might be able to set a target and how many you might be able to achieve?

The Hon. K.J. MAHER: The initiative has been announced. We are now going through the design of the program. For the Venture Capital Fund, the intention is to appoint a fund manager, and that is what we will do in the latter half of this year and very early next year. Part of the appointment of the fund manager will be to work through the areas the fund will concentrate on and the specifics of how that fund over the coming years will be applied, and this is a very long-term initiative.

Mr WINGARD: Do you not have plans in place before you have announced the program, or have you just announced the program and will work it out as it evolves?

The Hon. K.J. MAHER: No, we are not completely reinventing the wheel. Certainly, this is the biggest single investment of this type in South Australian history, and these things will develop as we recruit a fund manager and as we put the programs in place.

Mr WINGARD: What type of project would qualify for the Venture Capital Fund and what criteria is being used to assess the applications?

The Hon. K.J. MAHER: Rather than answering piecemeal, I might give you a pretty comprehensive answer. I will answer where we are heading both with the Commercialisation Fund and what the RedFire report, which gave rise to many of these initiatives, referred to as the part A fund, and also the Venture Capital Fund which the RedFire report referred to as the part B fund. One of the things I think to say on this is that no-one can be sure exactly where this will end up. That is the very nature of supporting innovation, supporting very early stage commercialisation and supporting companies in this area.

For the South Australian early commercialisation fund, the \$10 million, it is a program that will support eligible companies from proof of concept stage through to product or service development and early commercialisation. We still are putting together the program parameters but it is envisaged that, as the RedFire report talked about, consultation that has been undertaken has suggested a program to be implemented to receive funding in three stages, depending on their ability to meet certain milestones.

A company can apply for funding, it is envisaged, at any one of three stages depending on the maturity of their concept. The state government would look at having it open to individuals and early-stage companies seeking to commercialise a product or services or processes that are both innovative and scalable but benefit the South Australian economy. It is anticipated that participants who apply for grants would have various levels of matched funding.

I will outline these and some of the recommendations and some of the feedback that has been received. This is not the final program, but for the sake of completeness I will outline these to inform the committee of where we are heading and some of the things that are being consulted on for that early stage: phase 1, a proof of concept grant of up to \$50,000; phase 2, if a company meets milestones under the proof of concept phase, a product development phase 2 stage of up to a further \$150,000; and, phase 3, if milestones are then met from phase 2, early commercialisation of up to an additional \$300,000 for that company, each having some form of matching funding from the proponent of those companies.

Certainly, that will provide the very early stage funding, which we know is necessary for the very early ideas, but will provide for follow-up funding should those ideas meet certain targets that are set down, which will differ from company to company for further funding. We are not providing that exceptionally early-stage funding then taking our hands off. We are providing that flow-through funding to encourage companies to meet targets, to continue to grow, but we are recognising also that not all companies are going to be huge runaway successes and that we need to target our support for those that can meet targets and will continue to grow. That is a flavour of some of the recommendations that have been made and some of the results of consultation has been undertaken about the early stage of that first \$10 million.

The South Australian Venture Capital Fund is a \$50 million co-investment fund that is envisaged will have the mandate to invest in local early-stage companies with high growth potential. It may well be the case that some of these companies will be the deal flow that comes up through the early stage, that with some of these early-stage companies, once they have gone through the early-stage program I have just outlined, the fund manager for the Venture Capital Fund may well decide that these are companies that are worth the Venture Capital Fund taking an equity stake in.

The commitment for the government would be \$50,000, with all distributions reinvested to further investment. It is anticipated that there will be matched funding from private capital to go with any investment that is made from the fund manager for the Venture Capital Fund. It is envisaged that the Venture Capital Fund will be structured and that the fund manager's obligations and experiences will be such that it will enable local companies to access venture capital and build relations with external venture capital managers.

It is envisaged that the Venture Capital Fund manager will be responsible for the day-to-day investment activity, including sourcing deal flow from the fund. As I said, how we envisage the program running is that the Venture Capital Fund will only be able to invest alongside reputable co-investment; that is, the Venture Capital Fund will not be able to make its own investment without private sector capital investment. As I said, it is envisaged that we will go through a process over the later half of this year and early next year to go out to tender for a fund manager for the Venture Capital Fund.

Once we have a fund manager, we will work with the fund manager for a lot more of the details for this fund. Certainly, for any of the deal flow that comes through the early stage, it will be some time before any deal flow comes through from that early-stage funding in terms of companies, but there may well be companies that are in a position to take advantage of the venture capital funding from an early stage. That is an overview of where we are headed with both these programs, the \$50 million venture capital and the \$10 million early stage. I am more than happy to keep both you and the member for Morialta informed as we go through this process, as I think you both have responsibility in innovation and science areas.

I think that this has the potential to be a program that can run as equity from companies and the venture capital fund invested in is returned over a long period of time and span over electoral cycles. This is one on which I am genuinely very keen to work with the shadow ministers responsible, because I think it will go for quite some time and has the potential to be very successful for building and attracting companies here.

Mr WINGARD: For sure, I understand. I will probably just drill down on a few more specifics for that exact purpose. What type of project will qualify for the venture capital fund?

The Hon. K.J. MAHER: As I have said—and there might be further questions you are going to ask about this—we are going to go out to tender for a fund manager and we will want to discuss this with them. What I do not want to do here and now is say, 'This is the sort of company with these attributes that will be eligible. This is the sort of company with these attributes that won't be eligible.' As we go out to tender, and as we have a fund manager on board, I am more than happy to keep you updated. I am not going to get into a process of, 'This is exactly what we are ruling in and out.' I think it would be foolish to do so before we have the expertise of the fund manager in place.

Mr WINGARD: I understand and I appreciate that. The question I am probably getting at is: how much due diligence have you done before implementing this project? Have you looked at modelling and thoughts? I understand it will be drilled down when you take that next step, as you describe, but I am trying to find out what work has been done.

The Hon. K.J. MAHER: Certainly. This flowed on from the RedFire Consulting report that was released earlier this year, led by Alistair McCreadie, who has extensive experience. He is one of the preeminent Australians in the venture capital field and has done a huge amount of work in this area. What we have done was based on his recommendations. I think he consulted with in excess of 80 companies and individuals in this area in putting together his report for the South Australian government.

These were the recommendations from that RedFire report in terms of the establishment of the early commercialisation and then the venture capital fund. It was informed by a lot of work that was done, which included a lot of interviews, a lot of discussion and a lot of assessment over what has worked in other jurisdictions. As I said, I think Mr McCreadie held 80 separate interviews and discussions with people, so this is not just taking into account what has worked in other jurisdictions, but also taking into account circumstances of the entrepreneurial and innovation ecosystem in South Australia.

Mr WINGARD: I understand that. I am presuming it will be determined how DSD will assess the risk profile of any applicant, and that is to be determined in these future steps?

The Hon. K.J. MAHER: Of course, the dollars rest with South Australian Government Finance Authority (SAFA) so these will be determined with the fund manager.

Mr WINGARD: Probably on that point, too, then, how will the state's equity position be represented in the company? How will that be determined?

The Hon. K.J. MAHER: Again, this is in the very early stages and we will go through a process of appointing a fund manager to look at how the profile of how the state for the venture capital it puts in receives and has an equity stake. That will be something we will do significantly more work on, not just with the fund manager, as the Department of State Development and SAFA will also be involved. In other funds like this that operate around the world, where an equity stake is taken, that has led to returns to the fund so that the fund can be leveraged and can operate for significantly longer than it would be if it was just a straight grants program.

Mr WINGARD: Will there be a limit to taxpayers' exposure in an individual enterprise?

The Hon. K.J. MAHER: These are things that we will determine with the fund manager for implementation. Certainly, part of the requirements of investing will be looking at the merits of the company, the growth potential for the company, doing due diligence on the company to make sure that investing in early-stage companies that have the potential for very high growth is balanced by making sure that we are using taxpayers' dollars as diligently as possible in this area.

Mr WINGARD: Can I just get clarification on whether any work has been done early or whether you are still in a holding pattern, waiting to appoint the—

The Hon. K.J. MAHER: There has been, as I have said, a lot of thought gone into how these funds will look in terms of the 80 interviews we have done in preparation for Alistair McCreadie's RedFire report. There have been many events and seminars held. I have attended a number of them myself in terms of what views are within South Australia, and also with fund managers from outside South Australia and even outside Australia about how they work. There has been a significant amount of thinking that has gone into how a fund might operate, but I am not going to start speculating about the many different permutations or combinations of how they may work without having a fund manager.

Mr WINGARD: I understand. I will ask a couple more questions, and I understand if that might be the answer. Who will lead the project for DSD? How will that happen?

The Hon. K.J. MAHER: Again—

Mr WINGARD: It is to be determined?

The Hon. K.J. MAHER: The carriage of it is with the industry and innovation part of DSD in partnership with the South Australian Government Financing Authority.

Mr WINGARD: Is there an expected commercial return on the fund?

The Hon. K.J. MAHER: Again, that will be developed, and once we have a fund manager these will certainly be things that will be looked at and worked out. Without going over what I have said before, these are matters for implementation. One thing that we do not want to do, and certainly it has been an overwhelming recommendation, is to set down exceptionally prescriptive criteria right now and then go out to tender for a fund manager who is bound by considerations we might not have had when we went to tender. We want to keep options open. As is the case with areas in the innovation space, by definition there are innovations that occur that we want to be able to remain open to. As these are developed, I am happy to keep—

Mr WINGARD: Given the looseness of working your way through this, will the Venture Capital Fund set-up report to parliament as a separate entity? Is that how you envisage it and will they do it annually? As minister, what is your thought on that concept?

The Hon. K.J. MAHER: There will be transparency of what the Venture Capital Fund does. There is an expectation that there will be detailed reporting of its planning and use of resources and how it is fulfilling its obligations.

Mr WINGARD: So, you do not have a commitment as to whether they will report to parliament separately?

The Hon. K.J. MAHER: The exact nature of that accountability, again, will be used in the implementation.

Mr WINGARD: When would be your expectation for the first—

The Hon. K.J. MAHER: In terms of returns, which I think was a previous question, it is a co-investment fund. One of the very strong things is that we do not want to put too many criteria on it, but there are some minimum level criteria that both the RedFire report and the consultations have said are some of the things as a minimum. One of the minimums is only investing when there is a co-investment from a private fund, so you would expect the returns to government to be, if we are co-investing with a private investor, the same returns that those private investment funds would receive.

Mr WINGARD: When do you plan for the first venture capital project to be rolled out?

The Hon. K.J. MAHER: As I said, the intention for the second half of this year and into very early next year is putting the fund manager in place, and our aim is for the fund to be fully operational and launched by mid next year.

Mr WINGARD: Have you had any interest yet from people approaching you wanting to get involved?

The Hon. K.J. MAHER: I have to say that, once the budget was announced, the government has had not approaches of, 'I want to be the manager of the fund,' but interest from companies developing more so probably for the early stage—a great deal of interest, I think it is fair to say, from entrepreneurs, innovators and private equity concerns right around Australia with the announcement to do this.

Mr WINGARD: Given that great interest, have you had any thoughts to fast-track that, given the position of the state and where we need to be?

The Hon. K.J. MAHER: As I have said, my hope for the Venture Capital Fund is that it will be something that, with the returns, will continue over the course of a number of election cycles. I think it is important to get this right. There are always trade-offs in terms of the speed with which you bring things in and the thought you give to getting it exactly right from the start. This is one we want to make sure we get right.

We have never had a venture capital fund like this in South Australia, and it will take some time for projects to mature to a stage where they can access those funds. Certainly, a lot of the feedback is the call on the fund will ramp up. Once it is established, there will be applications and calls, but it will not be necessarily a linear increase. It will increase further over time as the market responds to this new function.

Mr WINGARD: Have you, again, done modelling and planning as to how you think that will ramp up and when you think it will pick up pace?

The Hon. K.J. MAHER: Only exceptionally preliminary work. I know when you look at these you can point to the existence of other funds that have operated to show that.

Mr WINGARD: Are you able to make that available?

The Hon. K.J. MAHER: I can go away and see if there is anything I can provide in terms of the ramp-up of a venture capital fund like this over time.

Mr WINGARD: The early commercialisation fund you talked about, and the small business minister informed me, when I asked questions about this, that you are now responsible for the fund.

The Hon. K.J. MAHER: It is not that I am now responsible for the South Australian early commercialisation—

Mr WINGARD: That was what he said. I think he is throwing you under the bus.

The Hon. K.J. MAHER: It is not that I am now responsible for the fund; the fund has just been created. It is not like someone else was responsible for it and I am now responsible for it. I am responsible for it from the start of this fund.

Mr WINGARD: Sorry, I apologise. To clarify—

The Hon. K.J. MAHER: I did not want any—

Mr WINGARD: My fault. He said, now that you are responsible for this fund, that means you are responsible for the Micro Finance Fund is more the point. I had questions for him.

The Hon. K.J. MAHER: Again, I have always been responsible for the Micro Finance Fund.

Mr WINGARD: Of all the businesses that have received funding through the Micro Finance Fund, how many have been successful and how many have been failures?

The Hon. K.J. MAHER: I thank the member for the question. We were very pleased with the take-up of the Micro Finance Fund. I can remember, when we established it, my office and the department doing quite a lot of work with people involved in the innovation and entrepreneurial ecosystem in South Australia to make them aware of the fund. I have to say that we had tremendous interest in the fund. In round 1, we had 10 recipients and, in round 2, nine recipients. My advice is that all the Micro Finance Fund recipients are still operating their businesses, with the final reports on outcomes for each expected later this year.

I can go through the recipients of the funds, if that provides further information. I know I have done this a number of times with the Hon. Andrew McLachlan in the Legislative Council, who has been abnormally interested in the Micro Finance Fund, so I had that information with me nearly all the time because of his interest in this. Some of the recipients are no doubt going to be companies that go on to much bigger and better things. Makers Empire, for example, received a micro finance—

Mr KNOLL: A great 3D printing company.

The Hon. K.J. MAHER: Absolutely—a micro finance funding of \$50,000. As the member for Schubert points out, they are a 3D printing program who I know have gone through the MassChallenge program in Boston. I think they were the only Australian ones to do that last year. They are using design for middle schools, and great interest is shown in the US, Hong Kong and Chinese markets already.

I was at a seminar only a few weeks ago where one of the leaders—and I will not name them—of one of the very big innovation companies in Australia pointed to Makers Empire as an example of the sort of thing we might see in 10 or 20 years' time, just as people remember the founders of Microsoft or Apple. Certainly, I have spent a fair bit of time with the group from Makers Empire. They are now at St Paul's Creative Centre in the city.

ODD Games is another example of a recipient under the Micro Finance Fund. I have had the fortune of going out to see them, and they are kicking goals in universal multiplayer systems. Monster Truck Demolisher, if my memory serves me correctly, was their very big game, but they are now going into other games. That is a great example of an Adelaide-based company which, with a small amount of help from a fund like this, has been able to go on to much bigger and better things.

I will not do what I do for the Hon. Andrew McLachlan—that is, list them all and give my commentary on all of them, because I am sure you have other questions—unless you would like me to go through some more of the companies that receive funding.

Mr WINGARD: If it is all in *Hansard*, I can track it back.

The Hon. K.J. MAHER: Maybe you can do it when you take me to dinner at some stage like the Hon. Andrew McLachlan is going to do.

Mr WINGARD: That sounds like a good plan. Let's discuss that; I would be happy to run through them. You mentioned 10 in round 1 and nine in round 2, and they are all still going. How many applied, and were the applications deemed that they would not succeed?

The Hon. K.J. MAHER: I will get out my—

Mr WINGARD: The Andrew McLachlan file.

The Hon. K.J. MAHER: This is, literally, my Andrew McLachlan folder. The finance fund ran for two years and, as I have said, it will be superseded by the SA early stage commercialisation fund. As I pointed out, the first round had 46 applicants. It was a very competitive process, and 10 were awarded funding of \$50,000. In terms of round 2, there were nine successful recipients and 90 applications to the fund. Those nine successful recipients received \$50,000 except for one who received \$30,000 and one who received \$48,667.

There is an assessment panel for the awarding of these funds. It has obviously been a very competitive process. The assessment panel comprised Dr Andrew Dunbar, Director, Office of Science, Technology and Research; Geoff Thomas, Principal, Exant Corporate Advisory; and Andrew Rasch, Senior Policy Officer, Department of State Development. I am advised that, if necessary, the panel could bring in further expertise, or consult industry, if needed, on those applications.

Mr WINGARD: Given that we know there is a high failure rate with start-ups, as that is the nature of the beast, and that there were so many applicants here with, potentially, so many great ideas, given that you did not have a failure do you think you maybe did not push it enough and give enough opportunity? To have something that runs at 100 per cent success when you are talking at a start-up level—

The Hon. K.J. MAHER: This is very early stage, and as time lapses from the start of a company obviously the failure rate increases. It is probably an exceptional anomaly that all these companies now are still going. You would expect that not just in the innovation area but for small businesses generally. Over time, there are some whose products do not keep pace with change in consumer demands or for other reasons fail.

I note that there are a whole range of other areas in South Australia, many of them supported by the state government, whether it be the University of South Australia's Venture Catalyst program, which has South Australian support, or Flinders University's New Ventures Institute. I know I regularly see members of the opposition at some of these other ones. What I think it does point to though is the need for things like the early commercialisation fund. We do have a lot of these very early stage ones and I think that probably points to the need also of something to follow on from that, which the venture capital fund will do.

Mr WINGARD: Given that the Micro Finance Fund has now gone and has rolled into the Commercialisation Fund, what are the specifics within the Commercialisation Fund that will still deliver for the micro businesses specifically?

The Hon. K.J. MAHER: I think when we canvassed it earlier we talked about what we are working towards is the staged funding within that early stage commercialisation fund, the first stage being a \$50,000 grant. That is, in part, based on the experience with the Micro Finance Fund. We have seen the appetite for that very early-stage funding in South Australia. What has happened with the Micro Finance Fund is certainly informing us about how that early stage commercialisation fund will be structured.

Our initial principles and what we are working toward is for that first very early stage to be a \$50,000 grant, with some matching funding, as the Micro Finance Fund has, from the company who receives it, and then further funding based on milestones being met. For example, the sort of companies that were assessed as grant recipients in the Micro Finance Fund under the new early stage commercialisation fund would be able to receive that very early stage \$50,000, but if they continue to grow and meet certain targets, not just that they are still around but that they continue to meet growth targets, they can be eligible for further funding, and that further funding will be assessed based on the type of company.

Not every company in every industry in every area will have exactly the same profile in terms of revenue or in terms of jobs growth, so it is about making sure that it is done in a manner that can reflect those companies.

Mr WINGARD: That sounds great. Have the criteria for that been written? You talk about that—

The Hon. K.J. MAHER: No, as I have said, what I outlined is based on the RedFire report based on our consultation and, again, based on our experience with things like the Micro Finance Fund. We certainly have some ideas about how this fund will operate, but we are now in the stage of going through and finalising it.

Mr WINGARD: The criteria are not there, so it is almost taking a step back to go forward, arguably. We had the Micro Finance Fund—

The Hon. K.J. MAHER: Not really. I will have to check, but in the two-ish years the Micro Finance Fund has been operating it has had two rounds of calls for applications for the Micro Finance Fund. So, yes, in a sense, once the early stage commercialisation fund is set up, those who have been interested in the Micro Finance Fund I am sure will treat it a lot like a continuing round of the Micro Finance Fund. As I said, it has been a very valuable experience having the Micro Finance Fund, so that will, in a large way, help to inform that very early stage of the Commercialisation Fund.

Mr WINGARD: What is the timing? When will the early commercialisation fund be up and running and when will people be able to apply? When will it tick over, given that the Micro Finance Fund is no longer there and this one is not up and running? What is the gap?

The Hon. K.J. MAHER: We expect that the guidelines for the early stage commercialisation fund will have been finalised and be open towards the end of this year. As I have said, I think it is about two years that the Micro Finance Fund has been running. There have been two application calls, so one per year. I will have to check but it will be, I think, a similar sort of time between the calls on the Micro Finance Fund before the next one operates is what we are trying to work towards.

Mr WINGARD: And the criteria are still being established?

The Hon. K.J. MAHER: Yes, but being very largely informed from the success of the Micro Finance Fund. We are finalising those to make sure that any experiences, particularly from the Micro Finance Fund, we are learning from, but there are a lot of those that will come across from the Micro Finance Fund, we would expect.

Mr WINGARD: Given round 1 had 10 and round 2 had nine, are you expecting similar numbers with the new early commercialisation fund under this new start-up?

The Hon. K.J. MAHER: I am just not going to try to predict what we will see for the next one.

Mr WINGARD: You cannot give me a number?

The Hon. K.J. MAHER: As I think we have talked about in this innovation space, by very definition I think it is exceptionally hard to try to make bold predictions, so I do not think I am going to try to do that now and have you do a press release in six months' time to say how far off I was.

Mr WINGARD: Surely you would have a plan or something you are going for. If you got 10 and nine in round 1 and round 2, you would be looking for more—

The Hon. K.J. MAHER: We had 10 successful from 40 applications in the first round—

Mr WINGARD: Yes, 10 from 46 and nine from 90.

The Hon. K.J. MAHER: —and nine successful from 90 applications in the second round. If you base it on what we have previously done, you would expect strong interest to remain in doing this.

Mr WINGARD: And growth?

The Hon. K.J. MAHER: I do not know. Some may reapply. It might be that many companies that have applied have done things privately or found other sources of funding, whether through Venture Catalyst, New Venture Institute or some other thing. I am not going to make a bold prediction about whether many of those who were very interested have already applied and have gone on for other sources of funding or done it in other ways and whether those initial two market calls have seen the low-hanging fruit that we have already got apply. I would expect there to be strong interest, but exactly how many might apply for the first round of that early stage commercialisation fund we both await with great interest.

Mr WINGARD: With the Micro Finance Fund, there were 10 applicants in round 1.

The Hon. K.J. MAHER: Forty applicants, 10 successful.

Mr WINGARD: Sorry, 10 successful in round 1. At \$50,000 roughly each, that is \$500,000. Given that the early commercialisation fund is \$10 million, surely you would want an exponential growth.

The Hon. K.J. MAHER: As I said outlining the early stage commercialisation fund, if we get 100 applicants we are not going to provide 100 applicants with \$50,000 each straightaway. My rough maths says that is probably \$5 million. It is structured. Again, there will be criteria that companies have to meet to make sure we are making—although it is difficult—as diligent an investment as possible, then there will be further funding to make sure that KPIs are met in the second and third rounds of further funding.

It is not that we have \$10 million that we are going to spend in one year at \$50,000 a pop on companies; it is the case that we have an early stage commercialisation fund that is designed to have initial investment. What we are working towards, based on the Micro Finance Fund experience and other recommendations and consultations, is that initial \$50,000. However, we want to be able to stage that so that those companies that can meet KPIs and do succeed have the opportunity—which the Micro Finance Fund does not—of having further investment if they are showing that potential to go on to have higher growth and be a much higher-growth company.

We envisage that some of these companies that, under the early stage commercialisation fund, have that initial \$50,000 that show that they have significant capacity to keep going have that second stage of investment and that third stage of investment may well be companies that then go on to be invested in by the South Australian Venture Capital Fund with that private investment that that will leverage.

Mr WINGARD: I understand. Have you then done any modelling or a breakdown of how you think the early commercialisation fund will be distributed over—was it four years? The \$10 million for the early commercialisation fund is over how many years?

The Hon. K.J. MAHER: As I said, I have given a view of where we are heading towards and what our thoughts are at the moment. Certainly there are some initial thoughts as to how that might be staggered, but we are still consulting on the profile of that over four years but also, importantly, the profile of that over those three stages of initial investment.

Mr WINGARD: Obviously this is important and we need to get moving on it fast because we need to generate jobs in South Australia, as we have talked about already today, and this is the way you put forward to generate that. Can I just get a clarification again that you are not committing to more businesses start-ups evolving than those we got from the Micro Finance Fund? You are not guaranteeing that there will be more than the 10 produced in round 1 and the nine produced in round 2?

The Hon. K.J. MAHER: What you could reasonably predict is that we will get more companies worth more value providing more jobs. The way that the early commercialisation fund is structured I predict will result in an overall greater revenue for the companies involved and an overall greater number of jobs. In terms of the numbers that apply and meet the criteria that they will be assessed against, I will not be so bold as to try to assess them, but I am very confident that the outcomes for South Australia will be greater under the early stage commercialisation fund than they were under the Micro Finance Fund.

Mr WINGARD: You have done no modelling on how many businesses you think will be supported through the fund? Has that modelling been done?

The Hon. K.J. MAHER: We are in the process of doing that. As I said, we are in the process of implementation. We anticipate to have the first round of funding open by the end of this year, and that will be roughly in line with what would have been the next round of the Micro Finance Fund.

Mr WINGARD: But, again, no modelling with projections?

The Hon. K.J. MAHER: The department is obviously looking at what they expect, but again—

Mr WINGARD: Can we get that information?

The Hon. K.J. MAHER: If there is any information, but it is at the very early stages. I am happy to undertake to keep you informed as we go along with this process. We have some idea but, as is the nature with potential high-growth innovation companies, just how many will transition from that early stage up to the next level of funding and meet the KPIs we will not know with any certainty until we operate the fund.

What I know that we will do, as we do with many of our programs, is take the learned experience from how those programs operate into consideration in future rounds of those programs. I do not need to make bold predictions, but what I am certain of is that from the first round under the early stage commercialisation fund there will be things that we learn and, as we go through the second and third stages, there will certainly be experiences and things we will learn that will inform how we do them in the future rounds.

Mr WINGARD: Can we then get a breakdown of the forward expenditure for the early commercialisation fund and how much we will be spending in coming years?

The Hon. K.J. MAHER: It is \$10 million over four years.

Mr WINGARD: And that is it? It is not broken down as—

The Hon. K.J. MAHER: In the budget, it is broken down into \$2½ million each year over the four years.

Mr WINGARD: And that is how you expect it to—

The Hon. K.J. MAHER: That is what we expect. Again, with the nature of very early-stage commercialisation, if there is a massive need to draw on funds early, that is something that can be considered. Equally, as we see in other programs, if it takes time for the market to adapt, I am sure we will be open to reprofiling that either way. That is how it is budgeted for—\$2½ million each year over four years for the \$10 million for the early commercialisation fund.

Mr WINGARD: How many FTEs are dedicated to the program and who will lead the project within DSD?

The Hon. K.J. MAHER: We are going through the implementation to have this set up in time for what will be the equivalent of the Micro Finance Fund. I am happy to take that on notice and come back with an answer, either a rough answer now or a more detailed answer in the not too distant future. It will be led out of DSD. A significant amount of thought has gone into how it should broadly look as a result of the RedFire report.

There has been a lot of consultation—seminars, interviews, discussions—the department and I have had since this was announced. We want to make sure that this is as effective as possible. I have outlined for the benefit of the committee what our thoughts are already. We have given it a great deal of thought. I went through earlier and outlined what our thoughts are in terms of how it might look, but we are now finalising exactly how this program will look. I look forward to making further announcements about this in the not too distant future.

Mr WINGARD: That is probably to the point. The Treasurer has made big announcements about this, you want to make further big announcements about this.

The Hon. K.J. MAHER: Absolutely.

Mr WINGARD: The RedFire report came out at the start of this year, yet you are still saying we have not drilled down on how this is going to be implemented and how it is all going to roll out. Are we dragging our heels? Could South Australians be disappointed?

The Hon. K.J. MAHER: Absolutely not. I think immediately after the budget if we came out and announced that this is exactly what we are doing, this is how we are doing it, we are going to have no flexibility in the criteria and how the program runs, and came out the very next week and announced that, I think I would probably cop more criticism from the shadow minister for doing that and not consulting on how a program would work.

I think there always is a balance to be struck between the speed at which programs start rolling out and making sure you consult as widely as is reasonably possible and make sure the efficacy of the program is as much as you can possibly do. If we can roll it out to coincide with the

next round, similarly to when the next round of the Micro Finance Fund would have been released, I think that would be a good result.

Mr WINGARD: You have mentioned the RedFire report and there was a recommendation there to set up Accelerate SA as well. You opted not to do that. Was there a reason for not setting up Accelerate SA?

The Hon. K.J. MAHER: I am exceptionally proud of how the government has responded to the RedFire report. We have invested in the early commercialisation fund and Venture Capital Fund \$60 million of new money. There has been an additional sum of almost \$20 million of investment in the innovation area as a result of this budget. I think the RedFire report was an exceptionally good starting point. Once it was released, it led to a tremendous amount of discussion, some that was led by us, some that was unsolicited. It led to a lot of discussion.

There were a number of elements, the big ticket elements being that early commercialisation fund and the Venture Capital Fund. A number of things that we are doing in this area go beyond and further than recommendations. The almost \$5 million to support the Adelaide Gig City project to connect our innovation precincts up to 1 megabyte up-and-down speeds is over and beyond what was recommended in the McCreadie report.

It feeds in to placing us very well in terms of innovation within Australia and within our region. One of the recommendations in the McCreadie report was to reposition BioSA much broader than just those biological and life science areas, which we are doing. We will be changing BioSA to TechInSA to have a much broader mandate, and certainly we are in discussions about using the resources that we have not only within the department but already within what will be TechInSA to help inform us about our policy and our rollout. I do not think we will have any lack of ability to draw on advice in terms of rolling out these programs.

Mr WINGARD: How much was spent on the RedFire report? What did it cost?

The Hon. K.J. MAHER: I do not have those details. I am happy to take that on notice and provide an answer on the details in terms of the spending on that report.

Mr WINGARD: I am led to believe it was done in Victoria for a Victorian company. Is there any reason that report could not have been done in South Australia?

The Hon. K.J. MAHER: We looked far and wide, but I will bring back an answer. There was an extensive search to find someone who could do the job we asked of it. When you are looking to change a system, there are some benefits in having someone from outside the jurisdiction come and look at it rather than someone who is already involved in their jurisdiction. I have found very little criticism of the totality of that report.

The RedFire report looked at specific areas, and I know that not everyone agreed with the assessments of every single specific area, but broadly it was more well received and most reports that governments often release. I now have information, so I do not have to bring back an answer. The total cost of the RedFire report was \$93,200.

Mr WINGARD: I will jump back to Budget Paper 4, if I can.

The Hon. K.J. MAHER: I reckon we are finished, over, done.

Mr WINGARD: 11.45, are we?

The Hon. K.J. MAHER: Is it? 11.45.

Mr WINGARD: He thought he was off the hook there.

The Hon. K.J. MAHER: We could go early if you want.

Mr WINGARD: No, I have more questions. I can go back to employment, as I have a short stack left, with only half an hour—another discussion for another time. Budget Paper 4, Volume 4, page 63, dot point 1, highlights, states:

Delivered Manufacturing Works and Our Jobs Plan programs and initiatives resulting in new employment, increased revenue and value-add in the economy.

Did we actually get a number of how many jobs were created?

The Hon. K.J. MAHER: Yes, we did, from Manufacturing Works and Our Jobs Plan. I think we went through earlier, specifically with Manufacturing Works. We have been here almost two hours, so it is a long time to remember back, but I think we went through the Frost & Sullivan report for that part of it, looking at the value-add as well.

Mr WINGARD: I think it is 292 or something like that. I was led to believe that was under Manufacturing Works, but it is Our Jobs Plan as well?

The Hon. K.J. MAHER: I think we went through it. Frost & Sullivan was a report into Manufacturing Works, but I think we provided the estimates in terms of jobs for Our Jobs Plan when we discussed this earlier.

Mr WINGARD: I am not sure whether or not you can do this, and I potentially may have asked it as well under that line of questioning, but can they get split out under the programs as well, whether or not you do that, to get the jobs under the programs where possible?

The Hon. K.J. MAHER: I am not sure that we can, but I will go back and have a look. As I have said, as we talked about earlier, there is a balance between the cost of going into very small line items in programs rather than looking at the whole. I think taxpayers reasonably expect that we will find a balance between going into every line item and looking at programs as a whole, but if it can be broken down further—my guess is the Frost & Sullivan report breaks it down as the Manufacturing Works program and not individual components—I am happy to take it on notice.

Mr WINGARD: I do really appreciate that because jobs are vitally important for South Australians and we want to know which programs are working and which programs are not, so that we can keep pushing in the areas of the programs that are working. I read in that same budget line that it talks about value-add. I would like to know how you measure value-add. It is spruiked as a highlight in the 2015-16 document, that you value-add in the economy. How do you measure value-add?

The Hon. K.J. MAHER: Certainly, the Frost & Sullivan report for Manufacturing Works measured value-add. The very specific academic formulation of value-add I am happy to take on notice, but more importantly if there was a working definition that Frost & Sullivan used for the purposes of that report.

Mr WINGARD: It would be great if you could. On Budget Paper 4, Volume 4, page 63, highlights 2015-16, dot point 3, what was the total cost of putting together the Northern Economic Plan and the cost to administer it?

The Hon. K.J. MAHER: Again, I can take that on notice. The total cost, I think as we discussed much earlier today, for the Northern Economic Plan was \$24.6 million for what was launched early this year. I do not have in front of me the information about the components that make that up. There were a number of components that included things, as we discussed earlier, that are not directly in my portfolio, like the northern disability hub, the Food Park and any costs for administration. I am happy to go away and look at those.

I do know that one of the very beneficial aspects of the Northern Economic Plan is the involvement of the local councils, those three northern councils in the plan. Certainly, their contribution to the Northern Economic Plan has been exceptionally valuable. Officers from those councils have been heavily involved. The time those councils have put in is probably not something I can come back and quantify, but certainly from the government's point of view I can, and certainly there are some areas where we are sharing the administration rollout in some of those areas.

Mr WINGARD: What is the cost to put the actual plan together?

The Hon. K.J. MAHER: I understand the question, and I am happy to take it on notice and bring back a reply.

Mr WINGARD: I refer to Budget Paper 4, Volume 4, page 63, highlights, dot point 5 about Tonsley. What percentage of the Tonsley precinct is currently leased?

The Hon. K.J. MAHER: Just to check, when you talk about the 'Tonsley precinct', do you mean the whole area that includes land that is available freehold, like where Siemens are developed, or do you mean the main assembly building?

Mr WINGARD: If I can get a breakdown of both, that would be fantastic.

The Hon. K.J. MAHER: I am happy take on notice the specifics of the current status of those. I might add that the residential housing portion of that is soon to be commenced, so I can bring back where that project is up to as well.

Mr WINGARD: Is that housing project being done through Renewal SA?

The Hon. K.J. MAHER: Yes.

Mr WINGARD: Has that been a transfer of assets from your portfolio—

The Hon. K.J. MAHER: I can get the details on how that project is working.

Mr WINGARD: Still on Budget Paper 4, Volume 4, page 63, highlights 2015-16. In reference to dot point 6, is the Industry Capability Network South Australia a stand-alone program or does it fit under the Manufacturing Works program or Our Jobs Plan?

The Hon. K.J. MAHER: I am advised it is within the Industry and Innovation portfolio area but it is a stand-alone project. As the member would be aware, it is part of a national network as well.

Mr WINGARD: Yes. You are going back to identify all of the ones that fit under the portfolio? I think we mentioned that earlier. That is fine, I will leave that with you. I know you will follow that up. Budget Paper 4, Volume 4, page 63, targets 2016-17. In relation to dot point 4, can you provide a breakdown of contracts with the ICN company by company, and the value of each contract?

The Hon. K.J. MAHER: There will be a very large number of contracts. We do not have that information here, but I am happy to take that on notice and bring back a reply. I suspect as we go through some of this very intricate detail, filling out the last 10 minutes, there will be a number of questions that I am sure the honourable member will appreciate I will be happy to take on notice as we try to make up the rest of this time.

Mr WINGARD: I will keep going through them, and if that is your response I appreciate—

The Hon. K.J. MAHER: Keep going down the dot points.

Mr WINGARD: Given you are two-thirds of the way through administering the program, have you facilitated more than \$1 million in contracts that you are on track to meet the target of \$150 million by the end of the financial year? What is the breakdown of the contracts? Given that it is a three-year program with a target of \$150 million by the end of this financial year, where are you situated?

The Hon. K.J. MAHER: I can provide the honourable member with the information regarding the target to facilitate \$150 million over three years to the end of the 2016-17 financial year. I am advised that of this target, we have achieved the ICN SA in 2014-15, achieved \$61.3 million with a further \$20.9 million worth of contracts facilitated by interstate ICN offices to South Australian suppliers. As I said, it is part of a commonwealth network. So, in 2014-15, there was \$80 million.

For the 2015-16 financial year, I can advise that my information is that ICN SA has facilitated approximately \$55.36 million in contracts for South Australian suppliers and an additional \$8 million of contracts went to South Australian based companies from interstate offices through the ICN. My rough maths puts that at \$143 million of contracts for those first two financial years, but I will double check. It is always exceptionally dangerous for a politician to do arithmetic on the run in their head, but I will double check those numbers. If I have not added that up correctly, I will bring back a reply.

Mr WINGARD: And then the forecast figure for the following year of the—

The Hon. K.J. MAHER: If we have a forecast figure, I will bring it back, or whatever information I can bring back to further the understanding of this very important area.

Mr WINGARD: I refer to Budget Paper 4, Volume 4, page 63, performance indicators. Was there a significant reduction in the number of applied research engagement programs for 2016-17 compared to the estimated result of 28? The estimated result this year is 28 and the target was 19.

The estimated result was 28 and next year you are only targeting 10, so you have halved your target on applied research engagement programs. Why is there a 50 per cent reduction?

The Hon. K.J. MAHER: The profile of funding from the year you refer to, where the target was 19, was well and truly met by the estimated result of the target for the next year. The profile of budget spending was to be less than the next year. The exact reasons why, I am happy to take on notice. Given the substantial overachievement in the previous year, I will need to check the profiling of that budget, but certainly the budget profiling was to reduce in the next financial year for 2016-17. I am happy to bring that back and also an explanation about some of the other areas where there have been significant increases that relate to work in this area.

Mr WINGARD: Business Transformation is another that would be greatly appreciated.

The Hon. K.J. MAHER: I can look at that and bring back a similar answer to that for Business Transformation.

Mr WINGARD: On Budget Paper 4, Volume 4, page 64, activity indicators, how is business engagement measured in the Manufacturing Technology Centre? It says 'number of businesses to engage with'. How do you measure business engagements? Is it a phone call? Is it a meeting? How is that measured?

The Hon. K.J. MAHER: I am advised that there are a range of different ways in which contact is involved. As an example, I can say, specifically in relation to the Manufacturing Technology Centre's programs, that in the first year of operation it is aimed to encourage more than 300 businesses through technology demonstration events, visits to research facilities and tailored technology advisory services for individual businesses. Those will be some of the ways that I think contacts are measured, but I will go and check this further. If there are other metrics that are used, I will bring back a reply, but that is certainly the initial advice I have.

Mr WINGARD: What are the objectives then of the Manufacturing Technology Centre and how much has been invested in this?

The Hon. K.J. MAHER: I thank the member for the question. We will establish a new manufacturing technology centre at Mawson Lakes, in partnership with the University of South Australia, to help develop advanced manufacturing industries that will look to provide the sort of jobs of the future in South Australia. The initiative is part of a whole range of initiatives, many of which we have canvassed in here under the Northern Economic Plan for northern Adelaide and which transition from automotive manufacturing. It has funding, I am advised, over three years of \$1.205 million to the end of the 2017-18 financial year.

The objectives of the centre are to increase industry's understanding, facilitate experimentation and encourage the adoption of new technologies by introducing South Australian businesses to world-class research capabilities, both here and in other jurisdictions, and supporting commercialisation of the technologies. The centre will initially focus on encouraging businesses to understand and use technologies in a range of areas, and the initial focus will include additive manufacturing, photonics, robotics and automation, big data, the internet of things and advanced materials.

Mr WINGARD: I refer to Budget Measures Statement, page 78, investment in innovation. Feel free to take this away and get back to us. What is the breakdown of budgeted expenditure for the four new programs: the SA early commercialisation fund (I have already asked about that), the Future Industries Institute, Gig City and the SA Venture Capital Fund? Can I get the breakdown of budgeting for all—

The Hon. K.J. MAHER: Rather than take it away, I am happy to do that very quickly for the honourable member. For the South Australian early commercialisation fund, as we have talked about, starting from the financial year we are in (2016-17), it is \$2.5 million a year over four years. For the investment in the Future Industries Institute, the profile of investment for this financial year (2016-17) is \$1.5 million; in 2017-18, \$3 million; and, in 2018-19, \$3 million. For the Gig City project, the budget allocations are, for this financial year, \$2.176 million; in 2017-18, \$0.526 million; in 2018-19, \$1.376 million; and, in 2019-20, \$0.576 million.

The CHAIR: I would like to thank the minister and his advisers for their attendance and assistance today and acknowledge all members for their cooperation.

Sitting suspended from 11:46 to 12:46.

Membership:

Ms Chapman substituted for Mr Treloar.

Departmental Advisers:

Dr D. Russell, Chief Executive, Department of State Development.

Dr P. Heithersay, Deputy Chief Executive, Department of State Development.

Mr A. Reid, Executive Director, Industry and Innovation, Department of State Development.

Mr R. Janssan, Executive Director, Corporate Services, Department of State Development.

Ms P. Chau, Director, Finance, Department of State Development.

Ms G. Elston, Director, Automotive Transformation Task Force and Northern Economic Plan, Department of State Development.

Mr A. Dunbar, Director, Office of Science, Technology and Research, Department of State Development.

The CHAIR: I would like to welcome everyone back to committee A and thank them for their attendance. People are familiar with the rules and regulations of estimates. Do you wish me to read the entire sheet again, minister? Everyone is happy?

The Hon. K.J. MAHER: Everyone understands them, Chair.

The CHAIR: In that case, I am going to look at the portfolio of the Department of State Development. The minister appearing is, of course, the Minister for Automotive Transformation and the Minister for Science and Information Economy. I call on the minister to introduce his advisers.

The Hon. K.J. MAHER: Thank you, Madam Chair. I will introduce my departmental officials. On my left is Dr Don Russell, Chief Executive, Department of State Development, and Dr Paul Heithersay, the Deputy Chief Executive. On my right is the Executive Director of Industry and Innovation, Adam Reid, and the folk behind us remain largely the same as before. I do not have an opening statement, so once again I am keen to get on with answering the questions from the opposition.

The CHAIR: Member for Mitchell.

Mr WINGARD: I refer to Budget Paper 4, Volume 4, page 64. Last year's budget papers allocated \$17.633 million for this program, but the 2016-17 budget paper states that the amount allocated in 2015-16 was only \$16.183 million. I would just like some clarification on why there is a difference between last year's paper and this year's paper?

The Hon. K.J. MAHER: I am advised that it is similar to the issues we have gone through before. My advice is that it relates to various machinery government changes. I do not have that information with me as I did before, but I am very happy to go away and bring the member back a response and the reason for those variants and the exact machinery of government changes that may have led to them.

Mr WINGARD: If we accept the original figure of \$17.6 million or \$16.8 million, there is a \$1.5 million discrepancy, so thank you for following that up. While the budget result was either \$16 million or \$17 million, the estimated result is 6.366. That is a \$10 million, nearly \$11 million, underspend. Can you please explain the underspend?

The Hon. K.J. MAHER: The difference in the result largely reflects expenditure in the automotive support programs, the Automotive Workers in Transition Program and the Automotive Supplier Diversification Program, that has not been spent in that year but is being carried over to the next year. I think I can give a bit more explanation as to the reasons for that. I know that our Automotive Transformation Taskforce has visited all 33 tier 1 auto supply companies and dozens and dozens of the tier 2 auto supply companies.

The team that assesses grants for the Automotive Supplier Diversification Program has, quite rightly, been very keen to ensure that those companies that are awarded grants are companies that both have a desire to transform what they do and have an ability to do so. I know that about two years ago, when the Automotive Transformation Taskforce visited many of these tier 1 and tier 2 suppliers, the figures were in the order of only one in five companies that were intending to diversify out of the auto industry. We did not want to be using taxpayers' money supplying grants to companies that did not have an intention to diversify into another area.

It is pleasing to note that more recently, as of about six months ago, that figure of those who are looking to diversify is now at almost 50 per cent. So, that money is carried over and is intended to be spent on the purpose for which it was allocated, but I think, quite rightly, the Automotive Transformation Taskforce and the government have been keen to ensure that that money is spent in the most prudent way possible. It is the case that as we get closer to the end of next year there are more companies that are looking at diversifying, where they have not been previously.

It has been a similar case for the Automotive Workers in Transition Program. I know from my own experience, having visited quite a number of auto supply companies—the member and I visited together at SMR in Lonsdale and I have visited some of the big companies like ZF, Hero Tech and Futuris and a number of smaller companies that have been suppliers, such as Trident Plastics and Adelaide Tooling—and having had discussions with many of the workers in those companies, that a lot of workers have not started turning their minds to what they will do after the transition from auto manufacturing when Holden closes at the end of 2017.

So, the funds have not been expended in the years in which they were initially budgeted for. It is from a combination of those two programs, the Automotive Supplier Diversification Program, that we are now seeing a significant increase in the companies that are looking to diversify, so we would expect to be able to use funds that have been carried over. With the government program, the Automotive Workers in Transition Program that provides assistance to workers in the automotive supply chain, it has been my personal experience, talking to workers, that they are, as we get closer to the closure of Holden, now much more concentrating their mind on accessing those services.

So, it is not the case that there has been any sort of cut in funding. It is the case, though, that we want to make sure the funding is used when it can be best applied with companies and when it is called upon by the workers.

Mr WINGARD: Given that, can I put it to you that the \$10 million underspend should have been spent prior to now? Are we not getting too close to—

The Hon. K.J. MAHER: I can understand the point the member is trying to make, but the very strong advice I have from those who have been dealing with the companies is that you could hand it out to companies that do not have an ambition to diversify in the hope that they might. I think taxpayers would quite rightly be pretty scathing of us doing that if a lot of those companies were handed money to diversify and they did not.

The other thing that we are doing—and this came up earlier today in the estimates committee—is making sure programs change to suit current conditions. With both those programs, we have expanded eligibility criteria to, for instance, reduce the percentage exposure companies need to have to the automotive industry to be eligible. It is a combination of making sure that the money is applied when it is needed, when it can have the most impact, and also making sure we are expanding it out to make sure we can spend it.

I will not agree at all that we should get it out as quickly as possible in the blind hope that it might have some effect when companies and individuals in the supply chain have not yet turned their mind to how that might best be done. I do understand the thrust of your question, but they are the realities of the situation that we are in.

Mr WINGARD: I am not saying we should be throwing the money away willy-nilly, not at all, but what I am putting to you is that you just conceded that you have had to move the goalposts because it is a moving feast, if you like. You could not find a way to move that \$10 million into worthwhile areas, so it has rolled over to another year and you have had to move the goalposts to give yourself more access to moving that money.

Is there a concern that by the end of it you will take the goalposts away and it will just be a free for all and you will be rushing at the end game, when Holden does close, to throw money around to try to generate jobs? Are you happy and comfortable that there is a system in place that is going to get the desired outcomes and what are those desired outcomes?

The Hon. K.J. MAHER: Yes, the desired outcomes are—it is quite simple—to support as many jobs as possible and to support those companies that have both a motivation and a capacity to diversify. Many companies I have visited that have accessed grants under these auto programs are diversifying out of reliance on auto. SMR that we visited in Lonsdale is a good example of that. Under the Automotive Diversification Program, they are looking to expand in other advanced manufacturing areas.

Some companies are looking at medical devices or the food industry. I know other companies that have been heavily reliant on auto are looking at different forms of medical technology looking to diversify. I think it is the responsible thing to do to make sure that the money is being expended as efficiently as possible. As I said, it is the right thing to do to constantly reassess the programs to make sure they are not only reaching as far as possible but also having as big an influence as they can. As we consult with the auto supply industry, if changes are asked for we will absolutely look to incorporate them.

Mr WINGARD: Are you concerned, given the rollover of these funds and the difficulty of getting it out to the appropriate people, as you point out, that you may not spend this money?

The Hon. K.J. MAHER: No. As conditions change, as I said, many more companies are looking further at diversification and I am confident that we will be able to spend this money on creating jobs and programs that can help alleviate the pressure we are going to feel from job losses in the auto industry.

Mr WINGARD: Can I ask a question potentially on notice, as I have in the previous two committee meetings? Can I get a breakdown of all the programs that sit under the automotive transformation sub-program 2 and then the sub-programs that sit under those, and get the spectrum of spending in those programs?

The Hon. K.J. MAHER: I might be able to get some information immediately for you.

Mr WINGARD: I am happy for you to take that on notice so that we can continue on with questions.

The Hon. K.J. MAHER: I am pretty sure, but I will have it confirmed in a moment, that it is the two programs I have mentioned, the Automotive Supplier Diversification Program and the Automotive Workers in Transition Program. For the Automotive Supplier Diversification Program, the original budget for 2015-16 was \$4.1 million and the actual spend was \$1,686,136, with that amount being carried over. For the Automotive Workers in Transition Program, for 2015-16 the original budget was \$2 million, with a spend of \$317,915, with that amount carrying over.

Mr WINGARD: What about the automotive transformation workforce, retooling for diversification?

The Hon. K.J. MAHER: That is the one I just talked about, the Automotive Workers in Transition Program.

Mr WINGARD: And the Automotive Supplier Diversification Program?

The Hon. K.J. MAHER: That was the first one I mentioned. They are the two I have mentioned.

Mr WINGARD: Have they changed names?

The Hon. K.J. MAHER: I think the Automotive Supplier Diversification Program has been called that certainly since I have been minister. There is a retooling component of that, and certainly Automotive Workers in Transition Program for the time that I have been minister has been called that.

Mr WINGARD: What about the spend on retooling for diversification?

The Hon. K.J. MAHER: That is included as part of the Automotive Supplier Diversification Program. I can see if there is a further breakdown that can separate those for you.

Mr WINGARD: That would be great because I think there is a supplies and services line as well, and there was the automotive task force board, which I think is still rounding out.

The Hon. K.J. MAHER: There still is the Automotive Transition Taskforce Board that continues to operate.

Mr WINGARD: If I could get a breakdown on that as well, that would be fantastic.

The Hon. K.J. MAHER: I will bring back a breakdown on that.

Mr WINGARD: I refer to Budget Paper 4, Volume 4, page 64, sub-program 2, dot point 3, 'work with General Motors Holden on options for the future use of its Elizabeth site'. What options have been discussed with GM, how many people have been engaged in the process and how much financial support will the government provide for this process?

The Hon. K.J. MAHER: The South Australian government continues to work closely with GM Holden to support that divestment process at the site. The manufacturing plant has been in operation at Elizabeth for approximately the past 50 years. To continue some use of that site is a priority for the South Australian government. We have had many discussions and know that GM Holden supports our ambition.

The company is in the early stages of planning the site's divestment. They own the site. As stated on the public record, their intention is to manufacture vehicles up until late 2017. The asset disposal program is being managed by Maynards. I am informed that they are the world's largest automotive plant and equipment auctioneer and liquidator. All the site's assets have now been catalogued, and online auctions will occur to dispose of surplus plant and equipment.

I am informed that CBRE is GM Holden's sale agent, and they are currently working through a forward sales strategy. I note that CBRE is also managing GM Holden's Port Melbourne sale process. I am informed that CBRE representatives visited Adelaide this year and met with a wide range of people, including the state government and Holden, to look at the process of the sale of the site. I am informed that a workshop was recently held with CBRE and state and local government to discuss possible future options for the site.

As part of their divestment strategy, GM Holden has also established a community reference group, which met for the first time in June 2016. There is a memorandum of understanding in place between GM Holden and the South Australian government to manage third-party proposals for the future use of the site. For a complete understanding, the GM site at Elizabeth South is approximately 124 hectares and consists of administration buildings, manufacturing plant warehousing, open car parking and storage, road infrastructure and tracts of open land, particularly in the north-western corner of the site. GM executives have met with the government a number of times, as has CBRE, who are conducting the sales process.

GM Holden are working closely with the Environment Protection Authority to ensure that the regulatory requirements and the remediation of the site are properly managed. To date, there have been a number of proposals put forward for the GM site, some with much more commercial prospects of occurring and, wherever there has been anything that has needed the state government, we have made it very clear that we are keen to talk to proponents.

Earlier this year the member may remember Guido Dumarey from the Belgian automotive corporation, Punch Corporation, who had expressed an interest to see if there was a possible future use of manufacturing cars at the GM plant, as he had done with gearboxes in Europe from a former GM site. We provided all the assistance that we could in determining that, as did the federal government, in relation to the Punch proposal. I met with Guido and his representatives I think three

times between early December and late January last year, but I know that discussions between GM Holden and Punch Corporation led to no further action being taken.

We will continue to work closely with GM and we are keen to talk to any proponent who has potential future use of the GM site. There is an MOU in place between the state government and Holden to facilitate that.

Mr WINGARD: What financial obligations does the government have for the site? What, if any, obligations does the state government have for remediating the GM site when it is vacated? Has any money been allocated for this purpose? What obligation does GM have for remediation?

The Hon. K.J. MAHER: I have just been advised that the remediation liabilities rest with GM Holden.

Mr WINGARD: 100 per cent?

The Hon. K.J. MAHER: My advice is, yes, that is correct.

Mr WINGARD: No money is being allocated from the state government as far as remediation of the site is concerned?

The Hon. K.J. MAHER: As far as I am aware, no. As with a number of these, the best example is probably Alinta in Port Augusta where the requirement for remediation rests with the company that is using the site.

Mr WINGARD: Is there a time line for remediation of that site? If so, what is it?

The Hon. K.J. MAHER: I am informed that the proposal for remediation—what will be required and time lines—is being worked through with the EPA by GM Holden.

Mr WINGARD: Back to the budget paper and the actual program itself, the automotive transformation program in general, how many jobs have been created since the start of this program through the funding of the Automotive Transformation Scheme? What modelling has been done to predict future job growth from the program?

The Hon. K.J. MAHER: Again, I might take that on notice. There will be two distinct components of that. A lot of these programs will not always end up creating new jobs. One of the big aims of both the Automotive Supplier Diversification Program and the Automotive Workers in Transition Program is retraining and saving jobs. In some cases there may be jobs created from a worker who goes into a different industry or a different job, but equally the jobs that a company that diversifies out of auto into another area, as some of those that I have mentioned, may not be a broad statistic of a new job being created but certainly will be a job that would have otherwise been lost.

Certainly, I am happy to take that on notice and see if we have figures and if those figures can speak to both of those things—any jobs that are created but also any jobs that if not for such programs may have been lost.

Mr WINGARD: If I can ask the same for the \$10 million figure that is sitting there and any projected jobs that will be created?

The Hon. K.J. MAHER: I am happy to take that on notice and have a look at it, but as I outlined earlier two or so years ago only one in five companies were looking to diversify and now it is increasing. I am sure if there are forecasts or modelling, they will be changing over time as more companies or fewer companies look to do something differently in the future.

Mr WINGARD: Given that there was not as big an uptake or interest from companies, as you have pointed out in the questions here today, what did the department and you as minister do to try to increase the awareness and the uptake, given that it was made abundantly clear a long time ago where we were going to get to at the end of next year?

The Hon. K.J. MAHER: The Automotive Transformation Taskforce has visited every single one of those 33 tier 1 companies. They have visited dozens and dozens of the two tier companies to talk through what the government can offer, what we can do to help them in terms of these grants, what other support the government can provide, help identify key or niche company capabilities, look

at accelerating the diversification of initiatives that a company may be looking at, and helping to foster facilitation and relevant connections around new opportunities in alternative sectors.

Some of those I have mentioned, and I have seen at companies, are medical devices, food packaging or manufacturing and the oil and gas goods and services supply chain. One area we are now focusing very strongly on in the auto transformation area is our defence capabilities. Mr Steve Ludlam is the new chair of the Automotive Transformation Taskforce, a former chief executive of the Adelaide Submarine Corporation with extensive experience in Europe in shipbuilding and manufacturing. He will look to see what new opportunities we can start to get companies ready for now in Adelaide given the recent announcement about naval shipbuilding in this state.

Mr WINGARD: Given that work you have just talked about, yet there is the shortcoming in expenditure of funds in this program to help develop that, would you say it has been a failure?

The Hon. K.J. MAHER: No, not at all. I would say, as I said earlier, that one thing that could have been done was to throw money out of the door on companies that do not necessarily have the capacity or the motivation to diversify. I think the correct thing has been done by the Automotive Transformation Taskforce in working with companies and making sure money is spent on those who have that ambition to diversify. I have said over time that it is certainly at least in part attributable to the work the Automotive Transformation Taskforce has been doing with companies that we have seen a significant increase in those that are now looking to diversify. I would expect that work to continue.

Mr WINGARD: So, what do you say to someone who suggests that it should have all been done before and argues that it has not been done well enough, that with all that work going into all those tier 1 and tier 2 companies and all that money there to actually invest in them and their future, that none of them took it up? Was the government doing its—

The Hon. K.J. MAHER: If it is a taxpayer of South Australia asking, 'Why did you not just throw money at companies—

Mr WINGARD: No, that is not my question.

The Hon. K.J. MAHER: —who do not have an ambition to diversify?' I think it would be a pretty ordinary—

The CHAIR: Order! Can we just have a question and then an answer.

The Hon. K.J. MAHER: If the question is, 'Why did we not throw money—

Mr WINGARD: No, it is not.

The Hon. K.J. MAHER: —out the door at the four in five companies who do not have an ambition to diversify?' I would tell the taxpayer that it is taxpayers' money we are spending to support these companies. I am sure that they would expect us to do the prudent thing and, as we are doing, try to help companies look at those opportunities.

Mr WINGARD: Again, that was not the question. The question was: what do you say to the accusation that you have not delivered and that you should have delivered better programs to encourage people to take this money and programs that would diversify them out of the automotive industry earlier to get them into new industries?

The Hon. K.J. MAHER: As I have said, the task force has met with every single one of those 33 tier 1 companies and dozens and dozens of the tier 2 companies. I have gone through the work they have been doing with them. We will continue to do that work, but what we will not do is throw money at companies which have no desire or do not have the capacity or the motivation to diversify. Where we can back companies, we absolutely and certainly will, and we will continue to do that.

Mr WINGARD: I refer to Budget Paper 4, Volume 4, page 64, increased expenditure 2016-17, automotive programs, and to the Career and Workforce Development Centre in Warradale. Can you give me a breakdown of the retrenched or potentially retrenched auto workers who have visited that centre since it has been open and the number of people who have subsequently moved into new work after visiting that centre?

The Hon. K.J. MAHER: I think I know this without needing to get advice. Since it opened, approximately 30 people a month have accessed that centre. We recognise that it is not just Adelaide's northern areas that are going to be impacted by the closure of Holden and the automotive supply chain. There are significant auto supply jobs in both the western and the southern suburbs. Quite a number of those are still in location from servicing Mitsubishi when it was still manufacturing cars in Adelaide.

There are a range of companies of different sizes, from big multinational companies, such as the one we talked about earlier, SMR, and other companies that supply parts to the automotive industry. We know that there are workers in those areas. We recognise that. The department opened that workforce transition centre in Warradale to support those workers who would have found it more difficult to visit the one on the northern suburbs. As I said, my advice is that approximately 30 workers a month have accessed that transition centre in Warradale.

Mr WINGARD: When you say 'accessed' the centre, that could just be people walking in the door. Do you have a breakdown of what actually happens to those 30 people per month, what services they require, how many staff are there to support them, how much it costs to administer the centre, and how much it costs in rent on the program as well?

The Hon. K.J. MAHER: I do not have those figures with me. I am happy to go away and bring the member answers in relation to the further questions he has asked about, including what constitutes access and the cost of the operation of that centre.

Mr WINGARD: Budget Paper 4, Volume 4, page 66, performance indicators. The performance indicators in this program are entirely new and they were new last year as well. Why is that the case, and when will you take this program and the underperformance seriously, as far as this is concerned? It just appears that the money is not spent. Is the work being done that is needed to get these automotive industries into new fields and diversified, as we say, and then year on year we are just changing the performance indicators?

The Hon. K.J. MAHER: I appreciate the question, and I think this may be the third or fourth time the same question has been asked. I can go back answer it in exactly the same way, given that it is essentially the same question.

Mr WINGARD: As far as the performance indicators are concerned, that would be good to know, because there are two new indicators. Last year, they were new indicators as well.

The CHAIR: I just draw members' attention to the time.

The Hon. K.J. MAHER: I will go back and read the *Hansard*, and if there were any differences from the previous two times this was asked, I am happy to look at those and bring back an answer.

Mr WINGARD: As far as the performance indicators are concerned. Thank you.

The CHAIR: There being no further time to devote to the questions in this area, I declare the examination for the Minister for Automotive Transformation complete and call on the minister to bring up any new advisers for the examination of his role as Minister for Science and Information Economy and to introduce those new advisers should that be necessary.

Membership:

Mr Gardner substituted for Mr Wingard.

Departmental Advisers:

Dr D. Russell, Chief Executive, Department of State Development.

Dr P. Heithersay, Deputy Chief Executive, Department of State Development.

Mr A. Reid, Executive Director, Industry and Innovation, Department of State Development.

Mr R. Janssan, Executive Director, Corporate Services, Department of State Development.

Ms P. Chau, Director, Finance, Department of State Development.

Mr A. Dunbar, Director, Office of Science, Technology and Research, Department of State Development.

The CHAIR: Do you want to do the omnibus questions for this minister now or later? Would you like to do that now?

Mr KNOLL: I reckon I have it down to around 65 seconds. The omnibus questions are:

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 in 2015-16 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. In financial year 2015-16 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 2016-17?

3. For each department and 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 2014-15 and 2015-16.

4. For each year of the forward estimates, please provide the name and budget of all grant programs administered by all departments and agencies reporting to the minister, and for 2015-16 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, the purpose of the grant and whether the grant was subject to a grant agreement as required by Treasurer's Instruction 15.

5. For each year of the forward estimates, please provide the corporate overhead costs allocated to each individual program and subprogram administered by or on behalf of all departments and agencies reporting to the minister.

6. For each department and agency reporting to the minister, could you detail:

- (a) How much was spent on targeted voluntary separation packages in 2015-16?
- (b) Which department funded these TVSPs?
- (c) What number of TVSPs was funded?
- (d) What is the budget for targeted voluntary separation packages for financial years included in the forward estimates (by year), and how these packages are to be funded?

7. What is the title and total employment cost of each individual staff member in the minister's office as at 30 June 2016, including all departmental employees seconded to ministerial offices and ministerial liaison officers?

The Hon. K.J. MAHER: I must say I am quite disappointed with this questions.

The CHAIR: No need for that.

The Hon. K.J. MAHER: The member indicated 65 seconds, but it was much closer to 90 seconds—a 50 per cent increase.

The CHAIR: Does the member for Mordialta have a question?

Mr GARDNER: This is an area of course where we wish the government every success in its endeavours as it works with South Australia's industry and scientists to try to get some good outcomes. It is one where traditionally partisanship has not tended to overrun the celebration we make at the successes of our scientific researchers and the ways in which government can assist them. That said, there are some issues.

The budget line in Budget Paper 4, Volume 4, pages 70 to 73, seems to be most of this part of the portfolio. Is this where we would deal with questions related to the commonwealth Mobile Black Spot Program?

The Hon. K.J. MAHER: Yes, if the budget line is in there, certainly.

Mr GARDNER: Out of the total expenses listed here, what engagement has the government had in the last 12 months or last financial year with the commonwealth Mobile Black Spot Program and what is anticipated for the year ahead?

The Hon. K.J. MAHER: I thank the member for the question. We do not have engagement directly with the commonwealth. It is the mobile operators we deal with in terms of where they might place potential mobile towers. There has been an extensive process that the department has been involved with and discussions with those mobile operators. They put forward their preferred locations. The state government puts forward any funding that the state government might supply and then it is the commonwealth who decides where any mobile towers under that program might go.

The South Australian government has contributed \$2 million to this current round of that mobile blackspot funding. We do note that telecommunications has always been the province of the commonwealth who funds these programs. We did see, though that, in the last round of mobile blackspot funding, the Tasmanian government provided \$325,000 and received 31 mobile blackspots funded through the program. We have provided \$2 million, some six times what Tasmania did under the last round, for this round, so we will be expecting substantial returns on the amount that we have provided under this round of the Mobile Black Spot Program.

Mr GARDNER: When are we expecting to hear from that?

The Hon. K.J. MAHER: It was due to be in September. Of course, we had a federal election that intervened. It had been around September, but we have had a couple of months off in the longest federal election campaign we have seen, so I am happy to go away and check if that has affected, as it can do, the time frames for these programs.

Mr GARDNER: How much did we contribute to the first round?

The Hon. K.J. MAHER: The South Australian government, recognising that telecommunications is a commonwealth responsibility, did not contribute to the first round. We received funding for 11 mobile blackspots in that first round. Off the top of my head, five or six of them were across the APY lands, which currently only has one of the major communities that has mobile coverage, and the others were spread throughout South Australia. If for no money we get 11, for \$2 million we should get dozens and dozens of blackspots funded, particularly given that Tasmania, at \$325,000, received 31. We are putting in some six times that amount, so we would quite rightly and reasonably expect significant mobile blackspots to be funded in this state.

Mr GARDNER: I assume that Tasmanian allocation you are talking about was in the first round?

The Hon. K.J. MAHER: Indeed. To complete that, I would hope—and I think all of us involved in public administration in South Australia would expect—that we would be treated no worse than Tasmania was treated in round 1.

Mr GARDNER: Forgive me if I misheard—I just have a bit of a cold—but in your earlier answer you talked about working directly with the telecommunications companies. Were you talking about the amount that the state government would be putting in, or were you actually talking about identifying locations the state government was seeking to have supported?

The Hon. K.J. MAHER: It is a very convoluted process in terms of how it is dealt with. We talked to the telecommunication companies about the amount that we could put in and about priority areas and then they decide what they want to fund and they forward that to the commonwealth, who then makes a decision.

Mr GARDNER: With the input from the state government, in terms of the locations, is it the earliest part and that goes to the companies?

The Hon. K.J. MAHER: At some stage along the process, and I understand there is quite a bit going back and forth. That is very early stage, but the process at the end is that those telecommunication companies put in their funding to the commonwealth government.

Mr KNOLL: Minister, you cite the Tasmanian example quite often. Can you confirm for the committee that the Tasmanian government had the smallest coefficient or the smallest co-investment per tower of any state that was awarded towers? What I am trying to get at is the fact that Tasmania, for their \$300,000-odd that you talk about, got 30-odd towers.

The Hon. K.J. MAHER: Yes.

Mr KNOLL: Can you confirm that, at \$30,000 per tower, that is the lowest level of funding provided per tower by a government when compared to the rest of the states in Australia?

The Hon. K.J. MAHER: There are differences in what a government puts up and what the telecommunications companies end up putting up to the commonwealth as to what is allocated, so I could not tell you the amount that Tasmania were prepared to allocate, but it is a good point. Certainly at \$30,000 per tower, if we put in \$3 million we would expect 100, so at \$2 million, if you take it at \$30,000 per tower, we could reasonably expect that \$2 million divided by 30 is the number we should get in South Australia. I think that is a very good point to have made.

Mr KNOLL: Sorry, my point, minister, is that Tasmania is very much an outlier when it comes to this. The government co-investment provided to telecommunications companies across the rest of the country was far greater per tower than it was in Tasmania. To cite the Tasmanian example is quite disingenuous in this context.

The Hon. K.J. MAHER: I do not think so. It varied throughout Australia. I would expect the federal government to treat us no worse than they treated Tasmania in round 1.

Mr KNOLL: Except, minister, you said it was the fact that you are dealing with telecommunications companies directly, as opposed to going to the federal government. So, in fact, it is about how much your state government is willing to co-invest with telecommunications companies and their willingness to put money on the table, as opposed to anything the federal government—

The Hon. K.J. MAHER: Yes, that is all part of it, but—

Mr KNOLL: —because certainly it is done on a contestable basis—

The Hon. K.J. MAHER: —at the end of the day, it is up to the federal government as to what they back and what they do. I do not want people to have any mistake here: it is up to the federal government to decide, at the end of the day, where these go. We would expect the federal government to treat South Australia no worse than they treated Tasmania in the last round. I do not think that is unreasonable. I think it is a proposition most people could agree with.

Mr KNOLL: Minister, do you understand that this federal Mobile Black Spot Program funding is done on a contestable return-on-investment basis?

The Hon. K.J. MAHER: It is done in terms of what the telecommunications companies end up putting up to the federal government, and then the federal government decides which ones of those to back.

Mr GARDNER: Wrapping up on this area from my point of view, unless any of my colleagues have further questions, I want to go back to the issue of talking to the companies about which spots to put forward. My understanding, previously from briefings with the minister, who was kind enough to spend some time with me, is that there was a priority list that was developed in consultation with RDAs and local government.

The Hon. K.J. MAHER: Absolutely. In looking at what was supported, we certainly took into account the views of local government, RDA, emergency services and tourism operators on what areas they see as priorities.

Mr GARDNER: Who was responsible for putting together that final priority list that you then went off and discussed with the companies?

The Hon. K.J. MAHER: The government took in the views of those, and I think there might have been others I have mentioned, to then put them forward to the telecommunications operators.

Mr GARDNER: Was that a list identified by officers in the department and then taken by you, I guess with or without cabinet support, or was that something workshopped with you and your office and the officers of the department? How much involvement was there from outside just the departmental officers?

The Hon. K.J. MAHER: The departmental officers sought the views and got the information from, I think, the RDA, tourism, emergency services and others, to feed that in to what were priorities to then talk to the telecommunications companies about. I am also informed that as part of that there is a national database of eligible sites that can be considered. I am informed that the national database came down to 102 priority areas in South Australia.

Mr GARDNER: Those 102 priorities in South Australia, they are the ones the department presented to you as the minister and you gave it a tick?

The Hon. K.J. MAHER: Certainly, a large part of what was discussed with telecommunications operators was that information from RDAs, tourism and a whole lot of other groups.

Mr GARDNER: But there were no changes to that list that came forward after the department presented it to you?

The Hon. K.J. MAHER: I know that there were quite a lot of discussions between departments. Certainly, it had been discussed with me which of those 102 priority sites would go forward. There was a whole range of reasons for those to go forward; a lot was based on the views of RDAs and others; other things were based on external advice we sought in terms of what were more likely to get up. Of course, you want to give yourself the best possible chance of using that money to have sites that may have the best possible chance of getting up.

Mr GARDNER: What sort of external advice are you talking about?

The Hon. K.J. MAHER: We had a consultant, who had previously been involved in advising the Western Australian government in round 1, advise us on looking at the strategies to maximise the amount that we were putting in for round 2.

Mr GARDNER: Can we get the details of that consultancy?

The Hon. K.J. MAHER: Yes, I do not have them with me, but I am more than happy to take that away and bring back the details of that consultancy—and the cost of that consultancy I presume the honourable member would appreciate.

Mr KNOLL: To follow up on my previous point, the minister keeps citing the Tasmanian example, which I have worked out at \$11,000 government co-contribution per tower, whereas New South Wales contributed \$166,000 per tower, Victoria was \$190,000 per tower and Queensland was \$147,000 per tower. Based on those figures, would it not be only reasonable to expect in the order of 13 to 15 towers for the \$2 million the state government was putting in?

The Hon. K.J. MAHER: I think we have been quite rightly very disappointed with 15 towers. Whether they put money in or not, each state is guaranteed 11 towers. If we got for our \$2 million essentially four towers, I think that would be a remarkable act of bastardry from the commonwealth government to do that. I think every South Australian would have the right to be exceptionally annoyed if we only got that extra four towers for a \$2 million contribution. I think most of us would expect us to be treated no worse than Tasmania were in round 1.

Mr KNOLL: Tasmania gave less than a tenth of the co-contribution. Surely, the minister has to concede that, taking Tasmania out as a very distinct, separate case—potentially because of interests that a particular telecommunication company may have on the island—the average across the rest of the country is \$150,000 per tower. The minister has to concede the fact that he is making this observation because he has trying to raise expectations because the truth is that the government's \$2 million co-contribution to this program is vastly inadequate when we look at the need in South Australia and the level of co-contribution of other states.

The Hon. K.J. MAHER: I know that it is not the natural predisposition for some members of the opposition here to back South Australia and to back our interests, but I would encourage everyone to make representations to the commonwealth government to treat us as favourably as possible. I do not see why we should be treated worse than Tasmania in round 2, quite frankly. You might see reasons why Tasmania should be treated more favourably than South Australia by the commonwealth government—I do not.

Ms CHAPMAN: Could you explain to me where the 27 at present, to be 29 full-time equivalent staff, actually are located?

The CHAIR: You are still on page 70?

Ms CHAPMAN: Yes. Where are the 27 employees or full-time equivalents stationed, so to speak, for this sub-portfolio.

The Hon. K.J. MAHER: I am advised that the vast majority of those will be at 11 Waymouth Street, but I am happy to take that on notice. If there are some who are physically located in another location, I am happy to go and find the answers to where they are. I do not have that advice here, of exactly where everyone is located, and I do not know off the top of my head, but I am happy to find that out.

Ms CHAPMAN: That would be great. Could you identify whether the BioSA personnel are included in that, or are they separate?

The Hon. K.J. MAHER: My advice is that, no, they are not included in the account.

Ms CHAPMAN: How many work for BioSA? They have a separate budget entry in the budget papers?

The CHAIR: Can I ask the deputy leader to wait for the answer and then you can shoot off your next question.

The Hon. K.J. MAHER: They are a separate entity; they are separate from government. What I can do is take that on notice. They are located at Thebarton. I am happy to go away and ask BioSA, which is changing its focus and what it does and its name to High Tech SA. That was one of the recommendations in the RedFire report that was released earlier this year. It recognises that BioSA, since it has been operating, has been in the bio and life sciences area, but there is a much bigger area, as that report suggests, and we want them to concentrate on other areas.

They will be renamed High Tech SA and look at areas outside that area. Since the original question to bring back an answer, BioSA, I am informed, has 13.63 FTEs for the estimated result for the 2015-16 financial year.

Ms CHAPMAN: At point 5 on page 72, your agency is going to deal with 'deal flow through BioSA' in respect of commercialisation of research. This is an entity which operates separate to you.

The Hon. K.J. MAHER: Yes.

Ms CHAPMAN: But their chief executive has been under inquiry, in fact suspended from employment, as I understand, stood down, during this inquiry by the ICAC referral.

The Hon. K.J. MAHER: Yes, there are court proceedings on foot and, as I am sure the member would expect, I am not going to comment on court proceedings that are underway.

Ms CHAPMAN: So, while he is not there, who do you deal with?

The Hon. K.J. MAHER: The acting chief executive. I have occasional meetings with the acting chief executive of—

Ms CHAPMAN: And you are satisfied that in your subdivision here, which is the science, technology and information economy program, that dealing with BioSA, given the charges currently before him, that it is perfectly legitimate to proceed with that agency?

The Hon. K.J. MAHER: I do not understand the question at all.

Ms CHAPMAN: You are not in any way concerned that the current charges against him in any way blemish BioSA in respect of your dealings with that entity?

The Hon. K.J. MAHER: In the meetings I have had with the acting chief executive, she has shown the utmost professionalism. As I have said, we are refocusing BioSA to broaden it out into High Tech SA. Regulations are very soon to come into parliament which allow for that change, but also make changes to strengthen the governance and accountability of BioSA in relation to how the chief executive deals with the board and also the organisation.

Ms CHAPMAN: Are you the minister responsible for BioSA?

The Hon. K.J. MAHER: As I said, they are not part of DSD, they are not part—

Ms CHAPMAN: Of this program, yes.

The Hon. K.J. MAHER: —of the department, but ministerial machinery of government, yes.

Ms CHAPMAN: Yes.

The Hon. K.J. MAHER: I should reiterate that they are not a part of the department.

Ms CHAPMAN: I understand that. They are a separate instrumentality, as such.

The Hon. K.J. MAHER: Absolutely, yes.

Ms CHAPMAN: They have their own board, and that is for commercialisation purposes, etc. I appreciate all of that. Do you have a say as to who the CEO is, as the minister? Do you accept a recommendation from the board or is the board completely autonomous on this?

The Hon. K.J. MAHER: The chief executive is appointed by the board.

Ms CHAPMAN: And you do not have a say on that?

The Hon. K.J. MAHER: My advice is that it is the board that appoints the chief executive.

Ms CHAPMAN: I understand that, minister, but do you have a say on that? Do you have a representative on the board, for example?

The Hon. K.J. MAHER: I have an observer on the board, who—

Ms CHAPMAN: Does not have a vote.

The Hon. K.J. MAHER: —does not have a vote on the board.

Ms CHAPMAN: So, the appointment by the board is completely autonomous. Unless you were to issue a ministerial direction, they have complete autonomy; is that the situation?

The Hon. K.J. MAHER: That is my advice, that the board appoints the chief executive.

Ms CHAPMAN: If I can come to the commercialisation arrangement, not necessarily just with BioSA, obviously this departmental program is designed to try to—

The Hon. K.J. MAHER: Sorry, when you say 'this departmental program', can you refer—

Ms CHAPMAN: I am talking about the science, technology and information economy.

The Hon. K.J. MAHER: Which budget line are you referring to particularly, so we can be specific, so that I can properly answer your question?

Ms CHAPMAN: Sure. Go back to page 70. There is a list of things that your department does. One of them is, just in case you have not refreshed your memory on this:

Facilitating new approaches to improving research commercialisation, and providing support to attract more venture capital to South Australia.

The Hon. K.J. MAHER: Point 5, yes.

Ms CHAPMAN: Firstly, have you made any contribution to the Investment Attraction Agency, which is part of Mr Hamilton-Smith's department in State Development?

The Hon. K.J. MAHER: Certainly in machinery of government changes, when that was created there were officers who went from my areas in DSD. I think there were two officers who went over to the Investment Attraction Agency.

Ms CHAPMAN: Have you given them any money?

The Hon. K.J. MAHER: My advice is that there were two staff who went over from the areas for which I am responsible, but I am happy to take on notice from other areas within government how that was brought about with the machinery of government changes.

Ms CHAPMAN: For example, we have just come out of the automotive transformation subdivision and that gave \$400,000 to the Investment Attraction Agency out of its budget, even though the Investment Attraction Agency has its own budget, obviously, to deliver grants. It just seems to be a bit of a merry-go-round of money, that is all.

The Hon. K.J. MAHER: I am happy to take it on notice to bring back as complete an answer as possible for the member.

Ms CHAPMAN: Let's go to the intellectual property itself. Obviously one of your objectives is to promote, collaborate, etc., in the research field to be able to develop things and commercialise them. I am paraphrasing that, but that is obviously an important task of this department.

The Hon. K.J. MAHER: Yes.

Ms CHAPMAN: There has been a policy that, if someone who is employed in government develops intellectual property in a particular new product or invention, they have an opportunity to share in the proceeds of the commercialisation of that. If I were to use as an example the IMVS, which was the old Institute of Medical and Veterinary Science, which has now become SA Pathology; it has been taken in house in the health department. IMVS received income. It operated agencies such as Medvet to make provision for research into animal disease and various things, and obviously the human aspect in relation to immunology, etc.

The arrangement with that division was that, if you were a smart young scientist in there and you had an opportunity to develop a product, you would get a third of the proceeds, the department or agency would get a third of the proceeds and then the government would get the other third. Do you have an arrangement or some kind of protocol or guideline as to how intellectual property works in respect of the areas you are responsible for?

The Hon. K.J. MAHER: I am happy to take that question on notice and bring back an answer in relation to any guidelines for any areas that I am responsible for. Obviously the example that the member has given is not within my area, but I am happy to go back and check what policies might pertain to any area that I am responsible for.

Ms CHAPMAN: For example, in your performance indicators on page 73, the number of Australian provisional patent applications filed by South Australian universities is—I am not quite sure how they relate to you, but presumably your department helps support them to develop and commercialise their own information—25 and obviously there may be some commercial benefit from that.

The Hon. K.J. MAHER: Absolutely.

Ms CHAPMAN: I would like to know what the government gets.

The Hon. K.J. MAHER: Many of these targets are in relation to programs that we run with universities.

Ms CHAPMAN: I understand that.

The Hon. K.J. MAHER: I will give you an example; you have asked the question so I will answer it. The Institute of Photonics and Advanced Sensing at Adelaide University, the NanoConnect program, the Medical Device Partnering Program at Flinders University, the Venture Catalyst program at UniSA, the new funding for the Future Industries Institute at the University of South Australia, the New Venture Institute at Flinders—these are a whole range of areas where this government provides support for universities and ideas out of universities to find their way out of those research institutions and into companies and industries.

We recognise this is a very important area for South Australia. As we explored in the last session on automotive transformation, the nature of what we are doing in South Australia is changing, so we are supporting in a whole range of ways, some of which I have just mentioned, universities to commercialise the ideas they have within those universities. We provide program and grant funding for universities to help with translating some of the world-class research we have in our three South Australian universities, through their technology transfer offices, into real-world applications that can create industries and jobs in South Australia.

Ms CHAPMAN: I accept, minister, that, unless you had some arrangement with a university to pay you back some grant money you might give them, which I doubt, it seems that all the grants are one-way. They go in, and they are used in a supportive role, as you say, to try to help them do something, but I am talking about commercialisation. I am assuming that you get no income from these universities, no share of the intellectual property; is that right?

The Hon. K.J. MAHER: These are grants—

Ms CHAPMAN: That is what I am saying.

The Hon. K.J. MAHER: These are grants to universities to help them with their commercialised operations. It has a wide range of benefits for South Australia as a whole if we can promote new industries in many of these areas. I am not entirely sure what the alternative is. We provide—

Ms CHAPMAN: Yes, but I am not asking about grants.

The Hon. K.J. MAHER: We provide grants and we ask, for a small grant, a 10 per cent equity stake in anything that comes out of that university.

Ms CHAPMAN: Minister, we are at crossed purposes.

The CHAIR: Order!

The Hon. K.J. MAHER: You have asked the question; I am answering it.

Ms CHAPMAN: We are at crossed purposes.

The CHAIR: Order!.

The Hon. K.J. MAHER: I think that would act as a significant disincentive for this to happen.

Ms CHAPMAN: I am not arguing that. I think it is a great idea. I am not even asking you about that. I am asking you about what happens with the intellectual property that is developed within government. Because you are—

The Hon. K.J. MAHER: As I said, you have asked that and I have said that I will bring back an answer. This is a completely separate one about our grants to universities. These are grant programs to help them develop intellectual property. The policies that guide intellectual property are created from within the sorts of programs I have mentioned, that we give grants programs to universities pursuant to the IP and tech transfer policies of those particular universities.

Ms CHAPMAN: Do you give grant money for research to any entities other than universities?

The Hon. K.J. MAHER: I am happy to go away to see if I can find a more comprehensive list. Certainly, our research institutes and cooperative research centres are a couple of areas that are not one of our three universities, but we certainly provide grant money to look to translate that commercialisation from our universities.

Ms CHAPMAN: The grants that are going out there, I know under the omnibus questions you will give a list of all of the money that has gone out in the 2015-16 budget—

The Hon. K.J. MAHER: What is the question?

Ms CHAPMAN: Have any grants been approved for 2016-17 yet for the \$12.2 million that is referred to?

The Hon. K.J. MAHER: It would be useful if you state exactly which budget line you are referring to.

Ms CHAPMAN: There is only one financial budget line for this agency, and that is on page 70. Everything else is 'key performance indicators' or what you say are the great things it is doing.

The Hon. K.J. MAHER: That relates to quite diverse grant programs. I have mentioned a few of them, and I think you did refer to that as an omnibus question I can take on notice.

Ms CHAPMAN: In general, apart from universities and apart from the different programs you referred to in that comprehensive list a moment ago, some of which other government agencies are doing—

The Hon. K.J. MAHER: What do you mean by 'other government agencies'? I do not understand what you mean—my grant programs that other government agencies do?

Ms CHAPMAN: Yes.

The Hon. K.J. MAHER: What is an example of that so that I can understand?

Ms CHAPMAN: Some of it you just read out before.

The Hon. K.J. MAHER: All the ones I read out before are programs through our universities. The ones I mentioned before were things like the venture capital program at the UniSA, the New Venture Institute at Flinders University and the Institute for Photonics and Advanced Sensing at Adelaide University. The ones I mentioned before were the ones—and that I thought that was we were talking about—from our universities.

Ms CHAPMAN: Perhaps again we are at crossed purposes. Apart from our universities and our research institutes in South Australia, is there anyone else or any other group in the private sector, trade unions or non-government agencies who receive grants from you?

The Hon. K.J. MAHER: Grant funding from within that \$12.201 million budget line?

Ms CHAPMAN: Yes.

The Hon. K.J. MAHER: Again, I am happy to take that on notice. I am glad we got to the bottom of what each of us was talking about.

Ms CHAPMAN: Do you fund the Goyder Institute?

The Hon. K.J. MAHER: My advice is we have in the past, but we do not provide funding now.

Ms CHAPMAN: Yes, my question is why not? I think it was a \$2 million a year funding arrangement for the Goyder Institute. Is it going to be closed?

The Hon. K.J. MAHER: Whether it is machinery of government differences or other reasons, I am happy to take that on notice. I am pleased to be able to tell you that the answer is: we have in the past and we do not fund it now, but the reasons behind that I am happy to take on notice.

Ms CHAPMAN: Thank you, minister.

Mr GARDNER: We will go to page 72 in terms of the targets for working with school education, higher education, VET and STEM skills-based industry sectors to produce strategic reform priority initiatives that will encourage South Australians to pursue high value employment opportunities. I am particularly interested in the work that you are doing in the STEM area with the school education issues.

I note there is also a performance indicator in terms of STEM students. I have a couple of questions in this area. The 2013-14 year listed 11,200 students. In this paper, it lists 11,200 students in 2014-15 and a drop to 11,012, which is an estimated result, so when the actual comes out that may or may not be an issue. Has there been any analysis done from the science side of things on this portfolio line into why those numbers are not increasing to match the targets that are being set?

What involvement and what engagement has this sub-program had in the education department's STEM strategy that they are working on?

The Hon. K.J. MAHER: There have been slight variations in the numbers across the years mentioned. There are always fluctuations in numbers in relation to this. I am not aware and I do not have information about whether there is a particular driving reason, but if there is one that we can identify, I am happy to bring that back. I can inform the member that the South Australian Chief Scientist works very closely with education and schools in terms of implementing STEM programs to encourage studies in STEM.

The CHAIR: Before we have our next question, I would like to acknowledge in the gallery the presence of a group of students from Grant High and welcome them to parliament today. They are guests of the member for Mount Gambier, with their teacher in tow. We hope you have a good time with us today. It is our estimates committee and I am sure that will be explained to you.

Mr GARDNER: I hope that many of them will be inspired by this to go off and study STEM subjects and have excellent careers in science.

The CHAIR: They will have no choice, will they?

The Hon. K.J. MAHER: I hope to see many of the students from Grant High, which is the high school I attended, go on to great things as well.

The CHAIR: Welcome.

Mr GARDNER: Welcome to them all.

The Hon. K.J. MAHER: As well as the rest of them, not me.

Mr GARDNER: They have an excellent local member of parliament in Troy Bell. As to the chief scientist's role you just mentioned in relation to STEM strategy that the education department is undertaking, I assume that the chief scientist is employed. Is she one of the FTEs in this subprogram or is her arrangement separate?

The Hon. K.J. MAHER: Not in relation to this sub-program. The Chief Scientist certainly comes under the auspices within the machinery of government of the department that we are talking about, but her FTE is not attributed against the STEM program.

Mr GARDNER: That is fine, I appreciate that. I have no issues there. What I am interested in, though, is apart from the Chief Scientist who obviously fits within this department, is there any other engagement in that STEM strategy from officers who work in this department for you, as the Minister for Science?

The Hon. K.J. MAHER: There is. My advisers are nodding furiously that there is further engagement, so I suspect that some of them are actually engaged, but to make sure it is accurate, I will take that on notice to provide a more accurate response about the level of engagement various officers in my department have in this with the education department in relation to this.

Mr GARDNER: One of the highlights listed is:

Delivered the Defence and STEM internship program and developed a number of STEM policy strategic reform priorities to address systemic issues with STEM education and career pathways.

What are those reform priorities? This was a highlight from the financial year just concluded, so I assume that the STEM policy strategic reform priorities have indeed been developed. What are those priorities and what are the systemic issues that were identified?

The Hon. K.J. MAHER: I am advised that these are programs that are in discussion with the education department. They are looking to be implemented. I am happy to provide the member with information about those programs once they are implemented.

Mr GARDNER: The identification is that this is an education department project that is not yet at the point of being announced and that you will provide us the information when it is?

The Hon. K.J. MAHER: Yes, I will check on its status and provide information. I will also undertake to provide information not just on the status now but on its implementation. The member

can feel free to ask me questions outside the estimates process, as he has in the past, and as I am more than prepared to continue to answer.

Mr GARDNER: I have an interesting question about the accounting side of things. Page 70, under income, sales of goods and services, states \$2,000 in 2014, budgeted for \$1,000 last year but estimated at being at \$5,000. I think actually if we go the year before, in 2013-14 there was \$30,000 income. These are not the largest numbers in the world, but why is that area so jumpy? How come that is jumping around so much? What sales of goods and services are being undertaken?

The Hon. K.J. MAHER: I am happy to take that one on notice. I have had a chat with my departmental advisers who, for numbers that are about \$1,000, have not provided a brief on these.

Mr GARDNER: It was \$30,000 just two years ago, minister.

The Hon. K.J. MAHER: I am sure they will diligently spend time hunting down what that \$1,000 relates to.

Mr GARDNER: Is there a discontinued line of minister Maher merchandise or something?

The Hon. K.J. MAHER: That may be a valuable spend, but probably not from this department or any government department for minister Maher merchandise.

Mr GARDNER: We expect these estimated results, the actuals, are provided in the Mid-Year Budget Review. Can I ask you perhaps to take on notice, unless you have them here, that the actuals on pages 70, 72 and 73 be provided when they are available?

The Hon. K.J. MAHER: I am happy to take that on notice and see when they can be provided.

Mr GARDNER: In relation to the FTEs listed on page 70—it is listed as 29, but I appreciate that is just an estimation based on Treasury's budget allocation—can we get a list of what the actual FTEs were as at 30 June 2015 and 30 June this year as well?

The Hon. K.J. MAHER: I can take that on notice. I do not have those figures in front of me, but I am happy to bring back replies for those.

Mr GARDNER: In doing that, can we possibly get the roles of those FTEs—how many are scientists, how are many bureaucrats or doing other policy roles?

The Hon. K.J. MAHER: I can see how well we can break it down into such categories.

Mr GARDNER: At the top of page 71, we have this helpful little (a), identifying:

The 2015-16 Budget amounts contained in the 2016-17 Agency Statements differ from those amounts contained in the 2015-16 Agency Statements to reflect internal resource allocations for each program. The 2015-16 Budget amounts in these statements have been amended for comparative purposes.

What is the basis of that internal resource reallocation? Are there more department resources being spent in this area, or is it just a change in the accounting methodology?

The Hon. K.J. MAHER: I am happy to take that on notice. I am informed that it is not a change in the overall amount. It is a rebasing of the expenditure within those years and may reflect—it is certainly something we talked a lot about earlier today in estimates committees—machinery of government changes and how they are reflected. I am happy to take that on notice and see what information can be provided.

Mr GARDNER: As the member for Bragg identified before, and as the minister identified, the grants will come out in the omnibus question set. In previous years in this area, we have been able to go a little more specific in terms of grants under the bioscience industry development—or is it the Premier's Research and Industry Fund? Are we able to get a list of grants specific to those funds?

The Hon. K.J. MAHER: Is that the \$12.201 million? The specific grants that comprise those funds?

Mr GARDNER: On page 73, there is \$6.6 million allocated for the Premier's Research and Industry Fund.

The Hon. K.J. MAHER: I can provide some information on that if that would be of some help. The Premier's Research and Industry Fund—or as those in business call it, PRIF; so, if you are talking to your friends about PRIF, they will know exactly what you mean—

Mr GARDNER: If only the Grant High School students were still here.

The Hon. K.J. MAHER: It aims to support the South Australian research community to successfully compete on a national and global scale. The funding allocated in 2015-16 was \$6.6 million. During 2015-16, \$290,100 was committed over two years to six Innovation Voucher Program projects, leveraging \$395,216 of partner funds. An additional \$792,000 was invested in projects and initiatives supporting the Investing in Science Action Plan. During 2015-16, \$4.33 million was spent on existing programs that have been committed to in previous funding rounds for PRIF and \$976,350 was spent on new projects committed.

Round 1 of the Research Consortia Program was launched on 31 March 2016. Funding for up to \$1 million per annum for four years, with 50 per cent matching subsidies and in-kind contributions for partners, will fund significant research collaborations between universities, other research organisations, government and industry to tackle critical strategic challenges aligned with the state's economic priorities. I think, if my memory serves me correctly, one of those (the Centre for Cancer Biology) was launched at the University of South Australia only a few months ago, and we both attended. I note that the member for Morialta was referred to as the minister at the launch of that program.

I think that one is under the Research Consortia Program grants under PRIF. That is expenditure from 2015-16. There are further individual contributions from PRIF that I am happy to go through, rather than spend what would be the rest of the time for this committee—which I am exceptionally tempted to do. I am happy to bring some of those back, but that is the major spending from the Premier's Research and Industry Fund.

Mr GARDNER: Perhaps it was just wishful thinking on behalf of the University of South Australia people concerned.

The Hon. K.J. MAHER: No, I think it was someone from the Singaporean university who was over here. They were maybe doing that wishful thinking.

Mr GARDNER: It is almost as if it has been on your mind. On that, there is \$6.6 million allocated in 2015-16—that is the estimated result, at any rate—which is a lower number this year, at \$5.7 million. Is there any particular reason for the drop of nearly \$1 million in this area?

The Hon. K.J. MAHER: It is an estimated result. I think that might fall into—when I can reasonably bring back the final results, I will have reasons for that.

Mr GARDNER: The actual result in 2015-16 was \$6.5 million. The projection last year was \$5.9 million and the projection this year is \$5.7 million. I see this is listed as a projection rather than a budget, per se, so it could well be quite different in the end.

The Hon. K.J. MAHER: Once we have actuals, as soon as I reasonably can I am happy to come back and look at how it ended up and the reasons for that.

Mr GARDNER: We will go to the page before, value of grants provided by companies. Again, this is one where ministers have been able to—

The Hon. K.J. MAHER: Page?

Mr GARDNER: It is page 72. The second to bottom line states that \$1.7 million was provided directly to companies last year. I am wondering whether, when the result for all those grants comes in, we can disaggregate the grants in that section, or you can provide them if you want.

The Hon. K.J. MAHER: That \$1.7 million is under BioSA, but I am happy to go away to BioSA and see what, through them, can be provided in relation to that.

Mr GARDNER: The line above that is in relation to projects assisted, projects undertaken by research organisations and companies. Above that is the number of new companies created. Can you explain who the new companies created are?

The Hon. K.J. MAHER: Again, this is within BioSA. I do not have the breakdown within BioSA, which does not sit within my department, but I am happy to go away and ask BioSA for those details and bring back an answer.

Ms CHAPMAN: Can I clarify something, as it might be helpful for next year, minister. Why do we have, under the performance indicators of your department, the performance of another department for which, as you said earlier, you are responsible but there is a separate provision?

The Hon. K.J. MAHER: It is a separate entity, but ministerially they do report to me, so that is why they sit within there.

Ms CHAPMAN: But did you not say that BioSA actually has a separate provision as an entity in the budget papers?

The Hon. K.J. MAHER: It is given a grant from the state government for part of its operations.

Ms CHAPMAN: No, sorry, I was at crossed purposes. Just like HomeStart and Renewal SA, they have a separate agency reference in the budget papers. I am happy to go and find them, but that is what I understood you said before, that BioSA has a separate reporting agency description somewhere in the budget papers, other than just these three or four indicators.

The Hon. K.J. MAHER: I am informed that this is how BioSA's operations are described in the budget papers.

Ms CHAPMAN: That is it? That is the only reference to it?

The Hon. K.J. MAHER: The departmental adviser has informed me that that is where BioSA is described in the budget papers.

Ms CHAPMAN: Alright, thank you.

Mr GARDNER: In relation to page 73, the first performance indicator is in relation to 'provisional patent applications filed by South Australian universities', with the estimated result of 27 for this year. Do we have any analysis of how many of those had an involvement in support from this state government funding and how many of those 27 patent applications this year is the government able to claim some level of parentage in?

The Hon. K.J. MAHER: I can go back and check what we do have. As I said before, we have a range of programs right across our three universities in many diverse areas, from medical technologies to that of the advanced sensing area. We have made a significant investment in this budget of \$7.5 million in the Future Industries Institute at the University of South Australia.

I suspect that in quite a number of these, when a patent is filed and there is a company spun out, it is not always going to be exceptionally clear to say that this was a direct result of this particular program. I am sure that, with the money the government has contributed towards the Institute for Photonics and Advanced Sensing at Adelaide University, on one method of accounting for it we could probably claim anything that has spun out of there because we contributed to that centre.

Other areas, I think, will be similarly difficult, but I am happy to go away and have a look at areas in which we have contributed to see what can be attributed. I suspect that there will be difficulties in saying that all this money was responsible directly for this particular spin-out or this particular piece of IP. I think one of the roles of government, and one of the roles we are very conscious of, is to encourage the environment that facilitates that ability to commercialise intellectual property out of universities. I am not sure if there is a direct measure, but I am happy to go away and have a look.

Mr GARDNER: I suspect that there is not a direct measure, and I agree with what the minister has said, but I think it is nevertheless a useful indicator. If you are going to have this sort of indicator in the budget papers of the department's performance, I think that having that level of scrutiny at least provides a bit more context.

In that same sense, in putting together these budget papers obviously somebody, whether it is your department or Treasury, has come up with these targets. I note that in 2013-14, going to previous budget papers, 39 patent applications were filed. This budget paper lists 46 in 2014-15 from

a target of 25. Last year, there was a target of 30 and an estimated result of 27, which may or may not need to be adjusted. This year, the target has been dropped again to 25.

I am wondering if there is any analysis of why there are lower targets being set by the department here, or by Treasury or whoever puts this together, and over certainly from 2014-15 to last year and then a lower target again this year why there seems to be a drop, or diminution even, in ambition for the number of patents we are hoping our universities will file?

The Hon. K.J. MAHER: I think there are a number of reasons for that, including the patenting process in Australia. I think that is one I will take it on notice to look at the range of reasons and bring back an accurate reply.

Mr GARDNER: Minister, earlier we were talking about the commonwealth's Mobile Black Spot Program. I am wondering if that priority list we were talking about earlier could be provided in this estimates process—the sites?

The Hon. K.J. MAHER: Again, they were in discussions with the telecommunications companies. I am happy to go away and see if it is appropriate to provide that. I will take that question on notice.

Mr GARDNER: Unless one of my colleagues has a last question, the last question I want to ask in this area is in relation to the targets:

...[the] over-arching Smart City Strategy for Adelaide in partnership with the Adelaide City Council and Cisco and continue to invest in Smart City projects and initiatives.

What is the time frame on the delivery of that Smart City Strategy? When are you expecting to announce it and how much of the department's \$25 million in expenses is going to be put towards that?

The Hon. K.J. MAHER: I thank the member for the question. It is an important program. It builds on the existing MOU between the South Australian government, the Adelaide City Council and Cisco in relation to the Smart City project. Cisco has named Adelaide as Australia's only Cisco Lighthouse City, developing particularly internet of things capabilities. There are pilot projects already running under the Smart City program that include Smart Parking and Smart Public Lighting projects, and these results will help inform much larger scale programs across the CBD.

Sensor-driven LEDs have been replaced in existing lighting to test power savings and smart control capabilities and cameras to monitor on-street parking to drive smart availability, payment and infringement services in parking. We have established, in partnership with the Adelaide City Council and Cisco, the Adelaide Smart City Studio, which was opened on 26 November. That will help foster technology development to improve both resident and visitor interaction with the city and look to drive innovation and commercialisation of real-world solutions for industry, local entrepreneurs and start-ups.

Certainly, within the sensing area we know that there is a massive potential for first movers who can get technology integrated in terms of sensing and using that data to look at the way people interact and live in cities. There are a number of pilot projects already running, but we are looking at other ways to support, with our MOU with Cisco and the City Council, our Smart City initiatives.

Ms CHAPMAN: I want to clarify the situation with where Bio Innovation SA is in the budget. Under appendix D in Budget Paper 3, which is the Treasurer's general summary of his organisation of agencies, Bio Innovation SA is listed as a general government sector entity and, as you say, it has 13 staff. Because it is not referred to in the government business section of the Treasurer's division as a separate entity, like the ones I gave you before, my question is: where are the 13 captured in relation to workforce? Are they on page 54 of State Development?

The Hon. K.J. MAHER: In terms of where FTEs in BioSA are captured across the published budget papers? Is that the question?

Ms CHAPMAN: Yes.

The Hon. K.J. MAHER: I am happy to take that on notice with the other ones about BioSA and bring back a reply.

The CHAIR: There being no further time for questions, I declare the examination of the Minister for Science and Information Economy completed.

Sitting suspended from 14:16 to 14:30.

Membership:

Dr McFetridge substituted for Mr Gardner.

Ms Redmond substituted for Ms Chapman.

Mr Duluk substituted for Mr Knoll.

Departmental Advisers:

Dr D. Russell, Chief Executive, Department of State Development.

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

Ms N. Saunders, Executive Director, Aboriginal Affairs and Reconciliation, Department of State Development.

Mr R. Janssan, Executive Director, Corporate Services, Department of State Development.

Ms P. Chau, Director, Finance, Department of State Development.

Ms F. Ward, Director, Aboriginal Affairs and Reconciliation, Department of State Development.

Ms S. Bartlett, Manager, Strategy and Support, Department of State Development.

The CHAIR: I welcome members back to committee A and acknowledge that we meet on Kaurna land. I acknowledge Aboriginal elders, past and present, and Aboriginal people throughout the state. The proposed payments portfolio is for the Department of State Development, Aboriginal Affairs and Reconciliation.

I advise the committee that the member for Morialta has been discharged and replaced by the member for Morphett; the member Bragg has been discharged and replaced by the member for Heysen; and the member for Schubert has been discharged and replaced by the member for Davenport. We welcome the members today. I call on the minister to make a statement, should he so wish, and to introduce his advisers.

The Hon. K.J. MAHER: Thank you, Madam Chair. I am not going to make an opening statement. I am keen to give as much time possible for honourable members to ask questions. I might quickly introduce, for the benefit of members and Hansard, those who are sitting with me. Immediately to my left I have Alex Reid, Deputy Chief Executive, Department of State Development, Dr Don Russell, Chief Executive, Department of State Development who, like me, has suffered all day in these estimates hearings.

The CHAIR: He is not on his own—we are all here, we are all with you.

The Hon. K.J. MAHER: I have to say—has not suffered nearly as much as some others who are in this chamber, Madam Chair.

The CHAIR: And have been all week, sir.

The Hon. K.J. MAHER: On my right is Nerida Saunders, Executive Director—

The CHAIR: And many years prior to that.

The Hon. K.J. MAHER: —Aboriginal Affairs and Reconciliation.

An honourable member interjecting:

The CHAIR: Order! Back to the job.

The Hon. K.J. MAHER: Joining the team behind me, is Fiona Ward, Deputy Executive Director, Aboriginal Affairs and Reconciliation.

Dr McFETRIDGE: Thank you, Chair, and I thank the minister, his advisers and officers for their cooperation in this area. It is one of those areas, like disabilities and veterans, where we do try to be completely bipartisan. We sometimes have slightly different agendas or priorities, but we are all aiming to improve the lot of our Indigenous South Australians.

I refer to Budget Paper 4, Volume 4, page 67, Program summary—expenses, income and FTEs. The department has gone to an office—I am not sure what we would be calling it now—in the Department of State Development, but there are 48 FTEs. What is the role of Aboriginal Affairs and Reconciliation now in South Australia?

The Hon. K.J. MAHER: I thank the honourable member for his question. Roles have changed over the years. I remember when I first became involved working in Aboriginal affairs in the state government, back then it was called DOSAA, the department of state Aboriginal affairs. It has gone through different areas in government and now is a division within the Department of State Development.

There are a number of roles for the department of state Aboriginal affairs. You will see within the budget papers the description of objectives of the department. I will not read them out again because they are in the budget papers and I do not want to soak up time doing that. The department provides a range of advice on Aboriginal affairs issues. It also has very specific important functions in relation to the administration of legislation.

A significant part of the department's attention is in relation to administering the Aboriginal Heritage Act and processes under the Aboriginal Heritage Act, as well as implementing government policies—policies such as the Aboriginal Regional Authorities policy, which is being implemented as we speak after quite a long period of working with Aboriginal communities—and to provide advice generally and inform the government on issues dealing with Aboriginal affairs and to empower Aboriginal people in South Australia to have a stronger voice, to be part of the decisions that affect them and affect their lives.

Dr McFETRIDGE: The spend on Aboriginal affairs and reconciliation seems to be an issue that we can never really get a firm figure on. I remember asking a number of years ago, in the Aboriginal Lands Parliamentary Standing Committee, about the global spend on the APY lands, the commonwealth and state spend. Are you able to tell the committee what the spend is in South Australia on Aboriginal affairs and reconciliation, and also on the APY lands? Just for the information of the committee, the latest figure I have from the Productivity Commission in 2012-13 was \$1.892 billion.

The Hon. K.J. MAHER: That is spending in South Australia?

Dr McFETRIDGE: In South Australia. The Australian government plus the South Australian government direct expenditure.

The Hon. K.J. MAHER: I thank the member for his question and I might just respond to his opening statement. It is an area that engenders significant bipartisanship in Aboriginal affairs. I thank the member for, certainly in the time I have been minister, the working relationship that we have. Sometimes I think we spend too much time together and it probably does not reflect well on us within our own parties. It is a difficult area of public administration, there is no doubt about that. There are significant challenges and the path from somewhere to get to results is not always a linear path that is always complete steps forward each time. It is a difficult area of public administration and public policy.

For many Aboriginal communities the cost of providing services is expensive. These are functions of remoteness of many Aboriginal communities. It was only in the last month I was with the shadow minister in Pipalyatjara, which literally is the furthest inhabited point from Adelaide of anywhere in South Australia. The Pipalyatjara and Kalka communities are only about 13 kilometres from Surveyor General's Corner, the border of NT, WA and SA.

These are exceptionally remote communities. The remoteness is a challenge in providing services. There are cultural challenges in providing services that are culturally appropriate to the needs, particularly in many remote Aboriginal communities, but there are also challenges in regional and, indeed, metropolitan communities in providing culturally appropriate services to Aboriginal people, which makes providing services more complex and in many cases more expensive.

I do not have the figure for the global spend of everything that all governments do, for instance, in the APY lands or—

The CHAIR: I need to ask the people in the gallery to be seated, please. Thank you.

The Hon. K.J. MAHER: —the Maralinga Tjarutja lands or any other specific geographical area. These are very difficult things to extract. There are services that are provided by the commonwealth and state governments that are part of the services provided in the ordinary course of what a government department does and rightly should do in providing services to all people in Australia.

As to an actual figure on how much is spent on providing services to Aboriginal people, I do not have a global figure for a specific geographical area. These are exceptionally difficult things to get out of what spends are. As I prefaced, it is certainly more challenging, more complex and more expensive to provide services to Aboriginal people. The member referred to, I think it was probably the 1994 report, which reports that total government Indigenous expenditure in South Australia—the latest figures I have are for the 2012-13 years—was an estimated \$1.9 billion and accounted for 4.9 per cent of total government expenditure.

The report states that the commonwealth government accounted for \$865 million or 46 per cent of expenditure for services for Aboriginal South Australians, with the remaining (approximately) \$1 billion or 54 per cent from the South Australian government. It is exceptionally difficult to try to get global figures, even at a state level, let alone trying to segregate it to regional levels, but I think as the member has been involved in this area for a long time he knows there are quite significant challenges, complexities and expenses to provide these services.

Ms REDMOND: Following on from that answer, is the effect of your answer, which seemed to me to go on for a long time but not actually tell us anything in response to the answer that was sought, my understanding is that on the APY lands we have maybe 2,500 people. If the figure is correct back in 2012, even allowing for less money now, something in the order of \$1.9 billion—\$1,900 million for 2,500 people—

The Hon. K.J. MAHER: No—I will let you finish.

Ms REDMOND: Even taking out those Indigenous people who are not in the APY lands, there seems to me to be an extraordinary spend. Are you telling me that no-one actually does a calculation as to, per head, how much it is costing to have the services that are provided up there? I have been up there many times and the reality of life for the people up there is that they are living in utter squalor.

If most people went into the APY lands who live ordinarily lives in the state, they would be horrified and appalled by the state of living in the communities on the APY lands, yet they obviously have so much money expended up there overall, through commonwealth and state, that they should be living in mansions with streets paved with gold. Has the minister any idea of what money is spent, commonwealth and state, per head for the Indigenous population of this state?

The Hon. K.J. MAHER: To clarify, to assist the member for Heysen's understanding of this, the \$1.9 billion figure is not for the 2,000 to 2,500 people living on the APY lands; that is across the whole of South Australia, some 26,000 or 27,000 Indigenous people living across the whole of South Australia. I have to say that I do not accept the premise behind the question: that in some way there is money wantonly and deliberately wasted when it comes to providing services to Aboriginal people; that is not my experience.

There are very significant challenges in providing services. I do not think that people deliberately waste money or wantonly waste money in providing services to Aboriginal—

Ms REDMOND: Minister, I am not suggesting that they do.

The Hon. K.J. MAHER: I listened to your question; you could do me the same courtesy.

The CHAIR: Order! We need to finish answers first and then have the next question.

The Hon. K.J. MAHER: I do not accept the premise that is being looked at: that everyone should be living in mansions for the amount that is provided. I think that is a ridiculous proposition and I completely reject that.

Ms REDMOND: Minister, I completely reject your assertion that I am saying that money is wantonly and deliberately wasted. Nevertheless, I would like to know whether the government has any idea what is spent at a state and commonwealth level per head of the Indigenous population of this state?

The Hon. K.J. MAHER: I can do the maths because I have just outlined the figures. It is in the mid to high 20,000s in terms of the Aboriginal population in South Australia. It is \$1.9 billion of state and federal spend, which is the last estimate I have from the 2012-13 financial year. That was accounted for, as I said only moments ago, in approximately \$865 million from the commonwealth and approximately \$1 billion from the state. The maths is very simple: in that 2012-13 financial year, for government services both state and commonwealth, it equates to approximately \$48,527 per person.

For non-Aboriginal South Australians, the same report equates it to about \$22,702 per person. It is a ratio of almost 2:1 spending. I know, as the member has indicated, she spent a huge amount of time on the APY lands; I am sure she sees and understands the challenges that are faced there.

Ms REDMOND: Except I do not understand why there is no improvement and, if anything, over a period of years the living standards appear to be deteriorating.

The Hon. K.J. MAHER: Again, I do not accept that. I can remember the first time I visited the APY lands would have been in early 2002 when I was the chief of staff to the then minister, the late Terry Roberts. I can remember visiting that same year the Yalata community and I have seen substantial improvements. Certainly, some of the issues which were being faced by the community there and which were leading to significant social upheaval and disintegration, such as petrol sniffing, have been improved dramatically. From the first time I visited the communities across the APY lands 14 years ago to the half a dozen or so times I have visited over the last 18 months, I have seen some improvements.

I agree, though. The conditions and disadvantage that many Aboriginal people face not just in South Australia, not just in remote communities, but right throughout Australia in my view is the greatest stain on this nation as a whole, on us collectively and on all of us individually. I agree with that part of it, but I completely and utterly disagree with the idea that we should not be spending more where it is needed, that we should not be spending more where it is more complex and that we should not be spending more where it is more difficult to provide services. I just utterly reject that.

Ms REDMOND: That is not what I suggested, minister.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 4 page 68, targets 2016-17. How many Aboriginal regional authorities are planned, under what legislation or regulation will they be responsible and how much funding is budgeted for their activities?

The Hon. K.J. MAHER: That is a very good question indeed. I can talk about the policy generally and the number while I get the exact budget figures. The Aboriginal Regional Authority Policy has been developed over the last couple of years. There were four sites that were included for a trial Aboriginal regional authorities. Nation rebuilding programs were provided through Flinders University for this program.

We originally envisaged appointing two regional authorities this year and then two in subsequent years. We put out a call for expressions of interest about six months ago. We received some exceptionally high quality applications. A panel went through those applications and short-listed them. I have to say that it was exceptionally hard to narrow it down to two authorities to be the inaugural regional authorities. In the end, three regional authorities were appointed initially. We will make calls in future years for further regional authorities.

The first of the three appointed is the Adnyamathanha Traditional Lands Association. I will see if I can get more information about what made that a compelling application. Rather than take up all the time, I will provide that to the honourable member. The other two to be appointed are the Far West Coast Aboriginal Corporation and the Ngarrindjeri Regional Authority. The intention is to have some time of operation and early next year look to establish legislation that sets out how regional authorities operate, some of the minimum standards required and, importantly, a legislative framework for how governments relate to regional authorities and also how regional authorities will relate to government.

This was a decision made with a lot of consultation. Initially, we thought we would have legislation to back regional authorities in the parliament before we appointed the first regional authorities. Wisely, we decided to have the first set of three (there were originally two) up and running for a period of time before we put in legislation to make sure that it accurately reflects the experience of regional authorities over the first period. The budget allocation for regional authorities over the forward estimates is \$330,000 in 2016-17, \$455,000 in 2017-18, \$400,000 in 2018-19 and \$400,000 in 2019-20, for a total allocation over the forward estimates of \$1.585 million.

Dr McFETRIDGE: Will the regional authorities have to table annual reports on their activities, including financial reports?

The Hon. K.J. MAHER: The very short answer to that is absolutely. They will have agreements with government in relation to the small amount of funding that regional authorities will be provided, which is in the order of \$100,000 a year envisaged in the first two years of their operation. There will be very high standards of accountability and the acquitting of funds that are provided by government. One of the aims of regional authorities is to help build capacity in those Aboriginal organisations in terms of those government structures. That was one of the criteria when selecting the first three, and that will certainly be the criterion as we head along with further regional authorities.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 4, page 68, targets. Can you give us some examples of Aboriginal businesses that are likely to register using the online Aboriginal Business Connect, and can you perhaps give the committee some information about Business Connect?

The Hon. K.J. MAHER: We are in the process of having businesses registered. At the launch of the Aboriginal Business Connect, there were 61 Aboriginal businesses that completed the registration process at that time. This number has increased to 70. We expect by the end of this financial year to have 80 Aboriginal businesses registered. The register is about to get up and running. I am happy to provide details—well, it will be on the website—of those businesses that are registered.

I know from talking to businesses that there are a huge range of very diverse businesses. They are businesses that range from businesses that are involved in arts and Indigenous tourism, printing, construction and maintenance, mining and civil contracting services and supply. There are a range of businesses that I have talked to myself that are exceptionally interested, but once there is formal registration I will certainly inform the member of those businesses.

I am optimistic about some of the results that these can have. I am convinced that one of the crucial ways of overcoming that disadvantage that so many Aboriginal people face is through economic development, and I am pleased that we are doing things like this to highlight those Aboriginal businesses to put them in contact with people who contract and supply. I know that the Office of the Industry Advocate is now focusing very much on making sure that, for the state government spend, we look at those goods and services the state government needs, seeing how we can include Aboriginal businesses.

Dr McFETRIDGE: The history of the APY lands has been one that has had numbers of issues. An issue that was raised with me just recently was the concerns that there are unmet needs amongst former petrol sniffers on the lands. Country Health has told Aboriginal Affairs and Reconciliation, I think in November last year, that amongst the other issues associated with former petrol sniffers was, and I quote from a document I was given:

The violent, predatory, dysfunctional legacy of 30 years of protracted petrol sniffing continues on a daily basis in every community masked as incidents of public disorder and public nuisance, repeated family violence and widespread child predation.

What is the department doing to address the unmet needs of former petrol sniffers? Minister, I will tell you that you are one of the trifecta of ministers who are going to get the same question this afternoon.

The Hon. K.J. MAHER: This is not an area that as Minister for Aboriginal Affairs and Reconciliation in terms of Aboriginal health I am directly responsible for. If I can, I will certainly take that one on notice to consult with ministerial colleagues. I think the Minister for Health and Minister for Disabilities will both have, I am guessing, some responsibility in this area.

Dr McFETRIDGE: I understand that Country Health SA has spoken to Aboriginal Affairs and Reconciliation about this, so I thought there may be some knowledge there.

The Hon. K.J. MAHER: I am happy to take that on notice and see if there has been communication. I am not aware of it from the officers sitting here that there has been any recent communication, but it is an important issue. As I outlined a little earlier, one of the big differences I have seen over a decade and a half has been the massive reduction in the incidents of petrol sniffing. It is very rare that you see something that makes such a massive difference as the introduction of Opal fuel that nearly wiped out petrol sniffing but, as the member points out quite rightly, there are residual issues from what has happened in the past. It is an important question, and I will see what response I can bring back from my ministerial colleagues.

Dr McFETRIDGE: Just quickly—and I know the member for Heysen has a question to ask—can the minister update the committee about the tourist developments at Maralinga and Head of Bight?

The Hon. K.J. MAHER: I do not have specific briefings on that in relation to tourism developments. I suspect that there is some area of tourism. I can speak very generally because in the last year I visited both of those places. At Maralinga Village, it is very small-scale tourism at the moment. I think the Aboriginal Lands Parliamentary Standing Committee may have been there—

Dr McFETRIDGE: A while ago, yes.

The Hon. K.J. MAHER: —at some stage a while ago. Last year, I visited Maralinga and Oak Valley in the one visit. There certainly is tourism potential there. There is small-scale tourism that already operates. There is a campground at the old Maralinga Village area and the massive airfield, and there are the test sites at Maralinga I know there are bus tours of. In relation to the Head of Bight, it was a couple of months ago that I last visited the far West Coast communities, including Scotdesco, Koonibba and Yalata. I went to the Head of Bight about two months ago, I think. In relation to Maralinga, I can inform the honourable member that Maralinga Tours received bookings from almost 400 visitors for the 2016 tourist season, so there is a base to build upon there.

Certainly, for Head of Bight, I know that there are substantial visitor numbers that go to the Head of Bight. It is a very well-used facility. I was there a couple of months ago for maybe two hours right at the start of the whale season. I think there was one whale there over two hours, but there were still substantial numbers of people who stopped by at Head of Bight. So there is tourism potential and, with 400 visitors in the 2016 tourist season, there is obviously a base to build upon at Maralinga, and certainly the Head of Bight is already a substantial tourism operation on Aboriginal Lands Trust land.

Ms REDMOND: Minister, on page 68 still, the estimated result at the top of the page, the first dot point, commencement of the administration of the Stolen Generations Reparation Scheme 2015-16, I notice is \$300,000. Could you explain, minister, over what period and what the overall budget is for that scheme, and what the expectation is? My recollection is that the original claimant, who was basically chosen as the high watermark in terms of what people would be able to achieve were they to go through a court process, was awarded something like \$300,000. What is the expectation of the government in terms of the number of anticipated claimants and the average payment to those claimants and over what period?

The Hon. K.J. MAHER: I thank the member for her question. Certainly, there was the Trevorrow case, the Ngarrindjeri man who went through the court processes and who was awarded a very substantial payment. My memory is it was closer to \$750,000 from that case. In any event, it was a substantial payment.

Ms REDMOND: I think the point was that he was the high watermark in terms of—

The Hon. K.J. MAHER: Tasmania has a stolen generations reparation scheme, and I congratulate Tasmania on being the first in the nation to do that. I am proud that we are the second jurisdiction in Australia to institute a stolen generations reparation scheme. It sets out \$11 million for the scheme. It comprises two parts: the first part is an individual reparation scheme of \$6 million and the second part is a whole-of-community reparation scheme of \$5 million. When the scheme was set up, it had ex gratia payments for individual reparations of up to \$50,000 for an individual.

There is an independent assessor, who assesses the merits of each claim. The evidentiary burden will not be as much as if it was taken through superior courts in this state. That is the whole point of these sorts of redress schemes—to make it an easier process for people to engage with. The quantum is a maximum of \$50,000. It is an easier process, the evidentiary burden is not as difficult, but the quantum is not as much.

The scheme opened on 31 March this year. It is open for 12 months for people to make applications under the scheme. They are assessed by an independent assessor. When the scheme was set up, the intention was that the independent assessor would make recommendations on whether someone was a member of the stolen generations and therefore eligible for the scheme. As it was set up, the independent assessor would also make a recommendation on the effect that it has had on their life, to recommend a quantum of payment up to the maximum of \$50,000.

I have met with the Stolen Generations Alliance, ALRM and many of their clients, the Circle of Hope group, a number of the groups that represent members of the stolen generations, and many individual members of the stolen generations. One of the things that has overwhelmingly come back after we set up the scheme is a hesitancy towards having this variable amount that would be paid to people. There are a couple of reasons for that.

One of the reasons was that it is entirely likely that you would see a situation where a brother and sister, or members of the same family or community against whom the same actions were taken—the removal of children—end up in very different life circumstances. They may receive differing amounts arising out of the same action. The other big point that was made, and one which is probably even more compelling, was that for members of the stolen generations who make an application there will be traumas that are opened up and relived just by making the application.

By having a scheme which encourages members of stolen generations to essentially put their best foot forward in terms of all the trauma and difficulty they have faced in their lives would lead to opening up wounds that some people just do not want to talk about. The overwhelming advice heard by the independent assessor and the department, and which I received in my meetings, was to move to how the Tasmanian scheme is administered. That is one payment for all those who are eligible; it is not a fixed payment. We have communicated with all those groups that it will now be a single level of payment and not a payment between zero and \$50,000.

The scheme is open for 12 months. I know the ALRM has estimated that they are aware of up to 300 claimants. We will have the scheme open until the end of March next year, at which time the number of people eligible for the scheme will be assessed, as will the one amount that each person will receive. We have made another slight change as we have embarked upon opening up the scheme. There was a concern from a number of people that there are many members of the stolen generations who are now coming towards the end of their lives, and many in the Aboriginal community are experiencing medical conditions. There may be some who will not be around to see the close of applications at the end of March, then the consideration and the individual reparations.

We now have a triage system where, if there are compelling medical reasons, we can expedite urgent applications and make some sort of partial payment so that there can be recognition in that person's lifetime. Individual payments are important, but in my discussions with all the individuals and groups that I have mentioned, they have not been the only thing, and in many cases, have not been the most important part. The recognition that this happened, and also the effect that

this had not just on an individual but on whole families and whole communities, has been something that has really struck me. That is also why there is that community-wide reparations amount of \$5 million.

The department is now consulting with members of the stolen generations, their communities and families about the best way to use that. Some of the initial suggestions have been around healing places, education programs and helping return-to-country programs. We will look to see the ways that will be most beneficial for that.

Ms REDMOND: Is the \$300,000 in that dot point basically to set up the administration of the distribution of the \$11 million in total?

The Hon. K.J. MAHER: Yes, that \$300,000 will relate primarily to setting up the administration of that scheme. It may relate to some of those expedited triage payments for people who have medical difficulties in their life, but I am happy to go and double-check that.

Ms REDMOND: Has any account been taken of the views of individual members? I accept what you say, minister, about the fact that groups will largely take the view that the particular group might be better served by getting an overall global amount, but, given the amount of the original claimant's claim, and given that you are telling me that there are up to 300 people who may make claims, even the \$6 million allocated would seem to be a relatively low amount. That \$50,000 maximum would seem to be a low amount, given that there could be many people.

The Hon. K.J. MAHER: Absolutely. When individuals are offered a reparations payment under this scheme, after applications close and they have been assessed, individuals will be provided with \$1,000 to obtain legal advice to decide whether or not to accept that payment. Certainly, individuals might be offered a payment, and it is completely within the rights of that individual to decide, whether it is through the ALRM or whoever is representing them, to pursue a civil action.

I have had many meetings not just with the organisations and ALRM but with individuals. They have probably been some of the more difficult meetings I have had as Minister for Aboriginal Affairs, particularly with individuals telling their stories as members of the stolen generations, but it will absolutely be up to people as to whether they wish to accept this payment. There is no obligation to do so. They can absolutely use the alternative of the civil court system and civil redress.

Ms REDMOND: I have one last question on this because it just seems to me, minister, that there is, I would have thought, a significant risk that there will be enough people who, even at \$50,000—and from what you are saying it is likely to be a lower amount than that and a stabilised regular amount for everyone—would say, 'I am going to tell my story in the court,' and put the government to all the expense we incurred with the original claimant all over again.

The Hon. K.J. MAHER: It is entirely possible. There may be some who fall into that category, and I would be surprised if there were not at least some who fell into that category. I am equally pretty certain that there will be a number who fall into the category of people who probably would have otherwise looked for that civil redress but, having had the recognition of being able to tell the assessor what happened to them and some sort of payment in recognition, will do that and will not put the justice system and the government to that sort of proof in a court case.

While I accept that, and I would be very surprised if there were not some who had the offer and decided, 'No, I would prefer to take or continue the preparations for a civil action,' I would be very surprised if there were not some who fell into the category of, 'I would have otherwise continued with the civil action,' who will use this system. I know from my discussions that there are quite a number of members of our stolen generations for whom the most important thing is it being recognised that it all happened.

The CHAIR: I need to draw members' attention to the time and take the onus myself for allowing it to go over. The time having expired for questions in this area, I declare the examination of proposed payments completed.

Sitting suspended from 15:08 to 15:15.

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION, \$1,090,488,000
ADMINISTERED ITEMS FOR THE DEPARTMENT FOR COMMUNITIES AND SOCIAL
INCLUSION, \$195,310,000

Membership:

Mr Treloar substituted for Ms Redmond.

Minister:

Hon. L.A. Vlahos, Minister for Disabilities, Minister for Mental Health and Substance Abuse.

Departmental Advisers:

Mr T. Harrison, Chief Executive, Department for Communities and Social Inclusion.

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

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

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

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

Mr J. Young, Director, Service Reform, Department for Communities and Social Inclusion.

Ms Z. Nowak, Director, NDIS Reform, Department for Communities and Social Inclusion.

Mr D. Green, Director, Finance, Department for Communities and Social Inclusion.

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

Mr S. Runnel, Chief of Staff.

The CHAIR: The estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. I understand the minister and the lead speaker for the opposition have agreed an approximate time for the consideration of proposed payments, which will facilitate a change of departmental advisers at one point. Would the minister and the lead speaker for the opposition confirm that they have agreed on the timetable that I have before me today?

Dr McFETRIDGE: We have.

The Hon. L.A. VLAHOS: Yes, we have.

The CHAIR: Changes to the committee membership will be notified as they occur. Members should ensure that the Chair is provided with a completed request to be discharged form. If a minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 28 October 2016. This year, estimates committee responses will be published during the 15 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 an opening statement of around 10 minutes, should they wish to do so. There will be a flexible approach to giving the call for asking questions based on about three questions per member, alternating each side. Supplementary questions will be the exception rather than the rule. A member who is not part of the committee may 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 the question, and we do ask members for their cooperation in this for both Hansard and everyone in the room. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the assembly *Notice Paper*.

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

During the committee's examination, television cameras will be permitted to film from both the northern and southern galleries, and we do ask for noise to be kept to a limit in those galleries at that time. The portfolio is the communities and social inclusion. The minister appearing is the Minister for Disabilities. I declare the proposed payments open for examination and refer members to the portfolio statements in Budget Paper 4, Volume 1. I call on the minister to make her statement if she wishes and to introduce her advisers.

The Hon. L.A. VLAHOS: It is a pleasure to be here before you today in my first estimates. I will ask my advisers to introduce themselves, and I make it clear that I do not have an opening statement and am happy to move straight to questions.

Mr HARRISON: Tony Harrison, Chief Executive.

Mr THOMPSON: Andrew Thompson, Executive Director, Financial and Business Services.

Dr CAUDREY: David Caudrey, Executive Director, Disability SA.

The CHAIR: No opening statement, member for Morphett?

Dr McFETRIDGE: Thank you, Chair—only to say congratulations to the minister on her appointment to this very important portfolio during a very important time for people with disabilities around the nation, never mind around South Australia. It is good to see Dr Caudrey back again. He is an old hand at this.

The CHAIR: A hand of longstanding or experienced hand. We do not use the word 'old' here.

The Hon. L.A. VLAHOS: A rock, in fact.

Dr McFETRIDGE: With that, we will proceed to Budget Paper 4, Volume 1, page 110, the net cost of providing services. The total cost for 2016-17 is a little over \$514 million. How will this reduce as we transition to the NDIS?

The Hon. L.A. VLAHOS: As we signed the bilateral in December last year, we know that we will be handing over just over \$700 million to the commonwealth for the full implementation of the scheme in July 2018. As we do that, we will be cashing out client by client as they progressively integrate into the system and ensuring that everyone is looked after as they migrate into the new system fully in July 2018.

We know that we are behind in some of the processing at the moment—not from DCSI's perspective—but the NDIA is behind in its delivery of some of those things. It is a complex piece of work that involves 32,000 consumers and Disability SA clients, families and their carers, and we are working through this on a client-by-client basis to make sure they have the right care around them as they move into this exciting space.

Dr McFETRIDGE: Just to be clear, it will increase to \$750 million, did you say?

The Hon. L.A. VLAHOS: I said that we would be contributing over \$700 million.

Dr McFETRIDGE: That will be ongoing. Are we still locked into the scheme where anything above that, if there is a greater need, the commonwealth will pick up the tab?

The Hon. L.A. VLAHOS: The commonwealth will pick up 75 per cent of the cost of the scheme and the state is committed to commit 25 per cent of the scheme ongoing as the overrun.

Dr McFETRIDGE: That is all subject to the Productivity Commission's review in 2017-18; is that right?

The Hon. L.A. VLAHOS: That is correct.

Dr McFETRIDGE: Let's just hope that it does not change too much. I refer to Budget Paper 3, page 48, commonwealth grants, special purpose payments. In 2015-16, it was \$79.6 million and it has increased to \$108.4 million in 2017-18, and then it cuts out. Is that because that is again taken over by the NDIS?

The Hon. L.A. VLAHOS: Yes.

Dr McFETRIDGE: The National Partnerships increases to \$243 million in 2018-19 and then drops to \$76.3 million in 2019-20. That is obviously an ongoing partnership in that case. What is the reason for that sudden drop?

The Hon. L.A. VLAHOS: We are just going to crosscheck a couple of facts and come back to you at the end of the session with that information to make sure we are correct.

Dr McFETRIDGE: I refer to Budget Paper 3, page 70, competitive neutrality policy. Will Disability SA still be a service provider and so compete with the NGOs? Can you assure the NGOs that there will be competitive neutrality?

The Hon. L.A. VLAHOS: We know that a number of other jurisdictions have made a decision to change the way they deliver services in a variety of different ways. Our government in South Australia is yet to make a final decision about whether we will be a service provider or not. I note from my recent regional trip to Port Lincoln, where I visited Cara with the member for Flinders, that they are increasing their footprint in this state and delivering into regional and remote. I know that there is a great enthusiasm in this sector for people at looking at different service deliveries and the growth in this sector that consumer-based NDIS funding will provide to them.

At this point of time, we are supporting people as they transition both in their governance and changing the way they move from block funding to consumer-based funding in the not-for-profit sector, in the non-government, and the full profit sector, but the state government has not made a decision about where we will go in that space yet.

Dr McFETRIDGE: Was a cost-benefit analysis done on Disability SA? I understand the former minister undertook a cost-benefit analysis of continuing DSA as a service provider.

The Hon. L.A. VLAHOS: We continue to look at a variety of information sources. As I said, Victoria is migrating at the moment. I believe Queensland might have made some decisions this week. We need to, as a government, look at all the information that is most recent to hand. The information that the previous minister may have had modelled may not be accurate at this point of time and I am looking at all the information before myself.

Dr McFETRIDGE: Are there predicted falls in the FTE numbers with the move to the NDIS?

The Hon. L.A. VLAHOS: We know, and I have done media on this, that there will be around 6,000 extra jobs in a variety of different styles of work in the disability sector that will be available to South Australia, on top of the people who are already working in the sector. Disability SA and Disability Services has around 2,500 staff, I believe, and we have about 40 per cent of the services in the sector, but the not-for-profit sector is growing rapidly.

I know that in the case of Port Lincoln, recently, Cara has plans to bring up to 90 extra staff on in that space alone in that part of South Australia. So, the sector is gearing up. It is an exciting sector to be in. We know that people who work in the sector have a high degree of job satisfaction through value alignment for caring for people. Often you meet people who have disabilities in their own families who become carers for someone else because in a small community that is the way they share their community. But it is a really exciting space in the employment space as we move forward.

Dr McFETRIDGE: Perhaps I should be clearer: is there a predicted decrease in FTEs in Disability SA?

The Hon. L.A. VLAHOS: We have not made any decisions about what we are going to do with staffing in Disability SA at this point, as I reiterated before.

Dr McFETRIDGE: Talking about transitions to the NDIS, on Budget Paper 4, Volume 1, page 114, activity indicators, I was intrigued to read that some children have transitioned to the NDIS and subsequently returned to Disability SA. Can you give the committee an idea of how many children and why that has happened, and are they funded by the NDIS or DSA?

The Hon. L.A. VLAHOS: Sorry, could you repeat that?

Dr McFETRIDGE: Under activity indicators on page 114, it says there that some children have 'transitioned to the NDIS and subsequently returned to Disability SA'.

The Hon. L.A. VLAHOS: It is a complex piece of work and for many families who have been in a long-term relationship with the department to provide services, they choose to stay with us in this transition period. There are a number of pieces of work that involve empowering families about how to spend their packages. Once they have been granted a package we know that some families are actually underspending their package in the first year because they are not used to making a choice as consumers. We need to support them in that space and Disability SA does that. They have an existing relationship and faith in the organisation and gradually they will transition across to the NDIS when they choose to.

Dr McFETRIDGE: On a similar topic, on page 117, why was there a doubling of numbers of children still with child and youth disability services in 2015-16? Was this because there was an underestimation of the initial numbers? How many participants will eventually qualify for the NDIS?

The Hon. L.A. VLAHOS: Bear with me, I will talk to my colleagues. We know the NDIS had a slower than expected transition, and in fact I have done media on that this week, but we also know some of the people we are talking about can choose to continue to receive support by child and youth disability services in the metro area.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 113, the disability support program: \$32.9 million was paid to the commonwealth for younger people in residential aged-care facilities. How many young people are there in aged-care facilities in South Australia?

The Hon. L.A. VLAHOS: As you would be aware, the aged-care sector is obviously a commonwealth area, but we do have young consumers who are living in aged-care facilities. We will take on notice to get you the precise number, but the information that we have is that there are around 350 in South Australia who were living in those spaces.

Dr McFETRIDGE: Will those people be able to transition to what I would say is—and I think you would agree, minister—more appropriate accommodation under the NDIS?

The Hon. L.A. VLAHOS: As they become consumers, they will decide where they live and how they receive care packages. If they choose to leave the residences they are currently in and find other accommodation options, that will be their choice as they receive packages.

Dr McFETRIDGE: On the same page, activity indicators, how many people with exceptional needs will transfer to mainstream services by 2018?

The Hon. L.A. VLAHOS: People are moving in and out of the Exceptional Needs Unit at a differing rate at any given time and at this point in time we cannot actually predict that figure as we migrate across to the NDIS. As we know, the NDIS is a hugely complex piece of work and we have not had a Disability Reform Council meeting for almost six months. We are due to have a meeting in September because of the caretaker period with the current federal election cycle that we have just been through. There are a number of matters that are unknown at this point in time and some of these figures are not easy to predict because the system is still being built and designed as we migrate across to it.

Dr McFETRIDGE: The budget figures show a projection of 40 people in 2016-17. Can you give the committee an idea of the cost per individual? I am hearing costs of over a million dollars per individual for some people with exceptionally complex needs.

The Hon. L.A. VLAHOS: It is fair to say that people in this space have incredibly complex lives and complex needs and they vary from case to case. While someone might be travelling quite well, they might have an episode in their life that causes their needs level to go up considerably, but things might settle down in their life, they might become more stabilised and they might move out of this space. At any one time the packages are adjusted to the needs of the client, the consumer, to reflect how the state should look after that person to the best quality framework that we deliver in South Australia.

Dr McFETRIDGE: Do you have a dollar figure or perhaps some examples for the committee to realise how complex it is dealing with some of these people?

The Hon. L.A. VLAHOS: In this space I do not think it is fair to typify one particular style of consumer or a client of Disability SA services with a mean or average. These are people and they are to be treated as individuals. You do not work out individualised packages; you provide the packages that that person needs to have the quality of life, the home environment and the support that they need.

Dr McFETRIDGE: I do not think anybody is going to disagree with that, but I think it is fair for everybody—in fact, I think it is probably very good for everybody—to have an understanding of the costs involved, because they are extraordinary, but that is not to say that we should not be doing what we are doing.

The Hon. L.A. VLAHOS: In extreme cases, \$1 million would not be unexpected for one person. There are incredibly complex needs that need to be put around those persons. The services need to be wrapped around them. That is a step-up, step-down approach in the quality of care framework, that we help that person with the challenges they are facing in their life, as well as that of their families, and their health and mental wellbeing.

Dr McFETRIDGE: I think the only thing that exceeds the way these people handle their own challenges is the way their carers look after them.

The Hon. L.A. VLAHOS: They are exceptional care workers.

Dr McFETRIDGE: They are exceptional carers as well.

The Hon. L.A. VLAHOS: They are very, very special people. I have had the pleasure of meeting some of those people.

Dr McFETRIDGE: They are very special people.

The Hon. L.A. VLAHOS: Yes.

Dr McFETRIDGE: Moving on to page 119, NDIS and service reform, what is the cause for the dramatic increase in NDIS participants in the nought to 14-year-old age group? In 2015-16, the estimated result was \$8,500 and in 2016-17 the projected result is \$11,190—a significant increase.

The Hon. L.A. VLAHOS: There has been widespread media about the fact that there has been a huge number of children with autism and autism spectrum disorder coming into the NDIS trial. We also know that there is a number of people who have not previously directly engaged with Disability SA services who are entering the system. There are also people who are applying to the system who are being deemed ineligible because of the criteria.

Dr McFETRIDGE: On the same page, I have a couple of questions about service providers. What safeguards are in place to regulate and oversee the fees paid to service providers? Are there brokers who are offering to find services for NDIS participants; if so, is there any regulation on the commission they might charge?

The Hon. L.A. VLAHOS: People have to be registered, and there is a schedule with fees to stop merciless behaviour.

Dr McFETRIDGE: Is there a fee for brokerage as well if you are not actually providing the service?

The Hon. L.A. VLAHOS: That is stipulated on the schedule.

Dr McFETRIDGE: That is good to hear because we want all the money to go to front-line services. I refer to Budget Paper 4, Volume 1, page 119, NDIS and service reform. I think you did mention the figure of 32,000, but I have heard higher figures. How many participants are expected by 2018 in the full rollout of the NDIS?

The Hon. L.A. VLAHOS: It is still 32,000, but, as we know, we have people who are intersecting with the system who have never come forward to the government system who have disabilities that will fit into the system. At this point in time, I would say that the anticipated number is 32,000, but we know from our children's trial that there are people who will come forward who have not sought services before.

Mr DULUK: Minister I refer to page 116. The description at the top refers to specialist allied health services. Can you confirm that sub-program 5.1 is the program under which carer support organisations are funded through the Home and Community Care program?

The Hon. L.A. VLAHOS: I believe that you are looking at minister Bettison's portfolio.

Mr DULUK: So that is a no.

The Hon. L.A. VLAHOS: That falls under the scope of minister Bettison's portfolio. It is Program 2.2: Community Care.

Dr McFETRIDGE: Getting back to page 119 and the 32,000 participants by 2018, how many are registered now but yet to have plans approved?

The Hon. L.A. VLAHOS: Bear with me, and I will just get some information on that. I do know the numbers, but I just want to confirm them. The access requests made to the NDIS in South Australia from 1 July 2013 to 31 March 2016 was a total of 8,758. The requests determined to be eligible were 7,747 (88 per cent), and the number of eligible children with approved plans is 5,825 (75 per cent). Requests in progress is 6 per cent, with 489; requests deemed ineligible is 4 per cent, and that is about 382; and requests withdrawn, closed or revoked is 140 people, 2 per cent of the total.

Dr McFETRIDGE: With the unmet need figures showing in May 2016 the unmet need has not reduced significantly with the rollout of the NDIS—in fact, it appears to have increased slightly from the year before—we are participating in the NDIS, people are going onto the plans, over 5,000 people are on the plans, yet the unmet need does not seem to be changing. Why is that so?

The Hon. L.A. VLAHOS: I will consult with my colleagues but, to start with, the unmet need is something that all states grapple with and, whilst it is predicted that unmet need will decrease over time as we transition across to the NDIS, the unmet need goes up from time to time. I believe that we are the only state in the country that publishes our unmet need data on a website. I will give you some further information now. It is a national challenge, and we know that there has been a small decline in the overall unmet need that has been reported in the period. Over this period, the total number of people with unmet need has decreased by 3 per cent from 2,553 to 2,480 people. These people are registered with a variety of different needs and different categories of needs.

Dr McFETRIDGE: Minister, how much state money has been transferred through the bilateral agreement with apparently not a lot of change in unmet need? You have not seen a big reduction in demand on state resources.

The Hon. L.A. VLAHOS: Could you clarify the question?

Dr McFETRIDGE: How much money has been transferred to the NDIA from the state so far?

The Hon. L.A. VLAHOS: As I said before, this is a complex piece of work. We are cashing out of this space on a client-by-client, person-by-person approach, so I cannot actually put a figure on unmet need at this point in time. We know that we will endeavour to support all those people who

are requesting support until they make the migration across. Often, when I talk to people in the disability sector and people living with disability, we talk about a bridge that we are all walking across together and that at any one time you cannot quantify the figure. We know that we are going in the right direction, we are moving across into the space, but that is not something I can put a figure on for you today.

Dr McFETRIDGE: Perhaps to clarify, minister, obviously we are putting money into the system already. How much money has the state paid across to the NDIA?

The Hon. L.A. VLAHOS: At the moment, the state is putting in the bulk of the money, but we are happy to come back to you with a precise figure as we move forward.

Dr McFETRIDGE: Thank you, minister. I refer to Budget Paper 4, Volume 1, page 117, Equipment services. How will the transition to the NDIS affect work done by equipment services, particularly the artificial limb scheme and home modification services?

The Hon. L.A. VLAHOS: The number of children under 15 receiving equipment services now funded by the NDIS, who were previously known to Domiciliary Equipment Services (DES), is 439; that is 35 per cent. The number of children under 15 receiving equipment services funded under DCSI is 809. The total number of children under 15, who were previously known to DES, is 1,248.

Dr McFETRIDGE: The equipment they are getting, will that still be coming through equipment services, or will it be coming through separate private providers through the NDIA?

The Hon. L.A. VLAHOS: As you would be aware, the NDIS is a consumer-led consumer choice. It is up to the consumer, once they have received their package, how they expend it.

Dr McFETRIDGE: What then is the future for equipment owned by equipment services? If clients choose to go to a private provider, will they first have the opportunity to buy any equipment they have from equipment services, or will they have to return that to equipment services?

The Hon. L.A. VLAHOS: That is one of the pieces of work that the project management in the reform space is currently working through.

Dr McFETRIDGE: How long are clients now waiting for such items as wheelchairs, and is there a quick turnaround for repairs?

The Hon. L.A. VLAHOS: I am prepared to take that on notice.

Dr McFETRIDGE: I think you have answered the next question. On Budget Paper 4, Volume 1, page 113, highlights, when will the 18 purpose-built flexible respite serviced apartments be completed, and where are they going to be built? It says in the CBD, but it does not really say where.

The Hon. L.A. VLAHOS: Just bear with me, as I am going to refer to my notes for a few moments. The 18 disability respite apartments will be built in the CBD, and we know that these will be delivered at a cost of \$7.4 million in partnership with the private sector. A tender for this project was released in early 2015, as you would be aware, and Uniting Communities subsequently was selected as the successful proponent. Uniting Communities is constructing a 20-storey multiuse building on the current Maughan Church site, bringing together Uniting Communities services and incorporating a specialist disability long-term rental and disability respite accommodation facility.

The development is also going to include city retirement living, with additional offices and hospitality and community spaces. It will be an important community hub in the city for people living with disabilities and other age groups. The development will also reduce the waiting time for centre-based respite, and relieve pressures on existing respite facilities, and provide flexible accommodation for a variety of people living with disabilities and their families that can be tailored to their individual requirements.

The apartments will include accommodation respite programs, holiday accommodation and short-term accommodation—for example, for a medical appointment to save someone coming in from a rural and regional space, or transitioning from a hospital setting. The development can also provide a viable short-term transition to community-living options for people otherwise unable to be discharged from hospitals, thus relieving pressure on acute beds. I am advised that the Development

Assessment Commission recently approved the plans for the redevelopment, including the disability respite facility, and its construction is due to commence in the final quarter of this year.

Dr McFETRIDGE: That is the old Maughan Church site?

The Hon. L.A. VLAHOS: Yes, that is correct.

Dr McFETRIDGE: On the same budget reference, can we have some details on the proposed disability hub for the north, and is there a southern hub planned; if not, why not?

The Hon. L.A. VLAHOS: At this point of time, there is not a southern hub, but I am happy to get my notes up and talk to you about the northern hub, which was announced in late January, just after I became a minister. I know we have committed—

Dr McFETRIDGE: What are you doing? We need a southern one.

The Hon. L.A. VLAHOS: There is a great need in the north, we know, with the GMH closure. This is about job creation. There are also southern jobs that are just as important and regional jobs in the disability space. We know that it is hugely important. It is the biggest job creation space this state has in the next couple of years, with 6,000 jobs. We know that we have committed over \$4 million over the next couple of years to investigate this facility and establish the disability hub in the north. It was part of the Northern Economic Plan. It was released in late January, as I said.

The hub will actually help develop the disability workforce and support people wanting to enter or transition into the disability sector for the first time. It aims to upskill existing workers who are in the space who might need additional certification, and to encourage allied health graduates into the disability sector. DSD is actually leading this piece of work and has commenced detailed workforce profiling. The hub will facilitate activities to build a sufficient and diverse supply of workers to the disability sector.

We know the jobs that need to be created are not just personal care workers. They are coordinators, they are back-of-house technical people, and they are a variety of other different roles. That is the exciting thing about this, because the local workforce will have the opportunity to partner with this training hub to develop the capacity and capability to grow the northern suburbs disability sector. We are hoping that the hub will be located near the Northern Futures Career Workforce Development Centre in the Elizabeth Shopping Centre, and that this will also be accessible through the DCSI Northern Futures Salisbury site.

We are very excited about this. For example, the University of South Australia will use the hub for its allied health student placement programs. National Disability Services will use it as an enterprise support base in the northern Adelaide area. DSD will also use the hub for the delivery of Jobs First Employment Project connected to jobs.

Dr McFETRIDGE: Budget Paper 4, Volume 1, page 116, highlights. How many residents are left at the Strathmont Centre?

The Hon. L.A. VLAHOS: The Strathmont Centre is actually an amazing place. So many people have lived there for so long. In fact, when I went to visit in May, I met a man who had been there since he was two years old. He was a remarkable gentleman. It is his home and it is his place. The transitioning of people on a one-by-one basis has been a slow, complex but hugely important process for the dignity of the people who are living in those homes. It has been their home and their workers have been their family.

We equally know that the pool facility at Strathmont is a community resource and many people have learned to swim there. I believe that as of today there are 10 people still in residence, and we have been transitioning them over a number of years. In recent stages, I think the devolution was around 27 in the final stage, but there are 10 people there as of today.

Dr McFETRIDGE: When do you expect to have them in other accommodation that is fit for purpose?

The Hon. L.A. VLAHOS: All bar one are expected to be out by the end of the month, and the other person is due to be in the first quarter of next year.

Dr McFETRIDGE: Will the site then be sold or will it be used for other disability purposes?

The Hon. L.A. VLAHOS: We are working and developing a business case in conjunction with Renewal SA for the relocation of the remaining staff and administration at Strathmont and for the future of use of the site. We know that in May 2016 the plant equipment was identified as surplus and was sold at a public auction. The grounds maintenance areas have been closed and staff have been assigned to other areas of the department. The groundwork is now being contracted to Bedford Industries as an active employment space for people living with a disability. The Strathmont laundry services are now closed as well.

During 2016-17, the vacated buildings will be decommissioned as residents, staff and the services are finally moved off site. All remaining on-site services will gradually be shut down unless required in order to comply with safety and security procedures.

Dr McFETRIDGE: Just on the similar topic of facilities—specifically, ageing facilities—have the lifts in Highgate House been fixed?

The Hon. L.A. VLAHOS: We have invested quite a bit of money in Highgate. When I visited in May to talk to consumers, carers and the wonderful team of workers, the lifts were working really well. In fact, it was a bit like being in a Skinner box because lifts were moving so fast, the doors were opening and shutting, and people would zoom in on their wheelchairs. You had to be careful that people did not knock you over. It was a really interesting day. The lifts are working. We have done the boiler rooms, and there have been some repairs from some flooding that occurred as well in the kitchen area. So, we are maintaining the assets at Highgate to a high standard.

Dr McFETRIDGE: I am moving on to page 112, disability support. How many people with disabilities are occupying beds in our hospitals?

The Hon. L.A. VLAHOS: The decision for someone to be in hospital is a clinical decision. There are comorbidities, especially for people with disabilities. They have complex needs, whether they be mental health or a variety of different medical needs. That information is something that I would have to come back to you with. It is not easily separated from health data, and remember that hospital data belongs to the Minister for Health not to the Minister for Disabilities.

Dr McFETRIDGE: I understand that it is about 200 on any day. How often does the panel meet that considers the cases of whether people should be in hospital or have the opportunity to move on to a better facility?

The Hon. L.A. VLAHOS: I am advised that the decision to transition people out of a hospital environment and back to an intermediate care environment, or a home setting or a group home setting, is expedited according to the needs on any day. That is a changeable arrangement, depending on how many people are in the system at any one time. The needs of people living with a disability are always placed as a high priority in that mix.

Dr McFETRIDGE: Does Disability SA or SA Health help offset charges by charging disability clients a rent for their bed which comes out of their Disability Support Pension?

The Hon. L.A. VLAHOS: Disability SA does not charge them anything whilst they are in hospital.

Dr McFETRIDGE: Do you know whether the health department charge anything? Are you aware?

The Hon. L.A. VLAHOS: I cannot comment on that. I am not the Minister for Health.

Dr McFETRIDGE: But surely you would be aware of it, though?

The Hon. L.A. VLAHOS: It is not a question I have been asked before.

Dr McFETRIDGE: We will move on to another area where people with disabilities are perhaps in inappropriate conditions, that is, in prisons. How many prisoners have disabilities?

The Hon. L.A. VLAHOS: People who are fit to plead have a variety of complex needs and social backgrounds if they end up in Correctional Services which, again, is a question for minister Malinauskas, but we know that there have been academic studies that show that up to a third of

people who are in our prison system have some form of known or diagnosed disability: they could be sensory or there could be a physical disability. There is a variety of ways that that could be assessed, and that is a definitional academic piece of work that each university undertakes.

Dr McFETRIDGE: Will prisoners be able to apply for funding under the NDIS?

The Hon. L.A. VLAHOS: Only when they leave the prison system.

Dr McFETRIDGE: Does Corrections charge Disability SA for services delivered in prison?

The Hon. L.A. VLAHOS: Not to our knowledge, I am advised.

Dr McFETRIDGE: How many disability beds are there in James Nash House, the forensic mental health facility?

The Hon. L.A. VLAHOS: My colleague Andrew will give you an answer from previously while I look this up.

Mr THOMPSON: In relation to your question on page 48 of Budget Paper 3 that you asked in relation to National Partnerships in terms of the funding, to the extent that National Partnerships relate to Disability, I can refer you to the second last paragraph on page 49. It states:

The large increase in NP funding in 2018-19 reflects an increased transfer of funds from the DCAF.

DCAF is the DisabilityCare Australia Fund. It continues:

The timing of payments from DCAF for NDIS related expenses is still being negotiated and it is currently estimated South Australia will only receive a proportional share of its annual allocation in the lead-up to full scheme...in 2018-19. In 2018-19, South Australia is expected to receive its full annual DCAF allocation, as well as a once-off payment equivalent to the balance of withheld annual allocations from previous years.

That would reflect the increase in there.

Dr McFETRIDGE: So that is the \$230 million.

Mr THOMPSON: If I can just confirm, in terms of an earlier answer in relation to the bulk of the funding that references, the state is currently providing the bulk of the funding for disability services within South Australia.

The CHAIR: The minister is going to provide you with a last answer, I believe.

The Hon. L.A. VLAHOS: I am actually happy to take that in the next section of estimates, which is about mental health and substance abuse, because it relates to that section as well.

The CHAIR: While there is a changeover, do you want to do the omnibus questions now?

Mr DULUK: The omnibus questions are:

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 in 2015-16 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. In financial year 2015-16 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 2016-17?

3. For each department and 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 2014-15 and 2015-16.

4. For each year of the forward estimates, please provide the name and budget of all grant programs administered by all departments and agencies reporting to the minister, and for 2015-16 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, the purpose of the grant and whether the grant was subject to a grant agreement as required by Treasurer's Instruction 15.

5. For each year of the forward estimates, please provide the corporate overhead costs allocated to each individual program and subprogram administered by or on behalf of all departments and agencies reporting to the minister.

6. For each department and agency reporting to the minister, could you detail:

- (a) How much was spent on targeted voluntary separation packages in 2015-16?
- (b) Which department funded these TVSPs?
- (c) What number of TVSPs was funded?
- (d) What is the budget for targeted voluntary separation packages for financial years included in the forward estimates (by year), and how these packages are to be funded?

7. What is the title and total employment cost of each individual staff member in the minister's office as at 30 June 2016, including all departmental employees seconded to ministerial offices and ministerial liaison officers?

The CHAIR: The time for this examination has expired. I declare the proposed payments complete.

DEPARTMENT FOR HEALTH AND AGEING, \$3,711,780,000

Minister:

Hon. L.A. Vlahos, Minister for Disabilities, Minister for Mental Health and Substance Abuse.

Departmental Advisers:

Dr A. Groves, Chief Psychiatrist, SA Health.

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

Ms J. Richter, Deputy Chief Executive, SA Health.

Mr L. Richards, Deputy Chief Executive, System Performance, SA Health.

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

Ms S. Cormack, State Director, Drug and Alcohol Services South Australia, SA Health.

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

Mr S. Runnel, Chief of Staff.

The CHAIR: I declare the proposed payments open for examination and refer members to the portfolio statements, Budget Paper 4, Volume 3. What budget paper are you going to start on, member for Davenport?

Mr DULUK: We will be starting on Budget Paper 3, page 24, and Budget Paper 4, Volume 3, page 25.

The Hon. L.A. VLAHOS: Madam Chair, could I just correct one thing. I stated before that on the day I visited Strathmont in May that the lifts upgrade had been completed. Apparently, the completion is not quite there and it is still being done today.

The CHAIR: It looked nearly finished though, did it not?

The Hon. L.A. VLAHOS: Yes, it did look nearly finished. It was working, I just think there was another scheduled service afterwards probably.

The CHAIR: If your qualifications were in lift maintenance, we would be upset. Member for Davenport.

Mr DULUK: Thank you, Chair. Minister, of the total health department and ageing budget of \$5.6 billion, could you indicate what amount of this sum will be used to provide specific mental health services?

Mr TRELOAR: The member for Davenport refers to Budget Paper 4, Volume 3, page 25.

The CHAIR: He misled me.

The Hon. L.A. VLAHOS: It is fair to say that it is very difficult to separate the two streams of funding. The budget paper that I have been advised of, which is indicative not definitive, is around \$383,675,000.

Mr DULUK: Moving to Budget Paper 4, Volume 3, page 25, how many of the department's 30,838 FTEs work primarily or exclusively on the development and delivery of mental health services?

The Hon. L.A. VLAHOS: I will just consult with my colleagues. According to the advice I am provided, in the 2016-17 budget period that would be around 2,527 full-time equivalent employees as of 30 June.

Mr DULUK: What is the total budget for mental health services in each local health network? I am happy for you to take that on notice.

The Hon. L.A. VLAHOS: We are happy to take that on notice.

Mr DULUK: What is the number of mental health FTEs for each local health network?

The Hon. L.A. VLAHOS: We will need to take that on notice.

Mr DULUK: How many acute mental health beds were there in each hospital as at 30 June 2015 and 30 June 2016?

Members interjecting:

The CHAIR: Order! Speaker Bishop has given rules on audible—

The Hon. L.A. VLAHOS: Total acute adult inpatient beds across a variety of settings include short stay, 41; 213 in open; peak queue, 37—so a total of 291.

Mr DULUK: Which hospital?

The Hon. L.A. VLAHOS: No, that is in total.

Mr DULUK: Will you come back and break it down by hospital as well?

The Hon. L.A. VLAHOS: No, I have that here. The total for SAHLN is 68, the total for NAHLN is 58, the total for CAHLN is 86 and the statewide acute is 38, but the total I gave you was across the system of 291 for acute inpatient beds for adults. Would you like adolescents and older persons as well?

Mr DULUK: Yes, please.

The Hon. L.A. VLAHOS: The total children/adolescent acute inpatients beds is 12 and the total older persons acute inpatients beds is 70, which brings a total of all acute inpatient beds to 373.

Mr TRELOAR: I refer to Budget Paper 4, Volume 3, page 37. How many subacute mental health beds were there in each hospital as at 30 June 2015 and 30 June 2016?

The Hon. L.A. VLAHOS: Currently, we have a total subacute residential for 130 across all of the system, and I can read it out line by line: Queenstown Intermediate Care (CALHN) is 15; Noarlunga Intermediate Care (SALHN) is 15; Mile End Community Rehabilitation Centre (CALHN) is 20; Noarlunga Community Rehabilitation Centre (SALHN) is 20; Playford Community Rehabilitation Centre (NALHN) is 20; Whyalla Community Rehabilitation Service is 10; Glenside Supported Accommodation (statewide CALHN) is 20; and Forensic Step Down Oakden (statewide NALHN) is 10.

Mr TRELOAR: Further to that, are any of the beds identified as mental health beds in hospitals being used for another purpose other than mental health?

The Hon. L.A. VLAHOS: Not at this point in time, I am advised.

Mr TRELOAR: Would the minister consider there is a need to increase the number of mental health beds in the hospital network?

The Hon. L.A. VLAHOS: The level of beds, and how they are spread through the system, is something we constantly monitor, based on the needs of the community. At this time, we think the balance of beds we have is correct, but it is something I continue to look at on a week by week basis with the team that is next to me.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 3, page 42. Minister, what criteria did you use to decide which former National Partnership projects the state government would fund and which the state government would not? Perhaps just for clarity: the opposition understands that a proposal by the Northern Adelaide Local Health Network to co-fund the Salisbury walk-in centre with a commonwealth agency after National Partnership funding ceased did not proceed after the Northern Adelaide Local Health Network proposal was rejected by SA Health.

The Hon. L.A. VLAHOS: The state government stepped in to ensure that some very important mental health services Whyalla and Adelaide are protected and continue, despite the two National Partnership agreements lapsing on 30 June 2016. The state government has allocated over \$8.5 million over four years in the current state budget to restore mental health services in Whyalla which were scheduled to close on 30 June. I know that when I visited the town recently they were very appreciative of that, and I am sure the member for Giles, who attended with me that day, would attest to that.

We know that there are self-presentations of people with anxiety and depression and suicidal thoughts happening at the hospital, we know that the community is under pressure there and we know that the resources we have put in for the next four years will make a big difference to that town, with the pressures of the Arrium restructure going on. In addition, SA Health will continue to provide funding to continue the 10 forensic step-down beds in Oakden. These are very important because they would have impacted around \$20 million of annual funding.

The CHAIR: Order! Hang on for a moment.

Dr McFETRIDGE: I was really asking about the Salisbury walk-in centre. The others are very important but the particular issue we had was with the Salisbury walk-in centre.

Mr DULUK: And the question was about what criteria you use.

The CHAIR: Just a second, let the minister finish the answer she is giving and then you can get onto the specific parts that you want to know about.

Dr McFETRIDGE: I want the answer to the question.

The CHAIR: I do not even know what page you are on. I have to ask you: what page are you on?

Dr McFETRIDGE: Page 42.

Mr DULUK: Volume 3.

Dr McFETRIDGE: I am not saying the others are not important, but this was a particular issue we were concerned about.

The Hon. L.A. VLAHOS: We know that at the Salisbury walk-in service people can still receive care there between the office hours of Monday to Friday, about 8.45 to 5 o'clock. We know that the Primary Health Networks is where Sussan Ley says she is sending the money that she cut from the National Partnerships—the money will be moving into those spaces.

The CHAIR: Just before you go on, you are looking at Budget Paper 4, Volume 3, and you are saying page 42?

Dr McFETRIDGE: Northern Adelaide Local Health Network. That covers it: net cost of sub-program, which is this. Minister, did you have any role in stopping the proposal to continue co-funding the Salisbury walk-in network or was that minister Snelling?

The Hon. L.A. VLAHOS: The decisions for these were made at a cabinet level when we decided this. I made the decision based on the needs that we have in our state at this time, and Whyalla needs resources.

Dr McFETRIDGE: So it was your proposal, was it, to fund the others but not Salisbury?

The Hon. L.A. VLAHOS: If this had been a political decision, I would have funded my local area, as a neighbouring MP—

Dr McFETRIDGE: I am not suggesting that.

The Hon. L.A. VLAHOS: —before that, but it is not; it was based on evidence that the communities in Whyalla and the top of the gulf, considering the economic challenges they are facing, needed the resources.

Dr McFETRIDGE: On the same budget reference, the intensive home-based support service, which closed on 30 June 2015, led to reduced use of hospital beds by 10 days per person and also helped to avoid future admissions. The evaluators estimated it would pay for itself in cost offsets and reduced hospitalisation. What was the rationale of the government in not funding the service, given the report suggested it would cost the state more to not fund it?

The Hon. L.A. VLAHOS: What report are you referring to?

Dr McFETRIDGE: The intensive home-based support service.

The Hon. L.A. VLAHOS: And the author of that paper is?

Dr McFETRIDGE: It was probably a cabinet decision again, was it, to not fund this particular service?

The Hon. L.A. VLAHOS: No, I am asking who the author is of the paper that you are quoting from?

Mr DULUK: I think we ask the questions.

The CHAIR: She is allowed to ask it.

The Hon. L.A. VLAHOS: I am allowed to ask for clarity around the definition of the source documents.

Dr McFETRIDGE: I think you would know who the evaluators were. Evaluators estimated it would pay for itself in cost offsets and reduced hospitalisation. That would be your department and your people.

The Hon. L.A. VLAHOS: I will let Ms Richter answer that question.

Ms RICHTER: The home-based support service was a commonwealth-funded service and the funding ceased, so there were—

Dr McFETRIDGE: Sorry, I cannot hear you.

The Hon. P. Caica interjecting:

The CHAIR: Order, member for Colton!

Ms RICHTER: So the decision was made not to continue funding that because there were not the funds to do it. We had to make difficult decisions about where we would place the funds and, as the minister has alluded to, the funds were prioritised for other places. The only way we can actually save money by keeping a service going is to in fact close something behind it. Therefore, we were not in a position to actually close any beds behind it.

Dr McFETRIDGE: Did the evaluator's report not say—and this is information I am given here—that it would cost the state more not to fund it?

Ms RICHTER: It may have said that, but I would need to have another look at the report.

Dr McFETRIDGE: Moving on, another NGO service, the crisis respite service, was independently evaluated as providing significant reductions in psychological distress, hospital admissions, time in hospital and emergency department visits. Again, what is the rationale for not funding this service?

The Hon. L.A. VLAHOS: Again, it was the COAG funding that was cut. The state government has always maintained that we could not bear \$20.1 million of cuts to our state healthcare system. We had to make hard choices about what was in the best interest. If I had a magic fairy wand, I would have funded everything, but I do not. That is the reality of a hard decision and that is why I am a minister; I have to make hard decisions. One day, when you are in government, you will have to make hard decisions.

Ms Chapman interjecting:

The CHAIR: Member for Bragg, you are not on the committee and if I hear your voice you will be asked to leave the room.

Mr DULUK: Going back to the Salisbury walk-in centre, did cabinet decide not to accept the co-funding or was that a decision that you made yourself not to accept the commonwealth's co-funding for the Salisbury walk-in centre?

The Hon. L.A. VLAHOS: That was a departmental decision.

Mr DULUK: So the decision did not go to cabinet and you did not sign off on the decision?

The Hon. L.A. VLAHOS: It was a departmental decision.

Mr DULUK: So you as the minister signed off on the decision?

Dr McFETRIDGE: The buck stops with the minister.

The CHAIR: Order, member for Morphett!

Ms RICHTER: The department would have made a recommendation on what we were going to be able to afford to fund, given that we could not fund everything.

Mr DULUK: And, minister, you accepted that recommendation of the department?

The Hon. L.A. VLAHOS: I listen to a variety of sources. It is wise to listen to my department.

Dr McFetridge interjecting:

The CHAIR: Member for Morphett!

Mr DULUK: I refer to Budget Paper 4, Volume 3, page 27. Given that the RSL Repat at Daw Park will have a range of medical health and rehabilitation facilities, will the minister initiate a reassessment of the decision to relocate Ward 17?

The Hon. L.A. VLAHOS: The site of the former General Repatriation Hospital at Daw Park falls within the Minister for Health's portfolio. My responsibilities lie in the design and delivery of the veterans' mental health precinct at Glenside.

Mr DULUK: Why has the time frame for completion of the transfer slipped out or blown out by more than a year?

The Hon. L.A. VLAHOS: Which section are you referring to?

Mr DULUK: The transfer of Ward 17, or the funding allocated to it at least.

The Hon. L.A. VLAHOS: What is the budget line item? I believe you have to address the questions through budget line items.

Mr DULUK: So you accept the premise that it has slipped?

The Hon. L.A. VLAHOS: No, I reject your premise, and do not badger me.

Mr DULUK: Still on page 27, in 2015-16 there was \$2 million allocated to the post-traumatic stress disorder clinic, which was not spent. The government estimated to spend \$3 million but only spent \$1 million, so the full budget has not been spent.

Ms RICHTER: This allocation would have been for preliminary works. We are still on track for the project to be finished as planned.

The Hon. L.A. VLAHOS: And delivered on time.

Ms RICHTER: We are about to go out to the market for contractors.

The Hon. L.A. VLAHOS: It is on track, it will be delivered and it will be an excellent service. It has been co-designed with a lot of people with lived experience in the veterans' space. It will be an amazing thing. People interstate are talking to me about this space and what a fantastic facility it will be.

Mr DULUK: I refer to page 29. The organisational chart of the SA Health website has not been updated since November last year and, accordingly, it does not mention you, minister. I am trying to work out who within the framework of government is in control of mental health policy, including within SA Health and the local health network.

The Hon. L.A. VLAHOS: What budget line item does that refer to?

Mr DULUK: Page 29, the net cost of providing services, and the budget that we are looking at here, which is your portfolio.

Ms RICHTER: The minister is clearly responsible for mental health policy. The minister is advised through the chief executive officer on advice from both Dr Tarun Bastiampillai, from a strategic perspective, and Dr Aaron Groves, from the Chief Psychiatrist's perspective.

Mr DULUK: Is all mental health and substance abuse legislation committed to the Minister for Mental Health and Substance Abuse?

Ms RICHTER: Yes, all authorities have been transferred appropriately.

Mr DULUK: Are all delegations under all relevant acts and authorities held solely by the minister or are they by delegation from the Minister for Health or concurrently held by the Minister for Health?

Ms RICHTER: No, they are all delegated directly to the Minister for Mental Health.

Mr DULUK: What controls does the minister have over funding decisions in the mental health and substance abuse areas?

Ms RICHTER: The minister was presented with a budget this year and is informed about the recommendations for any change.

Mr DULUK: Minister, do you have regular meetings with the Chief Psychiatrist?

The Hon. L.A. VLAHOS: I catch up with SA Health people on a very regular basis.

Mr DULUK: Once a month?

The Hon. L.A. VLAHOS: We would see each other more than once a month, wouldn't we, Dr Groves?

Dr GROVES: Yes.

The Hon. L.A. VLAHOS: I spent time with you at the suicide prevention conference, didn't I?

Dr GROVES: Yes.

The CHAIR: Does the member for Morphett have a question?

Dr McFETRIDGE: I have lots of questions, thank you, Chair.

The CHAIR: I was not sure if you were mumbling.

Dr McFETRIDGE: If the Chief Psychiatrist wanted to advocate for change in the way mental health services are funded or operated, would that advice be provided to you alone or to the Minister for Health?

The Hon. L.A. VLAHOS: What is the budget reference?

Dr McFETRIDGE: Look, page 25, net cost of services. Okay? It is the omnibus line, anything you want, we can do that.

The Hon. P. Caica interjecting:

Dr McFETRIDGE: Look, mate, when you know more about this than I do—

The CHAIR: Hold on a second.

The Hon. P. Caica interjecting:

The CHAIR: Just a second. Order, member for Colton! We have all done really well.

Dr McFETRIDGE: The human shields come out again.

The CHAIR: Member for Morphett.

Dr McFETRIDGE: The human shields come out again.

The CHAIR: The member for Morphett will stop.

Ms CHAPMAN: Top of page 29.

The CHAIR: Yes, you are on the wrong page. Thank you.

Dr McFETRIDGE: No.

The CHAIR: He was telling us the wrong page. Perhaps if we all just—

Dr McFETRIDGE: It is alright, it's okay.

The CHAIR: No, member for Morphett. Take a deep breath and re-ask the question perhaps in a less combative style and we might get there.

Dr McFETRIDGE: If the Chief Psychiatrist wanted to advocate for a change in the way mental health services are funded or operate, would that advice be provided to the Minister for Mental Health or the Minister for Health?

The CHAIR: Terrific! Now we will just wait for the answer which is coming.

The Hon. L.A. VLAHOS: Jenny is going to answer that.

Ms RICHTER: We are given a single budget from Treasury each year, and it is important to remember that mental health services are fully integrated into our general health services, so there is a single budget line. If we get a recommendation from the chief psychiatrist that we should be funding mental health in a different way, we would consider that, but it would have to be a joint consideration between both minister Snelling and minister Vlahos because it may mean we have to move money from one part of the system to another.

Dr McFETRIDGE: I refer to Volume 3, page 47, relating to commonwealth government payments for specific purposes. How much commonwealth funding for mental health services was provided to the South Australian government under the national partnership agreements?

The Hon. L.A. VLAHOS: For which year?

Dr McFETRIDGE: For 2015-16 and 2016-17.

The Hon. L.A. VLAHOS: As I cited in my answer before, we know that the lapsing of the COAG agreements was around \$20.104 million.

Dr McFETRIDGE: How much did the state co-contribute to mental health services under the National Partnership Agreement?

The Hon. L.A. VLAHOS: We are happy to take that on notice.

Dr McFETRIDGE: Did the minister, her advisers or her department receive any correspondence from the commonwealth government regarding the future of NPA funding following the minister's letter to the federal health minister in March 2016?

The Hon. L.A. VLAHOS: During caretaker mode I had a letter from a federal health bureaucrat saying that one of the national partnership agreements would not be funded and there was no answer on the second.

Mr DULUK: Moving to page 37 in Volume 3, minister, what mental health support is provided to young people detained in our juvenile justice facilities?

Ms RICHTER: The service is provided by the Child Adolescent and Mental Health Service as an inreach into the juvenile detention centre.

Mr DULUK: Is this support delivered by CAMHS or another party?

Ms RICHTER: It is delivered by CAMHS.

Mr DULUK: How much funding has been allocated for work in 2016-17?

Ms RICHTER: I need to take that question on notice.

Mr DULUK: Minister, given mental health prevalence in our young people and society, what are you doing to reduce the use of restraints and seclusions in the juvenile justice facilities in South Australia?

The Hon. L.A. VLAHOS: This is one of Dr Groves's specialties, and I will let him answer.

Dr GROVES: I thank the member for his question. The juvenile justice facilities, or youth justice facilities, are under the jurisdiction of a different department. The staff from the Women and Children's Health Network—and we have quite a large multidisciplinary team that goes to the service—primarily undertakes assessment, writes up treatment and care plans, and is involved in ensuring that those treatment care plans are delivered.

We are not involved in the aspects of custodial care. Any use of restrictive practices is under the jurisdiction of that department. We would, of course, offer whatever assistance we would be able to provide if they asked us questions in relation to certain behaviours arising as part of mental illness. That would be an important part of a treatment care plan. In addition to that, during the period in early May we were able to fund a group of people from the United States who came to South Australia to provide specific training in trauma-informed care.

We made that available to Correctional Services and other correctional settings for staff to come and get some early training in trauma-informed practice and care to try to reduce the likelihood of them using any restrictive practices in any correctional facilities or youth detention facilities in South Australia. It will be a priority of the close working relationship between SA Health and any jurisdictions that provide treatment where somebody may need to be restricted to try to prevent that usage into the future.

Mr DULUK: Minister, there is no-one in the South Australian juvenile justice system who has a mental health illness who has been subject to any restrictive practices?

The Hon. L.A. VLAHOS: I cannot comment on that because I am not the responsible minister.

Mr DULUK: A moment ago, you said that you were responsible for everything to do with mental health in this state. Surely, as the minister, if someone in the juvenile justice system had a mental health issue, you would be concerned and your department would be concerned for their individual—

The Hon. L.A. VLAHOS: I think Dr Groves highlighted to you before that we liaise for care plans for all people who have been diagnosed with a mental health condition, no matter what setting they are in.

Mr DULUK: Are you aware of anyone in the juvenile justice system with a mental health condition who has been subject to restrictive practices?

The Hon. L.A. VLAHOS: Dr Groves will answer that.

Dr GROVES: Our clinicians are not made aware of whether restrictive practices are used on people in juvenile justice settings who have a mental health condition.

Mr DULUK: Has the question ever been asked?

Dr GROVES: I do not know. I would have to take that on notice.

The CHAIR: Member for Flinders.

Mr TRELOAR: Thank you, Chair. I refer to Budget Paper 4, Volume 3, page 33 and also page 38 over these next few questions. What is the average length of time mental health patients spend in emergency departments waiting for a bed after they have seen ED staff and a decision has been made to admit them?

The Hon. L.A. VLAHOS: We know that for ED waiting times we have targets with which we are reforming the system. We know that the total mental health attendance in 2015-16 was over 16,000 people and that in 2014-15 it was over 14,000 people. In late 2014, waits in ED on average were 15 hours compared with five hours for non-mental health patients. In October 2014, it was as high as 18.5 hours, and some patients waited for several days. In June 2016, this has been reduced to 10.2 hours, and in the last 28 days the average waiting time has been 9.5 hours. The number of patients waiting more than 24 hours has improved, from 8.4 per day to 2.9 per day. From October 2014, that is from 20 per cent to 6 per cent over the past 28 days.

Mr TRELOAR: How many of those patients were waiting in the emergency department of either the RAH or TQEH, particularly?

The Hon. L.A. VLAHOS: Combined, there were roughly three patients per day.

Mr TRELOAR: Since 1 January this year, what is the longest time that a mental health patient has had to spend in any of our emergency departments waiting for a bed?

The Hon. L.A. VLAHOS: I would like to take that on notice, thank you.

Mr TRELOAR: When do you expect the government will reach its target of zero mental health patients waiting more than 24 hours in a South Australian emergency department?

The Hon. L.A. VLAHOS: We have several sets of targets moving forwards, and the complexity of the system and the needs move from day to day. We have an approach that we have targets. We are encouraging all health networks to move for them as fast as possible. We do know that TQEH and RAH are the current areas where we are encouraging people to work towards those targets. The other local health networks are achieving their targets more easily.

Mr TRELOAR: Minister, you have identified that you have targets. What strategies do you have in place to achieve those targets and what funding is provided for those strategies?

The Hon. L.A. VLAHOS: It is up to each LHN to decide how they achieve those targets and how they are managed.

Mr Duluk interjecting:

The Hon. L.A. VLAHOS: No, that is not correct. If you look at the data—

The CHAIR: Order! Member for Davenport, you do not have the call unless you look at me and unless your microphone is on.

The Hon. L.A. VLAHOS: NALHN and SALHN are meeting their targets.

Mr TRELOAR: In relation to substance abuse, Budget Paper 4, Volume 3, page 33, what is the minister doing to ensure that the security of mental health and other patients is protected from hospital violence and, in particular, increased violence associated with the use of ice?

The Hon. L.A. VLAHOS: Survey data has shown the use of methamphetamines in South Australia is relatively low and similar to a national figure, at around 2 per cent of the population. This has remained relatively stable since 2001. We do regular wastewater analysis to check on illegal substance and prescribed substance use in this state. Data relating to the harms associated with

methamphetamines and its use, its health presentations, its drug driving detections, police apprehensions and diversions into the criminal justice systems are things we look at as a whole of government.

The challenges of crystal meth (or ice) is something that requires a whole-of-government approach. Recently, when I was in regional South Australia, nursing staff told me that they have challenging behaviours. The media talks about ice a lot at the moment. Different towns have different patterns of illicit drug use. By far, the most common drug that I am told causes problems as I travel around the state is alcohol. Alcohol causes as much violence as methamphetamines, but we have run an education campaign to protect our ambulance and healthcare workers from violence, whether caused by alcohol, marijuana or any illicit drug.

We have seen those health education campaigns decrease violence towards our workers, but we also know that if members of the general population see one of their friends or family members behaving violently towards a first responder, nurse or clinician, they are now trying to divert them in those healthcare settings and deescalate the situation.

Mr TRELOAR: So that is the strategy?

The Hon. L.A. VLAHOS: That is one of many strategies. As I said, use of any illicit drug in this state requires a community joined-up solution. It is not something that the government can do alone.

Mr DULUK: Sticking to page 38, minister, the Eastern Lived Experience Liaison Group wrote to you on 23 June outlining that localised bed arrangements have resulted in a crisis situation for the RAH ED. What is your response to their concerns, and have you responded to them directly?

The Hon. L.A. VLAHOS: I am just about to reply to that group. Again, this comes back to the local health networks deciding how they deal with their ED challenges and meeting the targets. They know that I take these targets very seriously and I expect them to comply with that. We continue to encourage them to deal with the challenges of the EDs and their waiting times. I take their concerns seriously. I have met with a number of consumer networks and I always listen to what they have to say, and if there is an opportunity for feedback to the local health networks, we give that to the health networks, but I am sure the health network is aware of that concern already in that network.

Mr DULUK: Do you accept their claim that the localised bed management policy has led to a crisis situation in the RAH ED?

The Hon. L.A. VLAHOS: There has been a downward waiting time in CALHN, so they are improving their stats and targets at this time. They are making inroads. They may not be meeting them as quickly as NALHN and SALHN, but they are making inroads.

Mr DULUK: I refer to page 37, and this is going to move into the NDIS, the NDIS is in full implementation with future steps to include psychosocial disabilities. Minister, can you please advise what level of funding will be transferred out of the state mental health budget, as part of the resource allocation agreements under the NDIS, in response to the inclusion of psychosocial disabilities?

The Hon. L.A. VLAHOS: As recently as this week, I have written to the recently appointed minister in this space, Christian Porter, seeking clarity about psychosocial and mental health issues in the NDIS space. I look forward to discussing that with him after a six-month hiatus at the Disability Reform Council. It is something that the department and I continue to look at very closely. I know consumers and people supporting people in this sector. We are watching this space carefully and I am intent on making sure that we meet their needs within our budgetary frameworks and also ensure the commonwealth meets its commitment to people who are moving into the life-changing space of the NDIS.

Mr DULUK: Do you have a framework or an idea of which scope of services will no longer be funded by the state?

The Hon. L.A. VLAHOS: The DRC is yet to discuss this for a final time.

Mr DULUK: So you do have a short list at the moment?

The Hon. L.A. VLAHOS: No, I did not say that.

Mr DULUK: I assume that if you are going to discuss things for the final time, once that final discussion—

The Hon. L.A. VLAHOS: DRCs and COAGs, as you may not be aware, are often longwinded conversations that go on for many months over many COAG meetings. I cannot say a date on which that decision will be finalised, but I will advocate very strongly for people who are living with comorbidities and psychosocial challenges in this state. They need those supports and I will fight for them because that is my role.

Mr DULUK: When would you expect to make a decision around the proportion in the reduction of services between non-government and government services?

The Hon. L.A. VLAHOS: Most of the non-government sectors will transition across to the NDIS.

Mr DULUK: When do you expect the funding for those non-government services to cease?

The Hon. L.A. VLAHOS: That sort of framework is wellknown and you would probably be aware that this system, or NDIS full rollout, will not be completed until 1 July 2018.

Mr DULUK: Minister, moving to page 29, is the Mental Health Commissioner funded through the forward estimates?

The Hon. L.A. VLAHOS: Yes.

Mr DULUK: Will government funding for the commission be ongoing once the mental health plan is completed?

The Hon. L.A. VLAHOS: It is funded for the existing forward estimates.

Mr DULUK: But beyond the forward estimates, do you envisage a situation where, once the mental health plan is completed, it will no longer be funded appropriately?

The Hon. L.A. VLAHOS: It has a specific task to do and that is to write a state mental health plan.

Mr DULUK: Given that 18 months, in terms of putting together the plan, will put us near the end of the four-year funding commitment, is the plan the main deliverable of the commission and is the government leaving open the option of returning to old arrangements in terms of funding?

The Hon. L.A. VLAHOS: I leave options open to evaluate the commission's work at the end of the funding stream.

Mr DULUK: Sticking to page 29 and the Mental Health Commissioner, I understand the commissioner is not a statutory officer. On what legal basis is the person appointed then?

The Hon. L.A. VLAHOS: You are referring to the commissioner?

Mr DULUK: Correct.

The Hon. L.A. VLAHOS: He is appointed under the SA Public Sector Act 2009.

Mr DULUK: Does the Mental Health Commissioner report directly to you as the minister?

The Hon. L.A. VLAHOS: Yes.

Mr DULUK: In your opinion, is the commissioner free to speak on any issue without consulting with or seeking the permission of the minister or anyone else?

The Hon. L.A. VLAHOS: Yes. He is a free and independent agent and that is the reason why he has been appointed to deliver the state mental health plan. He is very good at stakeholder engagement and he will do an excellent job, as will the people he recruits to the commission. The commission is designed, by its very nature, to take into account consumers and lived experience in this space.

Mr DULUK: I have no doubt he will be a very good commissioner, and on this side of the house we are very keen to see the commissioner be as independent as he possibly can be. What security of tenure and protection from dismissal does the commissioner have?

The Hon. L.A. VLAHOS: Ms Richter will answer that.

Ms RICHTER: The commissioner is employed under the Public Sector Act as an executive under the SAES scheme. He has all the same rights and responsibilities as any other CEO of a government department.

Mr DULUK: So, he is not quite as independent if he is the same as a CEO of any other department.

Ms RICHTER: The question of independence, I guess, is something that could be explored further. The commissioner has been employed to undertake a specific task, and we can provide you with the things that he has been required to do. The commissioner is there to do a task. He is not a commissioner like the Public Advocate or the Commissioner for Health and Safety. He is there to assist the minister to develop the healthcare plan.

The Hon. L.A. VLAHOS: He is task related and at this point in time his job is to do the state mental health plan. There is a specific piece of work we are doing around borderline personality disorder and providing the right supportive care to those people who face that challenge.

Mr DULUK: If his role is task related, it will be at the minister's discretion in terms of what task the commissioner necessarily does or does not do.

The Hon. L.A. VLAHOS: He is independent. If you are trying to question his independence and capacity to deliver work, I think you need to be very careful of what you are saying.

Mr DULUK: Not at all.

The Hon. L.A. VLAHOS: The commission is a very important piece in the South Australian mental health landscape moving forward, and people who have lived experience need to have faith that he is an independent person. I have no doubts that he will acquit himself thoroughly as an upright person in this community to do the very best things for South Australia. I expect him to give me full and forthright advice. I may not always like that advice, but that is his role.

Mr DULUK: Minister, will you publicly release all reports, statements and advice from the Mental Health Commissioner and table them in parliament within 14 days of receiving that advice or reports or statements?

The Hon. L.A. VLAHOS: I am not required to do that. I do not believe I am required to do that.

Mr DULUK: Will the mental health plan be released directly to the public or will the approval of the minister be required before it is released?

The Hon. L.A. VLAHOS: He will undertake an extensive consultation process. He and I are yet to discuss his strategic plan and how he will deliver the piece of work that he has been commissioned to do. I am sure there will be a draft of the plan that he will consult with the community about along the way.

Mr DULUK: But do you envisage it to be released direct to the public first? Let's say there is a draft and then there is a final, do you envisage it to be released direct to the public, or do you expect to see it first and then that report be released?

The Hon. L.A. VLAHOS: I have not had a discussion with him to that effect on the strategic nature of how he will deliver it or a time line at this point in time. He has only been the commissioner since 1 July.

Mr DULUK: Given that, I imagine you have not directed the commissioner to consider the findings of the Coroner's report into the deaths of Robert Campbell and Jeremy Todd Williams?

The Hon. L.A. VLAHOS: I think you are confusing the role of the commission with the role of the department.

Mr DULUK: I may be, but in relation to my question—

The Hon. L.A. VLAHOS: Which budget line item did that relate to?

Mr DULUK: Page 29.

The Hon. L.A. VLAHOS: Coronial inquiries come within the jurisdiction of the department to make recommendations and respond to, not the commissioner.

Mr DULUK: You talked a bit about borderline personality disorder. When does the minister expect to have an action plan that will be publicly released in terms of that?

The Hon. L.A. VLAHOS: What budget line item does that relate to? Which page and which specific line?

Mr DULUK: Volume 3, page 29.

The CHAIR: Which bit? Even I am having trouble following. Are you just talking about the cost of sub-programs lumped all in together?

Mr DULUK: The net cost of sub-programs, the minister's role as—

The CHAIR: So you have lumped it all into just that one line?

Mr DULUK: Correct.

The Hon. L.A. VLAHOS: The commissioner is looking into it, via a project officer, as part of the planning framework. We know that borderline personality is a serious mental health issue and has significant mortality and morbidity.

I know that many people in this house have been to the seminars where people who are carers of people with borderline personality have brought their stories to this place. As a representative in this place and as the minister, I take this very seriously. I have lived experience of a family member who was potentially tagged in this space at one point in time. I know that the commissioner will explore the issue further and talk to those with a lived experience in this space, and their carers and their guardians, and deliver a plan that will be important to us as we move forward as a state.

I have had the opportunity since I have been the minister to visit Spectrum in Victoria and Project Air in New South Wales. I have talked to clinicians, nurses and consumers of those services and seen the number of lives that have been changed through a variety of different models of care. There is a variety of different ways that people living with this condition can be supported, and many people go on to recover and lead very rewarding lives. This state is looking at how we can better address the needs of people living with borderline personality disorder. I know that we will continue to address this as we move forward not just from a department of health perspective but from the commissioner's perspective as well.

Mr DULUK: When can we expect the action plan to be publicly released?

The Hon. L.A. VLAHOS: When I meet with the commissioner, I will be asking him that.

Mr DULUK: What funding has been provided in this budget for the implementation of the borderline personality disorder report?

The Hon. L.A. VLAHOS: The plan will determine the budget, but at this point of time it is a project officer.

Mr DULUK: I understand, and I think the commissioner has previously said, that the report will be issued in October. Will that report be issued directly to the public, or will it come through you first?

The Hon. L.A. VLAHOS: You asked me that question before and I gave you an answer.

Mr DULUK: This is in regard to borderline personality disorder.

The Hon. L.A. VLAHOS: You did not specify that in your question. You just said that.

Mr DULUK: Well, I am specifying now, minister.

The Hon. L.A. VLAHOS: When I meet with the commissioner, I will ask those questions.

Mr DULUK: Minister, do you have any concerns that the ongoing delays in implementing the recommendations of SA Health's 2014 Personality Disorder report is costing lives, given that there have been nine suicides since 2014 of young women with borderline personality disorder?

The Hon. L.A. VLAHOS: I would like to know where you draw that data source from. I have had regular contact with people who are carers and consumers in that space. There are a number of factors that influence people in this space. Until I had the source from which you are quoting that data, I would not want to comment. We can talk about suicide prevention. We are doing a lot of very good work in that space, and the Chief Psychiatrist is happy to fill you in on how we work in that space.

Mr DULUK: If the Chief Psychiatrist would like to provide a comment now.

Dr GROVES: Perhaps if I just give one answer that is specific to borderline disorder. As you will be aware, borderline personality disorder has a high rate of people presenting with a serious likelihood of harming themselves. Whilst we may answer questions in relation to community suicide prevention, one important aspect is to improve the way in which people conduct good assessments when somebody with borderline disorder presents acutely—whether that is to an emergency department or to one of our community mental health services.

During this year, we have commenced a process whereby we have trained 10 staff across SA Health, University of South Australia and also one of the PHNs in an approach called Connecting With People. It is an evidence-based approach out of the United Kingdom where about half of the NHSs now run the Connecting With People approach as a way of trying to reduce the likelihood that somebody who presents to health care subsequently goes on and either harms themselves or suicides.

There is a very large focus within the training around that of people who are presenting with borderline disorder to know the correct approach to how they are actually assessed and properly engaged in treatment, so it is going to become a very large feature. At the moment, we have commenced a rollout of training around that across the state. I think it is fair to say that it is going to be a huge undertaking in the next few years.

We currently have training in the first two modules that are most appropriate to mental health staff, which is four hours of training. This year, we have set the task of trying to train about 250 front-line staff across the state. This week, in fact tomorrow, we commence training in the outer south. We also have some training in one of the emergency departments down in SALHN. We have negotiated with NALHN around where we will do training, but probably at the Lyell McEwin ED in the first instance.

I have met with the Rural and Remote Mental Health Service to start to discuss where we will do training with them, but it looks like the Eyre and Yorke peninsulas might be where we first do our training because we know of some of the issues around there. With the Women's and Children's Health Service, I have met with them around the training that we might do that assists people when somebody presents to the Women's and Children's Health Service. That is what we plan to do this year. We will obviously review the effectiveness of that and then consider where the training would go after this financial year's investment.

Dr McFETRIDGE: On the same topic, perhaps Dr Groves can remind me of the name of the clinic in Victoria. Is it the Butterfly House?

The Hon. L.A. VLAHOS: The clinic that deals with borderline personality disorder in Victoria is called Spectrum. That is a specialised service.

Dr McFETRIDGE: Why have we not done something like that? I understand the budget is about \$1.4 million and the economic analysis—I think it was Deloitte that did some work on this—was in the hundreds of millions of dollars. It has not been rocket science. We seem to be dragging the chain both on this and supporting eating disorder groups.

The Hon. L.A. VLAHOS: There are three models of care that are used in Australia in this space. They are Project Air, Spectrum in Victoria and Orygen is another one that does work in this area. I have had the privilege of visiting all of them and discussing borderline personality disorder.

One of the tasks of the project officer is to look at the size of our population and, using a population-based planning method, what is the process that we could best deliver a service that is based in regional and remote areas, whether that might include telepsychology.

There could be a number of things that could be explored in this project space. It is not a case of just picking up a model from another space, dumping it in South Australia and expecting it to thrive. We also need to consult with the consumers and their carers. It depends on who you speak to; it is like Coke and Pepsi. Consumers have a variety of different opinions about the model of care that they would like and we need to look at all those pieces of information before we make a final model of care decision.

Dr McFETRIDGE: I can tell the committee that I have actually spoken to a number of those people and they think that the Victorian model is exceptionally good, but let's move on to forensic mental health in Budget Paper 4, Volume 3, pages 29 and 38.

The Hon. L.A. VLAHOS: Are you aware that in the Victorian model they actively encourage most of their people to take private insurance out?

Mr DULUK: Before we move on to forensic mental health, I want to come back to the Mental Health Commissioner. I know you touched on the fact that you are going to meet with him in, I assume, coming days or weeks to discuss the plan going forward. Since his appointment, how many times have you met with the commissioner?

The Hon. L.A. VLAHOS: Since he started on 1 July, I have had one briefing session at a regular briefing meeting with a whole of health team.

Mr DULUK: With the commissioner and the health team or just with the commissioner?

The Hon. L.A. VLAHOS: With the commissioner, I have not had the opportunity of meeting him one on one yet.

Mr DULUK: Thank you.

The Hon. L.A. VLAHOS: But I have been travelling in regional South Australia and attending suicide prevention conferences. I have been quite busy this month.

Mr DULUK: I did not pass judgement on whether you should or should not have.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 3, pages 29 and 38, forensic mental health. How many forensic mental health beds do we have in South Australia, and where are they located?

The Hon. L.A. VLAHOS: I will just refer to my notes. Previously, you asked me a question about the revitalised beds for intellectual disability and acquired brain injury at James Nash House. I can give you the answer to that now. There are seven beds in that unit.

We have been increasing our forensic bed capacity from 40 to 60. The state government has responded to the increase in forensic pressure with a number of initiatives over recent years. There is almost a 50 per cent increase in forensic beds, and this resulted from the completion of the Ashton House 10-bed step-down unit in September 2013, for which we recently continued funding. The additional 10 beds were located at the newly built Kenneth O'Brien rehabilitation unit, which was progressively opened between July 2015 and March 2016 following the completion of minor works in the Birdwood ward to accommodate the specialist unit for intellectual disability and brain injury.

I had the opportunity recently to go back to James Nash House to see the revitalisation and to talk to patients who are in the Birdwood unit about what a difference it has made to their lives. They were very excited to show me where they are living and how their lives have changed. There is certainly substantial improvement in their day-to-day surroundings, where they live, with the revitalisation of that unit and making it a specific unit for them.

The Kenneth O'Brien unit had quite a profoundly different approach from the rest of James Nash House. I had the opportunity to meet a consumer there, who I had met previously at James Nash House, and he told me about what a difference moving into the new unit had made to his life. The new unit is modern, contemporary, with best practice from other forensic mental health

services that I saw around the country when I attended them with Dr Groves. It is something that South Australia should be proud of.

Mr TRELOAR: Minister, earlier you indicated that use of the drug ice in South Australia is comparable to other states. That was how I took your—

The Hon. L.A. VLAHOS: The information I had in my briefing notes is that it is a fairly static 2 per cent usage.

Mr TRELOAR: It gets a lot of media attention.

The Hon. L.A. VLAHOS: It does, and you and I heard about it when we were together the other day.

Mr TRELOAR: I refer to Budget Paper 4, Volume 3, page 17. What is the government doing to address ice addiction in South Australia?

The Hon. L.A. VLAHOS: We have a number of responses that we are working on in this space. Treatment services are obviously available statewide through DASSA and SA Health-funded non-government organisations. We have best practice guidelines for the management of drug dependence and amphetamine-induced psychosis. We are improving access to validated screening and assessment tools that can be used to identify drug problems early and implemented across a range of health and welfare service settings. We are also monitoring drug use and harm in the population through population health surveys, wastewater monitoring and service data, as I mentioned before.

There is also the Clean Needle Program, which provides sterile injecting equipment and disposal practices. The program also provides referrals to drug treatment, health, legal and social services for injecting drug users. We have police drug diversion initiatives, where people charged with simple possession offences are diverted from the justice system to the health system for assessment and intervention with their illness, as this is an addiction and addiction is an illness.

We are also working with SAPOL's corporate Operation Atlas. This action plan is aligned to SAPOL's Illicit Drug Strategy 2012-16 and is designed to focus collective efforts and improve coordination across SAPOL in the areas of enforcement, partnerships and community engagement, intelligence and analysis, and research.

The CHAIR: Before you go on, member for Flinders, which page 17 are you referring to? The one in Volume 3 of Budget Paper 4?

Mr TRELOAR: Page 33.

The CHAIR: You said 17. Sorry, we are trying to keep up with you. We are on page 33.

Mr TRELOAR: I am doing my best. My next question, I think, relates to Budget Paper 4, Volume 3, page 29. Let's have a go. My question from that page—

The Hon. L.A. VLAHOS: It is a bit like roulette, isn't it?

Mr TRELOAR: It is. Minister, what is the budget allocation in 16-17 specifically for drug and alcohol services?

The Hon. L.A. VLAHOS: For 2016-17, DASSA financial year's budget should be \$40 million.

Mr TRELOAR: What is the number of full-time equivalents committed to drug and alcohol services?

The Hon. L.A. VLAHOS: Full-time equivalent employees as of 30 June is 170 for the 2016-17 year.

Mr TRELOAR: You made mention of the DASSA services, minister, and we heard a lot about them, particularly in Ceduna on a recent visit. How many people have used the DASSA services annually since 2011?

The Hon. L.A. VLAHOS: Let me get those numbers. I am advised that the number of people who interacted with the service would have to be taken on notice. However, I can give you some key

performance indicators about activity to the end of June 2016, if that would be helpful, member for Flinders.

Mr TRELOAR: Absolutely.

The Hon. L.A. VLAHOS: We know that we had outpatients attendance of around 32,546 and inpatient separations of around 1,650. The proportion of inpatient treatment episodes where the reason for cessation was that treatment was complete was around 70 per cent, and the proportion of outpatient treatment episodes where the reason for cessation was that treatment was complete was above the target at 45 per cent. The one that I mentioned before was above the target as well at 70 per cent. For the proportion of registered client outpatient appointments with DASSA clinicians where the client did not attend, the target was met and that was 15 per cent.

Mr TRELOAR: On the same budget line, same page number, was an annual progress report on South Australia's alcohol and drug strategy for 2011-16 completed? Has a report been completed or tabled

The Hon. L.A. VLAHOS: A report has been concluded. I have not released it at this stage.

Mr TRELOAR: When will that be available, minister?

The Hon. L.A. VLAHOS: When I decide to.

Mr TRELOAR: Right.

The Hon. L.A. VLAHOS: I am still reviewing the information in the document.

Mr TRELOAR: Any idea?

The Hon. L.A. VLAHOS: We have to get through estimates, and then I will tell you. I am sure you will ask me a question time tomorrow.

Mr DULUK: Sticking with the report which I look forward to reading, and I hope there are fewer spelling errors in it than the last one, does the minister consider the existing strategy to have been successful? If yes, on what basis?

The Hon. L.A. VLAHOS: The strategy, which involves a number of agencies and is based on an evidence response to alcohol and other problems, has shown clear successes during its term. Since 2010-11, there has been a decline in the level of alcohol-related crime in licensed premises, and the percentage of South Australian school students between the ages of 12 and 17 who had consumed any alcohol in the past week decreased significantly from 15 per cent in 2011 to 10.4 per cent in 2014. The percentage of South Australians aged 15 to 29 who reported use of cannabis in the last 12 months decreased from 22.5 per cent in 2010 to 19.7 per cent in 2013. The percentage of South Australians aged between 14 and 29 who reported the use of any illicit drug, including cannabis, in the last 12 months decreased from 26 per cent in 2010 to 24.7 per cent in 2013.

The estimated number of alcohol-related hospitalisations in South Australia for the South Australian Aboriginal population decreased from 1,029 in 2009-10 to 786 in 2014-15. Of the 60 priority actions in the strategy, 56 are on track or completed and four require additional efforts. No actions are behind schedule or will not be met. Of the four actions that I am advised require additional effort, the Australian government has announced it will expand its funding to national online counselling services for people affected by substance problems. This priority action, 1.6, is now being progressed through this process.

A real-time electronic monitoring of community pharmacies, 1.13—which I know you have a passionate interest in, from your correspondence to my office—has been put on hold by the commonwealth due to competing priorities. However, since the reporting period, the states and territories have begun negotiating with the commonwealth to develop an implementation proposal for a national real-time prescribing monitoring system. The commonwealth has stated that it will provide advice to the states and territories.

The implementation of the Alcohol, Smoking and Substance Involvement Screening Test (ASSIST) training at Families SA was deferred, that is 3.1, but development of the training program is currently being negotiated with SA Health and Families SA for implementation in 2016. A

consultation process with the liquor industry and other key stakeholders is scheduled for 2016 to determine the most efficient way for wholesale alcohol sales data to be collected without imposing significant red tape on the industry. That is recommendation 5.2.

Currently, DASSA's South Australian Alcohol and Other Drug Strategy is due to expire at the end of this year, as you are well aware, and the development of the next iteration is currently underway as a joint project with SA Health and the South Australia Police. A steering group, which represents key government departments and agencies, commenced this work. We will continue to consult with key stakeholders, partners, agencies and experts in producing a draft strategy in consultation for this next quarter. A planning day with the steering group and other stakeholders was held on 29 June this year, facilitated by Curtin University.

Membership:

Ms Chapman substituted for Mr Treloar.

The CHAIR: Before we go on, I need to advise the committee that the member for Flinders has requested to be discharged, and I have acceded to that request. We are now joined by the member for Bragg, the deputy leader. The member for Davenport has another question.

Ms CHAPMAN: As a matter of interest, Madam Chair, do you actually have the right to refuse a request to withdraw?

The CHAIR: I wish at this stage I could check that to see whether I have made any mistakes during the week, but I think at this point we will just carry on as though it is a convention we adopt.

Mr DULUK: Thank you, Chair. Minister, I am keen to pick up on some of those stats you talked about regarding drug use in the community falling. On Monday in estimates, the police commissioner said, and I quote, in relation to drug use:

I think it is also fair to say that there is an increased incidence of the presence of illicit substances within the community...

If we look at page 137 of Budget Paper 4, Volume 3, estimated drug driver detections for 2015-16 was 5,503. In 2014-15, the actual was 4,945. Is the police commissioner wrong in his comments that he made to estimates on Monday?

The Hon. L.A. VLAHOS: I was not privileged to listen to his statement before the house.

Mr DULUK: I just read out his statement straight from the *Hansard*.

The Hon. L.A. VLAHOS: I would want to read the complete *Hansard* to get a correct understanding of it. I am not prepared to take your word alone on that, I am sorry, member for Davenport, even though you are a very honourable person.

Mr DULUK: No, I am not offended at all, minister. Page 137—

An honourable member interjecting:

The CHAIR: Order!

The Hon. L.A. VLAHOS: I called him an honourable person.

Mr DULUK: On Budget Paper 4, Volume 3, page 137, actual drug driver detections in 2014-15 were 4,945. In 2015-16, the estimate is 5,503. Why would SAPOL feel the need to do additional drug driver detections if the use of drugs across the community were falling, as you just outlined in your previous answer? It seems to be an inconsistency across government agencies.

The Hon. L.A. VLAHOS: I am happy for Ms Cormack, who is the head of DASSA in South Australia, to comment on this.

Mr DULUK: If you look at drug diversions as well, on page 132 of Volume 3, if you look at the drug diversion programs, if you look at the task force, if you look at the strategy, if you look at the

percentages, it is all increasing. This is what SAPOL is saying, which seems to be at odds with your previous statement, minister.

The Hon. L.A. VLAHOS: As I said, DASSA is chaired by a very capable woman, who is now going to give you an answer. Her name is Simone Cormack.

Ms CORMACK: Thank you, minister. Essentially, the issue is that the prevalence of use or the evidence we have around the prevalence of use is that it has not changed substantially. However, the amount of the drug being used has increased substantially, and I am talking in relation to methamphetamine here. Clearly, law enforcement data is partly reflective of the investment in effort, and indeed service data is often responsive to the investment in effort, so the better we do in detecting users the more increase we see in services provided, whether they be health or law enforcement.

We do wastewater data analysis which looks at the amount of the drug that is being used in the system. It does not say anything about how many people are using, but it shows a significant increase in methamphetamine.

Mr DULUK: That goes against what the minister just said in her previous statement, when she said drug use was down.

The CHAIR: Order!

Ms CORMACK: No, the issue is that the prevalence of use has not changed. For example, with methamphetamine, there is a prevalence of about 2 per cent, which is about the same nationally, but the amount of the drug being used by the small number who are using has increased substantially. That tends to result in much more harm, essentially, whether it is violence, whether it is drug driving, whatever. You are much more likely to be detected with more drug on board.

Mr DULUK: If we could move to suicide prevention, minister, what is the budget allocation for suicide prevention strategies in 2016-17?

The Hon. L.A. VLAHOS: Last week, I spent quite a few days with one of your colleagues, the Hon. John Dawkins, who has a great interest and is a great advocate in this space, with Dr Groves and SA Health people who are delivering some of the work in this space.

The state government has a strong commitment to funding, developing and supporting locally-led suicide prevention networks—providing a suicide prevention community grants scheme; funding *beyondblue* and Lifeline for anxiety, depression and suicide prevention work—and employed an additional suicide prevention officer to implement the 'South Australian Suicide Prevention Strategy 2012-2016: every life is worth living'.

Suicide prevention, and the tragic results of the impacts of that, is something I heard from people when I was on Yorke Peninsula, how it has impacted on their communities in Ceduna. Most of us have been touched by someone who has been lost to suicide. It is an area of high priority across all levels of government and the non-government sector, private enterprise and the general public. The 2012-16 strategy, *Every Life is Worth Living*, was released in September 2012 and work begun on the South Australian Suicide Prevention Strategy 2017-2021 is due for release in 2017 to continue the work of the current strategy.

The state government is committed to this sector, with \$925,000 in the 2015-16 year to suicide prevention, and \$150,000 of this is for the development of suicide prevention networks. SA Health has been working with local government regions to develop and facilitate the training of mental health first aid and support for those bereaved by suicide. This work has seen the development of 15 suicide prevention networks across the state. I have had the opportunity of meeting several of them in the time that I have been the minister, the first one being in Mount Gambier, and also the first Aboriginal suicide prevention network. I have continued to talk to them, as recently as last week when I was in Canberra, about the work that they are continuing to investigate.

We know that these networks and a further eight local government regions are becoming involved in network development. I am speaking at the annual general meeting of the local Salisbury network with, I believe, councillor Vermeer and the Hon. John Dawkins and many other people as

that network kicks off in the next couple of weeks. We have also provided \$150,000 for the Suicide Prevention Community Grants Scheme for 2015, where 19 suicide prevention community grants of up to \$10,000 each were provided to community groups to provide suicide prevention activities locally.

The Whyalla group told me about the comedy initiative they had provided, and I knew that there was a brochure being developed by a group based in Whyalla specifically targeted at men's health. A further 20 grants have been approved for 2016-17, as well as \$125,000 for the appointment of a suicide prevention officer to assist in further developing this suicide prevention program. The sum of \$200,000 has been given to Lifeline based in Adelaide and the South-East to assist with the increased provision of phone services for 24/7 crisis support and suicide prevention.

I know from talking to farmers in the South-East when I was in Mount Gambier that this is a service that they need, given the change of circumstances they have been facing, especially in the Murray-Mallee area. \$278,000 has gone to *beyondblue* to assist with the ongoing work on suicide prevention. The remainder of the 2015-16 suicide prevention funding was used to engage additional consultants, Connecting With People, to deliver a package of training and education to 10 South Australian health workers to build their skills, expertise and clinical confidence in working directly with mental health clients. The training and education was provided in a train-the-trainer format, which has enabled the health workers to disseminate the model across metropolitan and regional South Australia.

In April 2015, the South Australian government's suicide prevention implementation committee commenced. An inventory of activity across department is being collated against the strategy. The committee has oversight of the South Australia Suicide Prevention Strategy 2017-2021 and its development. SA Health has continued to work in partnership with a number of non-government organisations. I have the good fortune of meeting with them and seeing their passion for this sector. MATES in Construction is one of those organisations.

MATES in Construction provides training, tools and support structures for workers employed in the construction industry to reduce the level of suicide. MATES in Construction also provides advice on suicide prevention to the mining industry. They were at the national conference we were at in Canberra last week and they are indeed looking at some innovative ways that they can reach out. I know that Mr Pederick is incredibly passionate about MATES in Construction, and the work and advocacy they put forward in this space.

Wesley Lifeforce is another group that works with local communities to develop suicide prevention networks. I know that they are at Ceduna. They build enablement to deliver suicide prevention projects within local communities. Currently, they support suicide prevention networks in Port Augusta, Port Adelaide and Strathalbyn. Living Beyond Suicide (Anglicare) and Standby Response North and South (United Synergies) provide statewide suicide postvention response services to the bereaved.

We know those people who come into contact with suicide have an increased chance of experiencing suicide themselves and making a poor choice further in their life. It has a ripple effect. National Suicide Prevention Day is on 10 September. I would encourage all members in the house to become involved in the activities in their local community. There will be dawn walks as there were in Andrews Farm and Henley Beach. I know that the member for Colton participated in that walk last year, and what a profound difference it made to his understanding of some of the suicide issues.

In June this year, as the minister I announced a once-off payment of \$150,000 to MATES in Construction to provide additional resources to the industry, comprising peer-based support programs to have conversations at a workplace level encouraging workers to engage with their workmates who are doing it tough. Field officers will provide training and on-site visits, linking workers to the networks of support that they need to make sure that they do not go down this dark path at a loss to our community.

Dr McFETRIDGE: Just following up on the number of forensic mental health beds and the answer about the disability beds in James Nash House. Does the health department charge the people in James Nash House a portion of their disability support pension as a cost-recovery process—a rent for the beds?

The Hon. L.A. VLAHOS: I am not aware of that, but we will investigate and come back to you. We will take it on notice.

Dr McFETRIDGE: I understand it is 85 per cent of the DSP.

Ms RICHTER: If I may just add, certainly, in the general hospitals, if a patient is there for longer than 25 days, they do get charged a proportion of their pension.

Dr McFETRIDGE: What is that proportion?

Ms RICHTER: I am not sure.

The Hon. L.A. VLAHOS: We will take that on notice and come back to you, member for Morphett.

Ms CHAPMAN: In regard to forensic mental health patients, minister Malinauskas has told us that, as at 30 June, there were 15 mental health patients in his prisons. These are patients who unfortunately cannot be accommodated in James Nash House or some other mental health facility and, under section 269 of the Criminal Law Consolidation Act, of course, you are able to authorise that they can then go to a correctional facility.

You may not have it here, but I would like to know the average numbers during 2015-16 of mental health patients in our correctional facilities and also how many were in there as at 30 June 2015. As I say, I appreciate that you will need to take that on notice, but I would like to know the average through the last financial year and how many were there as at 30 June 2015. I assume you do not have it immediately there?

The Hon. L.A. VLAHOS: I thought you were pausing and you were going to add something else to the end of the question. Sorry, I was being polite.

Ms CHAPMAN: Do you have that off the top of your head, or are you happy to take it on notice?

The Hon. L.A. VLAHOS: We have some data in that space because we were expecting a question from you. Ms Richter will give you some of the data as of today.

Ms CHAPMAN: I am not actually asking for today. I am asking for the average numbers in the facilities during the last financial year—that is, to 30 June—and as at 30 June 2015.

The Hon. L.A. VLAHOS: What budget line does this relate to?

Ms CHAPMAN: Mental health, forensic, page 37.

The CHAIR: The minister can either take it on notice or provide some information.

The Hon. L.A. VLAHOS: We are happy to take that on notice.

Ms CHAPMAN: Thank you. In relation to that, when the patients are in the prison, does your department have to pay a fee to Corrections?

The Hon. L.A. VLAHOS: I am advised, no.

Ms CHAPMAN: Do you know the average daily cost to have a patient at James Nash House?

The Hon. L.A. VLAHOS: We would have to take that on notice.

Ms CHAPMAN: Do you know the average daily cost to have one of your patients stay in a correctional facility?

The Hon. L.A. VLAHOS: We would have to take that on notice, but when patients are acutely unwell in the forensic space I am more concerned about the quality of care they receive so they can resume their wellness journey, not how much they cost the state government.

Ms CHAPMAN: Indeed. In fact, I expect it costs a lot more at James Nash House than it does at the prison, which does raise the reverse of that. In any event, we will wait to hear what you find in relation to the costs of those. Has there ever been a request for the cost of accommodating patients in the prison system?

The Hon. L.A. VLAHOS: I am advised, not that we are aware of.

Ms CHAPMAN: At Glenside campus, there are areas that were to be built on for the purposes of supermarkets and other things, including outpatient drug and alcohol services. That plan has now been discontinued, but there are empty buildings where forensic patients have previously been accommodated. Has any consideration been given to allowing these patients to be accommodated on that site?

The Hon. L.A. VLAHOS: No.

Ms CHAPMAN: Why not?

The Hon. L.A. VLAHOS: Ms Richter will answer that question.

Ms RICHTER: The facilities on Glenside that are currently vacant are destined to be demolished because they form part of the land that is for sale. Those facilities are not available for use. They are basically below standard and would not be appropriate to use.

The Hon. L.A. VLAHOS: They are not fit for purpose.

Ms CHAPMAN: In fairness, minister, I visited the Women's Prison last Saturday and the 35 year old we spoke about in the parliament a few weeks ago has now been transferred to James Nash House, I am pleased to report. It is not a place I like to visit, but I do from time to time visit the Women's Prison and I also live very close to the Glenside campus.

Those facilities have now been vacant for years. They have been used for mental health forensic services. They have a protected area and are available, and the fact that the government has onsold them to the Cedar Woods development is no excuse for why they have not been used in that time. But, in any event, you have considered it—

The CHAIR: Sadly, there is no further time for questions, so I declare the examination of the proposed payments complete. I thank the minister and the advisers and the members for their cooperation today. I lay before the committee a draft report.

Mr HUGHES: I move:

That the draft report be the report of the committee.

Motion carried.

At 17:30 the committee concluded.