

HOUSE OF ASSEMBLY
Friday, 21 September 2018
ESTIMATES COMMITTEE A

Chair:

Mr P.A. Treloar

Members:

Mr M.E. Brown
Mr M.J. Cowdrey
Mr P.B. Malinauskas
Mr A.S. Pederick
Mr J.B. Teague
Ms D. Wortley

The committee met at 09:00

Estimates Vote

AUDITOR-GENERAL'S DEPARTMENT, \$17,622,000

LEGISLATIVE COUNCIL, \$5,476,000

HOUSE OF ASSEMBLY, \$7,637,000

JOINT PARLIAMENTARY SERVICES, \$12,607,000

ADMINISTERED ITEMS FOR JOINT PARLIAMENTARY SERVICES, \$2,756,000

Minister:

Hon. S.S. Marshall, Premier.

Departmental Advisers:

Mr A. Richardson, Auditor-General, Auditor-General's Department.

Mr I. McGlen, Deputy Auditor-General, Auditor-General's Department.

Mr R. Crump, Clerk, House of Assembly.

The CHAIR: The estimates committees are a relatively informal procedure and as such there is no need to stand to ask or answer questions. However, having said that, I will ask for an amount of decorum and order in this process. I understand that the Premier and the lead speaker of the opposition have agreed to an approximate time for the consideration of proposed payments, which will facilitate a change of departmental advisers. Can the Premier and the Leader of the Opposition confirm that the timetable for today's proceedings previously distributed is accurate. You are happy with that?

The Hon. S.S. MARSHALL: Yes.

Mr MALINAUSKAS: Yes.

The CHAIR: Thank you. Changes to the committee membership will be notified as they occur. Members should ensure the Chair is provided with a complete request to be discharged form. If the Premier undertakes to supply information at a later date, it must be submitted to the committee

secretary by no later than Friday 26 October 2018. I propose to allow both the Premier and the Leader of the Opposition to make opening statements of about 10 minutes each, should they wish.

There will be a flexible approach to giving the call for 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. 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, it is purely statistical and limited to one page in length. All questions are to be directed to the Premier, not his advisers. The Premier may refer questions to advisers for a response.

The committee's examinations will be broadcast in the same manner as the sittings of the house are broadcast, through the IPTV system within Parliament House and via the web stream link to the internet. I will now proceed to open the following lines for examination: the portfolio is the Department of the Premier of Cabinet. The minister appearing is the Premier. As the committee would be aware, these items are not necessarily contained in the budget papers. I declare the proposed payments open for examination. I call on the Premier to make a statement, if he wishes to. Also, please Premier, introduce your advisers.

The Hon. S.S. MARSHALL: Thank you very much, Mr Chairman. There will not be any opening statement. I introduce to my right, Andrew Richardson, the Auditor-General, and to my left, Ian McGlen, the Deputy Auditor-General. Directly behind me is Mr Rick Crump, Clerk of the House of Assembly and Secretary of the Joint Parliamentary Services.

The CHAIR: Leader of the Opposition, do you wish to make an opening statement?

Mr MALINAUSKAS: In light of the fact that the Premier has graciously allowed more time for questions, then that is something we will take up, too. We will not be making an opening statement.

The CHAIR: Then I call on members for questions. Leader of the Opposition.

Mr MALINAUSKAS: Thank you, Mr Chairman. Congratulations on your election. Good morning, Premier and your officials. I would like to start by asking a question regarding the Auditor-General. I refer to Budget Paper 4, Volume 1, page 70, and more specifically I refer to sub-program 1.2. I am more than happy to wait until you get the relevant documents. Sub-program 1.2 details additional resources for special investigations. Other than the \$300,000 that has been allocated for the investigation of the Coober Pedy council, can the Premier advise if the Auditor-General has sought any further funds for special investigations?

The Hon. S.S. MARSHALL: Not that I am aware of.

Mr MALINAUSKAS: Can the Premier advise, outside the Coober Pedy council investigation, if the Auditor-General is undertaking any other special investigations?

The Hon. S.S. MARSHALL: I am advised that the answer to that question is no.

The CHAIR: Leader, that particular budget line is not open at the moment. We have opened the Legislative Council, the House of Assembly, JPS and administered items for the JPSC.

Mr MALINAUSKAS: My advice is that the Auditor-General is part of the first part of proceedings this morning between 9am and 11.15am.

The CHAIR: We have confirmation from the Clerk that we will open that as well, so continue.

Mr MALINAUSKAS: Thank you, Mr Chairman. In regard to investigations by the Auditor-General, is the Auditor-General pursuing or considering pursuing an investigation into the payment of \$2.5 million or thereabouts to the accused murderer Henry Keogh?

Mr RICHARDSON: I am not. There is a select committee looking at the payment arrangements there. We have had a look at the authorities that were given to make the payment and we will report on that in the coming annual report, which is due in the next—I think it will be tabled when parliament resumes on 16 October. There is a description about that authority process at that point. My reasons for not going much further than that were to wait to see—if there is a select committee going through the process in the first place—whether or not that would deal with the matter.

Mr MALINAUSKAS: For the sake of clarity, putting aside the select committee exercise, which is clearly an important one, when you are considering the relevant authorities that the payment was made under is that something that you are actively looking at or paying attention to during the course of your work in the lead-up to the annual report?

The Hon. S.S. MARSHALL: The Auditor-General conducts an annual audit of every single agency of government. I think he has just provided you with an answer, that there is no supplementary report or focus specifically on the matter that you have raised.

Mr MALINAUSKAS: Sure. I appreciate the ordinary work that is undertaken by the Auditor-General, and I am well aware that you do as well, but I just want to understand. In the Auditor-General's answer, he referred to an analysis or a piece of work looking at the authority under which those payments are made. I want to understand what that work entails and what specifically is being looked at.

The Hon. S.S. MARSHALL: That is the Auditor-General's responsibility, which is provided to this parliament each year with the annual report. He looks at the authority of all payments. That is the role of the Auditor-General.

Mr MALINAUSKAS: But does the Auditor-General have queries about the authorities of that payment?

The Hon. S.S. MARSHALL: I will allow the Auditor-General perhaps to answer that question directly himself.

Mr RICHARDSON: As I said, the report will be tabled on 16 October. Just to explain, when a payment is made, there are levels of authority that can be given, depending on the amount of the transaction and the nature of the transaction. We look to the criteria that apply for the particular transactions and we see whether or not the right people with authority have signed off before a payment is made.

If we have queries about that—that would be in the sense of perhaps someone exceeding delegation—we would raise questions like that. Where something has gone through ministers, through cabinet, then they are the highest level of authority. I am just explaining to you a process; I am not saying what has happened with the particular payment that you are interested in. That payment will be described and covered in the report that is coming.

Mr MALINAUSKAS: Will the annual report that you are producing specifically refer to the payment made to Mr Keogh?

Mr RICHARDSON: Yes, it will. There is clearly a public interest in that, so we have made sure that there is a section—it is a small section—that deals with that. As I say, our main interest was then to see what would happen through the select committee.

Mr MALINAUSKAS: So the select committee, in your mind, performs an important function in ascertaining information that could be useful in the conduct of your work when looking into that payment?

Mr RICHARDSON: Yes, and for us that is relatively routine. Select committees occur quite frequently. One of the issues for us with our timetable compared to a select committee is that sometimes we just want to finish off and the select committee often goes at least over the course of a year or across financial years. Sometimes we will do the work that we think we need to do to cover our responsibilities, which is the case with this particular payment, but when you do an examination you do change the nature of the work that you are doing.

Most audits are quite straightforward—dare I describe them as 'tick bash', if people are familiar with that. That is how you get through the bulk of it. They are not strictly examinations: they are really just in-depth audits that we do because of the nature of some transactions. That is where we tend to do our individual reports, like we have done in the past on the Royal Adelaide Hospital and the plaza and those sorts of things. But they are not typical audits: they are very in-depth engagements that we go through. Technically, the examinations are things that are referred to me or that I do, and mostly only for local government. That is technically under the Public Finance and Audit Act.

Mr MALINAUSKAS: This is probably an important point because something I am conscious of is that the select committee timing is beyond your control and even beyond mine or the Premier's. In the event that the select committee was not able to conclude prior to your annual report being produced, would you still continue with your examination of the Keogh payment and refer to that outcome in the annual report?

Mr RICHARDSON: As I said, I am not doing an examination of the Keogh payment. I have done an audit of the authority for the payment and will report on that in the report. In most cases, we do not report on individual transactions like that. Because of the profile of the particular payment, it will be quite easily found in the report. I have not planned to do an examination, and I would wait and see what came of the select committee to see whether I ought to. When I make those decisions, I am also making those against the other priorities that are about what we think we ought to be reporting to the parliament on.

Mr MALINAUSKAS: You are doing an audit, though, into the authorities around that payment?

Mr RICHARDSON: We have done that.

Mr MALINAUSKAS: You have done that.

Mr RICHARDSON: Yes.

Mr MALINAUSKAS: And that will be referred to in the annual report.

Mr RICHARDSON: Yes.

Mr MALINAUSKAS: Okay.

The CHAIR: Leader, can I just interrupt for a moment. We have actually opened the Auditor-General's Department for questioning as a result of your indicating that you would like to do that. We should really be referring this to a budget line. I have given you a bit of latitude thus far. Also, could I remind you please to direct your questions to the Premier, not the Auditor-General.

Mr MALINAUSKAS: My pleasure. You can take it as given that all my questions are directed through the Premier. Thank you, Premier, for those candid responses. In regard to the Auditor-General's work generally, I think it is fair to say that the payment of \$2.5 million to an accused murderer has—

The Hon. S.S. MARSHALL: Do you have a question? This is not an opportunity to make speeches in the committee. You have to have a question to a budget line.

Mr MALINAUSKAS: I do have a question. Because of the extraordinary, peculiar nature of a payment of \$2.5 million to an accused murderer, I think all of us will be relieved to hear that the Auditor-General was looking at the authorities under which that payment is being made.

The Hon. S.S. MARSHALL: Is that a question?

Mr MALINAUSKAS: Sorry?

The Hon. S.S. MARSHALL: Was that a question?

Mr MALINAUSKAS: I am getting to the question. In regard to the same budget line, has the Auditor-General received any request to examine or investigate transitional arrangements arising from the machinery of government changes made since the 2018 election?

The Hon. S.S. MARSHALL: I do not know whether he has received any request but, if he has, I presume it will be contained in the annual report, which will be tabled in the parliament next month.

Mr MALINAUSKAS: So we do not know if he has received any requests. Are we able to establish whether or not he has received any requests?

The Hon. S.S. MARSHALL: I think there is only a month to wait until you see the annual report, but the Auditor-General has already made it very clear to the committee that he is not conducting any supplementary investigations at the moment. If there have been any requests and he has seen fit to make an investigation, that will be reported in the annual report, which will be tabled in the parliament next month.

Mr MALINAUSKAS: Sure, and we look forward to the annual report, but we are here today to answer questions. I am just wondering, Premier, whether the Auditor-General has received—and I am not talking about specific or special investigations into the payments to accused murderers now: I am talking about there obviously being, as one would expect post an election—

The CHAIR: Leader, can I interrupt. Can you refer your questions to particular budget lines.

Mr MALINAUSKAS: Yes. I am talking about the same budget line. I will also note, Mr Chairman, that during the Premier's questions in previous estimates he referred to a budget line once and then was not repeatedly called back to it. I am still referring to the same budget line. As one would expect post an election, transitional arrangements are made in terms of machinery of government. What I am asking is whether or not the Auditor-General has received any requests to examine the arrangements that occurred, or changes that occurred, since the 2018 election.

The Hon. S.S. MARSHALL: I am advised that no request has been made.

Mr MALINAUSKAS: On the same budget line, Premier, last year the Auditor-General stated in estimates that he had been concerned about where the Auditor-General's powers ended and where the Independent Commissioner Against Corruption's powers began. Have those issues of overlap been resolved or addressed?

The Hon. S.S. MARSHALL: Sorry, can you just repeat the question?

Mr MALINAUSKAS: Of course. Again with regard to the same budget line, last year the Auditor-General stated in estimates that he was concerned about where the Auditor-General powers ended and where the Independent Commissioner Against Corruption's powers began. I was just wondering if any of those issues have been addressed or resolved.

The Hon. S.S. MARSHALL: I think the comments by the Auditor-General last year through the Premier were related to an investigation into the Festival Plaza. He said that there were some issues with where his investigation and other investigations might be, so it was specific to an area. I do not think there was a confusion regarding the powers of the Independent Commissioner Against Corruption and the Auditor-General's—

Mr MALINAUSKAS: No, I appreciate the context. I guess what we are wondering is that, because it has arisen in one instance, surely there is the potential that it could be raised again. I am just wondering whether or not those concerns have been addressed or looked at.

The Hon. S.S. MARSHALL: With regard to the Festival Plaza?

Mr MALINAUSKAS: No, with regard generally.

The Hon. S.S. MARSHALL: But I do not think—

Mr MALINAUSKAS: It is a question of the powers.

The Hon. S.S. MARSHALL: Well, I was at the committee last year. There was no confusion, a general confusion. There was an issue raised and reported to the committee regarding a specific investigation, which was the Festival Plaza. I can ask the Auditor-General to make it clear to the committee whether the resolution of those issues between the ICAC and the Auditor-General were resolved with regard to the Festival Plaza.

Mr MALINAUSKAS: The context of the Festival Plaza is noted. What I guess we are interested in is the general issue because—

The Hon. S.S. MARSHALL: There was not a general issue raised.

Mr MALINAUSKAS: Well, if it has happened once before, it has the propensity to happen again, so we are just wanting to make sure that we are looking to the future about preventing that from occurring.

The Hon. S.S. MARSHALL: I am not aware of any issue apart from the Festival Plaza, and I ask the Auditor-General perhaps to refer to the issue of the Festival Plaza and clarify any confusion that may have existed at that time and whether it has been resolved.

Mr RICHARDSON: What we did was we naturally related with the commissioner at the time. Having done that—and we do that now on a relatively continuing basis—I do not think there are going to be any issues about misinterpreting our respective roles. We have a good, constructive relationship that came out of the plaza experience, which has helped us understand where we each take a role in particular matters that might arise. We do, naturally, have overlaps, so it is important that we have a process where we can delineate what the situation might be for our respective mandates. I just do audits, and the commissioner has a different role.

Mr MALINAUSKAS: I might move on to a question regarding Budget Paper 3, page 11. In that section a reference is made to the Land Services commercialisation transaction and how it is treated in the budget. On page 11, it states that discussions with the Auditor-General following submission of draft 2017-18 financial statements on 13 August this year expressed concerns that the accounting treatment for the \$1.6 billion transaction might not be correct. It also states:

In most recent discussions at the time of printing the budget papers the Auditor-General has indicated that the transaction may need to be treated as revenue in 2017-18.

Premier, I was just wondering, through you, if the Auditor-General can advise whether this matter has been settled and how it impacts on the 2017-18 operating balance?

The Hon. S.S. MARSHALL: My understanding is that this is another matter that will be addressed in the annual report; would that be correct?

Mr RICHARDSON: Yes.

Mr MALINAUSKAS: I appreciate that, but I guess I am wondering, the report being some time away, whether or not the Auditor-General has arrived at a conclusion regarding the question.

The Hon. S.S. MARSHALL: I think he has because it is in the annual report.

Mr MALINAUSKAS: Okay, what is it?

The Hon. S.S. MARSHALL: Auditor-General, would you like perhaps to advise the committee?

Mr RICHARDSON: Again, the position is that of course the account preparers, which in this case is the Treasury department, have to do the work behind deciding and proposing an accounting policy. The position at the time of the budget was that we simply did not have a final paper on what the accounting ought to be. The disclosure that was made in the budget papers, as I understand, was to reflect that the matter had not been resolved, as you say. Treasury have now put a paper to us. I understand that perhaps the Treasurer might be explaining the detail of the particular accounting standard that has been referred to here. I will not go through that detail.

There is a new accounting standard that deals with this sort of arrangement on concessions. What it results in is that the proceeds will be carried forward essentially as a liability, which will be brought to account over the 40 years of the term of the transaction. Each year, there will be a small amount of revenue, one-fortieth of the initial proceeds, adjusted for various things that will be brought to account as revenue. I am just going to, if I might through the Premier, check with my colleague that I have described that correctly.

The CHAIR: I might just ask you if you have any questions at all on the lines we opened originally: the Legislative Council, House of Assembly, Joint Parliamentary Services or Administered Items for Joint Parliamentary Services. Do you have any questions at all on those lines?

Mr MALINAUSKAS: Yes.

The CHAIR: You do, okay. If you did not, I was going to close those lines, but you are indicating that you do have them.

Mr MALINAUSKAS: We intend to deal with the Auditor-General's items first, then move on to the other subjects. Just to be clear about that, your expectation in the annual report is that you confirm the formula or format which Treasury applied at the time of the printing of the budget papers?

The Hon. S.S. MARSHALL: What was in the budget papers was the information that we had to the best of our knowledge at the time.

Mr MALINAUSKAS: Yes.

The Hon. S.S. MARSHALL: There is a change in accounting standards, which will come into effect soon. There has been some negotiation with the Auditor-General, and the full details of that will be provided by the Treasurer and, of course, in the annual report from the Auditor-General.

Mr MALINAUSKAS: I appreciate that the budget was printed with information available to you at the time but, having ascertained additional information since the printing of the budget papers, as was outlined would occur at the time of the print, do you expect the numbers to change?

The Hon. S.S. MARSHALL: No.

Mr MALINAUSKAS: Sorry, just to be clear about that, you do not expect there to be any change?

The Hon. S.S. MARSHALL: No. I think that is the point, that the Auditor-General was raising a question with the way it was presented at the time, but Treasury had formed the opinion that, because there was a change of accounting standards that was coming into effect, we would adopt that. There was a genuine concern, which was raised by the Auditor-General. There was some negotiation in regard to that, and I think it has been agreed.

Mr MALINAUSKAS: So you do not expect the annual report to call for any change to the way—

The Hon. S.S. MARSHALL: That is my understanding.

Mr MALINAUSKAS: What was the date of printing of the budget papers?

The Hon. S.S. MARSHALL: I do not have the information with me.

Mr MALINAUSKAS: Are you able to take that on notice?

The Hon. S.S. MARSHALL: Sure.

Mr MALINAUSKAS: Thanks, Mr Chairman. I am happy to move on to Joint Parliamentary Services now, if you like. Thank you, Mr Auditor-General, and your team.

The CHAIR: Thank you, gentlemen, for your contribution. There being no further questions, I declare the examination of the proposed payments for the portfolio of the Auditor-General's Department to be completed.

We will go straight to Legislative Council, House of Assembly, Joint Parliamentary Services and Administered Items for Joint Parliamentary Services. Mr Rick Crump needs no introduction in this chamber.

Mr MALINAUSKAS: Premier, what was the cost of the renovations and alterations to the Premier's office on the ground floor of parliament?

The Hon. S.S. MARSHALL: I do not have that detail with me at the moment, but I am happy to provide that to you.

Mr MALINAUSKAS: You are happy to take that on notice?

The Hon. S.S. MARSHALL: Yes.

Mr PEDERICK: Excuse me, Chair, I am interested in what budget line we are working on.

Mr MALINAUSKAS: Sure. Budget Paper 3, page 160, line items 29, 31, 32 and 33. Sorry, I neglected to mention that. Premier, who asked for the amendments to the Premier's office in the parliament?

The Hon. S.S. MARSHALL: I do not know directly, but certainly we conveyed to Mr Crump that we wanted a different configuration. The previous premier had a working office with three or four people in a sort of anteroom of the then premier's office. We did not think that was appropriate. We did not think it really conformed with occupational health and safety requirements and we effected those changes. All of those changes and alterations were done within the existing budget.

Mr MALINAUSKAS: Did you ask for that to take place?

The Hon. S.S. MARSHALL: I do not know whether I specifically instructed Mr Crump. I think it probably came from—

Mr MALINAUSKAS: No, I am not asking whether you instructed Mr Crump. I am asking: did someone in your office go off and ask for that to take place independently of you, or did you play a role in asking for that to occur?

The Hon. S.S. MARSHALL: I cannot recall, but it is a substantial improvement to the working environment in the Premier's office.

Mr MALINAUSKAS: I have no doubt. I just want to be clear about this. Were you aware of the changes that were being proposed to the Premier's office?

The Hon. S.S. MARSHALL: Absolutely aware.

Mr MALINAUSKAS: Excellent. Did you ask questions about how much it would cost?

The Hon. S.S. MARSHALL: No; I did not receive that detail, no.

Mr MALINAUSKAS: Did you ask for it?

The Hon. S.S. MARSHALL: No.

Mr MALINAUSKAS: So you were happy for a refurbishment of your office in the parliament without any reference to what the potential costs would be?

The Hon. S.S. MARSHALL: I have absolute confidence in the people who were effecting the changes that were required.

Mr MALINAUSKAS: So you have no idea how much it cost and you had no interest in how much it would cost?

The Hon. S.S. MARSHALL: I have no further answer to provide to the committee over and above what I have already provided.

Mr MALINAUSKAS: Do you think it would be prudent that, in the event of the refurbishment of your office, it might be a good idea for you to take notice of how much that might cost?

The Hon. S.S. MARSHALL: I have nothing further to add.

Mr MALINAUSKAS: I will take that as a no. When was the last time renovations were made to the Premier's office here in Parliament House?

The Hon. S.S. MARSHALL: Considering I have been the Premier for only six months, I am not privy to all the previous adjustments that may or may not have been made. As I said, on coming to government we formed the opinion that the concept of having multiple people working within that environment was completely inappropriate, so we relocated them to other parts of the building and had to create an additional space for meetings in the room adjacent to the Premier's office.

Mr MALINAUSKAS: Okay. Again, I will just ask: how much did that cost?

The Hon. S.S. MARSHALL: I am advised that the payment for that was made through Treasury and Finance. It did not come through this line, so it will be a question better directed to the Treasurer.

Mr MALINAUSKAS: So that payment did not come through JPSC or the parliament?

The Hon. S.S. MARSHALL: I have just indicated that.

Mr MALINAUSKAS: If you do not know how much your office cost to upgrade, who does?

The Hon. S.S. MARSHALL: I have just answered that as well.

Mr MALINAUSKAS: Well, just remind me.

The Hon. S.S. MARSHALL: Treasury.

Mr MALINAUSKAS: Thank you. Do you intend to undertake any other refurbishments to your office without your paying any reference to the cost?

The Hon. S.S. MARSHALL: Look, I have dealt with this issue in some detail. I have nothing further to contribute to answers regarding the office refurbishment. I have made it very clear what has occurred. I am very satisfied with the outcome.

Mr MALINAUSKAS: Do you think it is reasonable to expect that the Premier would pay attention to the cost of refurbishing the Premiers office?

The Hon. S.S. MARSHALL: As I said, I have nothing further to contribute.

The CHAIR: Leader, perhaps we could move to the next line of questioning.

Mr MALINAUSKAS: Sure. What is the total number of staff employed within the agencies of the Parliament of South Australia, and how many of these staff are employed within each of the House of Assembly, the Legislative Council and the Joint Parliamentary Services?

The Hon. S.S. MARSHALL: Maybe I could ask Mr Crump to answer that question.

Mr CRUMP: The established FTEs for the legislature totals 114.1. This number relates to fully funded full-time equivalents in respect of each office or division within the parliament. The establishment for catering is 15.4, reporting is 25.3, joint services is 15.5, the library is 9.9, the House of Assembly is 29 and the Legislative Council is 19.

Mr MALINAUSKAS: On the same budget line, the increase from the 2017-18 estimated results to the 2018-19 budgeted payments across the four line items range from 1.67 per cent to 3.23 per cent. Other than an increase in line with CPI, what other factors have resulted in these increases, and why were they not uniform across the parliamentary agencies?

The Hon. S.S. MARSHALL: I am advised that there has been no change to the established FTEs for this line.

Mr MALINAUSKAS: I do not know if that is what I was getting at. Do you want me to repeat that?

Mr CRUMP: Yes.

Mr MALINAUSKAS: The increase from the 2017-18 estimated results to the 2018-19 budgeted payments across the four line items that I referred to earlier—29, 31, 32 and 33—range from 1.67 per cent to 3.23 per cent. Outside CPI, what were the other factors that resulted in these increases, and why the disparity between them in terms of the size of percentage?

The Hon. S.S. MARSHALL: I am advised that for Joint Parliamentary Services the variance is \$118,000, and the \$118,000 is for supplementation for members' on-costs. I have been provided with some further detail breaking that down. The variance for the House of Assembly is a total of \$152,000. This is the result of \$48,000 for the supplementation of salaries and wages across the forward estimates of 1.3 per cent and \$104,000 for the increase of supplies and services, which is a total of 3 per cent.

For the Legislative Council, between the 2017-18 budget and the 2018-19 budget it is a variance of \$109,000. That is a variance of \$35,000 for the supplementation of salaries and wages across the forward estimates of 1.4 per cent and \$74,000 for the increase of supplies and services, making it a total of 2.8 per cent.

Mr MALINAUSKAS: I am not sure that answers exactly what I was after but, nevertheless, we will move on.

The Hon. S.S. MARSHALL: That is the breakdown of the areas of cost in those lines that you have asked about. Splitting up Joint Parliamentary Services between the Legislative Council and the House of Assembly basically falls into two areas: salaries and wages and supplies and services. I have actually given you both the dollar value increase between the 2017-18 budget and the 2018-19 budget and the percentage increases in all those areas. I cannot imagine what else you could require, but if there is another question I am happy to answer it.

Mr MALINAUSKAS: In regard to the same items, the amounts that have gone up are relatively modest in terms of the estimated payments for the South Australian parliament line items which talks to a lack of major new spending initiatives for the parliament in the budget papers. That is not problematic, except what I am wondering is: does this mean that the modernisation proposals outlined by the new Speaker, Speaker Tarzia, still include the electronic petitions, a greater online presence, Facebook live broadcasting? Does that mean that these things have not been funded in the budget?

The Hon. S.S. MARSHALL: I am advised that we are working to a range of reforms. They will be prioritised and, as work on those is completed, we will look to find the funding for that within the budget which has been provided.

Mr MALINAUSKAS: Is there a specific budget line item that contains contingency for those costs?

The Hon. S.S. MARSHALL: Is there a budget line item that provides a contingency?

Mr MALINAUSKAS: Has the money been allocated to those costs? Let me rephrase the question. Has there been any progress in regard to the planning regarding the broadcasting of live parliamentary sessions on social media?

The Hon. S.S. MARSHALL: I do not have that detail, but I am happy to ask the Speaker to come back to you with an answer on that.

Mr MALINAUSKAS: Is the Clerk in his capacity able to provide some detail?

The Hon. S.S. MARSHALL: As I said, the Speaker is handling that issue and we are looking at that at the moment, but there is no specific cost that has been determined at the moment that I am aware of.

Mr MALINAUSKAS: Has any money been allocated for a new parliament website?

The Hon. S.S. MARSHALL: I did not hear.

The CHAIR: Leader, could you repeat the question?

Mr MALINAUSKAS: Sure. I was asking has any money been allocated for the new parliamentary website and, if so, what is the time frame associated with that?

The Hon. S.S. MARSHALL: My understanding is that progress has been made and the rollout of the new website will be incorporated and dealt with within the existing budget allocation.

Mr MALINAUSKAS: Do we know when it is likely to be in place?

The Hon. S.S. MARSHALL: I do not have that information.

Mr MALINAUSKAS: Can you take that on notice?

The Hon. S.S. MARSHALL: You could ask the Speaker, who is handling the matter. It is not really a matter for the Premier.

Mr BROWN: Budget Paper 4, Volume 4, program 3: it is not related to the parliament but it is about the State Coordinator-General. There has been an increase in expenses. Could you expand on what that is related to?

The Hon. S.S. MARSHALL: Sorry, what was the page reference?

Mr BROWN: Budget Paper 4, Volume 4, program 3, page 50.

The Hon. S.S. MARSHALL: Just for clarity, are we dealing with the State Coordinator-General in this session or is that in the next session? I obviously do not have advisers for that yet.

The CHAIR: That is a fair question, Premier. It is under the Department of the Premier and Cabinet, which we have not actually got to yet. We can open it. Are you happy to complete the Legislative Council and so on?

Mr MALINAUSKAS: Unless there are other questions, sure.

The CHAIR: Any questions from the government to the Premier? In that case, there being no further questions, I declare the examination of the proposed payments for the Legislative Council, the House of Assembly, the Joint Parliamentary Services and Administered Items for Joint Parliamentary Services to be completed.

STATE GOVERNOR'S ESTABLISHMENT, \$3,781,000
DEPARTMENT OF THE PREMIER AND CABINET, \$299,804,000
ADMINISTERED ITEMS FOR THE DEPARTMENT OF THE PREMIER AND CABINET,
\$11,796,000

Minister:

Hon. S.S. Marshall, Premier.

Departmental Advisers:

Mr J. McDowell, Chief Executive, Department of the Premier and Cabinet.

Mr S. Woolhouse, Chief Finance Officer, Department of the Premier and Cabinet.

Ms R. Ambler, Executive Director, Cabinet Office, Department of the Premier and Cabinet.

Ms J. Mazel, Assisting the Chief Executive, Department of the Premier and Cabinet.

The CHAIR: We are jumping around a bit, on the timetable that I was given at least. I have in this morning's session also, under the Department of the Premier and Cabinet, the State Governor's Establishment of \$3,781,000.

Mr MALINAUSKAS: We do not have any questions.

The CHAIR: If there are no questions, I declare the examination of the proposed payments on the State Governor's Establishment to be completed. Premier, we have opened the budget lines relating to the Department of the Premier and Cabinet. Would you like to introduce your advisers?

The Hon. S.S. MARSHALL: I would be delighted to introduce to you and the committee Mr Jim McDowell, the Chief Executive of the Department of the Premier and Cabinet, who is sitting on my right-hand side; Steven Woolhouse, the Chief Finance Officer for the Department of the Premier and Cabinet on my left; sitting behind me is Joslene Mazel, who is assisting the chief executive, and Ruth Ambler, the Executive Director of the Cabinet Office.

The CHAIR: Are there any questions?

Mr BROWN: I have a question regarding Budget Paper 4, Volume 4, Program 3: State Coordinator-General, page 50. There has been a significant increase in total expenses and I was hoping that the Premier might expand on why that is.

The Hon. S.S. MARSHALL: I am going to ask Mr Woolhouse if he would explain the accounting treatment that has effected the change that you have outlined to the committee.

Mr WOOLHOUSE: The increase that you are seeing in 2018-19 is just a result of corporate overhead allocations within the department. Because we had machinery of government changes we have had a number of programs that have left and a number of programs that have come in, so corporate overheads is expenditure within the department that covers corporate services, in particular finance, administration, human resources, procurement, ICT, accommodation and insurance.

So all the costs of running the department, in accordance with instructions from Treasury and Finance, for publication in the budget papers, these expenditure and income items that relate to your corporate areas are allocated across agency programs. In this case, the allocations are done for us on the basis of the program's FTE weightings. Each year, depending on the programs that you have and what FTEs are in those programs, determines how much corporate overhead is allocated. For example, in 2017-18, we had programs such as Shared Services and Service SA that had lots of FTEs in them, which meant that the overheads allocated to them were proportionately higher, and areas such as these which are quite small therefore have less.

As a result of machinery of government changes, quite a large number of units with lots of FTEs have now left DPC and our overall FTE count is a lot smaller. Overheads also left the department as part of machinery of government, but the overheads that are remaining—the dollars in terms of expenditure, revenue and FTE to some degree—then get reallocated. This is done each year and that has resulted in that increase around the \$100,000 that I think you are referring to, like employee expenses and so forth. It is not actually the budget related to the State Coordinator-General's staffing; that is consistent and the budget is in accordance with indexation, as per normal, but it is the allocation of the corporate overheads to go with that.

Mr MALINAUSKAS: My question is in regard to Budget Paper 4, Volume 4. I am referring to page 46 initially. Premier, what economic modelling or analysis did you undertake or did the government undertake regarding the tax cut measures in the budget?

The Hon. S.S. MARSHALL: That would probably be a question you could direct to the Treasurer, who is in the other estimates committee.

Mr MALINAUSKAS: I am directing it to you.

The Hon. S.S. MARSHALL: As I said, I am happy for you to ask the Treasurer that question. I do not have any information at hand.

Mr MALINAUSKAS: You do not recall seeing any economic modelling regarding—

The Hon. S.S. MARSHALL: Let's be very clear. We made a commitment in the lead-up to the election and we effected that change in our first budget.

Mr MALINAUSKAS: I know that. I was just asking whether you undertook any economic modelling regarding some of those significant policy decisions?

The Hon. S.S. MARSHALL: There was an economic modelling unit within the Premier's department under the previous premier, but it is not in the department since the changes have been effected, so I just ask that you direct that question to the Treasurer.

Mr MALINAUSKAS: You will have to forgive me for my perseverance on this line of questioning because—

The Hon. S.S. MARSHALL: It is just not a relevant question when the unit does not sit within the Premier's department.

Mr MALINAUSKAS: I have referred to an appropriate budget line item. I would have thought that, considering the significance of some of the economic decisions surrounding some of these tax

measures, you would be at pains to reveal and talk to the economic modelling that has been undertaken by the government regarding these decisions.

The Hon. S.S. MARSHALL: As I said, all the economic modelling, and any impact that that would have, is done in a completely separate department and I just do not have visibility—

Mr MALINAUSKAS: Let me ask you more specifically: did you look at any economic modelling regarding those decisions?

The Hon. S.S. MARSHALL: I have nothing further to contribute to my previous answers.

Mr MALINAUSKAS: I will take that as a no. Maybe I will try to be a bit more specific in regard to a specific measure to assist. In regard to the \$95 million or thereabouts of land tax cuts, did the government undertake any economic modelling about what that would do for jobs growth?

The Hon. S.S. MARSHALL: I refer the honourable member to my previous answer.

Mr MALINAUSKAS: The answer where you said that you did not look at any economic modelling before making a \$95 million decision.

The Hon. S.S. MARSHALL: That is not a question: that is a statement. I am answering any questions that you have.

The CHAIR: I think, leader, that what the Premier is trying to indicate is that the budget lines that are open relate to the Department of the Premier and Cabinet.

Mr MALINAUSKAS: Yes.

The Hon. S.S. MARSHALL: Not the Department of Treasury and Finance. I understand the—

Mr MALINAUSKAS: But they speak to the budget line—

The Hon. S.S. MARSHALL: —leader's confusion because, in the previous government, the economic modelling unit was taken from Treasury and put in the Department for the Premier and Cabinet. When we came to government on 17 March, we transferred those functions to the Department of Treasury and Finance, so the relevant minister for this line of questioning is actually in the other committee being held at the moment. Perhaps the Leader of the Opposition can flick a text to whoever sits on the opposition benches in that committee and ask the Treasurer that question.

Mr MALINAUSKAS: Premier, I am sorry, but I understand that the coordination and leadership of strategic economic and policy priorities for the state does fall within DPC.

The Hon. S.S. MARSHALL: You are asking specifically about economic modelling, and I am just providing an accurate answer to this committee that any detailed questions regarding that will need to be directed to the Treasurer.

Mr MALINAUSKAS: Is there any organisation within DPC that is responsible for the coordination and leadership of the strategic economic and policy priorities of the state because, to the best of my knowledge, that particular reference in the budget papers does sit within an organisation within DPC? If you are telling me that the Premier has acquiesced all responsibility to strategic and economic policy priorities, then that is fine—

The Hon. S.S. MARSHALL: I have not said that at all.

Mr MALINAUSKAS: —but I find it extraordinary—

The Hon. S.S. MARSHALL: I have not said that at all.

Mr MALINAUSKAS: So let's be clear about this. There is an organisation within DPC according to the budget papers—

The CHAIR: What is the question?

Mr MALINAUSKAS: The question is: to what extent were the organisations or the people within DPC, who are responsible for the coordination and leadership of strategic and economic policy

priorities of the state, aware of the economic modelling—if any economic modelling has been undertaken—regarding, for instance, a \$95 million cut in land tax?

The Hon. S.S. MARSHALL: What we know is that they made a \$50,000 landholdings benefit from the tax—

Mr MALINAUSKAS: Of course they did. They are going to get a tax cut, but what is the consequence of that economically? Did the people within DPC, who are responsible for the strategic and economic policy priorities of the state, get access to economic modelling regarding, for instance, a land tax cut?

The Hon. S.S. MARSHALL: As I said, I am more than happy for you to direct any detailed questions regarding economic modelling to Treasury. We have maintained the economic modelling unit. Cabinet consider the budget in total, but the specific questions regarding the modelling that was done should be directed to the Treasurer.

I do not really understand why you do not get the answer. You are consuming a lot of your allocated time on a pointless question and I will not be changing my answer. In relation to all future questions on this line, I refer you to my previous answer that has already been provided to the committee.

Mr MALINAUSKAS: Forgive me for my impertinence, Premier, but I do not think that the Premier having some consciousness of economic modelling regarding multimillion-dollar tax cuts is a waste of anyone's time.

The Hon. S.S. MARSHALL: Your question was whether we did economic modelling. I have told you the economic modelling unit is within Treasury and Finance.

Mr MALINAUSKAS: No, my question was whether or not you have looked at that economic modelling before passing on a \$95 million tax cut.

The Hon. S.S. MARSHALL: The budget is considered by cabinet as a whole, and, of course—

Mr MALINAUSKAS: Have you looked at economic modelling?

The Hon. S.S. MARSHALL: We consider a whole pile of inputs when we frame the budget, but most importantly—

Mr MALINAUSKAS: Does it include economic modelling?

The Hon. S.S. MARSHALL: One of the most important things that we had regard to were the commitments that we made to the people of South Australia before the election. That is what they elected us to do: to implement our strong plan for real change, and that is precisely what was contained within the budget.

Mr MALINAUSKAS: Premier, I refer to other references within the budget that refer to jobs growth being at 1 per cent per annum, which is obviously substantially less than it is currently. I am wondering whether or not the economic modelling that you would have access to would explain why a \$96 million tax cut in this instance is not delivering the jobs growth that one would have hoped for when making tax policy decisions.

The Hon. S.S. MARSHALL: In fact, the information contained within the budget papers regarding employment growth show that there was an increase. From the Mid-Year Budget Review, we saw that the forecast for jobs growth for this current financial year was predicted to be 1 per cent. In the budget that was handed down, that increased by 50 per cent, to 1½ per cent. I do not really understand the point that the leader is making. If he has another question, I am happy to answer it.

Mr MALINAUSKAS: I am sorry, Premier, but the budget refers to jobs growth being at 1 per cent, which is less than it is currently. I am wondering why do we have in the last two years of the budget a collective \$95 million in tax cuts not delivering in forecast jobs growth?

The Hon. S.S. MARSHALL: That is a different question. The payroll tax cut comes into effect on 1 January next year. There has been a substantial uplift for this financial year in jobs growth compared with what was handed down in the final forecast of the previous government for this

financial year. The Mid-Year Budget Review was handed down just weeks before Christmas. It provided for a 1 per cent jobs growth this financial year. When there was a change in government, that estimate for this year was increased to 1½ per cent.

I cannot speak to the out years. I suppose when people are doing this modelling, which is independent of the political process, they are prudent, and so they should be.

Mr MALINAUSKAS: Good. You would acknowledge then that, despite a very significant policy decision to provide \$96 million worth of tax cuts in the last two years of the budget, that is not resulting in an uplifting of jobs growth?

The Hon. S.S. MARSHALL: I have nothing further to add to my previous answer. I refer the honourable member to my previous answer regarding this, which I thought was comprehensive.

Mr MALINAUSKAS: Was any economic modelling undertaken or analysis done regarding the economic benefit of the 34 programs listed on page 10 of the budget speech that were axed by the government?

The Hon. S.S. MARSHALL: Yes.

Mr MALINAUSKAS: And what was that?

The Hon. S.S. MARSHALL: Some of it was contained in the budget speech. In fact, the Treasurer went to some extent to point out that with many of the grants that had been recently approved by the previous government, in fact, Treasury had recommended against it. So their own department said that this would not offer value for money but, as the Treasurer outlined to this house when he came to provide the budget speech, the previous government ignored that advice and continued to provide that money. In fact, in one instance, I think the cost per job was something like \$360,000—not offering an advantage—

Mr MALINAUSKAS: So you conducted economic modelling and you are happy to talk to economic modelling on items that have been axed from the budget, but you are not willing to talk to economic modelling regarding long-term strategic decisions regarding revenue for the state—for instance, particularly in the area of land tax? I am trying to understand the consistency there.

The Hon. S.S. MARSHALL: We can keep talking around it. It is a fixed time. It is really, quite frankly, your time, not my time, but you are conflating two issues here. I have been very reasonable, pointing out that economic modelling does continue to occur. It has been transferred from my department to Treasury and Finance at the change of government, so any detailed questions regarding economic modelling should be put to the Treasurer. You then asked a question whether any modelling was done, and I provided an example which, quite frankly, I thought you might have already picked up on because the budget speech was only here 2½ weeks ago.

Mr MALINAUSKAS: I think your answer, Premier, makes it clear that you are happy to talk about economic modelling in one instance, but not in another instance. It speaks of the fact, Premier, that your focus is entirely on the previous administration, rather than on the future administration. Nevertheless, let's try to focus on the future for a moment. In Budget Paper 3, page 110, table 7.1, there is a reference to the employment growth forecast. Was every Liberal policy implemented in the budget taken into consideration in the formulation of that jobs growth forecast table?

The Hon. S.S. MARSHALL: As I have already pointed out to the committee, I am not responsible for the jobs growth forecast. All I do point the committee to, though, is that, at the change of government, for the current financial year there was a very substantial increase in the projection that was independently derived.

Mr MALINAUSKAS: So you accept then that the employment growth figures, which are more than halving from 2019-20 onwards, are a product of the policy decisions that you have implemented?

The Hon. S.S. MARSHALL: I have nothing further to add to my previous answers.

Mr MALINAUSKAS: You can see my confusion, though, can you not?

The Hon. S.S. MARSHALL: No, I can see you have run out of questions. Having sat in this exact committee myself—this is the sixth time that I have actually sat in this committee—every time I have sat in this committee quite frankly I have run out of time. An hour in, the Leader of the Opposition has run out of questions.

Mr MALINAUSKAS: Well, let's get it—

The Hon. S.S. MARSHALL: He asks the same question nine times, nine different ways. That is very obviously because he has no questions to ask.

Mr MALINAUSKAS: Premier, with all due respect, I am very happy for you to repeatedly put on the record that you are making extraordinarily significant economic decisions regarding the future of our state without any reference to economic modelling and without any reference to the consequence on jobs growth. I have plenty of questions. When you start answering them, we will start getting through them.

The CHAIR: Leader of the Opposition, I remind you that this is not the opportunity to give commentary: it is the opportunity to ask questions of the Premier.

Mr MALINAUSKAS: Well, the Premier might be reminded of the same thing, Chair. I refer you to Budget Paper 4, Volume 4, page 46, program 1. I will just give you a moment to get that out.

The Hon. S.S. MARSHALL: I can look it up while you speak. Do not chew up any more time.

Mr MALINAUSKAS: Has the Department of Treasury and Finance or the Department of the Premier and Cabinet undertaken any analysis as to whether the reduction in payroll tax will create a certain volume of jobs? This is something that I think you and I have unanimity of opinion on, so I am wondering what analysis you hope to rely upon in terms of the jobs growth that is created.

The Hon. S.S. MARSHALL: We clearly took this policy to the election. I would point out that, despite your now support of this measure, it was not received with much acclaim from the previous government, who said that we were putting money into the pockets of businesses that would not flow through to economic benefits.

Mr MALINAUSKAS: Is this commentary or answering the question?

The Hon. S.S. MARSHALL: I am very pleased with the change in attitude that the opposition has to providing some relief to businesses that go out and employ South Australians. With regard to specific modelling, as I have repeatedly pointed out, all economic modelling now does not occur in the Department of the Premier and Cabinet: it occurs within the Department of Treasury and Finance.

Mr MALINAUSKAS: How about any analysis?

The Hon. S.S. MARSHALL: Sorry?

Mr MALINAUSKAS: Not necessarily specific modelling, but how about any analysis?

The Hon. S.S. MARSHALL: Any analysis?

Mr MALINAUSKAS: Or any work.

The Hon. S.S. MARSHALL: That would be the work of the modelling unit.

Mr MALINAUSKAS: I read your budget in reply speech post the 2014 election.

The Hon. S.S. MARSHALL: Is this a question?

Mr MALINAUSKAS: It is a response to one of your remarks.

The Hon. S.S. MARSHALL: You do not have an opportunity to provide responses. I can provide responses: you ask questions.

The CHAIR: Which is exactly what I said a moment ago, leader. Could you ask questions, please.

Mr MALINAUSKAS: Sure. I would be grateful if the Premier was expeditious in getting to the answer. Does the economic adviser to the Premier expect that cutting the top marginal land tax

rate from 3.7 per cent to 2.9 per cent for land ownerships valued between \$1.2 million and \$5 million will create jobs and, if so, how many?

The Hon. S.S. MARSHALL: We do not have that specific information at this committee.

Mr MALINAUSKAS: Are you happy to take that on notice?

The Hon. S.S. MARSHALL: No. It does not relate to my area.

Mr MALINAUSKAS: So the Premier's economic adviser does not relate to the Premier's area?

The Hon. S.S. MARSHALL: The Premier's economic adviser does not provide that level of detail. That work is done via the economic modelling unit, which is in a different department.

Mr MALINAUSKAS: Does the Premier's economic adviser provide a view about multimillion-dollar tax cuts and the employment implications of that?

The Hon. S.S. MARSHALL: Those decisions are made by cabinet. I have outlined that. The economic modelling information that is provided to cabinet is provided via the Treasurer because the modelling unit has been transferred from the Department of the Premier and Cabinet into the Department of Treasury and Finance. It was originally in the Department of Treasury and Finance. My understanding is that it moved to the Premier's department about six years ago, so it was originally in Treasury and Finance.

There was a change of policy, probably when the former premier was acting as the treasurer as well. It remained in the Department of the Premier and Cabinet. You would have to ask your own side as to what their rationale for that was. We formed the opinion that it should go back to where it was historically, which was in the Department of Treasury and Finance. This is why there is nothing sinister in the movement of it from the Department of the Premier and Cabinet to Treasury and Finance. It is perfectly logical. It is where it belongs. It is where it sits in most jurisdictions, and it is where it sat from 2002 to 2012, a decade of the previous government.

Mr MALINAUSKAS: I am not too sure if that answers the question. I understand the Premier's repeated reference to the fact that the economic modelling unit has been moved. What I am asking, though, is whether or not your economic advisers, whom you employ and who are answerable to you, provide you with any advice regarding what job outcomes we expect from the cutting of the top marginal tax rate for land tax.

The Hon. S.S. MARSHALL: As I said, that information is provided from the modelling unit via the Treasurer to the cabinet.

Mr MALINAUSKAS: What economic advice do you receive from your economic adviser if not about very substantial strategic policy decisions of the government?

The Hon. S.S. MARSHALL: A range, but we do not duplicate. If there is one unit of government that is charged with the responsibility of providing that—

Mr MALINAUSKAS: So why do you have an economic adviser?

The Hon. S.S. MARSHALL: There are a lot of things other than economic modelling. I am trying to be as obvious as I possibly can. Economic modelling has transferred. It does not mean that the only advice we regard regarding economic matters comes from the modelling department. There is a very small unit, in fact, a very small—

Mr MALINAUSKAS: I am not asking about economic modelling anymore, though. That is the thing, Premier. I am asking about massive and very substantial tax decisions for the state, which I think everyone in public policy cares about. I want to understand your thoughts on what the implications will be of the decisions regarding jobs growth in the state.

I am not referring at all to economic modelling in this question. I am referring to very substantial strategic policy decisions, for which you have a unit within your government, and one of those strategic policy decisions is a \$95 million land tax cut. Can you outline to the committee what the forecast job implications of that will be, because at the moment all we have to rely upon is a jobs growth figure of 1 per cent, which is less than what is occurring at the moment.

The Hon. S.S. MARSHALL: I have nothing further to add to my previous answers.

Mr MALINAUSKAS: That is pretty extraordinary, to say the least. You have economic advisers, you have a unit within the DPC, you are the Premier of the state, you are making massive tax-related decisions and you have no answer to provide regarding what the implications of that will be on jobs growth—not even an attempt at a spirited defence of this decision.

The CHAIR: Leader of the Opposition—

The Hon. S.S. MARSHALL: That was not a question.

Mr MALINAUSKAS: That was a question.

The Hon. S.S. MARSHALL: No, that was not a question. It was a statement.

The CHAIR: Leader of the Opposition—

Mr MALINAUSKAS: Okay, let me ask a specific question. Have you received any—

The Hon. S.S. MARSHALL: You are continuing to completely disregard the rules of this committee. The reality is that you can ask questions and I can provide the responses. You continue to make speeches and statements—

Mr MALINAUSKAS: I am asking questions, Premier—

The Hon. S.S. MARSHALL: —in this committee, which is not actually the role of this committee.

Mr MALINAUSKAS: I am asking questions, Premier, about the economic advice you receive before making decisions, like—

The Hon. S.S. MARSHALL: What is your question?

Mr MALINAUSKAS: —a \$95 million tax cut. How many jobs will be created by that decision?

The Hon. S.S. MARSHALL: That is a matter for the economic modelling unit, which is in a different department.

Mr MALINAUSKAS: So the economic modelling unit is responsible for policy decisions of the government?

The Hon. S.S. MARSHALL: They provide advice to cabinet. The new government operates in a completely different way from the previous government. I do not want to reflect on the previous government, but—

Mr MALINAUSKAS: You have been doing a lot of it lately.

The CHAIR: Leader of the Opposition, this particular department has a large budget. You have pursued that line of questioning for some time now. If you have queries on other budget lines, it would be appropriate now to move to them.

Mr MALINAUSKAS: I will stick to the same budget line but ask a different line of questioning. On the same budget line, what economic impact assessments have been relied upon for the government's position of the total deregulation of shop trading hours?

The Hon. S.S. MARSHALL: As the honourable member would be aware, this was the subject of an Australian Productivity Commission report. The Productivity Commission was very specific about the benefits. But more than just the economic benefits, we want to provide choice, choice for consumers and choice for businesses in this state. At the moment, there is a very heavy set of regulations about when and where people can shop. These are very confusing regulations that have an economic impact. Our commitment was to do all that we could to free up those restrictions because we want to create more jobs in this state.

Mr MALINAUSKAS: When you say it will create more jobs in this state, what economic analysis do you have to demonstrate that point?

The Hon. S.S. MARSHALL: As I said, there is an Australian Productivity Commission report, to which I refer the honourable member. As he would be aware, we are also out talking to people every single day, and the vast—

Mr MALINAUSKAS: So am I.

The Hon. S.S. MARSHALL: The Leader of the Opposition interjects and says that he is out listening to people every single day, yet every single published poll on the issue of deregulation shows unequivocally that the people of South Australia want further liberalisation—

Mr MALINAUSKAS: Is that your economic analysis?

The Hon. S.S. MARSHALL: —of shop trading hours. He says that he is listening to people, but the reality is—

Mr MALINAUSKAS: I am listening to small businesses.

The Hon. S.S. MARSHALL: —he might be listening, but he is certainly not acting on the will of the people.

Mr MALINAUSKAS: We will move on. That does not strike me as a particularly robust policy response. With regard to Budget Paper 3, page 11, table 1.3, you will see there, Premier, that net debt is expected to blow out from \$5.3 billion in 2017-18 to \$8.7 billion. Can the Premier explain the financial implications of this in terms of increased lending costs to the state?

The Hon. S.S. MARSHALL: No; that would be a question better directed to the Treasurer.

Mr MALINAUSKAS: Let me rephrase my question, then, rather than being on a specific lending cost question. Can you explain why net debt is blowing out from \$5.3 billion to \$8.7 billion?

The Hon. S.S. MARSHALL: Yes.

Mr MALINAUSKAS: Good; can you explain.

The Hon. S.S. MARSHALL: Clearly outlined in the remainder of the budget, we have a very significant increase in investment activities for the new government. They have all been highlighted in the budget papers. We are proud of every one of the investment decisions that we are making.

Mr MALINAUSKAS: Do you think that the size of the debt increase is any reason for concern?

The Hon. S.S. MARSHALL: No.

Mr MALINAUSKAS: The debt to revenue ratio increases up to 41 per cent over the course of the budget, which is a very high level in comparison to more recent history. Is that any reason for concern for you?

The Hon. S.S. MARSHALL: No.

Mr MALINAUSKAS: Why not?

The Hon. S.S. MARSHALL: I just do not have a concern about it. We are investing to improve the productive capacity of our state. We are investing in important projects right across our state. The cost of that capital is significantly lower than it has been in recent times. We think now is a good time to make that investment.

Mr MALINAUSKAS: Premier, I share your view that debt, where it is in regard to investment in productive infrastructure, is not a bad thing. What I am wondering about, though, is in terms of our capacity to repay, hence the concern around the debt to revenue levels. Does the government have a metric in regard to an objective in terms what it would like to keep debt to revenue ratio below?

The Hon. S.S. MARSHALL: Again, that would be a question that you could direct to the other committee, which is currently occurring. This is not a matter that I would be ideal to address. It is very specific to Treasury.

Mr MALINAUSKAS: I am referring to a specific table within the budget papers.

The Hon. S.S. MARSHALL: Sure, but let's be quite clear: if you want to ask detailed questions about debt to equity ratios, you would be better directing those questions to the Treasurer.

Mr MALINAUSKAS: Do you have an interest in the debt to revenue ratio?

The Hon. S.S. MARSHALL: Absolutely. I have just outlined to this committee in some detail that we are very proud of the investment decisions that we are making. Because we were left an enormous black hole by the previous government, we are not going to be able to service that entire investment strategy or agenda from surpluses, so we will have to debt-finance that very significant investment agenda that we have put forward in the budget.

Mr MALINAUSKAS: So if you do take an interest in the debt to revenue ratio as a measure of the capacity for the state to repay the debt that you are increasing, what do you think is a reasonable level at which to have the debt to revenue ratio?

The Hon. S.S. MARSHALL: What that exact number should be is not an issue to which I have turned my mind. I am happy to take that question on notice and come back to you with an answer as to what I think it should be.

Mr MALINAUSKAS: I would be very grateful for you to let the people of the state know, when you get around to it, what you think the debt to revenue ratio should be.

The Hon. S.S. MARSHALL: It is contained in the budget. Obviously, we just published this less than three weeks ago. It is quite obviously something that I endorsed.

Mr MALINAUSKAS: You endorsed the debt to revenue ratio going up?

The Hon. S.S. MARSHALL: I endorsed the budget that was brought down less than three weeks ago. It is an excellent budget. It delivers on all the issues that we spoke about in the lead-up to the election. It also increases—

Mr MALINAUSKAS: At a very substantial cost.

The Hon. S.S. MARSHALL: Well, it would be a lot lower debt to equity ratio if the previous government's forecast in the Mid-Year Budget Review of a \$12 million surplus last financial year was accurate. It was not accurate.

Mr MALINAUSKAS: So the debt to revenue ratio going up so dramatically is someone else's fault and not because of the decisions that your government is making?

The Hon. S.S. MARSHALL: Let's be clear: \$400 million is \$400 million. That was the size in round terms of the deficit last financial year. What we do know—

Mr MALINAUSKAS: I think the accounting tricks—

The Hon. S.S. MARSHALL: —is that Treasury had provided advice that showed that the surplus projected by the previous government was not going to be achieved. That work was done prior to the election. That was not conveyed to the people of South Australia. We, of course, relied on the most up-to-date information in framing what we took to the election, which was the Mid-Year Budget Review handed down only a few weeks before the election. Despite Treasury producing advice available to the government, which would have clearly showed that there was a multi-hundred million dollar deficit on its way, that information was not revealed.

Mr MALINAUSKAS: We will leave the dark art of bringing forward dramatic expenditure to the other committee.

The Hon. S.S. MARSHALL: The only thing that was dramatic was the redress payment. I am happy to admit that that was of the order of \$140 million, so, yes, you could take that off. But I am very proud of the fact that, on coming to government, the new government dealt with this issue, which, quite frankly, should have been dealt with prior to the last election.

Mr MALINAUSKAS: So you are happy to acknowledge that a deficit figure for the 2017-18 financial year was affected to the tune of \$140 million to \$150 million as a result of a decision that you made?

The Hon. S.S. MARSHALL: Can you just outline that again?

The CHAIR: Leader of the Opposition, I am going to remind you again that this is an estimates committee and that it is not the opportunity for debate or making speeches. It is the opportunity for asking questions, which the Premier has the opportunity then to answer.

Mr MALINAUSKAS: I was just asking a question on the back of information that the Premier provided. So, again, the Premier acknowledges then that the deficit figure for the 2017-18 financial year would be to the tune of \$140 million to \$150 million less if not for a decision that your government made.

The Hon. S.S. MARSHALL: We have made it very clear that one of the issues that we dealt with immediately on coming to government was the issue of providing for the payments in accordance with the national push for redress, and we are very proud of that decision.

Mr MALINAUSKAS: That is a yes. Just back to the debt to revenue ratio, in light of the fact that debt is going up quite significantly I want to understand your view of the debt to revenue ratio. You said that you would contemplate what you think the figure should be and come back to us.

The Hon. S.S. MARSHALL: Well, if there is any variance to what is provided in the budget, then I am more than happy to address that. Quite frankly, what is contained there is something that I am not only satisfied with but I am extraordinarily proud of. It was only weeks before the budget was brought down that we heard squeals from the opposition worrying about the fact that we would not have a significant investment component to the budget, and they were concerns which we shared.

We were not in a position to halt our investment here in South Australia. That would have had an adverse effect on employment and on growth in the economy, and we took the action, and that is contained in the budget, but the opposition cannot have it both ways. They cannot say, 'We want you to be investing more. We don't want you to be having efficiency dividends within the government, and we want you to be keeping the general government debt levels down.' Those three things do not go together.

Mr MALINAUSKAS: I have a question regarding Budget Paper 4, Volume 4, page 46, program 1. Why did the Premier sack the Chief Executive of the Department of Planning, Transport and Infrastructure?

The Hon. S.S. MARSHALL: Well, I would not refer to it as 'sacking'. A new government comes to power and it has a different direction and it is completely entitled under the act to have the chief executives we require to implement the government's agenda. I formed the opinion that we would need some changes to the existing chief executives that were in place.

Mr MALINAUSKAS: I absolutely understand and respect that. I just want to know why you sacked this one. Maybe I should be a bit clearer. Was the decision to dismiss the former chief executive of DPTI a function of the fact that you could? If it is more than just because you could, and we absolutely respect that you have the right to do that, I assume there is a greater reason and I would like to know what that is.

The CHAIR: Premier, I would fully understand if you decided not to answer that question, but I will leave it up to you.

Mr MALINAUSKAS: The Premier is responsible for the appointment of chief executives.

The Hon. S.S. MARSHALL: Thank you, Chair. I do not have anything to add to my previous answer. A new government comes in and they set a new direction. Senior management is critical. We looked at senior management, and we just felt that some changes needed to be made. We minimised those as much as possible, but we thought that some changes were required. We effected that change, as has already received plenty of media attention.

Mr MALINAUSKAS: What has been done in the last six months to find a replacement for the DPTI CEO?

The Hon. S.S. MARSHALL: We have been working with an acting chief executive in that role, so there has been no diminution in the capacity of that department to deliver on the requirements of the government. We have gone out to the market. My understanding is that interviews have been

conducted, and we will be in a position to update the people of South Australia on the appointment for the head of the Department of Planning, Transport and Infrastructure in the coming weeks.

Mr MALINAUSKAS: Just so I understand your answer, you do not think that the functioning of the department, or the capacity of the department to deliver upon your election promises or the policy agenda of the government, has been undermined by having an acting chief executive. Why would it have been undermined by retaining the former chief executive?

The Hon. S.S. MARSHALL: I just refer the honourable member to my previous answers with regard to this.

Mr MALINAUSKAS: Has anyone been approached or offered the job of the DPTI CEO?

The Hon. S.S. MARSHALL: As I said, interviews have taken place and we will be in a position to update the parliament and the people of South Australia in the coming weeks.

Mr MALINAUSKAS: How much longer do you think they will have to wait? It has been six months.

The Hon. S.S. MARSHALL: Honestly, if you did not understand the last two answers—'in the coming weeks'—then I do not think there is anything else that I can add to that answer.

Mr MALINAUSKAS: Has anyone been approached and offered the job and then declined it?

The Hon. S.S. MARSHALL: Not that I am aware of.

Mr MALINAUSKAS: Premier, what was your involvement or that of your Chief of Staff in decisions made to terminate senior executives in this agency during the first 30 days of taking office?

The Hon. S.S. MARSHALL: Can you be more specific?

Mr MALINAUSKAS: In regard to this department, what was your involvement or that of your Chief of Staff in the decisions made to terminate senior executives within the agency?

The Hon. S.S. MARSHALL: Which agency?

Mr MALINAUSKAS: DPTI.

The Hon. S.S. MARSHALL: My Chief of Staff and I had nothing to do with that, whatsoever, apart from the chief executive, which is already on the public record.

Mr MALINAUSKAS: What was the process for making the decisions regarding chief executives? To make this less painful, was the logic that you applied to other CEs being sacked largely the same as the logic you applied to the DPTI CEO?

The Hon. S.S. MARSHALL: As I said—new government, new direction. Senior management is obviously critical. We formed an opinion that some changes needed to be made, and we effected those changes.

Mr MALINAUSKAS: What was the cost of those terminations and the separations?

The Hon. S.S. MARSHALL: We can provide that information.

Mr MALINAUSKAS: So you will take that on notice. Are you able to break down each of the various departments when you provide that information?

The Hon. S.S. MARSHALL: No, I do not think that is appropriate. We can provide the total amount of the four separations. They are all done in accordance with the contracts that were actually signed by the previous premier so, quite frankly, you could easily do it yourself. I do not think that there would be any advantage in those numbers being disclosed.

Mr MALINAUSKAS: Were there any additional payments that were made to the former CE of DPTI in light of the fact that he also had the role as Rail Commissioner?

The Hon. S.S. MARSHALL: I do not have any detail of that, but I am happy to take that question on notice and come back to you.

Mr MALINAUSKAS: Likewise with his role as highways commissioner?

The Hon. S.S. MARSHALL: Again, these questions would be better directed to the Department of Planning, Transport and Infrastructure, which would have accounted for those issues.

Mr MALINAUSKAS: You can understand why I am asking you, though, because they are appointments by you.

The Hon. S.S. MARSHALL: Sure, but we do not handle the accounting treatments of those matters. All I would say is that I am happy to take the question on notice.

Mr MALINAUSKAS: Okay, thank you.

The Hon. S.S. MARSHALL: But you could find out far quicker if you had a real interest in this by asking the relevant minister.

Mr MALINAUSKAS: You have taken it on notice; that is all I am after. In regard to Budget Paper 4, Agency Statements, Volume 4, page 41, why has the Premier's allocation for ministerial resources increased from 41.4 FTEs in 2017-18 to 45 in 2018-19?

The Hon. S.S. MARSHALL: I think that is just because of change of classification.

Mr MALINAUSKAS: Sorry, you might forgive me here.

The Hon. S.S. MARSHALL: I am happy to ask Mr Woolhouse if he can perhaps walk us through that.

Mr WOOLHOUSE: As per the budget papers, you mentioned on page 41 the Premier's office FTE budget is 45. This actually is a reduction of 10.4 FTEs compared with 2017-18, so the current number comprises 36 FTE in the Premier's office and nine FTE in our media monitoring unit. Following the change of government, the total FTE cap for the Premier's office now includes both ministerial appointments and Public Sector Act appointments.

Previously the Public Sector Act appointments were not included in the Premier's office FTE budget, so in the 2017-18 budget papers the Premier's office budget was 41.4 FTEs as disclosed, and this was made up of 32.4 FTEs in ministerial appointments and nine FTEs in the media monitoring unit. In addition, in 2017-18 the Department of the Premier and Cabinet also funded a further 14 FTEs for Public Sector Act appointments working in the Premier's office, bringing it to a total of 55.4 FTEs. As a result of combining all those into the one, we have actually had an overall reduction of 10.4. What is actually disclosed is different from what was being disclosed in previous years.

Mr MALINAUSKAS: So it is not an apples with apples comparison.

Mr WOOLHOUSE: It is not. Correct.

The Hon. S.S. MARSHALL: Like for like, it would be 55.4 under the previous premier and 45, so a 20 per cent reduction under the new government.

Mr MALINAUSKAS: But does that like for like take into account that the Premier has divested a range of responsibilities as detailed on pages 41 and 42?

The Hon. S.S. MARSHALL: I am not sure what you mean. You are asking about ministerial staff in the Premier's office.

Mr MALINAUSKAS: Correct.

The Hon. S.S. MARSHALL: I have divested some areas and picked up other areas.

Mr MALINAUSKAS: I am just trying to understand. What I am trying to get a sense of is an apples-for-apples comparison which may not be possible.

The Hon. S.S. MARSHALL: The apples with apples comparison is 55.4 to 45.

Mr BROWN: Budget Paper 4, Volume 4, page 46, program 1: I want to know whether there has been any restructure in the Cabinet Office since the election.

The Hon. S.S. MARSHALL: A restructure in the Cabinet Office?

Mr BROWN: Yes. Any changing of roles?

The Hon. S.S. MARSHALL: I could ask Ruth, who is sitting back there not answering any questions so far, to come forward and answer a question. Can I say, while Ruth is coming forward, how delighted we have been as a new government to adopt a very great concentration on advice from the Cabinet Office. I am very impressed by the people in the office. Cabinet is now meeting twice per week. We are trying to minimise the number of lates. We do not always get there, but we are improving, and we are really trying to significantly rule out walk-ins.

Mr MALINAUSKAS: As a former minister, I wholeheartedly endorse that approach.

The Hon. S.S. MARSHALL: Good, excellent! Now, the question was regarding whether there had been any restructure to the Cabinet Office.

Ms AMBLERN: Yes, there has since the election. As part of the Cabinet Office, we have an economic advice function. The Premier mentioned earlier that the modelling side of that had gone to Treasury and Finance. There is an economic advice part of Cabinet Office now that supports the cabinet, so we have reorganised ourselves around the five cabinet committees: social affairs cabinet committee, the justice and legislative reform, economic and infrastructure, emergency management and the budget cabinet committee.

We have essentially pulled the economic advice function and those other social affairs and legislative reform functions into Cabinet Office, so we both support the cabinet and the cabinet committees.

Mr BROWN: On the same budget line, how have the analysis procedures changed for cabinet submissions since the change of government?

The Hon. S.S. MARSHALL: What was the question?

Mr BROWN: How have the analysis procedures for cabinet submissions changed since the election? Are there additional procedures now in place or have they been reduced since the election?

The Hon. S.S. MARSHALL: It is hard for me to answer that question because I was not really fully aware of what the cabinet procedures were previously.

Mr BROWN: Your agency was.

The Hon. S.S. MARSHALL: But the question is to me. So making a comparison with the previous regime is, as far as I am concerned, not particularly relevant. What we are doing now, though, is cabinet is meeting twice weekly. We have our Monday cabinet meeting and then we have a cabinet meeting, Executive Council, on Thursday when His Excellency the Hon. Hieu Van Le, Governor of South Australia, comes to the Department of the Premier and Cabinet, into the Cabinet Office, to conduct the Executive Council, followed by a shorter cabinet meeting then on Monday.

One of the other reforms that we have had is to re-establish, if you like, a set of cabinet committees and also to appoint a cabinet secretary. I am not sure whether a cabinet secretary existed in the previous government, but David Speirs, Minister for Environment and Water, is also the cabinet secretary.

Mr BROWN: This new economic analysis function that is being provided by Cabinet Office, what new input does it have in cabinet decision-making?

The Hon. S.S. MARSHALL: We want to make sure that all policies that are considered by the cabinet have access to a complete set of inputs from across government. What we are trying to do in the new arrangement is for cabinet to make decisions rather than individual ministers making decisions, late walk-ins, individual agencies not having input into what can be sometimes perverse outcomes of decisions in one area of government on other parts of government. The concept is to really have a robust, rigorous approach. That is why we think that it is important for Treasury and Finance not only to look at every cabinet submission but to have a capability within the Cabinet Office.

Mr MALINAUSKAS: I refer to Budget Paper 5, page 144, regarding the Economic Development Board (EDB). The line shows savings from the axing of the EDB. Premier, did you seek

the advice of the board chair or its senior members before discontinuing it and replacing it with a similar structure, albeit with a different name?

The Hon. S.S. MARSHALL: Did I speak to the chair?

Mr MALINAUSKAS: Or any of its senior members.

The Hon. S.S. MARSHALL: Yes.

Mr MALINAUSKAS: What advice did you receive from them regarding that decision?

The Hon. S.S. MARSHALL: I was not seeking advice. I was really outlining that, as they were all more than aware, we had announced a policy before the election to disband the Economic Development Board. I spoke with the chair and said that we would be effecting that change in the budget, so that the budget would, if you like, come to an end for the EDB at the end of the financial year. He understood this. Everybody was more than aware of it. I asked whether or not we could have a final meeting, if you like, of the EDB to essentially round out projects and inform the cabinet of what progress was still underway on a range of projects they had in place.

Mr MALINAUSKAS: On the same line item, regarding the savings from the cessation of funding of the Ageing Well program that was administered by the EDB, did you meet with program proponents or seek a business case to assess what benefits the Ageing Well program provided for and what the downside would be of its ending, including the Living Laboratory and also the pilot project funding?

The Hon. S.S. MARSHALL: That has not been cut. That still exists.

Mr MALINAUSKAS: There are savings regarding the Ageing Well program?

The Hon. S.S. MARSHALL: My understanding is that the savings are to do with the Economic Development Board, and the Ageing Well project is still continuing.

Mr MALINAUSKAS: So there have been no savings associated with the Ageing Well program?

The Hon. S.S. MARSHALL: I am advised that the Ageing Well program, which was initiated by the EDB, will continue and is contained within the budget to the end of its existing funding agreement.

Mr MALINAUSKAS: At the end of the existing funding agreement, will it continue or conclude?

The Hon. S.S. MARSHALL: Obviously, the government needs to assess the performance. We are not announcing new funding agreements here today at estimates. We are considering what is contained within—

Mr MALINAUSKAS: But does the budget provide for it to continue?

The Hon. S.S. MARSHALL: No, the budget provides the existing contract.

Mr MALINAUSKAS: Beyond the contract's completion, there is not a budgeted amount for it to continue in the event that you determine that it is a success?

The Hon. S.S. MARSHALL: That is correct.

Mr MALINAUSKAS: Moving on to Budget Paper 3, operating expenses, table 2.0, page 31, I was just wondering if you could outline the roles and responsibilities that your consultant Wayne Eagleson has been engaged to undertake?

The Hon. S.S. MARSHALL: The roles and responsibilities?

Mr MALINAUSKAS: Yes.

The Hon. S.S. MARSHALL: I do not have that detail in front of me, but I think it is fair to say that, on coming to government, we decided, as I have already outlined to the committee, that there would be some significant changes to the way that we were operating. We wanted to move towards a cabinet government decision-making framework. We obviously had high regard for the New

Zealand government, their success over a decade and their cabinet orientation. On coming to government, we formed the opinion that we could seek some advice on that transition to government and the setting up and organisation of a new methodology for operating. We were delighted that Wayne Eagleson decided to accept that offer.

Mr MALINAUSKAS: An offer to what?

The Hon. S.S. MARSHALL: To provide advice to the new government about the establishment of a cabinet government.

Mr MALINAUSKAS: Has Mr Eagleson at any point provided instructions regarding cabinet processes and procedures?

The Hon. S.S. MARSHALL: Instructions? No, it would be completely inappropriate for him to provide instructions, but it is fair to say that you employ people to provide advice so that you do receive that advice. I am grateful for the advice that we have received. Mr Eagleson has excellent experience in this area. I think we have been very fortunate to have his services here in South Australia.

Mr MALINAUSKAS: He is not providing instructions, but can you outline the process around how his advice is passed on? Who is his advice provided to? Presumably to you, or is it to public servants?

The Hon. S.S. MARSHALL: Sorry?

Mr MALINAUSKAS: When Mr Eagleson provides his advice, who does he provide it to?

The Hon. S.S. MARSHALL: He provides it to the government.

Mr MALINAUSKAS: To you, to DPC?

The Hon. S.S. MARSHALL: He is in touch with a range of people who exist within the new government, whether they be public servants or elected members. He is not there as a crutch to the elected members but as an adviser to the government. The previous government had a large number of people who came in to provide advice. Some of them were individuals and some of them were global companies. I think it is very reasonable from time to time for the government to seek external advice, and that is precisely what we did.

Mr MALINAUSKAS: I do not think there is any argument there, but I am just trying to understand the process because it is important. As you said, it would be completely inappropriate for Mr Eagleson to be providing instructions to public servants. If Mr Eagleson provides advice, what I am trying to understand is, if that advice is accepted by the government, how that translates in terms of being conveyed to public servants. Does Mr Eagleson provide advice to the cabinet or to your office, or is he providing advice to DPC and its employees?

The Hon. S.S. MARSHALL: It is general advice, which is provided to the government. As I outlined before, the government is made up of the Premier's office, the cabinet, elected members, senior public servants. We have a good working relationship with him. His contract was entered into by the previous acting chief executive of the Department of the Premier and Cabinet. A process was followed for that appointment, and I am satisfied that the taxpayers of South Australia are getting value for money.

Mr MALINAUSKAS: In terms of value for money, what are the KPIs or metrics associated to Mr Eagleson's performance to ensure that taxpayers are getting that value for money that you referred to?

The Hon. S.S. MARSHALL: I am not aware that there is a requirement to provide KPIs on every contract that the government enters into. I doubt there were KPIs provided for every contract that the previous government entered into.

Mr MALINAUSKAS: What metric are you using to measure the value for money for South Australian taxpayers in terms of Mr Eagleson's performance?

The Hon. S.S. MARSHALL: Well, it is subjective and I form that opinion.

Mr MALINAUSKAS: So it is a subjective conclusion arrived at by you?

The Hon. S.S. MARSHALL: There is no mathematical equation, if that is what you are looking for.

Mr MALINAUSKAS: What procurement process did you or cabinet undertake prior to Mr Eagleson's engagement?

The Hon. S.S. MARSHALL: I just outlined that to the committee about a minute ago.

Mr MALINAUSKAS: The procurement process?

The Hon. S.S. MARSHALL: Correct.

Mr MALINAUSKAS: What was it again?

The Hon. S.S. MARSHALL: That work was undertaken by the Acting Chief Executive of the Department of the Premier and Cabinet, and it followed the practices that have been in place for an extended period of time.

Mr MALINAUSKAS: When does Mr Eagleson's contract conclude?

The Hon. S.S. MARSHALL: I do not have the details of that.

Mr MALINAUSKAS: Are you able to take that on notice for us?

The Hon. S.S. MARSHALL: My understanding is that we can terminate that agreement at any point in time. I do not think there is a fixed end date. If I have that incorrect in any way, I will come back to you with an answer.

Mr MALINAUSKAS: Thank you. The total cost of that contract?

The Hon. S.S. MARSHALL: As I said, there is no contract with an end date on it, so it is not a specific fee.

Mr MALINAUSKAS: Is there a per annum cost?

The Hon. S.S. MARSHALL: No.

Mr MALINAUSKAS: Is there a per week cost?

The Hon. S.S. MARSHALL: Yes, and I understand that has already been provided to your office. If you are not satisfied with the answers that you have sought and received on that previously, I am happy to provide an update if there is any aspect of that you did not understand.

Mr MALINAUSKAS: Thank you. Does the Premier consider that any of the advice provided by Mr Eagleson during the course of Mr Eagleson's engagement directly with the public sector political in nature?

The Hon. S.S. MARSHALL: Can you ask that question again, please?

Mr MALINAUSKAS: When Mr Eagleson engages with the public sector, as distinct from you or your office, which you have outlined takes place because he is providing general advice, is any of that advice ever political in nature?

The Hon. S.S. MARSHALL: No, I do not think so. That has never been the intent.

Mr MALINAUSKAS: Will the better Public Service targets be made publicly available?

The Hon. S.S. MARSHALL: Will the better—

Mr MALINAUSKAS: Will the Public Service targets be made publicly available?

The Hon. S.S. MARSHALL: Can you provide some further detail on your question? I am not familiar with it. Is there a reference to that? What are you referring to when you say that and use your parentheses?

Mr MALINAUSKAS: I am happy to be corrected, but I understand that Mr Eagleson has referred to a document or a philosophy around better Public Service targets and I am wondering whether that is the case. That might be wrong, but, if it is the case, will it be made publicly available?

The Hon. S.S. MARSHALL: I have no knowledge of anything that you are referring to, but if you want to provide further details to the committee, I am happy to consider it.

Mr MALINAUSKAS: Is the engagement of Mr Eagleson included in the government's commitment to cut the cost of external consultants and contractors by \$75 million over three years?

The Hon. S.S. MARSHALL: Yes.

Mr MALINAUSKAS: I refer to Budget Paper 4, Volume 4, page 43. Premier, you stated earlier that responsibility for the cost of the renovations and refurbishments of your office in the parliament were not handled by the parliament or DPC but, rather, by Treasury. I am advised that in Estimates Committee B, where you suggested we ask questions, the Treasurer has said that he is not aware of the renovations.

If the Treasurer in the other place has said that he is not aware of the renovations and you are saying that they are responsible for the costs of the renovations and you have not had any interest in that, can we get some additional advice on whether or not DPC was involved in that?

The Hon. S.S. MARSHALL: No; I stand by my previous answer.

Mr MALINAUSKAS: Who oversaw the costs or assessed these costs if it was not made known to the Treasurer?

The Hon. S.S. MARSHALL: I do not think that is what the Treasurer said in the other committee. The Treasurer took the question on notice. I think you are just conflating things that he did not know about it. He took the question on notice. I think it is a reasonable thing to do, to take questions on notice when people do not know.

Mr MALINAUSKAS: He said he was not aware of the renovations, which implies that no-one is aware of the costs of the renovations.

The Hon. S.S. MARSHALL: It is a big line item. Treasury is a huge area. I think it would be unlikely that he would have detail of every single transaction that had occurred, and he has taken that question on notice. I stand by the advice that I have received and that is that that was not a cost that was incurred here at Parliament House: it was a cost that was paid for from Treasury and Finance.

Mr MALINAUSKAS: You referred earlier to one of the reasons that the decision was made to refurbish the office here in Parliament House was because of OHS issues. Do you know who conducted the occupational health and safety assessment that resulted in that judgement?

The Hon. S.S. MARSHALL: I did not indicate to the committee that there was an audit: I just said that there were occupational health and safety issues.

Mr MALINAUSKAS: What were they?

The Hon. S.S. MARSHALL: There were too many people working in a cramped Victorian office, which I did not think was appropriate.

Mr MALINAUSKAS: Functionality is a different question from occupational health and safety, which implies an issue.

The Hon. S.S. MARSHALL: I formed that opinion.

Mr MALINAUSKAS: You formed an opinion that there was an occupational health and safety risk?

The Hon. S.S. MARSHALL: Correct.

Mr MALINAUSKAS: On what basis?

The Hon. S.S. MARSHALL: Over a long period of time in many organisations I have been the responsible officer for occupational health and safety. I have extensive experience in this.

Mr MALINAUSKAS: Before proceedings conclude, I would like to read in an omnibus question.

The CHAIR: We are due to take a break at quarter past 11.

Mr MALINAUSKAS: I just want to make sure that we do not miss that opportunity. Regarding the same budget paper and questions, what consideration was made regarding the movement of the Energy Plan Implementation Taskforce?

The Hon. S.S. MARSHALL: The reason for that move was that we wanted to put the energy unit together with the minister who was responsible. As you would be aware, the previous government had that unit within the Department of the Premier and Cabinet, and the minister was the Treasurer. We thought that, as part of the machinery of government changes, it would be logical to put energy in with mining because they were the two portfolios that the minister had responsibility for. The advantage of that, of course, is that the chief executive of that area has total coverage of the two areas that the minister he reports to is responsible for.

Mr MALINAUSKAS: Why did you consider it necessary to move Shared Services from DPC to the Department of Treasury and Finance?

The Hon. S.S. MARSHALL: I just thought it was a more logical place for it to be.

Mr MALINAUSKAS: Why?

The Hon. S.S. MARSHALL: As I said, this unit has been in multiple areas of government. I see the Department of the Premier and Cabinet as better focused on areas other than service delivery to other government departments, which is essentially Shared Services' function. I had formed the opinion that it would be better placed within the Department of Treasury and Finance.

Mr MALINAUSKAS: Was that a view that you developed post coming to government?

The Hon. S.S. MARSHALL: I cannot remember the exact moment when I had that light bulb of enlightenment, but I am reliably informed that, of course, it came from Treasury and Finance about six years ago. It was transferred by the former government into the Premier's department and then transferred out by the new government. Perhaps it was originally in the most logical place. Perhaps with the change of Premier—

Mr MALINAUSKAS: I was not so much interested in speculation as to why rather than what informed that judgement call by yourself. We can move on. How about the movement of the office of public sector performance to DTF?

The Hon. S.S. MARSHALL: My understanding is that is simply an attachment to the Department of Treasury and Finance, but those functions still exist within the commissioner's office.

Mr MALINAUSKAS: How about electorate services? I understand that was moved as well. Why was that the case?

The Hon. S.S. MARSHALL: Again, we formed the opinion that those sorts of service areas were better served by Treasury and Finance. We have also moved chauffeured cars and a range of other issues that were in the Premier's department.

Mr MALINAUSKAS: He is creating quite the empire, isn't he?

The Hon. S.S. MARSHALL: Well, in fact, we have taken a lot more in to the Department of the Premier and Cabinet. We have now taken in arts, veterans' affairs, defence and space industries and multicultural affairs. We have taken responsibility for the old Royal Adelaide Hospital site development. To be quite honest, as I have tried to outline repeatedly to the committee, this is a cabinet government.

Decisions are made by cabinet, but we will put the functions where we think they are best served or where they best serve the people of South Australia. We have gone for far more logical groupings, for each minister to have logical areas of responsibility, not split areas of responsibility. Where possible, we have had the one chief executive reporting to the minister. We believe that this creates a more logical reporting framework than what existed when we came to government.

Mr MALINAUSKAS: Regarding those ones that I have just mentioned, do we know what costs were incurred associated with making those changes?

The Hon. S.S. MARSHALL: No. I do not have that detail with me, but they were all handled within existing budgets. I am advised that they were all met within the department budgets. There were no significant costs.

Mr MALINAUSKAS: Are you able to take on notice what the costs were and get some information to us?

The Hon. S.S. MARSHALL: We did not collate them like that. There is not a logical way of arriving at that. They were all met within the existing budgets, and there were no significant costs of transfer.

Mr MALINAUSKAS: In regard to progress and ICT transformation, I understand that has moved to Treasury and Finance, but do you know what policy considerations were made regarding that from your election until July?

The Hon. S.S. MARSHALL: Can you just outline what the specific question is again?

Mr MALINAUSKAS: In terms of ICT transformation, I understand that, like some of those other things, it has been moved to Treasury and Finance. I was just wondering—

The Hon. S.S. MARSHALL: Just for clarity, though, ICT transformation is an item which is now administered by the Treasurer so again, not wanting to be pedantic, it is difficult for you to ask questions of me regarding an area, a line of expenditure, which is actually not in my area—

Mr MALINAUSKAS: Yes, sure.

The Hon. S.S. MARSHALL: —so I do not have any advisers from the Department of Treasury and Finance to assist me, and I do not want to in any way mislead the committee. I just do not have that answer.

Mr MALINAUSKAS: That is okay. I guess that is why I asked specifically in the context of from March until July, when that transfer took place. But there are other things we can move on to if you are not in a position to be able to provide answers on that now. Would you prefer to do that?

The Hon. S.S. MARSHALL: I do not have anything further to add to my previous answer.

Mr MALINAUSKAS: Okay. I acknowledge that your new chief executive has only been in the job for a few weeks, but I was just wondering whether you have put in place KPIs for the new chief executive and other metrics in terms of how they are going to go about their task.

The Hon. S.S. MARSHALL: No, there is nothing which is outlined specifically in the contract. All the contracts have been effected in the same format as for the previous government.

Mr MALINAUSKAS: With regard to chief executives generally, you would appreciate that it is reasonable to assume that there are ways in which you, as the person to whom the chief executives are responsible, will be measuring their performance generally. What processes in place do you have to do that?

The Hon. S.S. MARSHALL: That is something that I am currently dealing with with the Commissioner for Public Sector Employment. I am looking at performance management overall. You would recall that when we announced the appointment of Mr McDowell as the Chief Executive of the Department of the Premier and Cabinet we also spoke specifically about the new role for the Commissioner for Public Sector Employment. IR was taken from that role and put into Treasury, and we have a new and expanded role for the commissioner to focus on long-range public sector workforce development, performance management and leadership development. So the question you ask is something that is being addressed at the moment.

Mr MALINAUSKAS: When do you expect that particular piece of work to conclude?

The Hon. S.S. MARSHALL: I do not have a date for that.

Mr MALINAUSKAS: When did it start?

The Hon. S.S. MARSHALL: As I said, I just do not have anything further to update the committee with. The work is underway at the moment. As you would appreciate, the Commissioner

for Public Sector Employment has only gone back to her substantive role as of 1 September this year.

Mr MALINAUSKAS: While I acknowledge that, I guess what I am trying to get a sense of is this. In terms of monitoring the performance of your chief executives—and that is obviously incredibly important in terms of the strategic direction of the state and the public sector generally—I am trying to get a sense of your intent about how you are going to undertake that piece of work. I understand that you have the commissioner now doing some work to provide some guidance on that, but it is now six months in from your election. I just want to get a sense of whether you expect that work to conclude within the first year of your becoming Premier.

The Hon. S.S. MARSHALL: I do not have an exact date, but it is not to say that there is not ongoing evaluation of all the members in the senior management team. I have regular contact with each and every one of them. The senior management council meets twice weekly, is my understanding. It is a very effective and important group for this state.

Mr MALINAUSKAS: Does DPC play a role in across-government performance setting?

The Hon. S.S. MARSHALL: Does DPC play a role?

Mr MALINAUSKAS: Yes.

The Hon. S.S. MARSHALL: Well, of course. The Chief Executive of the Department of the Premier and Cabinet is the chair of the senior management council.

Mr MALINAUSKAS: Do you personally take responsibility for assessing the performance of chief executives, or is that something that you will be guided on or getting assistance on from the CE of DPC or, in turn, the Commissioner for Public Sector Employment?

The Hon. S.S. MARSHALL: As I said, we are just formulating the final performance management framework for the chief executives going forward. That is a key role that the Chief Executive of the Department of the Premier and Cabinet, the Commissioner for Public Sector Employment and myself are working on at the moment.

Mr MALINAUSKAS: I take an interest in this because I believe it to be fundamentally important, as I am sure you do, too. When that work is concluded by the commissioner, do you intend to release it publicly?

The Hon. S.S. MARSHALL: No.

Mr MALINAUSKAS: Why not?

The Hon. S.S. MARSHALL: I just do not know that I think it would be appropriate.

Mr MALINAUSKAS: Why not?

The Hon. S.S. MARSHALL: That is the position that I have formed.

Mr MALINAUSKAS: Why would you not make public—

The Hon. S.S. MARSHALL: Will you make public what your performance indicators are for you and your front bench, your entire team, the members who work within the Leader of the Opposition's office? I think it would be inappropriate. I would not be calling for it, and I find your question—

Mr MALINAUSKAS: I am not talking about political appointments. I am talking about appointments made in the public sector. I am not asking whether you are going to make public a particular analysis of a particular CE in terms of their performance or a view about their performance that you have come to as their employer. I am asking about the overarching philosophy or overarching system that you intend to apply to monitoring the CE's performance. Will you release the piece of work that is being undertaken by the commissioner now?

The Hon. S.S. MARSHALL: I am happy to consider it, but I doubt that we would. I have never been asked, stopped by anybody in the street and asked, 'What are the key performance indicators for your chief executive within the Public Service?' I just think this is not an issue that is of

interest to the public. What they want to see is a competent government that is getting on with the job they have been given by the people of South Australia, and that is what we will be doing.

Mr MALINAUSKAS: I do not think there would be anyone stopping you on the street regarding a whole range of questions that we have asked you today, but it does not make them any less important.

The Hon. S.S. MARSHALL: You would be surprised.

Mr MALINAUSKAS: Well, there you go—you should not assume that people are not interested in the performance of your CEs.

The Hon. S.S. MARSHALL: Can I just inform the committee, Mr Chairman, that we have now received advice that the cost of the fit-out for the refurbishment of the Premier's office in total is \$3,000.

Mr MALINAUSKAS: It is \$3,000?

The Hon. S.S. MARSHALL: Correct.

Mr BROWN: I refer to Agency Statements, Volume 4, page 54, Program 6: Information and Communication Technology Services. Has there been any a cross-government view to moving more government services away from face-to-face contact, such as in Service SA centres, to being performed on the internet?

The Hon. S.S. MARSHALL: We do have a new strategy with regard to ICT, which is presided over centrally, but that strategy has not informed any decisions regarding Service SA centres.

Mr BROWN: I refer to the same page. As a target for 2018-19, the growth of local cybersecurity industry by taking part in the cybersecurity innovation node of the commonwealth government, has the government prepared any economic analysis of potential job impacts of taking part in that program?

The Hon. S.S. MARSHALL: Not that I am aware of, but it is fair to say that the federal government, through the Australian Cyber Security Growth Network, has money available that state governments can tap into to expand cybersecurity services in their state, in particular to work with industry sectors.

Each state, as I understand it, has taken, if you like, a separate node so that across the entire country we have areas of expertise in different states. Our focus in South Australia, to the best of my understanding, is defence and small business, and so the state government has applied some small funding, matched with the commonwealth, to advance this node in South Australia.

Mr MALINAUSKAS: I thank the Premier for the office cost figure. Where did that figure come from? Is it Treasury or is it DPC?

The Hon. S.S. MARSHALL: I do not have that. I have just received information. Sorry, my latest information, that second, is that it was, indeed, a parliamentary cost. So the advice I provided to the committee earlier (that is, the advice I relied on from the officer) was that it was DTF, but on checking that it was found that there was no DTF charge and that in fact all charges were paid for by the parliament, and that total cost was \$3,000.

The CHAIR: Thank you, Premier. I might ask the opposition to take the opportunity now to read the omnibus questions.

Ms WORTLEY: Thank you, Chair.

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors with a total estimated cost above \$10,000, engaged between 17 March 2018 and 30 June 2018 by all departments and agencies reporting to the minister, listing the name of the consultant, contractor or service supplier, the estimated total cost of the work, the work undertaken and the method of appointment?

2. Will the minister provide a detailed breakdown of the forecast expenditure on consultants and contractors with a total estimated cost above \$10,000 for the 2018-19 financial year to be engaged by 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?

3. For each department and agency for which the minister has responsibility:

- (a) How many FTEs were employed to provide communication and promotion activities in 2017-18 and what was their employment expense?
- (b) How many FTEs are budgeted to provide communication and promotion activities in 2018-19, 2019-20, 2020-21 and 2021-22, and what is their estimated employment expense?
- (c) The total cost of government-paid advertising, including campaigns, across all mediums in 2017-18 and budgeted cost for 2018-19.

4. For each grant program or fund the minister is responsible for please provide the following information for the 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 financial years:

- (a) The name of the program or fund;
- (b) The purpose of the program or fund;
- (c) Balance of the grant program or fund;
- (d) Budgeted (or actual) expenditure from the program or fund;
- (e) Budgeted (or actual) payments into the program or fund;
- (f) Carryovers into or from the program or fund;
- (g) Details, including the value and beneficiary, of any commitments already made to be funded from the program or fund; and
- (h) Whether the grant was subject to a grant agreement as required by Treasurer's Instructions 15.

5. For the period of 17 March 2018 and 30 June 2018, provide a breakdown of all grants paid by the department/agency that report to the minister, including when the payment was made to the recipient, and when the grant agreement was signed by both parties.

6. For each department and agency reporting to the minister:

- (a) The total number of FTEs in that department or agency;
- (b) The number of FTEs by division and/or business unit within the department or agency; and
- (c) The number of FTEs by classification in each division and/or business unit within the department or agency.

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

- (a) How much is allocated to be spent on targeted voluntary separation packages in 2018-19?
- (b) How many of the TVSPs are estimated to be funded?
- (c) What is the budget for TVSPs for financial years included in the forward estimates (by year), and how are these packages to be funded?

8. For each department or agency reporting to the minister in 2018-19 please provide the number of public servants broken down into headcount and FTE's that are (1) tenured and (2) on contract and, for each category, provide a breakdown of the number of (1) executives and (2) non-executives.

9. Between 30 June 2017 and 17 March 2018, will the minister list the job title and total employment cost of SA executive positions—(1) which has been abolished and (2) which has been created?

10. Between 17 March 2018 and 30 June 2018, will the minister list the job title and total employment cost of SA executive positions—(1) which has been abolished and (2) which has been created?

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

12. For each year of the forward estimates, please provide the name and budgeted expenditure across the 2018-19, 2019-20, 2020-21, 2021-22 financial years for each individual investing expenditure project administered by or on behalf of all departments and agencies reporting to the minister.

13. For each department or agency reporting to the minister how many surplus employees are there at 30 June 2018 and for each surplus employee, what is the title or classification of employee and the total cost of the employee?

The CHAIR: Thank you, member for Torrens. Well done. I might ask you to table those questions as well. We are going to take a break now in accordance with the agreed timetable. We will suspend until 11.30. I will just remind members that the bells will ring for only two minutes when calling us back.

Sitting suspended from 11:15 to 11:31.

DEFENCE SA, \$10,516,000

Minister:

Hon. S.S. Marshall, Premier.

Departmental Advisers:

Mr R. Price, Chief Executive, Defence SA.

Mr R. Barnett, Executive Director, Corporate Services, Defence SA.

The CHAIR: Welcome back, committee A. The portfolio is Defence SA and the minister appearing is the Premier. As Chair, I declare the proposed payments open for examination, and I refer members to the Agency Statements, Volume 1. I call on the Premier to make a statement, if he wishes, and to introduce his advisers.

The Hon. S.S. MARSHALL: Thank you very much, Mr Chairman. I will not be making an opening statement. I want to give the Leader of the Opposition the maximum amount of time to ask questions on this important area of government. I introduce to the committee, on my right-hand side, Richard Price, Chief Executive, Defence SA and, on my left, Mr Rob Barnett, Executive Director, Corporate Services, Defence SA.

The CHAIR: I call on the lead speaker for the opposition—who, of course, is the Leader of the Opposition—to make a statement if he wishes; otherwise we will go straight into questions.

Mr MALINAUSKAS: Thanks, Mr Chairman. I thank the Premier for maximising the time for questions. We will hop straight into questions.

The CHAIR: Please begin.

Mr MALINAUSKAS: Regarding Budget Paper 5, page 35, operating expenses, what are the new funding arrangements for the Defence Teaming Centre, and do they include a commitment to become a self-funded organisation by a set target date?

The Hon. S.S. MARSHALL: I do not think there is a specific requirement for them to become a self-funding organisation by a specific date, but all issues regarding their funding we are happy to cover off for you. Perhaps if I could ask the chief executive to address the question regarding the ongoing funding for the DTC.

Mr MALINAUSKAS: Thanks.

Mr PRICE: The DTC has had a couple of programs that have come to their natural conclusion around their alliances, and we are working with the DTC to actually transition them to a more self-funding model. During the first forward estimates we are still providing support for DTC, as outlined in the plan.

Mr MALINAUSKAS: On the same budget paper—can we work on the assumption that we are talking about the same one?

The CHAIR: You can, unless I need to be referred—

Mr MALINAUSKAS: Of course, Mr Chairman. Is the funding for the Veterans' employment initiative, listed on the same page, in addition to the funds provided under the Defence exports measure to support the work of the Defence Teaming Centre?

Mr PRICE: Yes, it is.

Mr MALINAUSKAS: Excellent. What is the total funding provided to the Defence Teaming Centre (DTC)?

The Hon. S.S. MARSHALL: Which year are you specifically referring to?

Mr MALINAUSKAS: How about if we work over the budget, over the forward estimates?

The Hon. S.S. MARSHALL: Can I just report to the committee that the South Australian government's current four-year funding arrangement with the DTC concludes on 30 June 2020 and totals \$1.9 million. Funding is released quarterly to the DTC, contingent on satisfactory performance against an annual project plan which details planned outputs and initiatives with KPIs measured and reported annually. The DTC has met all of the—

Mr MALINAUSKAS: Sorry, I just cannot quite hear you. I want to hear what you are saying, so do you mind just saying that again.

The Hon. S.S. MARSHALL: The current four-year funding agreement concludes on 30 June 2020.

Mr MALINAUSKAS: Yes.

The Hon. S.S. MARSHALL: It is for \$1.9 million and the funding is released to the DTC on a quarterly basis, contingent upon their performance against an annual project plan. That project plan details planned outputs and initiatives with KPIs measured and reported annually. To date, the DTC has delivered on all of its obligations under that deed.

Mr MALINAUSKAS: In terms of funding beyond 2020, is that accounted for?

The Hon. S.S. MARSHALL: That has not been determined. My understanding is that the current deed is 2016 to 2020. The current deed to 2020 provides this financial year of \$450,000 and then financial year \$450,000, an additional provision has been made in the two subsequent years of \$360,000 and \$368,000.

Mr MALINAUSKAS: Why is that less?

The Hon. S.S. MARSHALL: I will ask the chief executive to answer that.

Mr PRICE: Again, to transition the DTC to a more industry-funded model.

Mr MALINAUSKAS: To a more?

Mr PRICE: Industry-funded model. As industry grows, it makes a bigger contribution to the costs of maintaining the industry association.

Mr MALINAUSKAS: Is it right to say then that in the budget, notwithstanding the fact that the existing contract concludes in 2020, the amount of funding from the government to DTC reduces? Correct?

Mr PRICE: Yes.

The Hon. S.S. MARSHALL: Yes.

Mr MALINAUSKAS: Why do we think that is a good idea?

The Hon. S.S. MARSHALL: We have outlined that and there is a range of programs which were incorporated into various deeds. We are currently on our third deed. We have the original deed 2008 to 2012, then we have the 2012 to 2016 deed, the 2016 to 2020 deed. To be quite honest with you, in all of those previous deeds which were negotiated by the former government there has been a reduction in money going to the DTC as the growth of the sector occurs and that there be more support from the sector rather than ongoing state government support. In fact, the first deed provided for \$2.15 million. The current deed is, as I said, \$1.9 million and this will continue to flow down as other sources of funding become available.

Mr MALINAUSKAS: In regard to the KPIs and measures that the contract contains that those payments are contingent upon, are you happy to explain what those are?

The Hon. S.S. MARSHALL: I am happy to ask the chief executive to answer that question, if we have the detail now, but if not I am happy for the chief executive to provide a briefing to you on this or any other matter with regard to Defence SA. This is a very important area of public policy. The previous government established this portfolio. It was a wise decision. From the very early days of the establishment of this portfolio, it was operated on a bipartisan basis. Certainly the opposition appreciated this. In more recent times, it moved to an adversarial relationship. We would like to re-establish the origins of this portfolio which were put in place, as I said, many years ago.

I think the first minister for this portfolio was in fact Kevin Foley, the treasurer, the second minister was also the treasurer and, on coming to government, we decided to move this under my control. I think it is such an important area that it is the responsibility of either the Premier or the Treasurer to show the real commitment to the future of this sector for our state. I was delighted that the Leader of the Opposition has also taken on this; I think it sends a very strong message to people looking to make investments.

This sector is really one of those areas where people are looking to make investment decisions and get a return not over a 12-month period or a three-year period but often over decades that will go beyond the normal electoral cycles. I am of the opinion that we should be working on this jointly, almost as a parliament. I am happy for the chief executive to provide detailed answers regarding questions not only today in this committee but at any time in the future.

The CHAIR: So, Premier, are we expecting comment now from the chief executive?

The Hon. S.S. MARSHALL: I think he has made some notes. We will check how much work he has done.

Mr PRICE: The primary KPIs, I will give you the detailed breakdown in a separate brief if you like, but they are around two aspects: one is the membership of DTC and ensuring that the DTC retains or grows its membership base, and the second is around individual programs that the DTC runs. An example is the Defence Ready program which they run for members to ensure that they have the skills necessary to enter the defence market.

Mr MALINAUSKAS: I appreciate that. I also appreciate the Premier's sentiments generally regarding bipartisanship around this issue, and they are sentiments I share. Regarding Budget Paper 5, page 35, Operating expenses, what is the amount set aside to attract the Land Forces 2020 conference to Adelaide?

The Hon. S.S. MARSHALL: \$200,000.

Mr MALINAUSKAS: Sorry?

The Hon. S.S. MARSHALL: From Defence SA, the budget allocation, to the best of my understanding, is \$200,000.

Mr MALINAUSKAS: For attraction of 2020?

Mr PRICE: The amount involved is confidential at the moment because there is a process going on at least until the end of October that will decide the location of the Land Forces 2020, but there has been a substantial overall package put in front of the organisers that is very competitive compared with what we had to put in for 2018. We set a contribution to that package from Defence SA at \$200,000, but that is not the overall package.

Mr MALINAUSKAS: But there is a funded effort to get it here in 2020?

The Hon. S.S. MARSHALL: Correct.

Mr MALINAUSKAS: On Land Forces, do you have any feedback—'feedback' sounds a bit too informal, but have you done an assessment of the benefits that having Land Forces here in 2018 has provided and any assessment of the success of the conference this year?

The Hon. S.S. MARSHALL: There has been no formal evaluation done yet, but all the anecdotal information we have is that it was enormously successful and enormously beneficial. We have held that conference in South Australia I think in 2014, 2016 and 2018, so it is the third time—the second, 2016 and 2018. It was hugely beneficial to South Australian suppliers into the defence sector as well as just to the general South Australian economy. We had thousands of additional people in the state.

I am not aware of any specific formal evaluation that puts a dollar value to the South Australian economy for it, but I am satisfied that the previous government was right when they allocated state government funds to attract Land Forces to South Australia. Not only are we very keen to attract Land Forces in 2020 to South Australia but we would like to indicate to the organisers of this conference that we would like to become the permanent home for the Land Forces conference.

As you would be aware, the air show is held in Avalon in Victoria, and that is a permanent arrangement. The naval exhibition, the Pacific conference, is held in Sydney. We would love to have Land Forces held here permanently. I am advised that there were some 15,000 attendees at this conference, which makes it one of the largest conferences we have ever held in South Australia, with 600 companies represented.

Mr MALINAUSKAS: On the same reference, Budget Paper 5, page 35, operating efficiencies, I understand provision for general efficiencies over the period totals \$2.145 million.

The Hon. S.S. MARSHALL: Correct.

Mr MALINAUSKAS: And \$285,000 of that is in the current year?

The Hon. S.S. MARSHALL: Correct.

Mr MALINAUSKAS: How do you intend to meet those targets, both this year and also the \$2.1 million over the forward estimates?

The Hon. S.S. MARSHALL: I am happy to ask the chief executive to explain that.

Mr PRICE: Some of the savings have been implemented as a consequence of the transition of Techport to the commonwealth. As that program has wound down, some contracts are coming to an end and will not be renewed. So all the savings have been identified and implemented already with the plans in place. Essentially, they are achieved as a consequence of Techport moving on.

Mr MALINAUSKAS: Is that in regard to the \$285,000 or in regard to the \$2.1 million?

Mr PRICE: Over the life, the whole cost is a consequence of that. The number of staff in the agency reduces gradually over the next year and then stabilises by early next year and then that is reflected across the whole period.

Mr MALINAUSKAS: Does the change in the Techport arrangement account for the whole \$2.1 million in efficiencies?

Mr PRICE: In terms of the need for resource, yes. Effectively, the overheads that are required now within the agency are less—

Mr MALINAUSKAS: Sorry, just say that again.

Mr PRICE: The overheads within the agency are less because we have less accounting to do and less administrative cost associated within the agency centre.

Mr MALINAUSKAS: So there are no other staff or programs or anything else being cut?

Mr PRICE: No.

Mr MALINAUSKAS: Regarding Budget Paper 4, Volume 1, page 154, program 1, sub-program 1.1, what is the status of the Defence SA Advisory Board? What are the current terms of board members and the chairman? How often are they meeting?

The Hon. S.S. MARSHALL: The total value of fees paid to the board members, including on-costs, in the 2017-18 year was \$329,000. Board support costs for the 2017-18 year were \$94,000. Following the disposal of Techport, Defence SA has elected to reduce the size of the advisory board and the frequency of meetings, resulting in a reduced estimated budget for this current financial year down to \$316,000.

Mr MALINAUSKAS: Is that a change in the number of board members?

The Hon. S.S. MARSHALL: Yes.

Mr MALINAUSKAS: What are the terms of the current board members?

The Hon. S.S. MARSHALL: They are various because they are appointed at different times.

Mr MALINAUSKAS: Sure.

The Hon. S.S. MARSHALL: As at 1 September 2018, annual board fees payable are \$70,000 for the chairman, Angus Houston, and \$30,000 for members.

Mr MALINAUSKAS: What is the term of the chairman?

The Hon. S.S. MARSHALL: I do not have that detail with me. I am not sure whether you have that information. We can find out that information.

Mr PRICE: It is the middle of next year. I will give you a precise date, but on notice.

Mr MALINAUSKAS: Regarding the change of the board that you referred to earlier, has that in any way changed the way it relates to the agency?

The Hon. S.S. MARSHALL: Not that I am aware of, no.

Mr MALINAUSKAS: In that case, we will move on to the same section but under the highlights. What was the process to provide support to Becker Helicopter Services Pty Ltd to establish their new base in Whyalla?

The Hon. S.S. MARSHALL: I am advised that Defence SA provided support to Becker Helicopters to establish a new operating base in Whyalla, which will create 80 jobs and train 100 to 200 international students and Raytheon Australia to establish their centre for joint integration in South Australia, which will create significant new jobs as well.

Mr MALINAUSKAS: Has that occurred?

The Hon. S.S. MARSHALL: I might ask the chief executive to update us on the progress of the quest to bring Becker Helicopters to South Australia and, in particular, to Whyalla.

Mr PRICE: Becker Helicopters have actually established a presence within Whyalla and have started flying proving missions to prove the training facility that they are setting up there. They are in the process of securing the contracts that will enable them to grow that facility. They have met their first milestone.

Mr MALINAUSKAS: Does that count as a success story, Premier?

Mr PRICE: It is a long-term plan, over three years, for Becker to move their operations from Queensland to Whyalla. The end of the three-year period will be the point at which that transition should be made. They are in the phases at the moment of planning their facilities that they will establish there.

Mr MALINAUSKAS: Good. It sounds like a success, Premier?

The Hon. S.S. MARSHALL: It is all moving in the right direction.

Mr MALINAUSKAS: Where were Becker Helicopters previously?

The Hon. S.S. MARSHALL: Queensland.

Mr MALINAUSKAS: Were other agencies involved in the process of attracting Becker Helicopters?

The Hon. S.S. MARSHALL: I am not aware of any.

Mr MALINAUSKAS: None at all?

Mr PRICE: I believe we got some of the funding from IASA, but the day-to-day contact with Becker was managed through Defence SA.

Mr MALINAUSKAS: So there was funding from the Investment Attraction agency?

Mr PRICE: We will have to go back and review where the funding actually came from. I think it could well have been a combination of Defence SA funds and IASA funds.

Mr MALINAUSKAS: Are you confident as to whether or not there were Investment Attraction agency funds?

The Hon. S.S. MARSHALL: Again, this is not this agency's responsibility, so we are happy to follow up. We do not want to mislead the committee in any way. That responsibility sits within the Department for Trade, Tourism and Investment.

Mr MALINAUSKAS: Sure, but—

The Hon. S.S. MARSHALL: I cannot answer a question if I do not know the answer. I do not want to mislead the committee when we are happy to take the question on notice.

Mr MALINAUSKAS: I appreciate that Defence SA was involved. It is a success story they can be rightly proud of. Do your officials know whether or not the Investment Attraction agency played a role in terms of financial support.

The Hon. S.S. MARSHALL: No. As I said, we will come back with an answer rather than guessing and providing a half answer now.

Mr MALINAUSKAS: Does either of your officials know?

The Hon. S.S. MARSHALL: I have just given an answer to the committee. That is the way this works. The questions are directed through the minister or the Premier.

Mr MALINAUSKAS: Are there other examples of where Defence SA is attracting interstate businesses to South Australia in the same way that has occurred with Becker Helicopters?

The Hon. S.S. MARSHALL: Nothing comes to mind at the moment beyond Boeing, whose major headquarters is in Queensland. They still maintain their headquarters in Queensland, but they have opened an office in South Australia, which was opened last year by the Minister for Defence Industry, Christopher Pyne.

Mr MALINAUSKAS: In terms of stories like that of Becker Helicopters, but also the Investment Attraction agency's role in getting Boeing here amongst others, I am just wondering whether or not Defence SA has any engagement at the moment to repeat similar success stories like that of Becker Helicopters?

The Hon. S.S. MARSHALL: I think it is fair to say that Defence SA works right across industry, trying to help us do everything we can to attract investment and jobs growth in this sector. This is one of the reasons why we are so active, participating in conferences like Land Forces and

Euronaval. We have an excellent industry sector in South Australia already, particularly the primes and some of the excellent SMEs that we have, but we are always open for further investment, especially in that mid-sized firm. This is one of the reasons why we plan to continue our efforts, advocating for our industry via Defence SA.

Despite these huge contracts that are going to come, we do think that there is a very valid role for the state government in trying to maximise the benefit to South Australia, particularly around the issues of skills and also attraction of the right people in the overall supply chain, not only for the SEA 1000 and SEA 5000 projects but also in other areas. Obviously, Edinburgh now is one of two superbases in Australia, and a huge amount of work is going on there. I have already outlined our interest in land, but, in addition to that, there is a range of projects around electronic warfare and systems integration. Defence SA works across a broad range of areas, and their focus is always to do what they can to bring greater investment and jobs to South Australia.

Mr MALINAUSKAS: I appreciate that, Premier, but what I am trying to get a sense of is the government's stated policy position on not picking winners and the sort of broad approach that has been taken within the budget generally to change the way investment attraction operates and whether or not that has applications for defence where, clearly from your previous remarks, you would agree defence has a role to play in terms of investment attraction.

The Hon. S.S. MARSHALL: Time will tell.

Mr MALINAUSKAS: Sorry?

The Hon. S.S. MARSHALL: Time will tell whether you are right or we are right, but we feel that providing broad-based support to industry attraction is better than picking winners. Whilst the previous government can point to individual cases, they did create, we believe on the Liberal side of the spectrum, some pretty cost-uncompetitive scenarios for potential investors in South Australia.

I think it goes without saying that many people are very concerned about the high cost of electricity, which was inflicted upon the people of South Australia by the deliberate policies of the former government. We are doing anything we can to reduce the cost burden on businesses. This is why, in that SME sector in particular, we are doing what we can to reduce that burden with the removal of payroll tax for all small businesses in South Australia with an annual payroll of up to \$1.5 million.

We are going to put downward pressure on electricity prices and water prices with our water price review. We have a focus on building the productive infrastructure to support industry development in South Australia and the establishment of both Infrastructure SA and the South Australian Productivity Commission to remove red tape.

I would just emphasise that, whilst the government has said that there is a substantial change in focus from the previous government, there is still substantial support for this sector, as you can see with the budget that has been provided over the forward estimates, but there is also grant funding of around \$100 million provided over the forward estimates for industry support.

We would prefer that to be strategic investments that would benefit an entire sector, rather than picking individual firms. If you give money to one firm in the defence sector, you are essentially subsidising against a competitor down the road. We would prefer to have expenditure that is going to be a benefit to the overall industry. We have made this very clear to them, and we have not had any adverse comments regarding the proposal we have taken. From time to time, there will be a necessity to make a call, but we would set a significantly higher threshold for that decision-making than existed prior to the election.

Mr MALINAUSKAS: Do you care to reflect on whether you think Becker Helicopters was picking winners or a wise investment?

The Hon. S.S. MARSHALL: I just do not have details. It was a decision of the former government, and we welcome Becker Helicopters coming to South Australia.

Mr MALINAUSKAS: On Budget Paper 4, Volume 1, page 154, sub-program 1.1, targets, point 6, what process are you adopting for developing the defence industry workforce and skills strategy, and which other agencies are involved in that process?

The Hon. S.S. MARSHALL: I will kick off just broadly, and then I will ask the chief executive to respond in more detail. Can I just say that in the lead-up to the election we were very critical of the previous government for not having the right macro workforce planning in place. In fact, when the SEA 1000 project was awarded, we called upon the then government to establish a naval shipbuilding skills task force, which they did not do. We were surprised by this because, in all meetings with the players in the defence sector, they said that they thought that a critical constraint going forward would be the availability of skills in South Australia, in particular technical skills.

It goes without saying—this is just a statement of fact—that there has been a very significant reduction in the number of younger people who are embarking upon an apprenticeship or a traineeship in South Australia. There has been about a 66 per cent decrease in recent years and, of course, we have seen TAFE numbers in freefall. Currently, around 30,000 people are studying at TAFE. If we go back to 2013, it was around double that number, so we have had to address that.

We have done that in the budget at a macro level and invested, I think, \$112 million in TAFE over the forward estimates and, as the committee would already be aware, more than \$200 million in new apprenticeships and traineeships over the next four years. We did that even though we had not already received the macro workforce plan, because that takes some time to pull together. Regardless of not having that document in place, we knew that, at least on the technical skills side, there was a massive skills shortage at the moment that would be exacerbated into a skills crisis if we did not take action and put money into the budget, so we have done that.

We were very keen to do this not just for the defence sector, where we have allocated specific numbers—1,200, I think, in terms of apprenticeships and traineeships over the forward estimates—but we have also done that because we believe that, with these incredibly large contracts that are coming into South Australia, if we do not have more apprentices and trainees in South Australia with technical skills, it is quite likely that the naval contracts will suck up the available skills. This would have the perverse effect of creating a massive skills shortage and increased costs for other sectors of our economy as well. So our investment in this area is there not only because of the defence sector, but that has been a major focus.

It is also one of the reasons why, in the lead-up to the election, we spoke of establishing a naval skills specialist secondary school in the western or north-western suburbs in South Australia, because we really want to encourage as many students as possible to consider a career in this important area. We want this to be a first choice, if you like, for these younger people rather than a fallback position.

It is quite possible that a job that is secured by a school leaver now will last for the next 30 or 40 years and provide great employment. The jobs that are being offered at the moment are really excellent jobs longer term, with a lot of certainty, which has really been lacking in this sector over a long period of time. That certainty has been provided by the federal government adopting a continuous naval shipbuilding program rather than the start-stop nature of what we have had in Australia in the past. I will now ask the chief executive to talk to any specific work that the agency has undertaken with regard to macro skills planning for the defence sector.

Mr MALINAUSKAS: And the specific part of what other agency is involved in that exercise?

Mr PRICE: Defence SA has been leading an integrated project team with representatives from the Department for Industry and Skills, TAFE SA, ourselves and the Department for Education, and we have also been consulting with industry through the Defence Teaming Centre. That group is at the executive director level.

Mr MALINAUSKAS: Just to be clear about that, who coordinates those actions and which agency has the primary responsibility for the defence workforce plan?

Mr PRICE: We are responsible, for the Premier, to make sure that the actions that are agreed in those other agencies and departments are being followed through. It is an agreement between the departments of who is responsible for which activity.

Mr MALINAUSKAS: I just want to understand this, in my own mind at least. In terms of the defence workforce plan, with which agency does the buck stop? I know the buck stops with the Premier but, in terms of an agency, where does the buck stop? I understand that other agencies are

taking responsibility for different components, but which is the ultimate agency when it comes to the plan?

The Hon. S.S. MARSHALL: I think the chief executive has said that, with the Defence workforce plan, Defence SA is taking a lead role in understanding what the skills requirement is, broken down by skill type, when it is actually required and the volume. This is extraordinarily complicated work. It is not something you can google. It is creating an understanding of what that requirement is going to be.

However, you cannot look at that in isolation because there will be a requirement for the agriculture sector, there will be a requirement for the mining sector and there will be a requirement for the manufacturing sector. You cannot just say, 'Look, this sector requires 4,000 boilermakers. We've got 4,000 boilermakers, so problem solved.' You have to look at the overall requirement, and it is complicated. Ultimately, it is the entire government's responsibility to work together.

This is the point that I continually try to make; that is, the new government is really trying to work as a very joined-up government, both through cabinet and the senior management council. If we are going to deliver on the full potential of these contracts, a lot of these real requirements for the government really will rely on agencies, departments, chief executives and ministers all working together. Certainly to date, that has been the case that we have seen.

Mr MALINAUSKAS: I completely appreciate the challenges that you have outlined, Premier. In terms of engagement with other industry sectors to assess the implications of higher demand and skills, who is leading that work? Are there individual agencies? I am trying to get a sense of whether there is a coordinated effort.

The Hon. S.S. MARSHALL: We have a Department for Industry and Skills, and that is one of the reasons we renamed that department. I was not really keen on lots of departments with lengthy names, but I was convinced by the minister, David Pisoni, that it should not be the department for industry but, rather, the Department for Industry and Skills because they were so fundamental to us achieving our full potential. The only other exception I made was 'health and wellbeing', where somehow the minister encouraged me to expand the name from the department for health to the Department for Health and Wellbeing, which again I was also happy to do.

Mr MALINAUSKAS: I have other questions along those lines, but I am conscious of the time, so I will move to Budget Paper 4, Volume 1, pages 153 to 156. When is work due to start on the first OPV?

The Hon. S.S. MARSHALL: This year.

Mr MALINAUSKAS: The first one?

The Hon. S.S. MARSHALL: November this year is my answer.

Mr MALINAUSKAS: How many workers are estimated to be needed for the first OPV, or how many workers do you expect to be working by the end of the year on the first OPV?

The Hon. S.S. MARSHALL: As you would be aware, it is not a contract determined by Defence SA, but we do have some contact with the contractors. We do not have any information, but we are happy to find out what the industry estimates are and provide that detail directly to you.

Mr MALINAUSKAS: That would be good. I appreciate the contracts are not with you. Presumably, we are paying attention to how many jobs are coming on at certain points over the immediate future. While you are undertaking that work, I would be very interested to find out, if it is possible, what the uplift in jobs is expected to be in regard to the OPV over the next year and a half.

The Hon. S.S. MARSHALL: In terms of new jobs from the two offshore patrol vessels that will be produced here in South Australia, my understanding is that the public figure is around 400. But, again, that is not a government number because it is not the government that is building the ships. I would not want you to rely on the number as something that we are essentially guaranteeing.

Mr MALINAUSKAS: No, I appreciate that. I am just genuinely interested in whether the government has access to any forecast—not guaranteed jobs numbers—in terms of how many people will be working on the OPVs by, say, the end of the next calendar year.

The Hon. S.S. MARSHALL: My understanding is that that is 400, which does not offset the job losses from the conclusion of the air warfare destroyers. Again, not wanting to go over old ground, but—

Mr MALINAUSKAS: You do not need to. We can keep asking questions, then.

The Hon. S.S. MARSHALL: But we all know the reason for the hiatus. I will leave it at that, unless you would like me to go into more detail about your federal colleagues.

Mr MALINAUSKAS: Let's stick to the bipartisanship that you called for earlier. Have you been advised that approximately 550 jobs are at risk, could be lost, in addition to the recent numbers that have been announced?

The Hon. S.S. MARSHALL: We know that there are going to be job losses between contracts. As I alluded to earlier, this is a consequence of Australia not adopting a continuous shipbuilding program. The ramp-up time is from the time you make that decision to the first contracts coming on, so I do not envisage this problem will occur into the future.

I was alerted to the opportunity to encourage the federal government to consider the hydrographic vessel, I think it is called, which they are currently looking at. In fact, I was advised about the opportunity earlier this week. I have already written to the federal defence industry minister, the Hon. Steve Ciobo, about that opportunity.

Mr MALINAUSKAS: What actions have you taken in terms of the immediate challenge that we have? I am conscious of the valley of death that apparently had ended, according to one of your colleagues. Clearly, we are both conscious of job losses coming down the line. I am interested in any actions that you may have taken in the sector to try to mitigate the impact of that.

The Hon. S.S. MARSHALL: Well, the short-term job losses are a consequence of the policy settings put in place by the previous government prior to the Coalition's coming to power. There is not much that can specifically be done at this point. The federal government did consider bringing the offshore patrol vessels forward, and that recommendation was agreed to. That is why we have a much shorter downturn in the workforce required at Osborne compared with what would have occurred if that decision were not made.

Of course, there are very significant construction jobs that are currently there underway. I appreciate that you cannot basically have one set of skills for shipbuilding translating directly into the construction opportunities down there, but there is some overlap. As we all know, the SEA 1000 and SEA 5000 contracts have now been let. What I have become acutely aware of is that those two companies, the Naval Group and BAE, realise that they are going to have a requirement in a few years' time, and they themselves are looking at what opportunities there are to engage with the existing workforce to try to bridge that gap between now and then, because, if we lose these skills from South Australia, it is actually expensive for them to re-engage those people when they will definitely and unequivocally need them in just a few years' time.

We are in discussions. On my recent trip to Scotland to the Govan shipyard, we had discussion with BAE there. We know that it is considering offering some opportunities for South Australian workers to work on the Type 26, which is the frigate the Royal Navy is having produced at the Govan shipyard in Glasgow. We can facilitate those discussions and look at what we can do to assist, but it is difficult for a state government, if you like, to provide a bridge between the completion of the air warfare destroyer, the ramp-up with regard to OPVs and then the eventual ramp-up in the first instance of the SEA 5000 Future Frigates.

Mr MALINAUSKAS: What advocacy have you undertaken, or have you taken any advocacy regarding the retention of all Collins class sustainment works here in South Australia?

The Hon. S.S. MARSHALL: This is very important work for us in South Australia, and we are doing an excellent job. Of course, some work has already transferred to Western Australia at the Henderson base, but I was delighted to recently visit Osborne and, in particular, to get a comprehensive briefing on the sustainment capabilities that we have there. They are very, very efficient. It is fair to say that they have had a real step improvement in the way in which they do that

sustainment work there, which is driving real efficiency, and so we continue to advocate to keep that sustainment work here in this state.

Mr MALINAUSKAS: You have undertaken advocacy with minister Pyne on this specific subject?

The Hon. S.S. MARSHALL: I am not sure that it is a Pyne decision anymore. I think it is a Ciobo decision and, just so you know, the decision on that is some time away. That decision will not be made this year, and probably not next year either, but we continue to advocate.

Mr MALINAUSKAS: Do you have any reason to believe that some of that work is at risk?

The Hon. S.S. MARSHALL: No.

Mr MALINAUSKAS: Good. I am conscious of time, so we might skip to space in what little time we have left if that is okay. I refer to Budget Paper 4, Volume 1, program 2 on page 157. In February this year, the former state government announced an agreement with the USA's space agency, NASA, for summer school internships at the Goddard Flight Centre in Virginia, starting in the Northern Hemisphere summer of 2018. How many students have been engaged in that, or what progress has been made on that commitment?

The Hon. S.S. MARSHALL: I will ask the chief executive to respond to that. Can I just say that we were delighted to receive a visit recently from Dr Christyl Johnson from the Goddard Space Flight Center, near Washington. It is fair to say that there is a strong ongoing relationship with Goddard and NASA, and I think every South Australian should be proud of the work that the University of South Australia has done to establish this summer school in South Australia. It really is a course that is now regarded around the world, and I will ask the chief executive to provide further details to the committee.

Mr PRICE: The discussion with NASA has moved on. Dr Johnson, having been to visit South Australia's university, has indicated that she would prefer to have some PhD and research internships in NASA for South Australians. We are currently working through the administrative arrangements to enable that to happen.

Mr MALINAUSKAS: I understand that, as part of the February agreement, there were going to be students going to the flight centre or the summer school this year; has that occurred?

Mr PRICE: No. As I said, NASA has actually indicated that they think there is more value in sending researchers to work within their facilities, so we are renegotiating with them an alternative arrangement.

Mr MALINAUSKAS: When is that going to happen?

Mr PRICE: We are waiting on a draft agreement from NASA based on the work they have been doing through Victoria.

Mr BROWN: Just to confirm, this will now be only for PhD candidates, not for—

Mr PRICE: For research internships, not necessarily PhD candidates.

Mr MALINAUSKAS: Was that a change on our recommendation or NASA's?

Mr PRICE: No, it was not. It came out in discussions with NASA based on their assessment of some of the research capabilities within the state.

Mr MALINAUSKAS: Referring to Budget Paper 4, Volume 1, program 2, page 157, regarding targets, how would Defence SA be showcasing South Australia's space credentials at the congress in Bremen next month?

The Hon. S.S. MARSHALL: I will ask the chief executive to outline what we will be doing in Bremen. Can I just say that the IAC in Adelaide was really a major coup. The work that was done to bring that conference to Adelaide was extraordinary, and I congratulate everybody involved in that.

Mr MALINAUSKAS: Hear, hear!

The Hon. S.S. MARSHALL: Of course, that set up some fantastic relationships that Defence SA have been very effective at following up and it has yielded some great results for us. We are in a good position with regard to the federal government's deliberations regarding what goes where with regard to the establishment of the national Space Agency. I will ask the chief executive to address your question specifically relating to Bremen.

Mr PRICE: We are participating in the Australian Space Agency stand at IAC in Bremen. We have taken two of the eight pods there for South Australian companies and universities. I believe that the only other state participating will be the ACT.

Mr MALINAUSKAS: Forgive me, but we are the only state, or there is—

Mr PRICE: No, the ACT will be present as well.

Mr MALINAUSKAS: In their own right, or as part—

Mr PRICE: Yes, in the same stand, the Australian Space Agency stand.

Mr MALINAUSKAS: Referring to the same budget paper, on page 151, key agency outputs, the agency lists a key output of South Australia as being the nation's space industry centre. Following the establishment this year of the Australian Space Agency, I understand that the location of the agency's activities has yet to be announced. What actions have been undertaken regarding furthering the proposition of South Australia being at the centre of that?

The Hon. S.S. MARSHALL: The chief executive for the national Space Agency—

Mr MALINAUSKAS: Megan Clark.

The Hon. S.S. MARSHALL: —was put in place on 1 July, and that is Dr Megan Clark, the former head of the CSIRO. She visited South Australia on 1 August this year. We were very pleased to receive her here. We gave her a tour of Lot Fourteen, an overview of our capabilities, and we have been in constant negotiation with her thereafter. We think we have a compelling offer—so does every other state and territory of Australia. It is a competitive bid process. As you would know, in the budget we incorporated additional money to establish capability or a foothold on the Lot Fourteen site.

Mr BROWN: Premier, what contact have you had with minister Karen Andrews about this?

The Hon. S.S. MARSHALL: I have met with minister Andrews, who has taken over responsibility for this area from Michaelia Cash in recent weeks, and I met with minister Karen Andrews and her senior team in Canberra last week.

Mr BROWN: Premier, is it still the South Australian government's policy that the industry centre for the national Space Agency be located in one place?

The Hon. S.S. MARSHALL: Is it the—

Mr BROWN: Is it our policy that it should be located in one place and that it should be in South Australia?

The Hon. S.S. MARSHALL: The federal government's policy?

Mr BROWN: No, the South Australian government's policy—that the national Space Agency should be in one place and be in South Australia?

The Hon. S.S. MARSHALL: Absolutely. The reality is every state of Australia has some capability and some claim on space. There are incredible capabilities that exist in Western Australia with regard to observation, in Queensland with regard to autonomous systems. Quite frankly, everywhere has something to offer but we believe that our offer is the most comprehensive. We have a bid in at the moment for what we are calling the SmartSat CRC in the 21st round of the CRC bid process. This would be a great capability. It is the only bid of its type regarding space in the next round and it is one that we would love to win and that would give us great capability here.

We think we have a leadership role in this area through the establishment of the South Australian Space Industry Centre. We have demonstrated our capability with the IAC, the bipartisan nature with which we deal with the opportunities for space in this state. We have great programs in terms of scholarships that we are currently offering, incubator programs at the University of South

Australia, the Space School which we have already referred to recently. Most importantly, we have a sector in this state which is already existing because what we know is that there is a huge opportunity with this sector. Currently, the defence sector is the one that is investing in this the most. About 70 per cent of all the money going in to space comes from the defence sector. Now, this may not remain the way always but we have a lot of defence companies here already in South Australia and it is a very logical transfer over to space for many of them.

You would note from my comments to the committee earlier that Jim McDowell has now been appointed as the Chief Executive of the Department of the Premier and Cabinet. He has a long background in defence and space. The chief entrepreneur has been appointed, who is Jim Whalley, the founder of Nova Systems. We believe that we have the focus here in South Australia, we have the background and history, but most importantly we believe that we have the most compelling business case. I would say that we are going to be up against everybody and the minister has a tough decision to make. We understand that decision should be made by the end of this year.

The CHAIR: That was a very complete answer. I might just check with the member for Torrens. Are your omnibus questions the same as the last segment?

Ms WORTLEY: Yes, they are.

The CHAIR: Yes, so we do not need to read them again. One last question, leader, or member for Playford?

Mr BROWN: Following on from what you just said, Premier, given that it is the government's policy that the defence industry hub be located in only one location, can Mr Price perhaps expand on why he told media outlets that Australia's space industry capabilities were likely to be located all over the country and that he did not see them being located in one place?

The Hon. S.S. MARSHALL: As I just said, I think each state has a claim, but we would love to have their headquarters here. However, that does not in any way, shape or form mean that the government would be advocating to close down capability in each state and transfer it to Adelaide. Every state and territory has a claim and capability, but we believe that the central coordination of that would be best served here in South Australia and not in Canberra or another capital city around Australia.

Mr BROWN: Has the government formed a view as to where in particular in South Australia they wish the hub to be?

The Hon. S.S. MARSHALL: Lot Fourteen.

The CHAIR: There being no further questions, I declare the examination of the proposed payments for the portfolio of Defence SA to be completed.

Membership:

Mr Hughes substituted for Mr Brown.

Departmental Advisers:

Mr J. McDowell, Chief Executive, Department of the Premier and Cabinet.

Mr S. Woolhouse, Chief Finance Officer, Department of the Premier and Cabinet.

Ms N. Saunders, Executive Director, Aboriginal Affairs and Reconciliation, Department of the Premier and Cabinet.

Ms J. Mazel, Assisting the Chief Executive, Department of the Premier and Cabinet.

The CHAIR: I remind the committee that the Department of the Premier and Cabinet portfolio is open, but this next session relates particularly to the program involving Aboriginal Affairs and Reconciliation. I invite the Premier to introduce his advisers.

The Hon. S.S. MARSHALL: I advise the committee that I am joined by Nerida Saunders, the Executive Director of the Aboriginal Affairs and Reconciliation division; Joslene Mazel, assisting the chief executive; the Chief Executive of the Department of the Premier and Cabinet, Mr Jim McDowell; and Mr Steven Woolhouse, Chief Finance Officer for the Department of the Premier and Cabinet.

The CHAIR: Are there any statements from either the Premier or the leader?

The Hon. S.S. MARSHALL: No.

Mr MALINAUSKAS: Welcome to the new officials. I refer to Budget Paper 4, Volume 4, page 57, Program summary, where there is a loss of 25.4 FTEs outlined. I was just wondering what areas these staff are coming from.

The Hon. S.S. MARSHALL: It is a bit of a combination of issues but, as you would be aware, on coming to government we fulfilled the indication that we had given that we would return the division of Aboriginal Affairs and Reconciliation to the central agency, the Department of the Premier and Cabinet. Part of this adjustment is to do with the issue that we discussed in an earlier item on the committee, but I will ask Mr Woolhouse to address that.

Mr WOOLHOUSE: Earlier, we talked about the issue of corporate overheads allocations. Corporate overheads expenditure within the department represents finance, administration, other costs, such as accommodation, and essentially the overheads of running the department. As instructed by Treasury and Finance in the way that the programs are allocated, we allocate the costs across the programs of the department based on FTE weightings.

In this instance, what has happened is that the business units, in this case Aboriginal Affairs, have transferred in as a result of machinery of government. The corporate expenditure income and FTEs are allocated based on what came with the department or with that unit. The level of corporate overheads is a lot less in 2018-19 compared with previous financial years. That is because the level of corporate overheads was higher in the department that it came from; in this case, it would have come from the department of state development in 2017-18. Regarding the dollars and FTEs you are seeing in the previous years, a lot of that movement is because of the fact that the overheads they were allocating to this program were higher.

The Hon. S.S. MARSHALL: In fact, it is 11.3.

Mr MALINAUSKAS: Sorry?

The Hon. S.S. MARSHALL: There were 11.3 FTEs allocated to that corporate component, but the chief financial officer has provided to the committee that, in addition, there were three roles related to treaty. As you would be aware, we are not continuing with that project. A ministerial liaison officer, who was provided to, I presume, the previous minister, is not going forward and also a range of projects that were undertaken by the government that have come to an end, for example, six people related to the Aboriginal Heritage Act project.

Mr MALINAUSKAS: Outside the corporate overheads savings, there are a number of programs that relate specifically to Aboriginal Affairs that have been cut that has provided for some savings in FTEs?

The Hon. S.S. MARSHALL: As I said before, these were projects that came to an end, so they were just not continuing. They had a completion date and they have now finished.

Mr MALINAUSKAS: And you have not continued them.

The Hon. S.S. MARSHALL: Correct.

Mr MALINAUSKAS: So you have discontinued them.

The Hon. S.S. MARSHALL: Well, they were not continued by the previous government either.

Mr MALINAUSKAS: The previous government is not in charge now: you are.

The Hon. S.S. MARSHALL: What I am saying is that we are not putting new money in. You are trying to say that it is a cut, but it was the completion of a program.

Mr MALINAUSKAS: I know that is the choice language that is being repeatedly rolled out, but if a program is running and then it is not renewed and it always has been in the past, that does constitute—

The Hon. S.S. MARSHALL: But that is not the case, leader. For example, the Stolen Generations Reparations Scheme has come to a conclusion, so we are not going to continue to put officers into a program that does not exist anymore.

Mr MALINAUSKAS: But the treaty component?

The Hon. S.S. MARSHALL: We made it very clear from before the election that we would not be continuing with that project and so it came to a conclusion.

Mr MALINAUSKAS: Notwithstanding the corporate references you made, what advice have you received regarding the implications of those staff reductions, in terms of outcomes in Aboriginal Affairs?

The Hon. S.S. MARSHALL: The new government has a different approach from what existed before, so it is difficult to compare apples with apples. As we said previously, we have moved this division into the central agency, and the new approach is not to have AARD responsible for every single thing that occurs across government that impacts with Aboriginal people, but for DPC to play a lead role in coordinating the work of all departments across government. We have said that we will create a statewide Aboriginal Affairs plan, which we will release before the end of the year. Therefore, a lot of the work that will support the aspirations of Aboriginal communities will be dealt with, quite rightly, via the individual departments. We think this is logical. It is a different approach.

If you consider the things that really affect outcomes, they cannot really be effectively managed from just one division when lots of the outcomes will be dependent on what happens in health, what happens in education, what happens in jobs, industry, skills, corrections. There is a whole range of agencies that need to take the strain and need to provide positive plans and policies to support Aboriginal communities. It is a very distinct change from the previous arrangement.

Mr MALINAUSKAS: Indeed, that work has happened substantially over previous years. There was a very determined effort to make sure that other agencies were taking responsibility. What we are talking about here, though, is specifically Aboriginal Affairs and the resources available to them in terms of undertaking the work they undertake generally.

I just want to understand in terms of the advice question, did you seek or get any specific advice around what the implications would be of these staffing cuts in Aboriginal Affairs, or was a decision made unilaterally as part of general efficiencies within government? What was the process?

The Hon. S.S. MARSHALL: It was the policy we took to the election.

Mr MALINAUSKAS: The policy to cut Aboriginal Affairs staff?

The Hon. S.S. MARSHALL: To centralise the agency into the Department of the Premier and Cabinet and to develop, for the first time that I am aware of, a statewide Aboriginal plan.

Mr MALINAUSKAS: How many Aboriginal staff do you currently have in the agency?

The Hon. S.S. MARSHALL: If you wait one moment, we can give you that information. We can provide that later.

Mr MALINAUSKAS: You will take that on notice?

The Hon. S.S. MARSHALL: We should be able to in a few minutes.

Mr MALINAUSKAS: You made reference to the MLOs. Do you have an MLO in Aboriginal Affairs?

The Hon. S.S. MARSHALL: I have just been advised that the total staffing is 35. Your question was: how many staff in the agency are Aboriginal; is that correct?

Mr MALINAUSKAS: Yes.

The Hon. S.S. MARSHALL: Of the total of 35, 12 are Aboriginal.

Mr MALINAUSKAS: Do you have an MLO in Aboriginal Affairs?

The Hon. S.S. MARSHALL: No.

Mr MALINAUSKAS: Why not?

The Hon. S.S. MARSHALL: We made a commitment in the lead-up to the election to reduce the number of ministerial staff, and therefore the people within the Premier's office need to take a greater level of responsibility than they had before. We announced that efficiency and we have delivered that.

Mr MALINAUSKAS: If there is no MLO, do you have a dedicated adviser or staff member in your office regarding Aboriginal Affairs?

The Hon. S.S. MARSHALL: To be quite honest, if I need to have any interaction with AARD, which is in my department, I pick up the phone and speak to somebody. I do not need to actually pick up the phone, speak to somebody who then is going to pick up the phone and speak to somebody else. That is the approach I have taken not only with this portfolio but with all my portfolios. I think it will lead to better outcomes.

Mr MALINAUSKAS: So no is the answer?

The Hon. S.S. MARSHALL: I have provided my answer.

Mr MALINAUSKAS: I just want to clarify that.

The Hon. S.S. MARSHALL: There is no dedicated MLO in accordance with what we took to the election, which was an overall reduction in the number of MLOs.

Mr MALINAUSKAS: I refer to Budget Paper 4, Volume 4, page 56, Highlights 2017-18. The Stolen Generations Reparation Scheme, which you referred to earlier, is listed there as a highlight of the year, but it is not a target for 2018-19. As far as the government is concerned, has this scheme been finalised?

The Hon. S.S. MARSHALL: It is well underway. I would not say it is finalised because there is still some money that was originally budgeted that has not been fully expended. As you would be aware, this essentially fell into two areas: the individual reparations or compensation and the Community Reparations Fund. That has already supported 27 projects related to the stolen generations, but there is an amount of money that remains unspent at this time.

Mr MALINAUSKAS: You have gone to exactly what I am wondering. How much of the original \$5 million for the community reparations scheme has been spent to date?

The Hon. S.S. MARSHALL: I am advised and as I stated earlier, this scheme, which by the way I personally advocated for many years before it was finally taken up by the government—in fact, the Aboriginal Lands Parliamentary Standing Committee made recommendations to the former government, which remained ignored for many months, if not years. What really troubles me with that is that many people passed away before they received their compensation, which I do not think was ideal.

Nevertheless, finally the government made a decision, which I strongly welcomed, for reparations for the stolen generations. It allocated money, but it was in two buckets. One was for individual reparations, and 312 Aboriginal people, or their estates in the cases where people were deceased from the time of application to the time of payment, received their money. My understanding is that that portion of the money has been completely spent. There was also an amount of money that was put into the Community Reparations Fund; \$1.65 million has been spent against that budget to date for 27 separate projects, and there remains \$3.35 million from the Stolen Generations Community Reparations Fund, which is currently held in contingency.

Mr MALINAUSKAS: So \$1.65 million was spent and \$3.35 million is remaining?

The Hon. S.S. MARSHALL: Correct.

Mr MALINAUSKAS: Has any of the money allocated to the scheme been rolled into other areas?

The Hon. S.S. MARSHALL: Not that I am aware of, no.

Mr MALINAUSKAS: So the other \$3.35 million is there ready to be expended for its original—

The Hon. S.S. MARSHALL: My understanding is there have been two rounds already, calling for projects for the community side.

Mr MALINAUSKAS: When is the next round?

The Hon. S.S. MARSHALL: That is something that we are considering at the moment. As soon as we have an answer with regard to that, we are happy to inform you.

Mr MALINAUSKAS: When was the last round?

The Hon. S.S. MARSHALL: We will find out and we can come back to you with the exact date of that, and the plans for the remainder of the expenditure.

Mr MALINAUSKAS: So nothing in this budget will change the intent or the method or the way the remaining \$3.35 million will be expended.

The Hon. S.S. MARSHALL: No, that is in the budget. It cannot be touched. It cannot be taken into Treasury or used in any other way. However, we are considering how we go about the final expenditure of the \$3.35 million, but obviously it is dedicated to the stolen generations.

Mr MALINAUSKAS: So you guarantee that there will be another round?

The Hon. S.S. MARSHALL: Sorry?

Mr MALINAUSKAS: You guarantee that there will be another round, but it is just a question of when.

The Hon. S.S. MARSHALL: I guarantee that the full amount that was in the original budget will be spent for the stolen generations, yes.

Mr MALINAUSKAS: But do you guarantee that there will another round, just as there has been for the first \$1.65 million?

The Hon. S.S. MARSHALL: The two rounds that have already taken place have given us some good projects. It is fair to say that the advice that I have received is that there may not be sufficient projects for the residual, so we may need to consider whether we have a round or whether we go out and look for projects ourselves. What I am trying to say is that I do not want to lock myself into future rounds. What I will say is that the money will be expended in accordance with a focus on the stolen generations.

Mr MALINAUSKAS: So you will provide further information around how that remaining \$3.35 million will be expended?

The Hon. S.S. MARSHALL: Correct; I will be happy to.

Mr MALINAUSKAS: When would you expect to arrive at a conclusion or a view on that?

The Hon. S.S. MARSHALL: It is an issue that I have discussed not only with the chief executive but also with the Commissioner for Aboriginal Engagement. I think we will form an opinion in the coming months and, certainly, before the end of this year.

Mr MALINAUSKAS: But you can guarantee that it will be expended only in regard to the stolen generations? It will not be repurposed for other Aboriginal Affairs related activities?

The Hon. S.S. MARSHALL: One hundred per cent, yes. I give you that commitment.

Mr MALINAUSKAS: I refer to Budget Paper 4, Volume 4, page 57, regarding activity indicators and the number of regional authorities recognised under the Aboriginal Regional Authority Policy. What is the current status of the Aboriginal Regional Authority Policy? Do you still recognise the Aboriginal Regional Authorities that have been recognised to date?

The Hon. S.S. MARSHALL: Yes.

Mr MALINAUSKAS: Have you had the required number of leader-to-leader meetings with each regional authority since the election?

The Hon. S.S. MARSHALL: No. That is on hold while we do the work on the establishment of the statewide Aboriginal plan.

Mr MALINAUSKAS: So those regional authorities are still acknowledged and taken to be recognised but, while the state Aboriginal plan is being developed, they are in a state of hiatus?

The Hon. S.S. MARSHALL: The three agreements that were struck by the previous government remain. The money that was allocated to them in those agreements has all been paid. That is the Far West Coast Aboriginal Corporation, \$100,000; ATLA, \$200,000; and the Ngarrindjeri nation, \$200,000.

Mr MALINAUSKAS: Have you told those relevant Aboriginal Regional Authorities that there are no meetings or engagement pending the development of the statewide Aboriginal plan?

The Hon. S.S. MARSHALL: No. They have been told that any further engagement is on hold while we do the work on the statewide Aboriginal plan.

Mr MALINAUSKAS: Have you told them when you expect that work to be concluded?

The Hon. S.S. MARSHALL: Yes. We plan to conclude the work on the first statewide Aboriginal plan by the end of this year.

Mr MALINAUSKAS: Presumably, you will release it publicly when that happens?

The Hon. S.S. MARSHALL: Sorry?

Mr MALINAUSKAS: Presumably, the statewide Aboriginal plan will be released publicly once it is done?

The Hon. S.S. MARSHALL: Correct. We will be going out for limited consultation on the first plan, which will be done by the Commissioner for Aboriginal Engagement. He will be working with other groups as well to make sure that we get maximum input to come up with the best plan that we can.

Mr MALINAUSKAS: Going back to how the ARAs were informed, you said that they have been informed that everything has been put on hold pending the statewide Aboriginal plan's development. How were those ARAs informed that everything has been put on hold?

The Hon. S.S. MARSHALL: I am advised that a letter was sent from the Executive Director of AARD, Nerida Saunders.

Mr MALINAUSKAS: They were sent to the ARAs on behalf of the agency, saying, 'You're on hold, pending the plan.'

The Hon. S.S. MARSHALL: Correct.

The CHAIR: Leader, before you ask your next question, I would just note that at my discretion I can ask a member of the house who is not a member of the committee to ask a question. The member for Florey indicated to me earlier that she would like to ask a question today. I will go to her in a moment. We need to move that we sit past 1pm. The member for Hammond.

Ms BEDFORD: On Budget Paper 4, Volume 4, program 7, page 56, following on from the questions from the leader in relation to the statewide plan, which I understand will be encompassing areas such as education, child protection, health and jobs, what form will this new engagement take?

The Hon. S.S. MARSHALL: The feedback I have received is that this is a sector that has been consulted many times. What they are looking for is some action and an action plan, and they would like to see an action plan that is not aspirational—'This is what we are going to achieve over the next 60 or 70 years'—but what can be done immediately. One of the disciplines we have put on ourselves is for the action plan to last two years and that we should be able to look at every one of the items on the action plan and say that we have either achieved it or not achieved it.

We plan to get the first plan out before Christmas this year but immediately then start work on ways that we can augment that plan with new goals going forward. The primary task for this consultation will be put to the commissioner, Roger Thomas, who is our Commissioner for Aboriginal Engagement in South Australia. He is obviously going to be speaking with the state Aboriginal advisory council and other representative groups in the state.

But the critical thing is that we do not want to have a five-year hiatus going out to consultation. Quite frankly, many people have been able to make very sensible suggestions about things that we can do immediately. The senior management council has considered a range of issues in its portfolio area. The crucial thing is getting something out, providing some across-government focus on a statewide Aboriginal Affairs plan, putting it in place and then being able to track performance against it as soon as possible.

Ms BEDFORD: Following on from that, what consideration will be given to Indigenous housing, both metropolitan based and wider—it is a great issue in my electorate—as part of this plan?

The Hon. S.S. MARSHALL: What was the first part of the question?

Ms BEDFORD: What consideration will be given to Indigenous housing, or the provision of it, obviously?

The Hon. S.S. MARSHALL: Yes, it is a really important issue. Sorry, I was just getting a little bit confused because we are in the middle of negotiating with the federal government regarding a remote Indigenous housing agreement at the moment. The previous one came to an end on 30 June, and some negotiation is currently taking place, but that does not directly relate to your question, which is more broadly about metropolitan-based housing. I do not have the draft plan with me at the moment, but I am more than happy to sit down with the member and go through that draft plan. We would appreciate her input to what into what we put forward.

Ms BEDFORD: Just slightly off target, the Parliament House RAP plan, is that progressing?

The Hon. S.S. MARSHALL: You asked me about that, and I have not managed to chase that up with the Clerk, but I will definitely—

Ms BEDFORD: I should have perhaps come down when he was here this morning.

The Hon. S.S. MARSHALL: I am really delighted at the number of RAPs and stretch RAPs that are being put in place at the moment. I was particularly delighted this year that the Department for Education has a RAP, which has been put in place. They are very important documents, and if it is a consideration here we should certainly do it. Nerida says it is a good idea, too.

Ms WORTLEY: Going back to the funding we were talking about, which was intended for community reparation and which was decided by the members of the stolen generation, did you guarantee that that is what it would be used for and that it would not go into other community funds like—

The Hon. S.S. MARSHALL: Yes.

Ms WORTLEY: It was definitely going to be used and decided by members of the stolen generation?

The Hon. S.S. MARSHALL: The stolen generations have been advocating for this reparation or compensation for a long period of time. The previous government entered into and created a funding envelope. We do not propose to move away from that whatsoever, so that will remain in place and be dedicated to the stolen generations. Nobody should have any concern that we are going to somehow magically say, 'Well, even though the stolen generations are important, there are also other areas of Aboriginal Affairs which are also important, so we are going to transfer it to another area of Aboriginal Affairs.' We are not. We are going to keep it quarantined for the stolen generations.

We just need to have a little bit more thought about how we do that final expenditure. The rounds are not bringing forward the number of community projects that we would have considered. I have just asked the chief executive and the Commissioner for Aboriginal Engagement to put their

thinking caps on as how we can make sure that we can do that. Quite frankly, I do not want to see \$3.65 million sitting in a bank account. I would really like to have it spent and go to the stolen generations, who have been waiting a very long time for that money to be expended.

Ms WORTLEY: If the ATLA regional authority was told that they are on hold, do you think Vince Coulthard would know about it?

The Hon. S.S. MARSHALL: As I said, a letter was sent from the executive director to each of those regional authorities.

Ms WORTLEY: Did you speak to him about it when you met with him recently?

The Hon. S.S. MARSHALL: It certainly was not something that was raised with me. We spoke about lots of things. I met with lots of leaders in our Aboriginal community. I always enjoy the interaction. Sometimes I can satisfy people's immediate needs; sometimes I cannot, but I am always respectful. With regard to this, it was something which we conveyed, put in writing and sent to the regional authorities.

Ms WORTLEY: Is there a draft plan in place at the moment? When you were speaking earlier you mentioned it.

The Hon. S.S. MARSHALL: A draft has been pulled together. Some chief executives of the departments have an excellent understanding of the opportunities that exist within their departments, so they are pulling together those items. Before we finalise it or have a final draft, we obviously want to have as much consultation as possible.

Ms WORTLEY: If a draft plan is being put together, how many Aboriginal people have been consulted in relation to that draft plan at this stage?

The Hon. S.S. MARSHALL: Obviously, the department, which has been pulling together the project, so there are a number of people there. I think we have the SAAC meeting coming up next week, so we will be getting further consultation when it meets.

Ms WORTLEY: Sorry, I just missed that last bit. There is a meeting next week, did you say?

The Hon. S.S. MARSHALL: It is the South Australian Aboriginal Advisory Council meeting next week. I know that the Commissioner for Aboriginal Engagement is going to that, and I think I am going to it as well.

Ms WORTLEY: How far along is the draft plan at this stage?

The Hon. S.S. MARSHALL: It has been something we have been working on since we came to government.

Ms WORTLEY: So you have been working on it since?

The Hon. S.S. MARSHALL: Since 17 March. We made it very clear in the lead-up to the election that we did want to develop a statewide plan rather than just leave all the responsibility to AARD. It is a really complex area of public policy. Sometimes you say, 'Oh, we've got this division; they should be solving all these problems,' but of course the service delivery comes through the other agencies. It was really important, I think, to develop something that was going to work, to bring AARD into the central agency and to charge each of the chief executives with the responsibility, otherwise it is just way too hard.

In my time in the parliament, I think we have had four, five or six different ministers for Aboriginal Affairs. It is really a complicated area because the minister is nominally responsible for everything that occurs, even though a lot of the service delivery would occur in health, education, corrections, policing, roads or jobs. What we have tried to do is have every chief executive, every minister, the cabinet, take responsibility for providing those services in a more joined up and connected way.

Mr MALINAUSKAS: Regarding Budget Paper 4, Volume 4, page 56, under the objectives, I refer to the second paragraph where one of the objectives of the division is to facilitate the protection and preservation of Aboriginal heritage and culture. How many staff worked in the heritage team at the end of 2016-17?

The Hon. S.S. MARSHALL: I do not have that breakdown of staffing in here, but we would be more than happy to provide that detail to the committee.

Mr MALINAUSKAS: How many staff currently work in the Aboriginal heritage team?

The Hon. S.S. MARSHALL: Overall in the department it is 35.

Mr MALINAUSKAS: But how many in the Aboriginal heritage team?

The Hon. S.S. MARSHALL: We will provide the detail.

Mr MALINAUSKAS: Are there more or fewer people now working in the Aboriginal team in comparison to the 2016-17 year?

The Hon. S.S. MARSHALL: There would be fewer people going forward because the review of the act, which brought additional resources in, has been concluded and so there is a lower workload going forward than the workload they have had previously whilst undertaking the review of the act.

Mr MALINAUSKAS: So, there is a reduction of the number of people working in the Aboriginal heritage team?

The Hon. S.S. MARSHALL: Correct.

Mr MALINAUSKAS: How much smaller is it?

The Hon. S.S. MARSHALL: I am advised by the chief executive that multiple project officers were assigned to the task of the review of the act, and because that task has concluded those roles do not exist going forward, but there has been no reduction in the core work of AARD regarding heritage, just the elements which were directly related and employed specifically for the review of the act and which is now completed.

Mr MALINAUSKAS: How many consultations and determinations pursuant to the act have been made since the election?

The Hon. S.S. MARSHALL: How many consultations with regard to the heritage act?

Mr MALINAUSKAS: Yes.

The Hon. S.S. MARSHALL: We are happy to provide that detail, but I am informed by the chief executive that we need more detail because there is consultation that is required under the act for different areas, whether it is section 23 or various other sections in the act that provide for consultation. We are happy to try to bring that together for you if you wish, but if you have any more details specifically about what consultation you are looking at we would love that clarification.

Mr MALINAUSKAS: Have any determinations been made pursuant to the Aboriginal Heritage Act since the election?

The Hon. S.S. MARSHALL: I do not think I have made any determinations. I was getting a little bit confused because there has been an ongoing investigation into the sale of some Aboriginal materials, artefacts, and we put the sale of those on hold pending an investigation and that investigation is still ongoing. However, to the best of my knowledge I have not made any specific determination under the act.

Mr MALINAUSKAS: Have you made any delegations to another minister?

The Hon. S.S. MARSHALL: Yes.

Mr MALINAUSKAS: Who is that, which minister?

The Hon. S.S. MARSHALL: I have delegated my authority in some aspects of this to the Treasurer, because I think that, in some ways, I am in a conflicted position as the Minister for Aboriginal Affairs as well as the Premier with regard to having this sort of dual role. So I formed that opinion.

Mr MALINAUSKAS: Premier, I will just ask you to flesh this out. As the responsible minister, how are you conflicted? You are the responsible minister for the act and the area, so how are you

conflicted in regard to making determinations pursuant to the act? Is that not the whole idea of the act?

The Hon. S.S. MARSHALL: Governments from time to time delegate responsibilities that are assigned to another minister for a range of reasons, and in this instance—

Mr MALINAUSKAS: I want to understand what the reasons are in this instance.

The Hon. S.S. MARSHALL: I just feel that there could be perceived to be a conflict and so—

Mr MALINAUSKAS: Just explain that perception of conflict.

The Hon. S.S. MARSHALL: On the one hand I am the minister for Aboriginal heritage. I am also the minister for promoting and advancing the economic development of the state, as you pointed out in committee deliberations earlier today. Sometimes these issues are in conflict and you need to have a balance.

Mr MALINAUSKAS: Why would they be in conflict?

The Hon. S.S. MARSHALL: When you say why are they in conflict—they are in conflict. Some of them are matters before the court at the moment because they are in conflict.

Mr MALINAUSKAS: To the extent there is any conflict, which I think is an interesting notion in this instance, why would that be any different in Treasury? Just to provide some context to my question, earlier today you said that, when it comes to \$95 million decisions around land tax reductions, 'It is not my responsibility. That is all Treasury. I do not take responsibility for economic policy.' Now you are saying that you do take responsibility for economics policy and that that puts you in conflict with Aboriginal heritage decisions when you are the responsible minister. I do not follow the line of reasoning there.

The Hon. S.S. MARSHALL: I am surprised you want to go back to the issues of this morning because I thought I made them extraordinarily clear. It was not that I was avoiding the question; it is just that you were asking detailed questions about economic modelling that did not exist at all in my department going forward. They have been transferred to the Department of Treasury and Finance. That is why I made that comment this morning. Unless you are doubting the capability of Mr Lucas to preside—he has a huge amount of experience—

Mr MALINAUSKAS: Every day.

The Hon. S.S. MARSHALL: Well, that is unfortunate but it is not unexpected. Mr Lucas has a huge amount of experience in public policy. He is by far the most experienced person within our cabinet. These are complex areas where you need to provide balance between two conflicting areas, and we believe that he would be the best person to do that.

Mr MALINAUSKAS: I am hardly surprised that Mr Lucas has taken responsibility for this area because he seems to be taking responsibility for the government generally, it is fair to say. Everyone knows who is driving the car.

The CHAIR: A question please, leader.

Mr MALINAUSKAS: Regarding Aboriginal heritage decisions, have you delegated the authority to Mr Lucas on Aboriginal heritage decisions in one particular instance where you thought there was a conflict or is it a delegation of this responsibility generally?

The Hon. S.S. MARSHALL: I think two issues have been delegated to him. One is with regard to Leigh Creek and the other one is related to Lake Gairdner.

Mr MALINAUSKAS: Is it your intention that you will delegate all Aboriginal heritage decisions under the act to Rob Lucas, the Treasurer?

The Hon. S.S. MARSHALL: I do not think that determination has been made.

Mr MALINAUSKAS: But so far it is 100 per cent.

The Hon. S.S. MARSHALL: Well, I did outline another one where a determination has not been required at this stage. We are still seeking further investigation.

Mr MALINAUSKAS: Can you just explain why you are of the view that you are conflicted about making these decisions because of the economic policy of the state, but the Treasurer is somehow less conflicted?

The Hon. S.S. MARSHALL: I refer the honourable member to my previous answer, which I think I covered off in absolute detail. There is nothing further that I can add over and above what I have already contributed to the committee. As I said, I wanted to provide you with the maximum amount of time for these estimates: there has been no opening statement and there have been no questions from the government benches, as we have experienced with this committee before.

To provide clarity, there is nothing further that I can add to my answer with regard to this line of questioning than I have already provided. You are more than welcome to continue to give up time, but it will not change my answer.

Mr MALINAUSKAS: Do you mind humouring the committee and—

The Hon. S.S. MARSHALL: I just said that I will refer you to my previous answer.

Mr MALINAUSKAS: Well, I am not too sure you gave an answer in respect to how the Treasurer is less conflicted than you would be, considering the conflict is in the context of economic policy.

The Hon. S.S. MARSHALL: That is not a question; that is a statement.

The CHAIR: Next question please, leader.

Mr MALINAUSKAS: Regarding Aboriginal heritage, on the same budget line, how many requests have there been for a direction under section 24 of the Aboriginal Heritage Act in the last 12 months?

The Hon. S.S. MARSHALL: I am more than happy to ask the agency to come back with the detail of all of those, but I think it is unrealistic to expect that they are going to have that detail here sitting at this table.

Mr MALINAUSKAS: It is a pretty important function under the act. On each request, what has the—

The Hon. S.S. MARSHALL: I can ask the chief executive. Do you have that detail here with you? The chief executive would prefer to go back and check that the information that she has provided is accurate. I think it is really important, if we can, to make sure that we are providing accurate information to the committee, especially in an area like this. It is disappointing that the Leader of the Opposition scoffs at the request of the chief executive of AARD. The reality is the chief executive has suggested that she would be happy to provide that information, but let's make sure that it is as accurate as possible.

Mr MALINAUSKAS: Are you aware of the comments made by the CEO of ATLA, Vince Coulthard, who told the media that you shirked your responsibility to Rob Lucas. I will give you some context. I will read you the quote:

I am absolutely disgusted the Premier who has responsibility for Aboriginal Affairs has delegated this very important issue...The Treasurer is interested in the economy not culture. We were promised the Premier would be hands on in his role taking on Aboriginal Affairs and he deserts us the time we ask him to step in. If he doesn't want to make these decisions, why take on the portfolio?

Do you understand those frustrations?

The CHAIR: What is the question, leader?

Mr MALINAUSKAS: Whether or not the Premier is aware of those remarks and whether or not he understands the frustrations regarding the delegation of those Aboriginal heritage decisions.

The Hon. S.S. MARSHALL: I was not aware of those specific remarks. I have met with Mr Coulthard twice since becoming the Premier and taking responsibility for this portfolio. I continue

to have a respectful relationship. I understand that maybe this decision is frustrating to them but I have already outlined my reasons for making that decision to the committee.

Mr MALINAUSKAS: Regarding the decisions that have been made, or the directions that have been made under section 24, I appreciate you have taken it on notice in terms of the numbers. On each request, though, what has the time frame been between the decision-maker receiving the relevant information and the applying body being notified of the decision? Presumably, if you do not have the information regarding the first part of my question, then you probably do not have the information to that, so I would ask that you take—

The Hon. S.S. MARSHALL: You answered your own question there, leader.

Mr MALINAUSKAS: If you could take it on notice.

The Hon. S.S. MARSHALL: Yes, we are happy to.

Mr MALINAUSKAS: Is one business day enough time for thorough deliberation and a full understanding of the relevant and applicable Aboriginal heritage matters under the act?

The Hon. S.S. MARSHALL: I do not really understand where the question is coming from. I am happy to ask the chief executive to respond to that as well when the list comes.

Mr MALINAUSKAS: Will the federal government have to abide by the Aboriginal Heritage Act in relation to the proposed nuclear waste facility in South Australia?

The Hon. S.S. MARSHALL: Say that again, sorry.

Mr MALINAUSKAS: Will the federal government have to abide by the Aboriginal Heritage Act in relation to the proposed nuclear waste facility here in South Australia?

The CHAIR: Before the Premier answers, can I ask which budget paper and line that question refers to?

Mr MALINAUSKAS: Budget Paper 4, Volume 4, page 56.

The Hon. S.S. MARSHALL: I am advised that we are still waiting on the federal government's decision with regard to this. We do not know what site they are going to select, if any, but that, when they do select a site, their jurisdiction takes primary consideration over our Heritage Act.

Mr MALINAUSKAS: Have you received any concerns from Aboriginal communities about the process the federal government has undertaken regarding the site selection?

The Hon. S.S. MARSHALL: Yes.

Mr MALINAUSKAS: What has been the nature of those representations?

The Hon. S.S. MARSHALL: I think that you would be pretty aware. You have mentioned already ATLA, and ATLA are not pleased at all with any consideration of the site which is on their land, and they have made that very clear.

Mr MALINAUSKAS: Have you done anything on the back of those representations?

The Hon. S.S. MARSHALL: We are still trying to seek greater clarification from the federal government as to what their intentions are with regard to this project.

Mr MALINAUSKAS: Have you taken those representations, heard them, taken them seriously and then in turn made representations to your Canberra colleagues on the back of that?

The Hon. S.S. MARSHALL: Yes, but I do not intend to canvass them more broadly. One of the big differences between this government and the previous government is that we do not plan to create a noise via the media. We would like to negotiate respectfully with them and we have been able to prove some incredibly good outcomes for the people of South Australia by adopting that approach. We do not think that anything would be served by shouting at them via the media, via this parliament or via this committee.

Mr MALINAUSKAS: Thankfully, you were not in charge when they made a decision to build the submarines in Japan.

The Hon. S.S. MARSHALL: I do remind the committee, of course, that it was the policy of the former government to put the world's largest nuclear waste repository here in South Australia. I did not hear the member for Croydon, the Leader of the Opposition, screaming at his own party about that process, where of course we had every single Aboriginal group in South Australia saying that they would apply a right of veto if they were afforded a right of veto. I did not hear any protestation from the Leader of the Opposition or in fact from any part of his party whatsoever. It was up to the Liberal Party to actually move away from that position.

Mr MALINAUSKAS: Yes, we are all aware of that. That is an excellent segue into my next question: will you give the same commitment that former premier Jay Weatherill did give that traditional owners have the right of veto against any nuclear waste facility on their land?

The Hon. S.S. MARSHALL: I do not know that Jay Weatherill did provide that right of veto.

Mr MALINAUSKAS: Yes, he did.

The Hon. S.S. MARSHALL: No, I do not think he did. I think at one stage he was providing for a referendum and then ultimately he moved away from the position.

Mr MALINAUSKAS: You and I might disagree on the facts regarding what the former premier's commitments were but, nevertheless, will you provide a commitment that traditional owners should have the right of veto against any nuclear waste facility on their land?

The Hon. S.S. MARSHALL: I just refer the honourable member to the commitments that we made in the lead-up to the election that there needed to be full consultation with the people who would be affected and that the proposal needed to win over the majority of support in that area.

Mr HUGHES: When you say 'full consultation', do you believe it is appropriate that, when it comes to the Aboriginal community of Yappala outside Hawker, an absentee landlord, who does not live in the area but lives in Adelaide, nominated a site without any consultation with both the Aboriginal people and the surrounding pastoralists?

The Hon. S.S. MARSHALL: I do not know the full details of the ownership of the land. All I would say is that we made our position clear in the lead-up to the election. I am not sure that we are providing a right of veto to individuals, but we need to have community support for it to be included in an area. We have already had written representations from ATLA that they are very unhappy with the concept of a low-level and intermediate-level nuclear waste repository on their land, and I understand that.

Ms WORTLEY: Who decides who makes what determinations under the Aboriginal Heritage Act? Who makes the decision because—

The Hon. S.S. MARSHALL: They are spelled out in the act. The act provides what—

Ms WORTLEY: In your instance, you spoke earlier and it was handed across to the minister—

The Hon. S.S. MARSHALL: The Treasurer.

Ms WORTLEY: —the Treasurer, so who—

The Hon. S.S. MARSHALL: I make the decision in those.

Ms WORTLEY: You make the decision as to whether you are going to handball it to the Treasurer—

The Hon. S.S. MARSHALL: Yes.

Ms WORTLEY: —or whether you are going to make the determination?

The Hon. S.S. MARSHALL: Correct. This is a normal thing in government. It is not peculiar to the new government. As a regular occurrence, ministers delegate their authority under acts for which they are responsible. I could come back to you, if you wish, and provide a huge number of

instances where the former government would make determinations that a minister who had responsibility under an act would transfer that responsibility to another minister in the government.

Ms WORTLEY: Could you just clarify on what basis that would be made?

The Hon. S.S. MARSHALL: I have dealt with that several times and the leader asked that question as well. I have given a fulsome answer. There is nothing else I can add to the answers without repeating exactly and precisely what I said earlier.

Mr MALINAUSKAS: I have very little time left and I have lots of questions. Have you met with minister Scullion since the election?

The Hon. S.S. MARSHALL: I have not met with minister Scullion, but I have spoken to him on the phone. I have not had a chance to have a face-to-face meeting with him yet.

Mr MALINAUSKAS: Did you discuss the National Partnership on Remote Indigenous Housing that expired on 30 June?

The Hon. S.S. MARSHALL: Yes. What I will say is that a huge amount of work is being done in this area. My understanding is that, despite that agreement coming to an end on 30 June, work is well underway for a new agreement. Minister Lensink has taken the lead on those negotiations, but my understanding is that interim arrangements have been put in place to ensure funding during this time of renegotiation. All the scoffing in the world will not take away the fact that the previous government did not actually even begin negotiations prior to the conclusion on 30 June.

Mr MALINAUSKAS: There is no scoffing.

The Hon. S.S. MARSHALL: There is lots of scoffing and rolling of eyes.

Mr MALINAUSKAS: What I am trying to reconcile is your personal commitment to the Aboriginal Affairs area, as highlighted by you taking on the responsibilities, and then delegating the authorities to deal with key areas of policy to other ministers.

The Hon. S.S. MARSHALL: No, I will answer that question. The leader is unaware of why we are working in this way. We are working in this way because we believe that it will effect better outcomes for Aboriginal people in South Australia. There is nothing sinister about a new methodology to address a statewide plan. We think it is logical. Quite frankly, if the member objectively looked at the performance in this area of public policy under the previous government, he would find that it was not particularly effective. I acknowledge that this is an area of very complex public policy—

Mr MALINAUSKAS: Indeed.

The Hon. S.S. MARSHALL: —and that is why we sought to work with the former ministers for Aboriginal Affairs and reconciliation. Often they brought ideas to the opposition, which we may or may not have agreed with, but we always tried to work in a conciliatory way with the government because it is a complex area. We would look for support from the opposition now to try to address this area.

It is very easy to point to areas that need to be addressed in Aboriginal Affairs. That does not take too much attention because there is a massive gap between where we should be and where we currently are. The new government is trying to address this. We have a decent approach to this, a new methodology, and we would hope to work with the opposition to try to improve the lives of Aboriginal people living in this state.

The CHAIR: We did start a few minutes late, so I will allow one more question, leader.

Mr MALINAUSKAS: Thank you. The last partnership agreement in regard to housing that expired on 30 June had a duration of 10 years. Does the government have a view about how long the next agreement will last?

The Hon. S.S. MARSHALL: As I said, this is actually the responsibility of the Minister for Human Services. It is not in my portfolio. It is not like I have delegated it to her. I do not think it was your Aboriginal Affairs minister's responsibility either; it would have been your housing minister's in the previous government. I do not think it was the same minister. I could be wrong, and you can correct me if I am, but my understanding is that you had two separate ministers. This is an important

area and I am more than happy for you to ask questions about this in the estimates committee for the Minister for Human Services next week.

Sitting suspended from 13:31 to 14:30.

Membership:

Ms Stinson substituted for Mr Hughes.

Mr Gee substituted for Ms Wortley.

Departmental Advisers:

Mr J. McDowell, Chief Executive, Department of the Premier and Cabinet.

Mr S. Woolhouse, Chief Finance Officer, Department of the Premier and Cabinet.

Ms J. Layther, Director, Arts Programs, Organisations and Initiatives, Arts South Australia, Department of the Premier and Cabinet.

Ms J. Mazel, Assisting the Chief Executive, Department of the Premier and Cabinet.

The CHAIR: This portfolio, the Department of the Premier and Cabinet, is already open. The minister appearing is the Premier. The next hour will be spent investigating the arts portfolio. Premier, would you like to introduce your advisers.

The Hon. S.S. MARSHALL: I would like to introduce, on my right-hand side, Jennifer Layther, who is the Director of Arts SA, and to my left is Steven Woolhouse, Chief Finance Office of the Department of the Premier and Cabinet. Directly behind me are Joslene Mazel, who is assisting the chief executive, and Jim McDowell, the Chief Executive of the Department of the Premier and Cabinet. I indicate to the committee that there will be no opening statement.

The CHAIR: Thank you, Premier. Are there any opening remarks from the Leader of the Opposition?

Mr MALINAUSKAS: Not today, no.

The CHAIR: Then I invite questions.

Mr MALINAUSKAS: Thanks, Mr Chairman, and welcome to the new additions. I refer you to Budget Paper 4, Volume 4, page 43. Premier, I was wondering if you could outline your vision for arts in South Australia and how you intend to achieve this when there is a \$31.9 million cut to the arts over the forward estimates.

The Hon. S.S. MARSHALL: I thank the Leader of the Opposition for his question. We do not accept his indication that there have been cuts. The simple fact of the matter is that this state budget, which has only just been handed down, has provided a direct funding boost of \$71.3 million over the forward estimates for the South Australian arts sector. No new savings were allocated to the arts sector in the state budget and, importantly, my government has reduced the savings required in the arts from the former government by \$2.2 million over the forward estimates.

In addition to this, we have provided operating expenditure of \$200,000 in the 2018-19 year to define the scope and vision for the establishment of the national Aboriginal art and cultures gallery. We have made an indicative investment expenditure of \$60 million, which has been allocated across the forward estimates to commence construction of the new gallery. To assist the further development of South Australian local artists, annual funding of an additional \$1 million per annum—new money—will be provided to increase grants that provide more opportunities for artists to live and work in South Australia.

Additional funding of \$1 million will be spent in 2018-19 to complete urgent sustainment works on three regional theatres: the Chaffey Theatre, the Northern Festival Centre and the Sir Robert Helpmann Theatre. These will be upgraded to ensure that they can continue to operate

safely and successfully. Funding for local history grants will be doubled by an increase \$185,000 per annum.

To leverage South Australia's status as a Unesco City of Music, \$550,000 per year from 2019-20 will be spent supporting the growth of live music across the state and enhancing programs that connect with schools and universities to engage more young people through music programs. The budget also provides an additional \$1.25 million in this current financial year to support the attraction of major performance events for the 2019 Adelaide Festival.

The 2018-19 budget outlines a responsible and achievable savings plan for the arts. This includes efficiency targets for institutions and programs, as well as refocusing Arts South Australia on the provision of policy advice to government. Other administrative functions will be incorporated into the Department of the Premier and Cabinet's existing corporate structure. Funding will be redirected from government administration and will return the focus of government arts funding to artists and to arts organisations. Major arts organisations have been advised of their allocation of savings over the forward estimates and are developing and implementing plans to achieve them. Refocusing Arts South Australia has commenced and will be completed by 1 January 2019.

Mr MALINAUSKAS: Thank you for sharing your vision for arts in South Australia. It is inspirational. In regard to the savings targets in the Budget Measures Statement, Budget Paper 5, page 143, just so we can focus on the future, do you accept that the savings targets are those of your government and are your decision?

The Hon. S.S. MARSHALL: Certainly, the second line in that table is. As you will see, the cumulative figure for that is an increase of \$2.158 million. So, yes, you are quite right. There is an additional savings requirement in this current financial year of \$211,000, and then there is a requirement again next year, but thereafter there are very significant reductions in the savings task that was in place when we came to government. In net figures, we have reduced the savings target by \$2.158 million over what had been provided by the previous government in their budget and their update, the Mid-Year Budget Review.

As I was saying earlier in my address, the \$211,000 worth of increased savings requirement is offset by a series of additional expenditures: \$200,000 for the national Aboriginal art and cultures gallery scoping study; an increase of funding for artists of an additional \$1 million per year; regional theatre sustainment work of \$1 million this current financial year; an additional \$185,000 for local history grants; this current financial year, a further \$100,000 for the Unesco City of Music; and an additional \$1.25 million to support the 2019 Adelaide Festival. You can see that the net increase in the funding for arts this current financial year over what was provided by the former government is an additional \$3.524 million.

Mr MALINAUSKAS: Again, this is a simple question. Do you accept that there is \$31.9 million worth of savings—or cuts, whatever words you want to use—within your budget? Just to be clear, the \$31.9 million figure comes from the revised savings targets across the forward estimates under your budget.

The Hon. S.S. MARSHALL: If you accept that, then you have to accept the two lines above it, which show the savings target that had already been embedded into the budget and was provided when we came to government, which was a savings target for this financial year of \$4.6 million.

Mr MALINAUSKAS: But the—

The Hon. S.S. MARSHALL: Just allow me to complete this. This is extraordinarily important because there is a lot of misinformation going around. The former government savings, which had been provided to the sector, announced in budgets past and confirmed in the Mid-Year Budget Review, provided for a savings requirement this financial year of \$4.689 million; next year, \$7.558 million; the 2021 year, \$9.753 million; and the following year, \$12 million.

As you can see, the line directly below that on page 143 shows the reduction that we have provided in that area, and that total reduction to the savings target of the former government is \$2.158 million—that is a reduction in the savings measures that were put in place by the former government. As I have been at pains to point out so far, in the interests of giving people a full picture of what is going on, in addition to us putting money back in and reducing the savings targets, we are

putting in a big reinvestment to specific programs so that the net figure this current financial year, far from being additional savings measures, is actually a \$3.524 million injection over what had been provided by the former government.

Mr MALINAUSKAS: I look forward to the day you talk more about the future than the past. I just want to be clear—

The Hon. S.S. MARSHALL: The future is that there is more money in the budget under this government than under the former government. This is an investment, and it is being provided for—

Mr MALINAUSKAS: That is not right, because it is reducing. There are savings in your budget of \$31.9 million. That necessarily means there is \$31.9 million less being spent on the arts under your budget than what occurred under the former government.

The Hon. S.S. MARSHALL: That is not the case, and you are misleading to say that.

Mr MALINAUSKAS: No.

The Hon. S.S. MARSHALL: If you are saying that we are providing \$31.9 million, then you have to accept that you were providing \$33 million worth of cuts—

Mr MALINAUSKAS: But as you are at pains to point out repeatedly, you are now in charge.

The Hon. S.S. MARSHALL: —and I do not think that you are about to stand up and shout from the rooftops that your budget was going to provide \$33 million worth of cuts. So this is exactly what has been provided, and it is in this document. I am happy to ask the chief financial officer of the Department of the Premier and Cabinet whether he can confirm whether or not I have that right. Perhaps he would convey to the committee what the savings or the planned savings measures were under the previous government and what they are under the current government.

Mr WOOLHOUSE: Yes, I can confirm that these were savings that were already built into the budget for Arts South Australia.

Ms STINSON: Premier, can you advise what consultation occurred with stakeholders within the arts sector, including arts organisations, prior to the government's decision to reduce funding in the arts sector?

The Hon. S.S. MARSHALL: As I have already outlined to the committee, we were left with an inordinate savings target by the previous government. We have done everything we—

Ms STINSON: I am just asking about what consultation was done.

The Hon. S.S. MARSHALL: To the best of my ability I thought I was answering that question.

The CHAIR: Continue, Premier.

The Hon. S.S. MARSHALL: Thank you. As I said, we were left an inordinate savings measure by the previous government. We sat down with different arts organisations—I think the department did the work immediately after the election, looking at what that was going to be. They consulted with different arts organisations about what the effect of 10 per cent cuts, I think in some cases, would be. The cuts that have been now confirmed with each of those organisations are quite frankly a fraction of what was in line for those arts organisations under the previous plan from the previous government.

Ms STINSON: I know you received a lot of requests to meet between the time you were appointed as Premier and the release of the budget. Did you meet with any of the arts organisations?

The Hon. S.S. MARSHALL: Absolutely.

Ms STINSON: And did you speak with them about the cuts?

The Hon. S.S. MARSHALL: We spoke to them about what we would be doing. Many of them were advocating for increased funding, and we said that this was extraordinarily unlikely. Sometimes people were successful. We had some very significant issues to deal with immediately; for example, there was a lack of funding for the Moon Lantern Festival, and the new government

provided that money. There was a lack of money for the relocation of the State Theatre Company to Port Road, which we had to help out with. There was a massive immediate requirement from the Adelaide Symphony Orchestra with regard to the impact of the redevelopment of the Adelaide Festival Centre on their finances, which we dealt with.

There were a number of issues people had raised with us that we needed to deal with urgently, and we did those things, but what we always committed to doing was minimising the effect of the harsh budget savings measures that were in line for their organisation. We have now gone back to them with a significantly lower savings task than what was heading their way, and we have provided them with some certainty going forward.

Ms STINSON: Can you advise why the SA Film Corporation, the Adelaide Film Festival and others have gone into the Industry and Skills portfolio? What was the decision-making rationale behind those decisions?

The Hon. S.S. MARSHALL: We formed the opinion that it would be the best agency to support them. They are a very significant industry around the world, and we felt that the most appropriate place to put them would be the Department for Industry and Skills.

Ms STINSON: But why those particular organisations? There are certainly a lot of organisations that contribute to the economy and jobs and have an international profile. Why did you pick those particular ones?

The Hon. S.S. MARSHALL: If I am not mistaken, they were actually in the department of state development under the former government.

Ms STINSON: I am not sure they were, no.

The Hon. S.S. MARSHALL: I think they are. The point I am making is they were actually in that department under the former government. They were in the department of state development. They have stayed there and the remainder have moved to other agencies: the Department of the Premier and Cabinet and the education department.

The CHAIR: Member for Badcoe, we really need to refer questions to a particular budget line.

Ms STINSON: Sure. I refer to Budget Paper 4, Volume 4, page 43. Just going on from what you just mentioned, there are also a number organisations which, certainly under your government, have been moved from Arts to Education. What was the rationale behind choosing those organisations and what consultation was done with those organisations beforehand?

The Hon. S.S. MARSHALL: I cannot highlight times, dates and people at meetings with regard to all the arts organisations in South Australia, but it is fair to say that we announced that we would have a different approach to arts. We said that we would bring the lion's share of that work into the Department of the Premier and Cabinet. That was something that we said before the election. We did form an opinion that some arts organisations or organisations which had previously been reporting through Arts South Australia would be better served in other departments.

Sometimes, it is a bit of a choice. Is it best to be in Industry and Skills? There are definite linkages, as the previous government was at pains to point out when they moved Arts SA, as it was then, into the department of state development. Sometimes it is better to be in a different agency. This is what a government will make a decision on from time to time. It is not like all arts organisations or organisations that have an interest in arts have to be the one portfolio. These are important creative industries. They are important employers. There are very specific skills and industry development opportunities in each of these areas, and we have made a decision to keep some of them in that department.

Ms STINSON: The History Trust of SA, Carclew, Patch and Windmill were all moved to the Department for Education on 30 August. I understand that you just said that you feel it is better to put them there, but why is it better? What is the value of having them in Education?

The Hon. S.S. MARSHALL: I think there are very logical connections between the education department and those organisations. As I said, it is not like everything has to be exclusively

in one area or another. There are already very significant connections between the work of those organisations in the education department. The previous government had them in the department of state development. Governments have to make decisions from time to time, and that was the decision we made.

Ms STINSON: Slingsby is another children's theatre organisation. They have not been moved over. What makes Slingsby different from Carclew, Patch or Windmill? Why have you decided to move some of them over but leave other ones behind?

The Hon. S.S. MARSHALL: I do not have anything further to add to the previous answer that I provided to the committee. Governments, from time to time, make decisions about where individual funded organisations should belong. The previous government had Slingsby in the department of state development. We choose to have it in Arts SA. I think you are making the point, and now you are asking why we have not moved it to the Department for Education. It is the right of a government to decide where it is best funded. We formed that opinion, and that is the decision we made.

Mr MALINAUSKAS: There is little doubt, Premier, about the right of the government to make decisions around what agencies take responsibility for what programs. There is no questioning the right. What the committee is seeking to understand is what were the criteria behind those decisions by your informing the committee of what was the logic or the framework or the criteria for those decisions. It would help us understand how those programs will operate going forward.

Just as it is your right to make the decision, it is our right to seek to find out what was the underpinning logic behind those decisions, and that is what we are asking. There are lots of questions to go through here. Was there an underpinning framework or were there criteria around what goes where?

The Hon. S.S. MARSHALL: For example, Slingsby is actually funded from a fund that sits within Arts SA that is for small and medium organisations, whereas the other organisations are funded directly. It therefore seemed illogical to remove it from its funding source that it has received for a period of time.

Ms STINSON: Is that the case as well with the move of other parts into industry and skills—the Film Corporation, the Film Festival, the JamFactory, Music SA? Can you explain how they are set up or maybe previously were set up in terms of their funding and the rationale for their sitting in that portfolio?

The Hon. S.S. MARSHALL: No, our opinion after speaking to people within those sectors for a long period of time is that they wanted to remain in the industry department. They saw themselves as an industry. In fact, that is where they wanted to be. I think the vast majority of feedback we have had on those organisations remaining in industry and skills has been extraordinarily positive.

Ms STINSON: I understand that the response from the groups that have gone into Education is sadly not extraordinarily positive. Are you aware of those concerns?

The Hon. S.S. MARSHALL: No.

Ms STINSON: It has not been raised with you at all that those groups are concerned, and also that groups like Slingsby, for example, are wondering whether they are next, or there is confusion in the sector about what is going on?

The Hon. S.S. MARSHALL: Well, there is always some frustration at the time of significant change, and it is fair to say that there is significant change. Nobody is trying to hide from that, but what we are trying to do is to minimise the effect on the organisations from the savings targets that we inherited when we came to government. I think that we have done that to the best of our ability. As I have already provided, the overall bucket of money going into arts this year has been increased by \$3.5 million.

Ms STINSON: I refer to Budget Paper 5, page 143. Who is currently leading Arts SA?

The Hon. S.S. MARSHALL: Joslene Mazel has responsibility for it at the moment.

Ms STINSON: And in what capacity is Joslene Mazel employed?

The Hon. S.S. MARSHALL: What we are doing at the moment is revising the overall strategic plan for arts, and that will inform precisely the structure we take going forward.

Ms STINSON: Can you detail that a little more? How are you restructuring it and what is happening in Arts SA as far as its staff goes?

The Hon. S.S. MARSHALL: I am happy to ask Mr Woolhouse to go through some of the changes that have been put in place so far and what is envisaged to be completed by 1 January next year.

Mr WOOLHOUSE: Arts South Australia is engaging with the staff around essentially an organisational restructure, and that process has commenced and staff are being engaged throughout that process.

Ms STINSON: What is the objective of that restructure?

Mr WOOLHOUSE: Essentially, to land an organisation that is based around the provision of arts policy and advice, with the other components of the organisation being incorporated into the administration of the existing Department of the Premier and Cabinet.

Ms STINSON: Obviously there are some Arts SA employees who are employed in particular arts organisations, for example the Library and the Museum. What is the actual number of staff who are in Arts SA in terms of doing that policy work, and indeed administration and grants work at the moment, as opposed to those who are assigned to particular agencies like, say, Artlab, the Museum and the Library and so forth?

The Hon. S.S. MARSHALL: I am not sure that we have that breakdown with us at the moment. I am advised that the best way to go is to take that question on notice and come back to the committee with a quick response on that breakdown between what remains in Arts South Australia and what remains, if you like, in allied arts organisations funded by the government.

Ms STINSON: I would be grateful for that. That was one of my next questions, so I appreciate that. In that organisational review, do you know who is going to sit at the top? Obviously, we know that the chief position was removed a little while ago. What role is going to lead the organisation? Do you have any idea of what it is going to look like it?

The Hon. S.S. MARSHALL: It is part of the overall Department of the Premier and Cabinet. The leader of the Department of the Premier and Cabinet is Jim McDowell, and he will ultimately determine what the structure is going to look like for that agency going forward. As I have already indicated to the committee, there will be an overall strategic plan developed for arts, which I think will provide great certainty to a sector that has been struggling without certainty for a long period of time.

Ms STINSON: What process is going to be used for deciding which staff roles will be axed in the refocusing?

The Hon. S.S. MARSHALL: That is a matter for the chief executive.

Ms STINSON: He is here; can we ask him?

The Hon. S.S. MARSHALL: That is not the way this works.

The CHAIR: Member for Badcoe, the questions go to the Premier always.

Ms STINSON: Fair enough. Can you confirm what the actual reduction in FTEs is for the State Library and the Statewide Information Service?

The Hon. S.S. MARSHALL: Have you got a page number for that?

Ms STINSON: I have Budget Paper 4, Volume 4, page 61.

The Hon. S.S. MARSHALL: You would just like an explanation of the reduction from four FTEs down to three? I do not know if I can provide much greater clarity on that issue, sorry. Is that the question?

Ms STINSON: Yes, that answers the question. Can you tell me what that role is that is going to be axed?

The Hon. S.S. MARSHALL: I do not have that detail. Sorry, I am advised that we do have that information. I am going to ask Mr Woolhouse, who is an expert on corporate overhead. This is an area that is little appreciated, quite frankly. For the level of detail that he has on such an important task, I am going to ask everybody to listen very carefully. Mr Woolhouse, over to you.

Mr WOOLHOUSE: Thank you. Corporate overhead expenditure within the Department of the Premier and Cabinet includes finance administration, human resources and, generally, operating costs of running a department, such as accommodation, insurance, workers compensation, audit fees, etc. In terms of the way budget papers are presented here today, and as instructed by the Department of Treasury and Finance, those corporate expenditure items—and there is also income and FTEs associated with those—need to be allocated across the actual programs, and sub-programs in this case. The method we use to do that is that we allocate it based on each program's FTE weightings.

What that means is that when a business unit transfers in as a result of machinery of government changes, the level of corporate expenditure and income that are allocated to them can change, depending on where they were. In this case, they were in the department of state development before, so they had a different level of overheads that were allocated. In the case of when they have come here to the Department of the Premier and Cabinet, the level of overheads is a bit lower. In this case, it is one FTE difference.

Ms STINSON: I understand the idea is that some roles are being removed—these administrative-type positions that you were just describing—and they will then be catered for in the Department of the Premier and Cabinet. Do you have an estimate as to how many roles will be absorbed into the department and how you are going to cater for that in the existing Department of the Premier and Cabinet budget?

The Hon. S.S. MARSHALL: That has not been determined, but it is being worked through. It is a process that is currently underway.

The CHAIR: Member for Badcoe, I might just throw to the member for Florey. She indicated to me earlier that she had a question in relation to this.

Ms BEDFORD: Yes, thank you. I refer to Budget Paper 4, Volume 4, program 9, page 61, which is also mentioned in Budget Paper 5, page 146, about investing in history. I am wondering how much of the new \$185,000 funding for history grants will be used to create the position of state historian?

The Hon. S.S. MARSHALL: I am not sure that that money will be used for the position. The grants amount is really there to increase grants to those organisations. In South Australia, locally operated museums are an important community resource that tell local South Australian stories. My government has made a commitment to double the funding supporting these important community assets from \$150,000 per annum to \$300,000 per annum from 1 July 2018. This will provide much-needed support for the upkeep and improvement of local museums.

The South Australian History Fund, which funds research, education and professional development for history professionals and enthusiasts, will also be doubled from \$35,000 per annum to \$70,000 per annum. This injection of funds aims to provide greater opportunities for the South Australian community to engage in their local history through improved museum facilities and research and, just to nail it, there is an additional \$185,000. So there is currently \$185,000 going to those and it will double and be a further \$185,000. We are doubling the grants to museums and doubling the grants in terms of research.

Ms BEDFORD: That sounds like good news then. How much is going to be allocated to the establishment of the Adelaide museum of South Australia's history?

The Hon. S.S. MARSHALL: That has not been determined.

Ms BEDFORD: Clearly, I have an interest in the Centre of Democracy.

The Hon. S.S. MARSHALL: Yes.

Ms BEDFORD: I am just wondering how much—

The Hon. S.S. MARSHALL: Like no other.

Ms BEDFORD: —extra you are going to allocate to the Centre of Democracy for the importance of next year's celebrations of the 125th anniversary of women's suffrage, or what might be allocated somewhere else for other exhibitions around that?

The Hon. S.S. MARSHALL: I do not think it would be possible that that money would specifically come from the South Australian History Fund. My gut feel is that that would have to be something that is determined separately and funded separately.

Ms BEDFORD: So there will be some compensatory overhanging somewhere else that you are going to look at?

The Hon. S.S. MARSHALL: The government has some contingencies for extraordinarily important issues such as those that the member for Florey is always involved in. I am not meaning to be flippant, but we would not fund that item out of this because the sector has had an expectation of an increase in these funds, so we would not be expecting them to allocate that directly towards other uses.

Ms BEDFORD: I am really pleased to see that you have at least made it a significant event coming up next year.

The Hon. S.S. MARSHALL: Next year. In fact, with you sitting underneath that tapestry, it is even more—

Ms BEDFORD: Scary.

The Hon. S.S. MARSHALL: Well—important. Mr Chairman, you will note that over the forward estimates there is an additional \$768,000 going towards history in this budget.

Ms STINSON: Premier, you made an election commitment to establish a commissioner for cultural development. Where is that in the budget?

The Hon. S.S. MARSHALL: That is something that will flow on following the completion of the strategic plan.

Ms STINSON: Is there any money allocated for it?

The Hon. S.S. MARSHALL: Not at present. That will be informed. In the lead-up to next year's budget, we are going to complete the new strategic plan for arts where there will be very extensive consultation with the sector and that will inform exactly and precisely what the sector is going to look like going forward and provide greater certainty to artists, arts organisations and the government more broadly.

Ms STINSON: To cite a reference, Budget Paper 4, Volume 4, pages 60 to 67, where is the money for the arts plan?

The Hon. S.S. MARSHALL: Sorry?

Ms STINSON: Where is the funding for the arts plan?

The Hon. S.S. MARSHALL: It will be funded out of existing resources.

Ms STINSON: There are no additional resources to develop your arts plan?

The Hon. S.S. MARSHALL: As I said, it will be out of the existing arts budget, so we can provide that. Just keep in mind that the previous government spent in excess of \$100,000 getting an alternative arts plan commissioned. That report has now been received. It was difficult to find anybody in Arts South Australia who had been consulted regarding the plan that had been developed by government. We will be certainly looking at that plan but we will be doing our own work as well.

Ms STINSON: Referring to Budget Paper 5, page 146, what money has been allocated for the election promise to establish a state historian?

The Hon. S.S. MARSHALL: I am not sure that that has been incorporated into this.

Ms STINSON: It is named on the page but there does not seem to be any allocation of funds.

The Hon. S.S. MARSHALL: I am advised that we are in negotiations and we are looking at that at the moment, but there has been no specific funding identified in the budget.

Ms STINSON: Do you imagine it would need an extra allocation, though, for the state historian or are you intending to do that from existing funds over the forward estimates?

The Hon. S.S. MARSHALL: We have not made a determination on that yet.

Ms STINSON: What funds have been allocated to examine the creation of the Adelaide museum of SA's history? I know the member for Florey just mentioned that, but what money is actually allocated for that?

The Hon. S.S. MARSHALL: No, there is no money allocated in this budget.

Ms STINSON: That is three or four election commitments you have not actually allocated any money for.

The Hon. S.S. MARSHALL: That is correct but, as we said, there is going to be a new arts strategic plan and we are not going to be allocating money in advance of the plan being completed. My father always told me that the concept of 'ready, fire, aim' was never a good one—

Ms STINSON: No, it is not.

The Hon. S.S. MARSHALL: —so we are going to be planning first and then we will allocate the money accordingly.

Ms STINSON: You raise a really good point, actually. To cite a reference, I refer to Budget Paper 4, Volume 4, pages 60 to 67. You seem to have decided on these cuts, and allocations for that matter, yet you do not have your arts plan yet. Is that putting the cart before the horse a bit?

The Hon. S.S. MARSHALL: It is very difficult. As I have tried to explain to this committee, we inherited a very large savings budget and we have done everything we possibly could to reduce the impact, especially on arts organisations, in this budget. We have already provided them with an indication of what their funding will be going forward, but there was no alternative.

It would be completely inappropriate, for example, to come to government, inherit a much larger black hole than was ever envisaged prior to the election and then say, 'We're only going to increase funding to arts,' and they do not have to take any of the strain. What we have tried to do is to come up with a strong budget that addresses the problems that we have been left with in the best way that we could.

As I said, we have tried at every opportunity to decrease or minimise the effect on the arts organisations. Some of those things we had to deal with immediately because there was a range of issues, some of which I outlined earlier, where there was an immediate funding requirement. If we did not fund them then we were in trouble. For example, the French Festival, where there was a commitment to do it but there was no funding. If we did not immediately address that, then it could have been an embarrassment for our state because of our sister region relationship with Brittany.

We did that, as well as taking a range of other actions, but then we really had to move towards finalising the budget going forward. Now there is an opportunity, in the lead-up to next year's budget, to conduct this statewide review to inform the budget next year. I am hoping that we will continue to grow our economy in South Australia and that our budget position overall as a state will improve, because I for one would like to see further investment in the arts, and I think I have demonstrated that with some of the decisions that we have made already. I hope that we can minimise any future savings measure on the arts organisations in this state.

Ms STINSON: When do you imagine the arts plan will be done?

The Hon. S.S. MARSHALL: We will be wanting to start it before the end of this year. We still have not selected anybody to undertake that work. There are some people we are considering. As I said, we will look at the work that was done by the previous government, which to date has not really been reviewed. We will definitely do that. We will not lose any of the work that has already

previously been done in this area, but we will augment that with the new government's policies and attitudes towards the arts.

Ms STINSON: Following on from that, do you imagine that you may have to reshape what you have in the forward estimates quite considerably when you do have your arts plan formulated? We have been hearing that it is going to be quite a revolutionary document. Are you going to be really shaking up the sector and are you going to need to redraft your budget again once you have that arts plan?

The Hon. S.S. MARSHALL: Let's wait to see what comes out of the arts plan, but it will be an arts plan that we develop in conjunction with the sector. What it will do, for the first time in a very long period of time, is provide certainty to the sector and will indicate our government's support for this important sector.

Ms STINSON: I am sure they would appreciate some certainty at this point in time. I refer to Budget Paper 5, page 146. I have a few questions around the national Aboriginal art and cultures gallery. It is my understanding that more than \$2 million was spent on the planning, consultation and design for Adelaide contemporary. Will you be using any of that work and, if so, which parts or how much of it are you intending to use while you are looking at your gallery idea?

The Hon. S.S. MARSHALL: I do not know the quantum, but certainly there is a lot of work that has already been done that we will definitely be taking into account.

Ms STINSON: We have had the design competition, and there has been a lot of planning work done already. Are there particular aspects of it that you think can be utilised, or are you essentially starting from scratch?

The Hon. S.S. MARSHALL: I cannot speak for the original design competition that the government put in place in the lead-up to the 2014 election. Let's not forget that the previous government had multiple iterations for this site. But if you are referring to the most recent ones, because the former government had a decade to come up with a plan for the old Royal Adelaide—

Ms STINSON: I am referring to the most recent ones.

The Hon. S.S. MARSHALL: The most recent ones, yes. We need to clarify that because there were huge—

Ms STINSON: Well, that is clarified now.

The Hon. S.S. MARSHALL: There were huge sums of taxpayer money utilised to develop multiple plans for that site—all trashed by the previous government.

Mr MALINAUSKAS: You are the Premier now. Leave the opposition to the opposition. Move on. Move on to the premiership.

The CHAIR: Leader! Continue, Premier.

The Hon. S.S. MARSHALL: He is just getting excited, sir. The previous government had entered into an arrangement for a design competition for a new gallery on that site. On coming to government, we reviewed that contract and formed the opinion that we should continue with our obligations under that contract. We did that because some very significant architects had been engaged in that process, and they had been engaged in that process on the understanding that there would be a jury that would meet to determine the winner of the design competition and that there was money attached to that. We felt that that was made very clear to all the people when they signed up, and we would be fulfilling that.

The jury met, and we have now awarded the prize for that design competition. It does not mean that the taxpayers are obligated to build precisely that gallery. As you would note in the budget, there is an additional \$200,000, which is there at the moment for this financial year to look at the scope for the national Aboriginal art and cultures gallery. Where possible, we will utilise any prior expenditure of taxpayer money to make sure that we get the very best outcome. I must say that I am very impressed with the design that was the winner. It is extraordinary.

Ms STINSON: It has significant Indigenous elements in it as well that might be of relevance.

The Hon. S.S. MARSHALL: Yes. It is an extraordinary design and a very attractive design, but we still have not determined the final configuration for that gallery. I think we have incredible collections, both at the South Australian Museum and at the Art Gallery of South Australia. We also have great competence and expertise within Tandanya. We need to make sure that what we put forward is the very best offering that we possibly can to create something that is going to offer a real point of differentiation and draw people from around the state, interstate and overseas here to Adelaide.

Ms STINSON: Continuing along with the same budget reference, there is \$60 million allocated in the forward estimates, which I assume is for construction of the gallery.

The Hon. S.S. MARSHALL: Correct.

Ms STINSON: Is that the total cost that you imagine, or are you envisaging that there will be further expenditure in the out years?

The Hon. S.S. MARSHALL: No, I would envisage there would be further significant cost in the out years. We are advised at the moment that we could begin work on that site within the forward estimates, but there is no doubt, on the current estimates, that the final costs would be in the year following, that out year of the budget estimates. If it can be brought forward, that would be great, but that would actually require a fairly significant increase over and above the \$60 million that is already allocated within the forward estimates for that gallery.

We really want this to be the very best gallery that it possibly can. We want this to attract people to Adelaide. We want it to be something that every single South Australian is very proud of. We note the great effect of galleries like MONA and GOMA and, of course, the NGV, the National Gallery in Canberra and the Art Gallery of New South Wales. These organisations have driven real tourist activities and economic activities for their states and their jurisdictions. We want the same here.

As I said, we already have fantastic collections. We have great organisations. We know that the Art Gallery of South Australia's recent *Colours of Impressionism* exhibition brought a huge number of people to that site, I think 155,000 paying visitors, and 35 per cent of them came from outside South Australia. Apart from the artistic, cultural and creative benefit to our state, we are investing in this because we think there can be very significant economic benefit to our state as well.

Ms STINSON: Referring to the same budget paper reference, and touching on what you just said, what economic assessments have you done to establish whether a national Aboriginal gallery is more attractive for tourists than, for example, Adelaide contemporary, which has had some studies done on it in relation to that?

The Hon. S.S. MARSHALL: As you would appreciate, in opposition it is difficult to get that modelling done.

Ms STINSON: I do appreciate that.

The Hon. S.S. MARSHALL: It is tough in opposition.

Ms STINSON: It is.

The Hon. S.S. MARSHALL: But we have allocated money in our forward estimates to do that scoping work.

Ms STINSON: So that work has not been done yet? You have not done an economic assessment of the Aboriginal gallery?

The Hon. S.S. MARSHALL: No.

Ms STINSON: How do you know that it is going to be better than the Adelaide contemporary then, as you have spoken about several times?

The Hon. S.S. MARSHALL: Governments have to form opinions. We made our position clear in the lead-up to the election after extensive consultation. We already know that around Australia there are many galleries dedicated to modern art: there are MONA and GOMA. We know that the NGV is building a new, very significant gallery, much larger than was—

Ms STINSON: \$400 million.

The Hon. S.S. MARSHALL: \$400 million. We know that the Art Gallery of New South Wales also has a massive build in terms of that contemporary or modern art offering. What they do not have are our incredible collections that exist within the South Australian Museum and within the Art Gallery of South Australia.

By way of providing some evidence to the committee, can I highlight the incredible success of the *Tarnanthi* exhibition at the Art Gallery of South Australia. This not only created huge economic benefit to the state but also has inspired very, very significant corporate support. In fact, I do not think I am mistaken in saying that BHP put in over \$17 million toward this *Tarnanthi* offering in South Australia. I absolutely, unequivocally, believe that there is a lot of interest in the collections we have here in South Australia.

Mr MALINAUSKAS: Premier, this is probably similar to the land tax question, so we will not go over history again. If there has not been any modelling done around the economics of an Aboriginal art museum versus Adelaide contemporary, would you acknowledge that there is a risk that Adelaide contemporary might provide a better economic return on an investment than the Aboriginal art proposition?

The Hon. S.S. MARSHALL: I am not sure what economic modelling was undertaken by Sir Thomas Playford when he agreed to establish the Adelaide Festival. I am not sure what economic modelling was provided by the government of the day when they decided to have an art gallery in South Australia.

Mr MALINAUSKAS: We have moved on since Playford.

The Hon. S.S. MARSHALL: The point that I am trying to make is that we make informed decisions to the best of our ability.

Mr MALINAUSKAS: That is what we are trying to understand. We are talking about very substantial expenditure of taxpayers' dollars. I think we would share the view that when those decisions are made you would want the parliament and this committee to be informed around what is underpinning those decisions around the economics of the various propositions.

We have not been able to get access to a strategic and comprehensive decision around something like land tax. Maybe in regard to this we can, or are we working on the same basis that there is not modelling done and we are going to fire then aim? Is that what we are doing here? That is what I am worried about.

The Hon. S.S. MARSHALL: Not at all. We have made an informed decision after speaking to people about what our point of differentiation could be. I have already outlined to the committee that there are at least two, growing to four, very substantial modern art contemporary collection galleries—

Mr MALINAUSKAS: That might be because everyone around the world wants to see contemporary art.

The Hon. S.S. MARSHALL: —all being larger—

The CHAIR: Leader, you have asked your question and the Premier is answering.

The Hon. S.S. MARSHALL: —than what we have envisaged in South Australia. Rather than South Australia being 'me too', we want to be differentiated, and we do have an incredible collection.

Mr MALINAUSKAS: I am all for being different, as long as people want to come and see it. That is the question.

The Hon. S.S. MARSHALL: You can talk down our collections and—

Mr MALINAUSKAS: No-one is doing that.

The CHAIR: Leader, can I remind you that this is not an opportunity to give commentary or comment. You have asked the question and the Premier is now answering it.

Mr MALINAUSKAS: Well, that is the problem.

The Hon. S.S. MARSHALL: We have to do the best due diligence we can. As I said, from opposition, we looked at what was available and what was on offer around the rest of the country. We wanted to provide something which would do two things: (1) differentiate our offer, compared with other jurisdictions that may have greater money to spend in this area, and (2) reflect the great value of the collections that we have in South Australia, but more than that, as you will see from the budget papers, we have allocated money this current financial year to do that scoping work.

I remain extraordinarily confident that people will come to South Australia to see our collections, and the evidence I have already provided is the tremendous success of the *Tarnanthi* exhibition. I think you would be hard pressed to find anybody in this parliament who did not see it, did not appreciate it and did not recognise the big economic impact that it had here in South Australia over and above the very obvious cultural benefit to our state.

Ms STINSON: Still on Budget Paper 5, page 146, I have heard you, Premier, talk about another motivation for this gallery and that is because of the parlous state of the storage of Aboriginal art and artefacts at the Netley facility. To what extent is the new gallery going to resolve that issue, or will you need to build a separate new facility for storage as well as the new art gallery, or do you imagine that the problem will be fixed by the creation of the new gallery?

The Hon. S.S. MARSHALL: I think the issues regarding storage are more immediate, to be quite honest. The new gallery, as we have already spoken about, is several years off completion, and the need, in terms of adequate storage for some of our most precious and valuable items here in South Australia, is immediate and, in fact, well overdue. On coming to government, we were literally inundated with requests to visit the current storage site at Netley. We effected that visit as soon as we possibly could. We were told that these pleas had been made repeatedly to the former government over an extended period of time.

It was too late for us to include something in the current budget that was incorporated and we would not want to encumber Arts South Australia with another requirement of their reduced budget. We will work with the South Australian Museum on an immediate, medium term and longer term plan. That has not been finalised. I envisage that we will have more to say about this in the second half of this year, in the lead-up to the Mid-Year Budget Review, because I value the incredible collections that are currently in completely inadequate storage.

Ms STINSON: As do I, and I also have been to Netley to look at it. From that answer, does that mean you are looking at a stand-alone facility for storage for the Aboriginal and, I imagine, the South Pacific collections that are there as well? What sort of expenditure do you think you might need for that? I imagine it would be very expensive.

The Hon. S.S. MARSHALL: As I said, we are envisaging it in the immediate, medium and longer term. That work is being done at the moment. We have already had some in-depth discussions with the South Australian Museum. They have come back to us with some suggestions. Following the visit, I think they are going to firm up some of those suggestions. For example, some of the things that they have spoken to us about would involve expenditure, but this would not necessarily be lost expenditure towards what will become a longer term solution. The better storage containerisation of the collection, the digitisation of the collection and better racking systems could be done immediately, which would provide some immediate support and protection for the collection before medium and longer term options are considered.

Ms STINSON: But it is ultimately the structure itself that needs replacing or serious renovation, though, is it not?

The Hon. S.S. MARSHALL: As I said, this was another one of the massive messes that we inherited from the previous government. I am happy to provide details to this committee of the dozens of pieces of correspondence that the previous government received regarding this most fragile and important collection that went completely and utterly unheeded. We will not be doing that. We will be taking action, but we want to make sure that we take the action that is going to be best for the collection in the longer term.

Ms STINSON: I refer to Budget Paper 4, Volume 4, pages 60 to 67. What impact will the cuts have on the Major Performing Arts Framework organisations, and has any deal been struck with the Australia Council to make sure that the federal funding is not reduced in line with the state funding reductions?

The Hon. S.S. MARSHALL: Yes. I have met with the Australia Council regarding the grant that they received through the MPA funding, and they will not be reducing their funding to those organisations in line with the budget savings that the government of South Australia will be imposing upon those organisations.

Ms STINSON: What period of time does that agreement cover?

The Hon. S.S. MARSHALL: They did not specify.

Ms STINSON: Is it just for this financial year, or is it for the forward estimates or beyond that?

The Hon. S.S. MARSHALL: As you may be aware, the COAG cultural ministers committee, of which I am currently the chair, is reviewing the funding arrangements for major performing arts funding in Australia. There may be a complete change to what is happening in that area. All the pre-work of that was done before my attendance at the most recent meeting, which was held in Canberra. That is going out for industry consultation now, and I think that COAG are looking to make a decision. Consultation on that will occur before the end of the year with a view to adopting it going forward, and interim arrangements have been put in place to extend the existing agreements for major performing arts organisations in Australia.

Ms STINSON: Could there be adverse outcomes for South Australian major performing arts organisations because of the reprofiling of how the federal funds are allocated?

The Hon. S.S. MARSHALL: As I said, the savings measures that have been imposed upon those organisations are significantly less than what had been envisaged by the previous government.

Ms STINSON: That is not quite what I am asking. Just to explain, you said that some sort of arrangement has come to pass to make sure that the South Australian major performing arts organisations do not suffer a cut in funding from the Australia Council, but then I understood you to say that the way that funding is allocated is being looked at anyway. Am I right in that understanding?

The Hon. S.S. MARSHALL: Yes. That is being looked at.

Ms STINSON: So might we suffer an adverse outcome from that regardless of the deal that you have managed to strike?

The Hon. S.S. MARSHALL: No, I do not think so. Although the group that is looking at this has not finalised the draft that will go out to consultation, it was certainly pretty clear from the discussions around the table at the COAG cultural ministers meeting that no state would support any cuts to the existing MPAs that were funded in the past and they did not want to see any cuts going to those organisations into the future.

Ms STINSON: On the same budget reference, I understand that some arts organisations in South Australia say that they will find it very difficult to meet what are basically front-loaded savings, chiefly because they put together their programs so far in advance, recruiting artists to come from overseas three and four years in advance. I understand that some approaches have been made to you, possibly through others, to equalise or backload the savings. Have you given any thought to that, or have you responded to those agencies that have asked you to look at that as an option for them?

The Hon. S.S. MARSHALL: No. We have provided in writing to each of the organisations that remain within the DPC area of focus an indication of what their savings will be now and over the forward estimates. As I have already indicated, though, from time to time we have had to deal with unexpected situations that arise. We will have to deal with some movement in terms of storage for the South Australian Museum. Also as the budget improves, we will look at opportunities which will allow us to further invest in arts organisations that will benefit the people of South Australia.

Ms STINSON: Would you be able to look at that, though, considering that the deepest cuts are this year and next, and that we are already a substantial way through this financial year. I do not even think they can cancel performances because they have already forked out the money for the, so is there any capacity for you to look at the way you are rolling them out for particular major arts organisations—

The Hon. S.S. MARSHALL: No, I think—

Ms STINSON: —so that they still meet the targets but just in a different time frame?

The Hon. S.S. MARSHALL: As I have said, these arts organisations have known about the budget savings that were incorporated into the forward estimates from the previous government—

Ms STINSON: But you have front-loaded them now.

The Hon. S.S. MARSHALL: These are substantially lower. No, we have not actually. In fact the total difference between what we have envisaged this year and the former government's is \$211,000 over 21 different organisations. It is a very small amount. As I said, in addition to the \$211,000 increased budget measure there is more than \$3½ million dollars worth of new funding in this current financial year going in to support the sector over and above the things I have already outlined to the committee that we have had to fix, which were done before the end of the financial year.

The CHAIR: I am going to indicate to the committee that the time allocated to Arts South Australia has expired. I thank the committee for that session. We will now move on to Veterans SA, and we have just half an hour allocated for that.

Membership:

Hon. A. Piccolo substituted for Ms Stinson.

Departmental Advisers:

Mr J. McDowell, Chief Executive, Department of the Premier and Cabinet.

Mr S. Woolhouse, Chief Finance Officer, Department of the Premier and Cabinet.

Mr R. Manton, Director, Veterans SA, Department of the Premier and Cabinet.

Ms J. Mazel, Assisting the Chief Executive, Department of the Premier and Cabinet.

The Hon. S.S. MARSHALL: I indicate that Jennifer Layther is departing, forsaking me—

The CHAIR: Surely not.

The Hon. S.S. MARSHALL: —but do not be put off; Rob Manton is on his way. Again, the only change to the arrangements in terms of the advisers is the arrival of Mr Rob Manton, who is of course, as you would be aware, the director of Veterans SA. I indicate to the committee that I will not have any opening statement.

The CHAIR: Any opening remarks from the leader?

Mr MALINAUSKAS: No, I again reiterate my thanks to the Premier for maximising the time for questions.

The CHAIR: If not, I throw to you—questions from the leader.

Mr MALINAUSKAS: On Budget Paper 4, Volume 4, program 10, page 68, regarding the highlights, the third listed highlight states that you have developed a strategy for the establishment of a veterans hub at Anzac House on the Torrens Parade Ground. I was just wondering what progress has been made regarding that proposition.

The Hon. S.S. MARSHALL: This was a proposal that had been put forward by the previous government, and quite frankly it was one that I thought had a lot of merit and that we should continue

the work to determine whether or not this could be a possibility. There is nothing which is actually included in the budget in terms of dollars allocated to this, but we will use this current financial year to really determine and work up whether or not there is an appropriate business case for that new hub down on the Torrens Parade Ground.

Mr MALINAUSKAS: So has anything happened over the last six months regarding that?

The Hon. S.S. MARSHALL: Certainly we have been looking at the success of other hubs and ways where veterans, especially contemporary veterans, can drop in and receive services. I think it is fair to say that it is still early days for the centre, which is out on the Glenside campus, but all the early indications have been very positive.

Mr MALINAUSKAS: It is an outstanding facility.

The Hon. S.S. MARSHALL: Yes.

Mr MALINAUSKAS: In regard to the Torrens Parade Ground, we have not really done anything in the last six months.

The Hon. S.S. MARSHALL: I am happy to ask the director if he has anything he would like to add to the points that I have already made.

Mr MANTON: We have had considerable consultations with the veteran community concerning the viability of having a hub at that location, which also obviously incorporates potentially relocating History SA, so there are some issues that we need to work through there. The idea, I would say, has overwhelming support of the veteran community to have a one-stop shop. The idea is to maximise and bring back, if you will, the prominence of that facility as a military facility from where people left to serve and continue to leave to serve and continue to serve. It does have a lot of support, and we will be progressing that through the agency over the next 12 months.

Mr MALINAUSKAS: The Premier has already answered what was going to be my next question around funding within the budget. If, through the work you undertake over the coming six months, it has not happened over the last six, and you determine that is a move that is worthwhile, would that be something you would expect to visit in the MYBR?

The Hon. S.S. MARSHALL: I do not know whether it would be in the Mid-Year Budget Review, but I would certainly hope that work could be completed and that we could make a decision, yes or no, in time for the budget next year. I do not envisage that it would be a huge cost. It will not be insignificant. The opposition has asked questions about a \$3,000 office refurbishment; it will be more than that, but I do not think it will be massive. I think it will be very important but, as the director has pointed out, there are other organisations that will be affected, and they could be a more complicated matter to address in this overall issue.

Mr MALINAUSKAS: We were not asking about the \$3,000; we were asking about the cost. We just did not know how much it was, and it turned out nor did you.

The Hon. S.S. MARSHALL: I think we have determined it is around—I would not want to say exactly—\$3,000, I am advised.

Mr MALINAUSKAS: We will let you off if it is \$3,100.

The Hon. A. PICCOLO: I refer to the same budget line. It is a supplementary question, in effect. You mentioned, Premier, that it may require the relocation of History SA if the hub goes ahead. Has History SA been consulted? What is the likely cost of relocating History SA, and will it impact on the veterans budget? Is History SA secure?

The Hon. S.S. MARSHALL: We have just outlined in the previous committee that History SA is receiving more money—\$768,000 over the forward estimates—but no decision has been made. If there were a cost and a suitable place could be found, the cost of that would not be worn by the Veterans SA budget. I think someone was suggesting that we do away with the Legislative Council and move it up there. I protest, sir. I do not think it is a good idea at all and I will rule out that proposition.

The CHAIR: Where would we have committee B?

The Hon. S.S. MARSHALL: Exactly—spot on, sir.

The Hon. A. PICCOLO: I refer to Budget Paper 4, Volume 4, program 10, page 69, other expenses. I note the reference to the transfer of the completed ANZAC Centenary Memorial Walk asset to the city council, valued at \$9.27 million. What is Adelaide city council's contribution to the project, and has that contribution been paid to the state government?

The Hon. S.S. MARSHALL: I am going to ask the director to answer that only because this was a project that was essentially envisaged and completed by the previous government; therefore, I do not have intimate knowledge so, if you are happy, I will ask the director to answer.

Mr MANTON: It was a \$10 million project, and \$5 million was funded by the federal government through the ANZAC commemorative fund, which was a public fund. There was \$3 million from the state government and \$1.95 million from the Adelaide city council, which incorporated the resurfacing of Kintore Avenue, the repaving or the re-kerbing and the associated works, as well as a \$1.5 million contribution to the actual walk itself.

The Hon. A. PICCOLO: So the actual contribution was actually in-kind rather than any moneys?

The Hon. S.S. MARSHALL: They did not pay us the money but they had substantial works invoices that they were up against. They did not do the work in-house, so therefore in-kind. They would have had definite costs associated with that very substantial work. I am advised that there is an additional \$1.5 million in cash that was contributed by the Adelaide city council.

The Hon. A. PICCOLO: And by 'contributing' you mean that has actually been paid over and received by the state government?

The Hon. S.S. MARSHALL: That is my understanding, yes.

The Hon. A. PICCOLO: I refer to Budget Paper 4, Volume 4, program 10, page 69. I note the reduction in FTEs for the agency from 7.8 to 4.4. What is the reason for the reduction in FTEs?

The Hon. S.S. MARSHALL: I am going to ask Mr Woolhouse—

Ms Bedford: Our expert in the area.

The Hon. S.S. MARSHALL: —because the overhead allocation in the Department of the Premier and Cabinet is significantly lower. I do not know what that says about the overall efficiency of the Department of the Premier and Cabinet versus other departments. I will be raising this in cabinet by the way. I will ask Mr Woolhouse to explain.

Mr WOOLHOUSE: There are actually a few more elements to this one. The corporate overhead allocations are a component of this because there is corporate overhead expenditure within the department, which includes activities such as finance, human resources, combination, insurance, workers compensation and so forth. So the actual overheads of running the department are the way the budget papers are presented, so in this case by program.

Under the guidance of Treasury and Finance, we allocate that corporate expenditure. It is expenditure, it can be income, it can be FTEs and they get allocated against each program. The allocation method used is based on the program's FTE weightings. What that means is that it depends what the composition of your department is. Last year, for example, we had lots of bigger programs, such as Shared Services and Service SA that have left. This year the programs that have come in, such as Veterans SA and so forth, have come in with overheads not so large. So the numbers that you are seeing there in the previous years relate to when they were in Treasury and Finance.

The Hon. S.S. MARSHALL: Are you saying they are inefficient in Treasury and Finance?

Mr WOOLHOUSE: I am saying that they allocate them differently.

The Hon. A. PICCOLO: Can I clarify that? Is the answer to this committee that when Veterans SA was actually housed in Treasury it required 7.8—

Mr WOOLHOUSE: No, because this is inclusive of the unit's FTEs and then it is an overhead allocation over the top. Part of the explanation as to why it is lower is overhead allocation. A small fraction relates to the state budget savings and then the balance relates to the completion of the ANZAC centenary unit; that program finished and those FTEs are finished.

The Hon. A. PICCOLO: How much of that combination is actually a reduction in FTEs as a result of the winding down of the centenary celebrations.

Mr MANTON: If you could just bear with me, I will explain the process. In 2014, the ANZAC Centenary Coordination Unit was established for the period of the ANZAC centenary. It was established at three FTE, and at that time Veterans SA was also three FTEs. The ANZAC centenary unit's work was due to be completed and was funded until 30 June this year. Its work was completed throughout the first six months of this year. Those three FTE have now left.

In the interim, however, the ANZAC centenary unit generated an expectation within the veteran community for a continuing presence, that is, electronic information, commemoration, employment, assistance etc., and we received approval from the Department of Treasury and Finance to restructure, which resulted in our having the existing three Veterans SA people and two additional people, which took us to five. One of those positions has been taken back. I am sorry, it took us to 4.8. One of those positions has been reduced to .6 as part of the savings, so we are now at 4.4.

The Hon. A. PICCOLO: In summary, what you are saying to me is that one FTE is just Treasury overhead that has been removed?

Mr WOOLHOUSE: Yes. In simple terms, yes.

The Hon. A. PICCOLO: Right. It would be much easier to just say that.

The Hon. S.S. MARSHALL: You are the only one who has got it today. Are you an accountant?

The Hon. A. PICCOLO: Unfortunately, yes.

The Hon. S.S. MARSHALL: Well, you got it. You should be the shadow treasurer.

The Hon. A. PICCOLO: No, I am happy where I am.

The Hon. S.S. MARSHALL: Are you? Okay.

The Hon. A. PICCOLO: I am more than happy where I am. Not as shadow—I am just happy to be the current shadow.

Mr PEDERICK: Happy to be of service.

The Hon. A. PICCOLO: Yes, happy to be of service. I refer to Budget Paper 4, Volume 4, program 10. I will not ask the question why Treasury costs one FTE more—that is for another day perhaps.

The Hon. S.S. MARSHALL: I have been asking myself that all day.

The Hon. A. PICCOLO: Referring to Budget Paper 4, Volume 4, program 10, page 68, targets 2018-19, the second listed target refers to the coordination of a program of events in partnership with the commonwealth Department of Veterans' Affairs, etc. Can the Premier elaborate what is planned for the day on that date?

The Hon. S.S. MARSHALL: If you are happy, I will ask the director—

The Hon. A. PICCOLO: Yes.

The Hon. S.S. MARSHALL: —only because he is doing such a great job. We are very happy with the work that he is doing. I think it would be a more fulsome answer to this committee if he provided it.

The Hon. A. PICCOLO: As long as you do not bring Treasury into it.

Mr MANTON: If I understand your question, it relates to activities associated with Armistice commemorations; is that correct?

The Hon. A. PICCOLO: That is correct, on the day itself.

Mr MANTON: On the day itself?

The Hon. A. PICCOLO: Yes.

Mr MANTON: On the day itself, there will be a remembrance breakfast for World War II veterans, hosted by the RSL. I should go over the evening before. There will be a state dinner or a state function hosted by the Premier on the evening of the 10th. There will be statewide remembrance services coordinated by ex-service organisations.

At the War Memorial in the city, the RSL will continue to coordinate, as it usually does, the Remembrance Day commemorative service. We will add to that this year with a flyover of a fourship of Tiger Moths, a drop of anywhere between 5½ thousand and 50,000 poppies—depending on how many we can get made—during the minute's silence or just after the minute's silence as part of that service.

There will be static displays on the Torrens Parade Ground of military equipment that dates back to the First World War, all the way through to contemporary. The Department of Defence has assisted us in that regard, so there will be static displays down there as well. Also, as part of that is Stop the Nation. Our contribution to the Stop the Nation commemorative activity, the one national activity that will be conducted, will involve turning traffic lights red at major intersections, assisted by South Australia Police, to stop the traffic for one minute at 11 o'clock.

The Hon. A. PICCOLO: Every traffic light?

Mr MANTON: Not every traffic light. Unfortunately, I am advised that if you can turn them all red you can turn them all green, and that is potentially problematic. On King William Road, between Victoria Square and the Cross of Sacrifice, down near the Adelaide Oval, those traffic lights will turn red. In country areas, the local government authorities are working with local authorities and RSLs to conduct similar-style activities as well.

The Hon. A. PICCOLO: Just on that, Premier, will the government be taking any action to declare a change in shop trading hours on Sunday the 11th, from the standard 11am opening time to a midday opening time, to enable employers and employees to attend various commemoration ceremonies, and also to reduce congestion around various ceremonies around the state and particularly on North Terrace?

The Hon. S.S. MARSHALL: That has not been finalised at this stage, but it is something that is being contemplated.

The Hon. A. PICCOLO: When is the contemplation likely to end?

The Hon. S.S. MARSHALL: Very soon I am advised.

The Hon. A. PICCOLO: From that contemplation, can we assume that it is likely to be more so than less so?

The Hon. S.S. MARSHALL: More regulation?

The Hon. A. PICCOLO: No. Is it more likely to occur than not occur?

The Hon. S.S. MARSHALL: I do not want to mislead the committee in any way. We are not far away from making a decision, and I would rather just make that announcement when it is ready.

The CHAIR: I see the member for Florey.

Ms BEDFORD: I refer to Budget Paper 4, Volume 4, program 10. As was referred to earlier, is there some commonwealth contribution in this area? I understand that South Australia has 8 per cent of veterans in the nation, yet only receives 2 per cent of funding. What are we doing to try to get a fairer share of that money?

The Hon. S.S. MARSHALL: This is funding for which program?

Ms BEDFORD: This is for your Veterans' Affairs. I am informed reliably that we have 8 per cent of the veterans in this nation and yet only attract 2 per cent of the federal funding that comes to Veterans' Affairs in various ways. I am wondering if there is any work being done on getting a fairer share of it.

The Hon. S.S. MARSHALL: I do not know those figures that you have provided. Are you talking from DVA?

Ms BEDFORD: Overall, yes. The DVA figure is we have 8 per cent of the veterans in the nation.

The Hon. S.S. MARSHALL: Yes.

Ms BEDFORD: Yet for the funding that might come from the commonwealth government to various state Veterans' Affairs areas, we only get 2 per cent of that.

The Hon. S.S. MARSHALL: I was not aware of that. I am happy to follow that up.

Ms BEDFORD: It may be possible.

The Hon. S.S. MARSHALL: Yes, definitely we can follow that up, if that is the case. But I was not aware of that and we can look into it and get some more information.

Ms BEDFORD: That was my information this morning, so unless there is a massive decrease in numbers, it will be the same in the next couple of weeks.

The Hon. S.S. MARSHALL: Yes, alright. We will follow that up.

Ms BEDFORD: Terrific.

Mr MALINAUSKAS: Regarding Budget Paper 4, Volume 4, page 68, I thought I would ask this because I saw it this morning and just thought it was timely, considering you are here, Premier, with your officials in the agency. In today's lift-out in *The Australian*, and you may not have seen it, but there was an article regarding unemployment amongst defence veterans. I know the agency has had an ongoing involvement and interest in the area.

In the article it states that according to DOD, 9 per cent of veterans remain unemployed 13 months after they were discharged, which obviously has a huge economic and social impact for those individuals. In 2017 a report by veterans employment group WithYouWithMe found that the total veteran unemployment rate was 30 per cent, five times more than the national average. The Minister for Veterans' Affairs federally, Darren Chester, admitted that in the past the government and the ADF had underestimated the difficulties that veterans experience as they come out of the armed forces. He said:

I think in 2018 and beyond, if we are going to attract our fair share of the best and brightest young Australians, we have to put a proposition to them that says you can have a great career at the ADF and we will prepare you and support you for a life after the military.

I know it is something that Veterans SA has cared about for a while and I just thought I would ask what work Veterans SA continues to be committed to in this space and whether or not they have sought or been able to attain more resources for this important work?

The Hon. S.S. MARSHALL: The budget which was handed down on budget day provides \$700,000 towards trying to assist members who are leaving the ADF to find work in the defence industry in South Australia. As the leader may be aware, there is a significant number of members of the ADF who have very high-level security clearances who are sought after by the defence industry. What we have decided to do is to fund via Defence SA to the DTC a methodology, if you like, to identify the member of the ADF who is going to leave and then try to look at their skills and their aspirations to match them up with members of the defence industry so that we can avoid this hiatus.

We do this because there are too many veterans who cannot find employment post their service or who are very significantly underemployed. It goes without saying that we have one of the finest defence forces in the world. They are highly skilled men and women in the ADF who are used to pressure situations, large budgets, the use of very expensive equipment, who are highly trained

and have been undergoing long-term professional development. If for no other reason but the economic reasons, we need to make sure that those people post-service are utilised for our state. What we also know is that many former serving men and women struggle disproportionately with post-traumatic stress. Our veterans, as well as our first responders, have seen things that quite frankly the average Australian has not seen and let's hope they never see.

What we do know is that, by providing adequate employment, we can minimise the effects sometimes of post-traumatic stress. For those two reasons, from opposition we said that we would address this with this \$700,000 over four years. There is an initial set-up cost to be put in place and then that will run for the remainder of those four years. I would imagine that, soon after it gets up and running for the first year or the second year, we can see whether it requires further funding thereafter, so we will do an evaluation.

We are very confident that this will be successful. We have conveyed this to the federal government. Darren Chester, the federal minister, is very positively disposed towards what we are trialling here in South Australia. It may be something that gets picked up nationally. It is certainly something that I will be showcasing when I attend the COAG Veterans' Affairs ministers conference next month.

The Hon. A. PICCOLO: Mr Chair, can I ensure that the estimate omnibus questions can be read into the record?

The CHAIR: I have a question on that: are they the same omnibus questions as were read earlier?

The Hon. A. PICCOLO: Yes, identical.

The CHAIR: We will take them as read.

The Hon. A. PICCOLO: I refer to Budget Paper 4, Volume 4, page 68, program 10, Targets 2018-19. The third dot point states that the government will:

- Establish a process for collecting and disseminating data on the number of veterans and ex-service personnel in South Australia who become homeless, experience mental health problems or are incarcerated.

The question I have for you, Premier, is twofold: will the data collated be published or otherwise made available to the public? Given the fact that it has been collected, can we assume that the government will then provide an increase in services to veterans, particularly tailored for those who on occasion enter the public housing, health, Correctional Services or other Public Service systems?

The Hon. S.S. MARSHALL: I thank the honourable member for his question; it is an important one. This was something that we spoke a lot about in the lead-up to the election. Not everybody understood the importance and the value of collecting this data, but it is very valuable because it means that we can identify where veterans are and make sure that we have adequate services to provide support.

This project is well underway. It is one that we tried to get underway as soon as possible after the election. I recently spoke with one officer within Veterans SA who told me that August was the first month that data had come through on veterans who exist within the Corrections area. This is extraordinarily valuable. Now we know who these people are we can make sure that we can have adequate services provided to them. I might see if the director has anything further to add.

Mr MALINAUSKAS: Or who initiated that program.

The Hon. S.S. MARSHALL: You had 16 years. I think the first collection was in August and it was a deliberate policy of the opposition.

Mr MANTON: We did start some data collection. I think about two years ago we commenced discussions as to how we might gather data and how that data might be used. The first data from Corrections has come through, as the Premier indicated, in August. There are some other areas where we do need to continue negotiations with government agencies and departments to make sure that the data we collect and the questions that are asked at admission provide us with clarity.

One thing we need to be careful of is that people do not self-report when in fact they are not actually veterans; sadly, that does occur. Someone can turn up at an admission facility and be asked the question, 'Are you a veteran?' and they will say, 'Yes.' The reality is that we then have to go away and check that. We have to check the veracity of the data, and there are some processes that we need to work through along those lines. Certainly, recently we have given significant impetus to that collection.

The Hon. A. PICCOLO: I have a supplementary question. Is your evidence to the committee then that the data you will be collecting will be real-time data that will enable service delivery people and veterans' groups to respond at that time?

Mr MANTON: That would be—

The Hon. A. PICCOLO: Thank you, Premier.

The Hon. S.S. MARSHALL: I have absolute trust in my director. As in other areas—defence, for example—I think we can all agree that Veterans' Affairs is something that we should adopt a bipartisan approach to. So, as the government, our commitment is that if the shadow minister requires any information, he should not feel that he has to go through me. I think that he can pick up the phone—

The Hon. A. PICCOLO: I do that already.

The Hon. S.S. MARSHALL: —and speak to the director.

The Hon. A. PICCOLO: Can I have an answer to the question then?

The Hon. S.S. MARSHALL: In addition to that, he can answer this question that you did not ask when you last picked up the phone to speak to him, as previously indicated to the committee.

The Hon. A. PICCOLO: You did allocate 30 minutes, so I thought I might as well fill up the 30 minutes.

The Hon. S.S. MARSHALL: You can do what you like.

The CHAIR: Premier, was there something that the director wishes to add to that answer?

The Hon. A. PICCOLO: Before he was rudely cut off by the Premier.

Mr MANTON: I do not believe there is anything more I can add to what the Premier has said. We will collect the data, as we have indicated, and that data will be used to set trigger points for those veterans and ex-service organisations that can assist those individuals and their families. I do know that it is a priority at the federal level to collect that data across the country.

The CHAIR: In that case, I advise that, in accordance with the agreed timetable, the committee stands suspended until 4.15pm.

Sitting suspended from 16:01 to 16:16.

Membership:

Ms Hildyard substituted for Hon. A. Piccolo.

Departmental Adviser:

Mr J. McDowell, Chief Executive, Department of the Premier and Cabinet.

Mr S. Woolhouse, Chief Finance Officer, Department of the Premier and Cabinet.

Ms J. Kennedy, Assistant Director, Multicultural SA, Department of the Premier and Cabinet.

Ms J. Mazel, Assisting the Chief Executive, Department of the Premier and Cabinet.

The CHAIR: Welcome back. From now until 5pm we will be examining Multicultural SA. Premier, I invite you to make an opening statement and introduce your advisers.

The Hon. S.S. MARSHALL: Thank you very much, Mr Chairman. This is the final session of a long day for committee A—the A team, as I like to call it. We thank you for your chairmanship. There is a slight change in the arrangement for advisers. I would like to introduce Justine Kennedy, the Assistant Director of Multicultural SA. She replaces Mr Rob Manton, but the other advisers remain alert, awake and ready to serve, albeit not yet called upon.

I also indicate to the committee that there will not be an opening statement because I would like to provide the maximum time for the committee to ask any questions they wish. I point out that if the opposition runs out of questions, the people on the government benches have sat idle all day. If the opposition does not choose to fill all 45 minutes, it would be good to see at least one of them do some work over there today.

The CHAIR: Premier, far be it for me to disagree with you, but I suspect the members on the government bench have been champing at the bit, in fact.

The Hon. S.S. MARSHALL: Have they?

The CHAIR: Yes.

The Hon. S.S. MARSHALL: I think it was important to provide the opposition with every opportunity: no Dorothy Dixers, no opening statements and maximum ability to ask questions. Like the previous portfolio, Veterans SA, this is another one where we try to maintain a civil dialogue between the government and opposition, because one thing that we value in South Australia is our wonderful multicultural sector, and harmony is such a privilege. It does not exist in every jurisdiction around the country or around the world, of course, but we do have a wonderful multicultural sector here in South Australia.

Mr MALINAUSKAS: It sounds like an opening statement, Mr Chairman.

The Hon. S.S. MARSHALL: I would like to note that the Leader of the Opposition is a member of a very significant multicultural community in South Australia, the Lithuanians, who have premises in my electorate. Very good people.

Mr MALINAUSKAS: Indeed.

The CHAIR: Thank you, Premier, for that short opening statement, even though we were not planning on that. I would like to acknowledge my Cornish heritage as well—just as important.

The Hon. S.S. MARSHALL: That is a country, is it?

The CHAIR: Leader of the Opposition, over to you.

Mr MALINAUSKAS: I think he keeps saying this because he likes me thanking him for it, but I am happy to reiterate my thanks to the Premier for having no opening statement, or indeed a very brief one in this instance, and again express my appreciation of that fact that there have not been any government questions today. I do want to acknowledge that and put it on the record.

The Hon. S.S. MARSHALL: Thank you.

Mr MALINAUSKAS: I appreciate it and I hope it is a tradition we can uphold in the last 45 minutes. In that case, shall we hop in?

The CHAIR: Over to you with questions.

Mr MALINAUSKAS: Premier, in regard to multiculturalism, what is your vision for South Australia. To be more specific, how do you see your budget realising that vision, whatever it may be? If you want me to refer to a budget paper, it is Budget Paper 4, Volume 4.

The Hon. S.S. MARSHALL: As I have already outlined to the committee, I very much value our multicultural sector here in South Australia. We are all enriched by what people bring from their cultures here into South Australia and I think one of the elements we have in South Australia that is missing in some other jurisdictions is this great harmony.

I would like to commend the former government for the way they dealt with this sector. There were many aspects of the way that they managed this portfolio that are to be commended. I for one attended many very happy events and occasions with members of the opposition—or, as they were then, members of the government—with the various ministers for multicultural affairs over the years.

Mr MALINAUSKAS: I think we have one tonight.

The Hon. S.S. MARSHALL: Tonight, the Leader of the Opposition and I will possibly be doing the zorba together.

The CHAIR: That does not bear thinking about.

Mr MALINAUSKAS: He has not had enough of me today.

Ms HILDYARD: That is quite an image.

The CHAIR: Order! Premier, please continue.

The Hon. S.S. MARSHALL: My vision in this area is to make sure we maintain a very harmonious multicultural sector in South Australia that will continue to enrich our lives and our state. To that end, I have appointed the Hon. Jing Lee as the assistant minister to me as the Premier. She will help me in all my portfolios, but she has been extraordinary in helping me to navigate different multicultural groups here in South Australia. She has an incredible passion in this area and she is infectious in her enthusiasm.

The Hon. Ms Lee really has all of us in the government, at what we call the joint party room, enthused about our efforts in this area. The only thing that worries me about the Hon. Jing Lee is that we have our annual Liberal Party multicultural event coming up—I will not tell anybody if you do not, sir—and the newbies are in for a bit of a shock when they get to the Burnside Town Hall and realise that they are going to be up on that stage singing *We are the World*. I look forward to that. Do not tell any of the newbies that they will be up there. We will put them up front and centre.

The CHAIR: I think the word is out.

The Hon. S.S. MARSHALL: Is it?

The CHAIR: As of this moment. Leader of the Opposition—question.

Mr MALINAUSKAS: Premier, regarding your commitment to multiculturalism, can you explain what has happened to funding within the multicultural communities, particularly regarding access grants. We can see that, on our reading of the budget figures, there has been a funding cut in this area, which does not reconcile with the commitment you have just articulated.

The Hon. S.S. MARSHALL: I understand the leader's question. As he would be aware, there is a savings target for this agency of \$247,000 in this current financial year, increasing to \$313,000; that is essentially taken off an estimated result last year of \$5.1 million. I point out to the committee, though, that the budget for last year of \$4.968 million is only slightly higher than we have set for a budget this year.

This is a budget that provides some savings to virtually every single aspect of government. This is something that, of course, we have been forced to do to make sure that we can provide a balanced budget. Can I say that I am very proud to ensure that the savings target set for this agency has not been singled out; in fact, it has been cut some slack because of the importance it has for the people of South Australia.

Ms HILDYARD: Premier, the line at Budget Paper 4, Volume 4, page 43, program 8, shows a cut of \$117,000 from the 2017-18 budget to the 2018-19 budget for multicultural affairs and \$256,000 less than the estimated spend for 2017-18. Can you tell us what services and/or programs are being cut.

The Hon. S.S. MARSHALL: I think that is still being reviewed. As people would be aware, this particular agency has just moved, on 1 July, under the very substantial machinery of government changes put in place by the new government, from the Department of Human Services to the Department of the Premier and Cabinet. That came in on 1 July. It is a modest savings target. I do

not want to diminish it at all; it will still be significant. This is an agency that is generous with its grants programs and other programs, but an efficiency will be required, and that is yet to be determined.

Ms HILDYARD: Premier, which particular services or programs do you anticipate being cut?

The Hon. S.S. MARSHALL: It is yet to be determined, but as soon as we do—

Ms HILDYARD: But there will be cuts to programs, services or grants.

The Hon. S.S. MARSHALL: As I said, there is a budget measures requirement. Quite frankly, I have not looked it up, but I am quite sure that, if I looked carefully enough, there would have been quite a substantial budget savings measure envisaged by the previous government as well. The previous government envisaged quite substantial budget savings over the forward estimates. These applied to all departments. There were some exceptions; multicultural affairs was not one of those areas. I do not have the details of the savings measure envisaged by the former government but, yes, there is a savings measure that is going forward, and we will find that from the budget that has been provided.

Ms HILDYARD: What consultation, if any, was undertaken before that cut to funding for grants, programs and services was confirmed?

The Hon. S.S. MARSHALL: We consulted the Treasurer, and he told us that the budget black hole we inherited was much larger than was conveyed to the people of South Australia in the lead-up to the election, so we have to make savings. We made a commitment to return to balanced budgets. We are not projecting massive surpluses. We are not, in the first instance, projecting to massively write down debt that we have inherited and that was projected into the former government's forward estimates, but there are some efficiencies that need to be found.

I am advised that there is no certainty that this savings measure will be found from grants. We are now looking at other efficiency measures. Keep in mind that, as the Chief Finance Officer from the Department of the Premier and Cabinet has gone to some lengths to point out, there are very efficient systems within the Department of the Premier and Cabinet. We will look at how we can tap into the existing resources of the Department of the Premier and Cabinet to minimise any potential adverse effects on the multicultural sector.

Mr MALINAUSKAS: Supplementary question, Mr Chairman: Premier, in your former answer you referred to the so-called budget black hole that has been a repetitious excuse for the cuts implemented within your budget. Do you not acknowledge that the government's own very substantial spending decisions are a very substantial contributing factor to the need for you to make substantial cuts to the budget in order to be able to realise your ambition for a surplus?

The CHAIR: I assume, leader, that there is a budget line that you are referring to?

Mr MALINAUSKAS: Sure.

The CHAIR: And it is?

Mr MALINAUSKAS: The same one that I referred to earlier. It was a supplementary question.

The CHAIR: Thank you.

The Hon. S.S. MARSHALL: I am going to ask the chief financial officer to talk the committee through his thoughts regarding the budget saving.

Mr WOOLHOUSE: What I was just discussing was that this business unit has come in from a larger department, the Department of Human Services. So savings tasks that were allocated were allocated in accordance with machinery of government principles. When they come into the department here, we have a budget measure around the department savings. Essentially, Multicultural SA is part of that, and under that savings measure we are looking at reviewing the best, most efficient operating methods we can in the department, and that includes Multicultural SA. That will ultimately determine how all the savings are achieved.

Mr MALINAUSKAS: Sure, but my question was in reference to the answer you gave prior, Premier, referring to the need to cut multicultural affairs' budget as a consequence of the black hole

you allege to have been left by the former government. My question was: surely you would acknowledge that the very substantial spending decisions that you have made as a result of the policies you took to the election are a contributing factor to the need to be able to make these cuts; that is, you had unfunded election commitments that you now need to fund, hence the need to make the cuts.

The Hon. S.S. MARSHALL: Yes, but I put it to this committee and to the Leader of the Opposition that the commitments we made in the lead-up to the election were extraordinarily modest compared with those the former government were making, in fact. Our commitments were a fraction, so we could only hazard a guess at what the likely impact would be. One day when I was in my electorate I got a call, and they said the former government was in my electorate making a \$279 million spending commitment. The journalist called me and said, 'How are you going to respond? Will you match this \$279 million?' I said, 'I will do better.' They said, 'How?' I said, 'Well, I'll call a press conference.' I did my press conference and I committed not to their \$279 million but to a far more valuable project, which was a scramble crossing on the corner of The Parade and George Street, costing the taxpayers \$38,000.

I only raise this because our funding commitments or the issues we raised in the lead-up to the election were often criticised for being small target, but that small expenditure that we committed to in the lead-up to the election has meant that we have been able to minimise the impacts upon departments and organisations. When we were framing our budget, we were not aware, for example, of the \$250 million blowout in the Central Adelaide Local Health Network budget, which was known to the former government but not explained to the opposition or to the people of South Australia prior to the election.

The CHAIR: Leader, your previous question was a very broad question and it invited a very broad response.

Mr MALINAUSKAS: I appreciate that, and I will attempt to ask another broad question in light of the Premier's broad response. Premier, you referred to the policy commitment the former government took to the last election regarding capital expenditure in the seat of Norwood, for instance, regarding the tram extension. You are right to point out the substantial cost associated with that, but that was an item of capital expenditure, which stands in stark contrast to the unfunded policy commitments that you made in the lead-up to the election, which were reductions in revenue.

Reductions in revenue are worthwhile pursuits, in my opinion, if they result in an increased amount of economic activity. However, the problem with reductions in revenue measures is that they are largely spending measures that are locked into the budget in perpetuity, as distinct from one-off capital expenditure investments, whether that be infrastructure or otherwise, hence the situation you have now left us in, which is not just a position of higher debt but a higher debt to revenue ratio.

The CHAIR: Order!

Mr MALINAUSKAS: Utterly fiscally irresponsible.

The CHAIR: Leader, I have not actually picked up a question—

Mr MALINAUSKAS: No, it was a statement.

The CHAIR: —in that at all. It is a very broad statement. The Premier may or may not choose to respond, but following this, leader, I am going to ask you to come back to Multicultural SA. Premier.

The Hon. S.S. MARSHALL: I think the leader has acknowledged that it was a statement.

Mr MALINAUSKAS: I have.

The Hon. S.S. MARSHALL: I do not want to waste the time of this committee, which is here to explore multicultural expenditure, with a response that might point out to the leader the way that capital and recurrent expenditure is somewhat merged when you have a federal government that provides a capital item in the form of a grant—

Mr MALINAUSKAS: Correct.

The Hon. S.S. MARSHALL: —because they still use a cash methodology.

Mr MALINAUSKAS: Yes, that is right. I am very conscious of that, but you have locked in revenue reductions, which completely undermined the fiscal responsibility of the government.

The CHAIR: Are there any questions on Multicultural SA? Are there any questions from the government side?

Ms HILDYARD: Just to go back to something you said, Premier, when I asked what consultation had been undertaken in relation to the cut to funding for multicultural affairs in the budget, you said you had consulted with the Treasurer. Did you consult any multicultural communities, the SAMEAC board or any other body?

The Hon. S.S. MARSHALL: As we have now pointed out several times, the exact determination of how that budget savings measure will manifest has not been determined, so of course we will be consulting widely regarding any impact that that may have.

Ms HILDYARD: But you have not yet?

The Hon. S.S. MARSHALL: I have answered that question several times. It has not been determined yet.

Ms HILDYARD: I refer to Budget Paper 4, Volume 4, page 58, which states that the government will be undertaking a review of Multicultural SA's funding programs. When will the review take place?

The Hon. S.S. MARSHALL: I thank the member for her question. My government has committed to a review of all multicultural funding to ensure an equitable funding structure that meets the needs across the sector, supporting our most vulnerable communities and celebrating diversity through festivals and events. From time to time, there needs to be a review. There may be no changes, but it is fair to say that, when there is a new government, there is a new minister and, in our case, an assistant minister as well, and it provides an opportunity to undertake a review, and that is precisely what we will do.

Ms HILDYARD: When will the review take place, Premier?

The Hon. S.S. MARSHALL: That review will be undertaken internally. The early work on that has already started.

Ms HILDYARD: How much will the review cost?

The Hon. S.S. MARSHALL: We will do that within the existing budget resources. We will be doing that internally.

Ms HILDYARD: Can you guarantee that there will not be further funding reductions because of that review?

The Hon. S.S. MARSHALL: No, we certainly do not envisage any further efficiency dividends over and above those which are already provided for in the forward estimates that have been provided to this committee in the budget document.

Ms HILDYARD: So you can guarantee that there will not be any funding reductions because of the review?

The Hon. S.S. MARSHALL: As I said, we have not done the review, but nothing is envisaged beyond what is already provided for in the budget.

Ms HILDYARD: Will the review be published, Premier?

The Hon. S.S. MARSHALL: I do not know whether the review in itself will be published or whether it will be in a documented form. We are not going out to a major consulting firm for a glossy document. We are looking to make sure that we can assure ourselves, as the new government, that we are spending taxpayers' money in the most effective way possible while still supporting the objectives of celebrating the diversity that we have within our multicultural communities in South Australia. The results will not be hidden, but I would not want to commit to publishing it because I am not sure that that will ultimately be the way that we do it.

We have not seen it so much in this area, which I must admit I think has been done very well, but some agencies of government spend extraordinary sums of money undertaking reviews and then printing glossy brochures on what their reviews found, and so on and so forth. We would much rather make sure that we maximise the amount of money going to organisations rather than spending on that review.

The CHAIR: Premier, have you finished your answer to that one?

The Hon. S.S. MARSHALL: Yes, absolutely.

Mr MALINAUSKAS: Premier, your government will not be producing any glossy flyers during your time in government?

The Hon. S.S. MARSHALL: I am not sure specifically what budget line that is referring to but, by way of comparison, I think that the expenditure already on advertising and communication is significantly reduced on the previous government.

I just highlight one aspect for the committee to consider, and that is the decision of the new government to cut the \$2.9 million advertising budget, which the previous treasurer had applied to the last budget of the former government. We thought this was an extraordinary waste of taxpayer dollars. It would have helped many vulnerable people in South Australia. It could have supported many multicultural communities within South Australia. You will not see that type of waste within this government.

Ms HILDYARD: Just to be clear, the review has started?

The Hon. S.S. MARSHALL: It is underway.

Ms HILDYARD: It is an internal review?

The Hon. S.S. MARSHALL: Correct.

Ms HILDYARD: There is no consultation that is occurring with multicultural communities in relation to it and you cannot guarantee that there will not be funding reductions because of the review?

The Hon. S.S. MARSHALL: No. I would not put it like that at all. What I have tried to indicate sensibly is that the review is underway. We are doing it within existing budgets with existing personnel within the department. We value the people who are working in the Public Service in this area. They are, by and large, a very similar cohort who advised the previous government. They are independent of the political process and we think that they will do an excellent job.

As part of that review, they, along with the assistant minister and me, will be consulting with people. As I said, the review is currently underway. We are gathering data, but it is a big move for this unit. Not only with the machinery of government changes have they moved on a spreadsheet but they have actually physically moved as well, and I certainly welcome them into their new part of the State Administration Centre.

Ms HILDYARD: Premier, the targets on page 58 state that the government will continue to enrich cultural wellbeing by celebrating diversity through festivals and major events and providing support to community organisations. What process is the agency using to consider which organisations, which events and how much will be provided?

The Hon. S.S. MARSHALL: For starters, we have inherited quite substantial precommitments from the previous government. It goes without saying that the former government in the lead-up to the election went to nearly every multicultural community in South Australia and promised funding not only from its own budget but encumbered future budgets as well. We have actually inherited quite a substantial precommitment which we have to deal with in the first instance before we would be envisaging any new support. I might ask the Assistant Director for Multicultural SA if she would like to make any further comments.

Ms KENNEDY: Just expanding on what the Premier just mentioned, we did have a \$1 million budget for 2018-19 for our multicultural infrastructure grants. The former minister, the Hon. Zoe Bettison, actually directly allocated and offered to five organisations \$800,000, so the

department honoured that commitment. The \$800,000 for the multicultural infrastructure grants for 2018-19 that would have gone out competitively has now been allocated.

Ms HILDYARD: Premier, how will the effectiveness of any funding that is distributed be benchmarked and reported?

The Hon. S.S. MARSHALL: We do not propose any changes to the methodologies that were employed prior to the change in government.

Ms HILDYARD: On to page 59, what consultation did the Premier or assistant minister undertake when considering people for the SAMEAC board?

The Hon. S.S. MARSHALL: We had regard to having a representation by gender and by different ethnicity, and they were the primary considerations. I suppose we also considered whether or not people had served before. I think we decided, and we have made this very clear, that despite some of the spurious information put into the public domain by the opposition nobody was sacked. Their existing appointments had come to a conclusion.

It was an unfortunate moment for multicultural affairs because it made people become defensive: 'Was I sacked?' 'The answer is no, but the new government,' and I think it is a fair enough requirement, 'would like to involve as many people as possible in this important area of public policy'. So we formed the opinion that, rather than keep some people and then lose some people, this could be a point of distraction, if you like, or potential conflict. Our primary responsibility or focus was on maintaining harmony. There was only one person who was a continuing member, so there was some continuity, and that person was Norman Schueler, who was the acting chair of SAMEAC appointed by the previous government.

Ms HILDYARD: How were previous board members advised that they would no longer be required?

The Hon. S.S. MARSHALL: I wrote to each of them, and subsequent to that they were invited to Parliament House for a lunch to celebrate their service. I place on the public record again my grateful thanks to them; some had served on that SAMEAC board for more than a decade. They understood the reason for the government's decision. As I said, it was a regretful moment for multicultural affairs, that they were made to feel that a completely different justification for that change was envisaged by the government. That was completely incorrect. They now understand that, and I conveyed that to them personally.

Ms HILDYARD: Was there an expression of interest process?

The Hon. S.S. MARSHALL: No, I do not think so. There were some people who immediately came to mind. There were other people we sought out and asked different opinions on, but there was not an advertising, if you like, of the positions, no.

Mr MALINAUSKAS: On the same budget line, it is in the Premier's remit to make those appointments, and that is a reasonable position in regard to these types of appointment. Do you know if there was a formal application process? I appreciate that there is no need to make these advertisements, but is there an application process or an expression of interest process in this case?

The Hon. S.S. MARSHALL: No, not really. We looked for leaders in different groups and, as I said, tried to get some balance. One of the things that the new government is keen to see is some continued gender equality on government boards and committees. That was something the previous government put in place, and it is something that we will certainly do our very best to maintain. So there was that gender balance issue, and then, as I said, more diversity. There was no application process, so there was no application form that was filled in. People were approached and they took up those offers.

Mr MALINAUSKAS: What were the criteria in terms of making those approaches?

The Hon. S.S. MARSHALL: I have just explained that a couple of times. The criteria were leadership within the different areas of the different communities and, as I said, the gender balance issue which we took into account.

Mr MALINAUSKAS: Not political connections?

The Hon. S.S. MARSHALL: No.

Ms HILDYARD: What was the time line for new appointee Mr Mario Romaldi's resignation from the board?

The Hon. S.S. MARSHALL: What was the time line? I do not know what you mean. What was the time line?

Ms HILDYARD: How did it come about? What happened?

The Hon. S.S. MARSHALL: I have already canvassed that. I have been asked specifically on this question in question time. I refer the honourable member to the answers that have already been provided.

Mr MALINAUSKAS: Some additional questions on the information that you provided in question time: did you ask for the resignation or was it offered to you?

The Hon. S.S. MARSHALL: I called. I cannot actually remember the sequence now. I could see if there were any notes that were taken; I do not think that there were. Certainly, it was clear to me that the information that was provided meant that Mr Romaldi would not be suitable to continue to serve on that board. He was aware of that and he no longer serves in that capacity.

I want to express, though, that Mr Romaldi is a very senior member of the Italian community in South Australia. He is highly respected both in business circles and in multicultural circles. He has been a prolific fundraiser for many worthy causes. But people make mistakes, they suffer the consequences and, in this case, I think the fact that Mr Romaldi does not serve on the SAMEAC board any more is commensurate with the issues which were identified after his appointment.

Mr MALINAUSKAS: I agree with that in every respect. I guess the interest here is the due diligence or lack thereof that led to that unfortunate circumstance for you, the government and Mr Romaldi personally.

The Hon. S.S. MARSHALL: Let's be quite serious. The due diligence that was undertaken by the former government with some very senior appointments—you might recall one in the Department of the Premier and Cabinet regarding IT security which was a complete and utter debacle which not only was embarrassing for the former government but quite frankly—

Mr MALINAUSKAS: Just as this is embarrassing for you. That is not answering the question. What is the due diligence process? That is the question.

The CHAIR: Continue Premier.

The Hon. S.S. MARSHALL: I have nothing further to add to the contribution I have made, both in question time and here. But I will just refer the leader—if he really wants to start looking at appointments, he needs to look in the mirror with the former government's appointments which were highly embarrassing and dangerous here in South Australia. He scoffs but he put somebody in charge of a very sensitive area of the state government, and I refer to the area of IT security, without conducting the most basic—this was not a volunteer board.

Mr MALINAUSKAS: When you say you personally—

The Hon. S.S. MARSHALL: This was a very senior appointment within the Department of the Premier and Cabinet.

Mr MALINAUSKAS: As much as I appreciate your elevation of my prior office, I was not the Premier and you now are and these are important—

The Hon. S.S. MARSHALL: As it turns out, the leader is diminishing his influence. As we all know, he was responsible for the execution of the former premier and the installation of Mr Weatherill into that role.

Mr MALINAUSKAS: And I am aiming for two. In terms of the due diligence process regarding the appointments that you make and accept responsibility for—

The Hon. S.S. MARSHALL: Yes.

Mr MALINAUSKAS: —having acknowledged the failings that have occurred, have there been any improvements to the due diligence process for future appointments to SAMEAC?

The Hon. S.S. MARSHALL: I think we all learn from these issues.

Mr MALINAUSKAS: Can you outline the new improvements you have made?

The Hon. S.S. MARSHALL: I have nothing further to add to the contribution that I have already made, the extensive contributions that I have already made, on this topic.

Ms HILDYARD: Has a new due diligence process been developed?

The Hon. S.S. MARSHALL: I have nothing further to add to my earlier contribution.

Ms HILDYARD: One other question on this: following the Mr Romaldi incident or resignation, could you please tell the committee how that incident accords with your vision that you outlined for multicultural affairs?

The Hon. S.S. MARSHALL: I have already outlined to the committee, sir, that I have nothing further to add to the extensive contributions that I have already made on this topic. Those opposite—not opposite but to my right—may choose to make cheap politics out of this issue; an error was made and consequences flowed. I will not be making any further comment, and I think that any further comment from the opposition only diminishes their commitment to identifying and offering a bipartisan approach to this area.

The CHAIR: As Chair, I am going to say that we have had a particularly constructive day, in my view. We have less than five minutes to go. The opportunity is still there to ask questions relating to Multicultural SA.

Mr MALINAUSKAS: I am happy to move on. In no way reflecting on the issue, has a replacement appointment for Romaldi been made?

The Hon. S.S. MARSHALL: No, that is something that is still being considered.

Mr MALINAUSKAS: I refer to Budget Paper 4, Volume 4, page 40, regarding ministerial responsibilities. The assistant minister, the Hon. Jing Lee, has taken up some responsibilities in this area. Does that include playing a role in the appointments to the SAMEAC board? Presumably, she would be someone that you would confer with regarding these appointments.

The Hon. S.S. MARSHALL: Absolutely.

Mr MALINAUSKAS: Presumably she would be party to making recommendations or be familiar with the process regarding these appointments?

The Hon. S.S. MARSHALL: Of course we would consult with her.

Mr MALINAUSKAS: How many staff does the Hon. Jing Lee have in undertaking that function?

The Hon. S.S. MARSHALL: I am advised that we do not have any briefing in the folder on that and we will take that question on notice so that we do not mislead in any way. It will not take long. It is not something that will take months to come back on. We can confirm that as quickly as possible.

Ms HILDYARD: On page 58, amongst the agency's highlights for 2017-18 it talks about commencing the implementation of the across-government interpreting and translating policy. What is the progress on that rollout and have there been any reductions or cuts in those services?

The Hon. S.S. MARSHALL: The South Australian interpreting and translating policy for migrant and non-verbal sign languages is mandatory for all South Australian government agencies. The policy was implemented across government as of 1 January this year to ensure that speakers of language other than English are not disadvantaged when accessing South Australian government services, to ensure that consistent practices across government in the use of interpreters and to recognise the cultural and linguistic diversity among South Australians, as well as the needs of South Australians living with disability who use non-verbal language.

As outlined before, the savings task that has been required of this agency still has not been determined, but I cannot envisage that anything that would have been allocated by the previous government to the implementation of this policy would be diminished by the budget savings that the department now has to deal with.

The CHAIR: Final question, member for Taylor.

Mr GEE: Would you like me to read the omnibus questions?

The CHAIR: Are they the same questions?

Mr GEE: Yes.

The CHAIR: My understanding is that we are taking them as read. You can have one more question, member for Reynell.

Ms HILDYARD: Has provision been made to continue the Governor's Multicultural Awards?

The Hon. S.S. MARSHALL: Yes.

The CHAIR: Given that we have reached the allotted time, I declare the examination of the proposed payments for the portfolio of the Department of the Premier and Cabinet, the estimates of payments for the Department of the Premier and Cabinet and the Administered Items for the Department of the Premier and Cabinet be adjourned and referred to Estimates Committee B.

At 17:00 the committee adjourned to Monday 24 September 2018 at 13:30.