

HOUSE OF ASSEMBLY

Tuesday 20 June 2000

ESTIMATES COMMITTEE B

Acting Chairman:

The Hon. G.A. Ingerson

Members:

Mrs R.K. Geraghty
Mr M.L.J. Hamilton-Smith
Mr K. Hanna
Mr G. Scalzi
The Hon. R.B. Such
Ms P.L. White

The committee met at 11 a.m.

Department of Education, Training and Employment,
\$1 333 545 000
Administered Items for Department of Education, Training
and Employment, \$301 635 000

Witness:

The Hon. M.R. Buckby, Minister for Education and
Children's Services.

Departmental Advisers:

Mr G. Spring, Chief Executive, Department of Education,
Training and Employment.
Mrs H. Kolbe, Deputy Chief Executive.
Mr B. Treloar, Executive Director, Corporate Services.
Mr J. Halsey, Executive Director, Country Schools and
Children's Services.
Mr S. Kelton, Executive Director, Human Resources.
Mr D. Travers, Director, Office of Executive Support.

The ACTING CHAIRMAN: The estimates committees are relatively informal. It is entirely in the hands of the committee how it operates from now on. The committee will determine an approximate time for the consideration of proposed payments to facilitate the change over of departmental advisers. I understand that the minister and the opposition spokesperson have agreed on a timetable for today's proceedings. Members should ensure that they have provided the chair with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be in a form suitable for insertion in *Hansard*, with two copies submitted to the Clerk of the House no later than 7 July.

I propose to allow the lead speaker for the opposition and the minister to make an opening statement if desired of about 10 minutes but definitely no longer than 15 minutes. There will be a flexible approach to giving the call for the asking of questions based on three questions per member from alternating sides. Members may also be allowed to ask a brief supplementary question to conclude a line of questioning. Subject to the convenience of the committee, a member who is outside the committee and who desires to ask a question will be permitted to do so once the line of questioning on an item has been exhausted by the committee. An indication to

the chair in advance from a member outside the committee wishing to ask a question is necessary.

Questions must be based on the lines of expenditure as revealed in the estimates statement. Reference may be made to other documents including the portfolio statements. Members must identify the page number or program in the relevant financial papers from which their question is derived. Questions not asked at the end of the day can be placed on the next day's House of Assembly notice paper or asked as a question on notice. I remind the minister that 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. Incorporation of material in *Hansard* is permitted on the same basis as applies in the House, that is, that it is purely statistical and limited to one page in length.

All questions are to be directed to the minister and not to the advisers. The minister will be given the opportunity to answer every question as it is asked, including omnibus questions. The minister may refer questions to advisers for response or undertake to bring back a reply. I also advise that some freedom will be allowed for television coverage and filming from the northern gallery. I remind all members, ministerial advisers and observers that mobile phones should be turned off. Does the minister wish to make a brief opening statement?

The Hon. M.R. Buckby: Yes, Mr Acting Chairman. I will begin by making an opening statement about the 2000-01 education portfolio budget. The state government has again delivered a budget which supports the delivery of a world-class education and training system. Overall spending in the education, training and employment portfolio in the 2000-01 financial year will be \$1.71 billion. I highlight some of the key spending initiatives. The first is a commitment to upgrade and maintain South Australia's education and training facilities by spending nearly \$84 million on capital works investment.

One of the most important new projects funded in the state budget is the establishment of a science and mathematics school at Flinders University. An amount of \$2.1 million has been provided in this budget to commence construction of the \$10.8 million school next month. Other significant spending includes \$3.8 million for additional accommodation at the Woodend Primary School, and \$1 million has been allocated to Daws Road High School. In addition, significant funding will be spent to ensure that students at amalgamating sites benefit from improved educational facilities. This includes \$1.3 million for the amalgamation of the Taperoo and Largs North Primary Schools and the Port River children's centre on the Taperoo High School site, with the total cost of the project some \$3.5 million; and \$1.3 million for the amalgamation of the Ethelton and Semaphore Park Primary Schools onto the Semaphore site to establish the Westport Primary School in 2000-01, with the total cost of that project being \$1.5 million. Almost \$35 million has been budgeted to undertake programmed maintenance and minor works at schools, preschools and TAFE campuses and to continue the back to school program.

The Partnerships 21 initiative has been one of the most exciting educational developments seen in this state. It provides a better opportunity to get the best value from the education dollar for the benefit of students. Schools and parents now have the authority to target financial resources towards their tailor-made solutions for local educational needs. There are already 369 partnerships, with 21 sites

enjoying the success of local management, and up to \$29 million will be reallocated in this financial year to support schools and pre-schools under Partnerships 21.

Enterprise and vocational education has been another success story in South Australian schools. For this reason the government has provided \$4.5 million in this budget to support the expansion of enterprise and vocational education in our schools. The money will be used to provide comprehensive enterprise and vocational education programs in schools, boost the number of students participating in VET programs and develop regional partnerships between schools and their communities. The record numbers of students already enrolled in these subjects illustrates that this style of education is highly relevant to the lives of young people. The government is committed to achieving the nationally agreed goal of ensuring that every student is able to use maths and is able to read, write, spell and communicate effectively. To this end, the state government is committing \$4 million over the next three years, with \$1 million in 2000-01 and a further \$1.5 million in both 2001-02 and 2002-03, to continue state based tests for students in years 3 and 5 and the development and trialing of new literacy and numeracy assessments for year 7 students.

The state government is maintaining its commitment to providing information technology equipment and training to South Australian students providing, as promised, \$15 million for the DECStech project for 2001-02. Funding will be used to equip more schools and preschools with computer equipment, internet access, IT support staff and online education services to allow teachers and students to take full advantage of new learning technologies. Funding has also been provided for the new and enhanced systems to cater for the information needs of schools, TAFE institutes and the vocational education and training sector. The government's ongoing commitment will ensure that South Australian students remain some of the best equipped and trained in the country.

In addition, an ultimate aim of the DECStech project is to assist schools reach the target of one computer for every five students. More than 17 000 computers have been supplied under this program. With this commitment for 2000-01, the government has now provided \$85 million since the introduction of the department's DECStech strategy in 1996-97. In summary, the government's balanced funding approach in this year's budget will build on the high quality curriculum already available in our public schools and offer young people educational choices which will help them build successful lives and careers in the twenty-first century.

The ACTING CHAIRMAN: Does the member for Taylor wish to make an opening statement?

Ms WHITE: I do, sir. The picture painted by the minister does not reflect the severity of the current budgetary position in education. Despite going into the 1997 election with promises of increases in education spending, this government immediately embarked on a three year budget cut to educate, and this year we have again seen cuts to education in real terms. The difference this year is that, while Dean Brown as health minister admits that his increase of 1.7 per cent in expenditure is really a cut in real terms, the education minister refuses to admit that the difference of 1.36 per cent between what he spent last year—that is, \$1.685 billion—and what he plans to spend this year—that is, \$1.708 billion—does not even keep up with inflation and is also a cut in real terms.

The budget papers also show that the education budget is in deficit and that cash reserves must be run down by \$28.2 million in order to balance the books. These cuts come after the minister told us that there would be more money for education in this budget. Even though the ETSA cheque for \$3.5 billion was banked months ago, the government has still cut education spending despite the promises the minister made to parliament. If you remember, those promises were for extra SSOs, air conditioning in every school and pre-school, the building of more schools, more special education units, more TAFE facilities and the elimination of the school maintenance backlog. Instead, there has been a cut in real terms, to the point where directors of TAFE institutes have spoken out publicly that they cannot sustain TAFE quality under these budget cuts, that SA TAFE fees are now the highest in Australia and that the skills future of South Australia is at risk.

In addition to the cuts to recurrent spending, the education minister has once again underspent on capital works, allowing crucial school building works to slip. After all that, our class sizes are increasing and we have gone from having the best school retention rate in the nation under Labor to a situation today in which our school drop-out rates are consistently worse than those in the rest of Australia. The chair mentioned the timetable. While we are not opposed to the general order in which the timetable is set out, I have given notice that we have a number of questions for the minister and we do not wish to cooperate with the minister's attempt to shorten the period for this committee hearing (the minister has proposed a finishing time of 8.45 instead of 10 p.m.), particularly if we are denied the opportunity to ask those questions. I note that all the relevant advisers whom the minister will need for our questions appear to be here, so I do not anticipate any problems in that regard.

The ACTING CHAIRMAN: I declare the proposed payments open for examination.

Ms WHITE: The first question I asked in the 1998 estimates committee was for a breakdown of the budget into program information. At that time you told parliament that your department did not have that information, that I just did not understand the complexities of the accrual accounting system and that it would be too difficult to compile the list of each program's budget. Your department runs programs and allocates money to each of them. Indeed, when it suits you, you will make public the amount allocated to individual programs, so you must have a document or a spreadsheet within your departments which lists each program run and apportion dollars to it. I ask the minister again this year to table or distribute such a document for this committee which lists expenditure by program so this committee can properly scrutinise the 2000-01 budget.

The Hon. M.R. Buckby: The member for Taylor would be well aware that at the time of the 1998 estimates committees the government was changing from a cash accounting system to an accrual accounting system. My answer to the question at that stage was made in exactly that context, because we are changing over and we were operating two systems at that time. She would be aware that budget paper 4, volume 2, outlines all the output classes, whether they be pre-school education, R-12 education and training, the child-care employment services or youth services. The entire department and spending and allocation of funding for each section of the department for vocational education and training is set out in detail in the budget papers, showing the amount of money that is spent in each area, including family

and centre based day care, out of hours school care, occasional care, regulatory and licensing services for child care, employment services, coordination and advice, and youth services.

The areas where the department is spending its money are set out fairly clearly, and I believe they are adequately shown. I am advised that this is no different from any other department and that the budget papers are produced at the Treasurer's directions. What is presented in the output classes is no different for education than for health or any other portfolio.

Ms WHITE: As a supplementary: is the minister saying that he cannot supply that information, that is, program expenditure by program? You have come up with a budget, so you must have it.

The Hon. M.R. Buckby: I am saying that it is in the budget papers, and the reason we are here today is for you to ask me about the programs that we are operating. The output classes are set down according to the Treasurer's directions, and I believe that, compared with previous cash book budgets, those output classes are certainly more detailed than whatever they have been previously in terms of the amount of money that we spend on the programs in the department.

Ms WHITE: The information is not there, but the opposition has some of that information; in fact we have a leaked copy of your department's budget spreadsheet document for the 1999 budget, which lists both state and commonwealth expenditure. It contains around 490 program lines for the 1999-2000 budget along with a few pieces of other interesting information. After two years of refusing to give this committee access to that information (which I know exists within your department), I hope that you will now come clean and distribute that information for this committee so that we can see the current breakdown of this budget in detail—it is not given in the budget papers and in the program format—so that this committee can properly scrutinise this budget.

As it is not forthcoming right now, I will give the minister some time to run that spreadsheet off so that we can go through it line by line later on. Since we are waiting on the current program information, I will turn to the capital works budget. Capital works budgets are approved by parliament, but it appears that they are changed at will. I refer to budget paper 4, volume 2, page 9.25. The figures show that last year's budget of \$79.418 million was slightly overspent at \$80.249 million, yet the capital investments statement in budget paper 5 notes that 11 major projects, with total budgeted expenditure of \$6.322 million in 2000-01, have been carried forward. Similarly, last year for the 1999-2000 budget there was an acknowledgment of slippage of \$6.773 million. How was the budget and expenditure balanced when 11 projects were not started? Were the funds spent on other major projects not in the budget papers, or were the funds transferred to fill a hole in recurrent expenditure?

The Hon. M.R. Buckby: We undertake a very extensive capital works project each year, and this year yet another \$84 million is allocated. As I highlighted in my opening statement, probably one of the most exciting things in the capital works budget this year is the new Flinders School of Mathematics and Science. As a national school, we will be seeking applications from students across Australia and internationally as well. There are always areas of slippage in capital works budgets, and they are outlined. I will give the member for Taylor an example. Oak Valley is an Aboriginal

school that certainly needed upgrading. It was due for work last year but, because of the extensive consultation that was required in respect of that site, it has slipped forward.

The reason for that is that we wanted to ensure that there was adequate power and water supply to that site and, as well as that, a sign off by the Aboriginal community and its representative Dr Archie Barton was required to ensure that the design, painting and everything else relating to the building met with the desires of the Aboriginal parents and the community. As a result of that, that project has slipped forward into this year. The government has not hidden that by any stretch of the imagination because it is quite clearly identified in the budget papers that those works were carried forward from the previous year.

I will list all projects in that category, for the committee's information. The commencement of Adelaide High School's redevelopment and upgrading is expected in September 2000 and is due to be completed in January 2002. It is a \$3 million program, and \$2 million of that is estimated to be spent this year. In fact, the member for Ross Smith approached me about this project and asked me whether we could undertake some additional work to ensure that the needs of the school community, as he saw it, were met. We looked to see whether anything could be done and decided that nothing could be done. Issues such as that arise a number of times.

Amata Anangu School is another which will be commenced in November this year and which has been carried forward; the stage 2 redevelopment of Clare High School is another one; and Cleve Preschool is yet another. In fact, I will detail the situation in respect of the Cleve Preschool. The community had decided on a particular site and the school council had decided on another site. As a result, we had to have some discussions at the end of last year to decide on a final site with which all in the community was happy. As a result, that has slipped forward. A site has now been accepted by all and Cleve will have an excellent new pre-school. This is the day-to-day sort of backwards and forwards negotiations, so to speak, that occur with schools and communities to ensure that the capital works project for a particular site is satisfactory to the school community and achieves the best educational outcomes for the students.

Others include Cowandilla Primary School, Fregon Anangu, Gordon Education Centre at Mount Gambier, Marryatville High School—where planning issues have taken longer than expected—Mitcham Girls High School, Mount Gambier East Primary School and the Thebarton Senior College. While you can plan to spend the money in the year, all of these developments depend on the planning stages, and sometimes that slips out. When we see something slipping, we are able to look for a small project to bring in to fill the gap to ensure that we do spend our total capital works budget. It comes down to a timing issue in terms of when the plans and tenders are accepted. Often what will happen is that we will allocate a certain amount of money, for example, Westport Primary School, \$1.5 million. We put out for tenders and, as a result, tenders may come in at \$1.6 million or \$1.7 million.

We then have to go back and say, 'The budget is \$1.5 million. Are there areas where we can ensure we come within budget?' Sometimes if we cannot—either because of building costs or whatever—we are then required to say, 'We have to spend an extra \$100 000 or something like that or the building itself will not be as good as expected.' Mr Spring will now provide details as to the cause of delays which have occurred at Amata.

Mr Spring: An amount of \$1 million was allocated for Amata. However, in November I received a delegation from the community who advised that the school had been the subject of considerable repairs and maintenance because of its location in the community: it is located right in the centre of where people congregate at night. There is a petrol sniffing problem and, as a result, the school is severely damaged every week. The delegation requested a relocation of the entire school to a site outside the town.

We agreed to look at that possibility and architects and others have been requested to examine the costs involved, what could be achieved and what we could take from the existing site to an external site. We are in the process of doing that on the basis of a delegation from the community and endeavouring to solve a serious problem they perceive with the school at the current site. That was not something that they had asked us to do originally. We have just had people up there and it will take a couple of months to come up with new plans. We will then compare the costs involved and consult with the community. That sort of thing happens a couple of times a year and it is the reason why we have to be flexible in the program and be able to move projects around so that all funds can be expended by the due date.

Mr Treloar: In terms of managing the capital program, you need to take into account the timing of the receipts from the sale of surplus properties. We need to manage the cash flow of the sources of funds for the program—significantly, in relation to sales and, of course, those sales can vary substantially, in terms of settlement dates across 30 June and so on. Therefore, there are two components: managing the cash flow of the expenditure and managing the cash flow of the receipts.

Ms WHITE: We have just heard that there has been slippage—we knew that and I have stated it. The amount budgeted last year was spent. It was not spent on the projects just listed that were not started and others in works in progress that were not carried through. It went somewhere. Were there other major projects not in the budget papers that were undertaken, or was the money used for recurrent spending? That is the question this year.

When I look at the format of this year's capital works documents compared with last year I see that there has been a change: there is less information this year. It makes it much easier to hide things. The 'Investment summary statement' last year contained columns for the budget and the estimated result in the new budget for all the capital works programs. That detail does not appear in the 'Investment summary statement' this year. The statement has fewer columns and it is hard to compare what has gone on—perhaps for clear reasons.

Why has the format been changed this year? The details provided last year for the individual projects and the carry-over for works in progress have not been supplied this year. It makes an opposition member suspicious that there has been an attempt to avoid scrutiny. When one sees that all the capital budget has been spent but was not expended on the projects that the minister said it would be spent on—and the minister has admitted that there was slippage there—where exactly did it go? Were there other major projects that it was spent on—the orphanage, for example? I understand that funds might have been spent on the orphanage that did not appear in the budget. Or did those funds go to fill a hole in recurrent expenditure?

The Hon. M.R. Buckby: I can inform the member exactly where the money was spent. The department does not have

the ability to transfer capital works funding to recurrent. That would require the agreement of the Treasurer, who is very firm and fixed in how he allocates the money and where it goes. So that is not the case at all. We no longer own The Orphanage, so no money was spent on it this year. The member would be aware that part of the open space land was sold to the Unley council for \$2.5 million, and the centre itself was sold to Tabor College.

Ms White interjecting:

The Hon. M.R. Buckby: That was in last year's capital works budget—the Education Centre at Hindmarsh, where there has been ongoing spending. That is very close to completion. I would expect that within the next month that project will be completed. In fact, we have had some use of it already for teacher conferences and that sort of thing. So that is up and running and is due to be formally opened within a month.

We can supply to the member for Taylor details of the work in progress and exactly where the money was spent in 1999-2000. I can assure the honourable member that it was all spent in capital works, because there is such a demand there for it. If we look at the actual money spent—and I am talking only about the Department of Children's Services and I do not include TAFE—in 1990-91, total capital works spending was just over \$76 million. The spending for the 2000-01 budget will be \$146.755 million. That includes things like back-to-school grants, the capital works assistance scheme and the purchase of furnishings—all capital works items that come into our budget. So, in 2000-01 we are spending almost double what was spent in 1990-91.

I assure the honourable member that, because of the lack of spending that occurred in the 1980s and the early 1990s, the backlog that we are facing is just immense. If one program does not come up at the right time as regards its planning to fit in with the time span that we had budgeted for, I assure the member that there is a list of capital works projects, particularly smaller ones—and I refer to projects worth less than \$500 000—which are often very easy to tender out and to be undertaken during the year. However, there is an enormous backlog, and the government is increasing it this year to \$146.7 million, because in 1999-2000 our estimate for education and children's services was \$132 million for total capital works. I assure the member that the money is being spent. We can supply her with a list of where that capital works money was spent and the schools that undertook that spending.

Ms WHITE: Does that mean you will provide a reconciliation of the investment summary statement that appeared in last year's budget papers with the actual expenditure against each of those items? Is that what you guarantee to supply?

The Hon. M.R. Buckby: What the department supplies to Treasury and the government budget accounts that you see before you is what is set down by Treasury and is approved by the Auditor-General, and they are the budget accounts. I will supply the member with a list of where the money was spent in 1999-2000, the amount that was spent and the schools, pre-schools and TAFE centres in which that money was spent.

Mr SCALZI: Given the government's and no doubt the opposition's recognition of the importance of children's early learning, will the minister give details of the government's support to these programs?

The Hon. M.R. Buckby: The early years strategy is particularly important. As we move along in education it is interesting to note that various areas of research are now

showing that the development of a child's brain in the very early years is the most critical time of their life, not only in terms of literacy and numeracy but also in their social development. It sets a child up for success or failure at a very early age for most of the rest of their life. Because this government recognises that, a total of \$52.5 million has been committed to improving learning outcomes for children in the early years, particularly in literacy and numeracy, from 1994-95 to 2001-02. This year that includes \$4.25 million in early assistance grants in the year 2000. To date at the end of 1999-2000 some \$37.544 million has been expended, and over the two remaining years the estimated expenditure is approximately \$15 million.

That strategy has had an impact on over 153 000 children since 1995, and that is quite a number of children. The achievements of the strategy to date include the employment of an additional 17 speech pathologists and a more focused assessment of teaching and learning for children through pre-school and school entry assessment programs. This is where, when a pre-school student enters a reception class, in the first term each teacher will make an assessment of that child's ability in terms of not only literacy and numeracy but also in the social development of the child.

In addition, at the end of pre-school, for each child a report is undertaken by the director of the kindergarten, and that can be passed on to the reception teacher so that they are able to view the quality of work and the standard of work and report on the social development and the development of that child that has occurred during their kindergarten year. Improved teaching practice through professional development programs such as first steps, early literacy and the ESL learner has occurred. The reading recovery programs have been expanded to 32 departmental schools in the year 2000. This excellent program works on a one-to-one basis. There is also the collection of baseline data about children's literacy and numeracy skills as they enter their first year of school and the use of this data to plan effective learning programs as part of the early assessment program.

Some 75 per cent of schools have implemented the school entry assessment scheme since 1999. Full implementation will occur in 2001. A \$128 000 contract has been let for an external evaluation of the early years strategy, and this has been finalised and the report should be available within the next few weeks. I will provide a breakdown of some of the allocations and where they are going this year in the total amount of spending. In the 2000-01 budget there is an allocation of \$8.037 million, with \$2.789 million going towards early assistance, \$1.660 million to speech pathology, \$380 000 to psychology services, \$200 000 to first start, \$87 000 to the development of the curriculum frame work, and \$2.869 million towards basic skills tests for those early years.

There is a very strong commitment by this government towards the early years. It is one that was not there prior to the Liberal Party coming to government in 1993. The former Minister for Education Hon. Rob Lucas started this early years strategy. It is a strategy that is also occurring in other parts of the world. When I have travelled to New Zealand, England and Scotland I have noted that they recognise the same need for that early intervention to ensure that we get young people performing at their absolute best in terms of literacy and numeracy in those early years, to guarantee them a successful outcome.

Mr HAMILTON-SMITH: I now move to the issue of capital projects funded by the government. I am interested in

what capital projects will be funded in this budget to enhance the delivery of education to preschool children across the state. In not only looking at that capital investment, I would be interested if the minister could estimate what the total capital value of our preschools is at present. I note there is reference to 415 of them in the sites and services document. Can the minister estimate what capital is tied up in those services?

The Hon. M.R. Buckby: Perhaps if we first look at some of the new projects that are being undertaken in this budget. We have a number of projects to assist the delivery of preschool education in South Australia. One of those is Woodville Gardens Preschool, with some \$620 000 to be spent on a replacement facility there. The construction of the new building and outdoor learning environment was completed on the Ridley Grove Primary School and handed over on 14 April this year. An official opening is planned for later this year. The old site has been declared surplus to requirements and handed over to the Land Management Corporation for disposal. For the Waikerie Early Childhood Centre, some \$315 000 has been allocated from the national child-care strategy, from that budget. An amount of \$655 000 has been allocated from departmental funds and the land acquisition budget. Tenders have been called for this project and they will close on 7 July this year. It will provide a 40-place preschool and a 21-place child-care facility for Waikerie.

The Port River Children's Centre, as I announced in my opening statement, will be moving on to the Taperoo High School site, and \$3.5 million has been set aside in total for the amalgamation of those schools, for which I have to commend the parents in this particular area. This is not one where there was a review. This was one where parents approached the department saying that they could see benefits to their schools being amalgamated on to one site, and this Port River Children's Centre, similarly, in terms of coming on to that one site. For the Cleve Preschool, as I mentioned earlier, there is an amount of \$640 000. That will be relocated on the area school site.

The member would be aware, of course, of the Netherby Preschool. The member for Taylor was talking earlier about slippage in the capital works project, and this is a classic case where, following extensive community consultation, the site was shifted from the Waite Arboretum land to land on Waite Road alongside of the child-care centre that is located there. It is just a classic example how, when you set out a capital works project and in terms of achieving certain goals by the end of the year, they can change. The other one, of course, is Two Wells, an integrated services child-care site, with some \$302 000 to be spent there. The land has been purchased and I think we will be calling tenders fairly soon. I will hand over to Mr Treloar, who will be able to comment on the capital value of preschools, in addition to what I have said.

Mr Treloar: The capital value of preschools is not separately identified in the financial statements, nor in the audited financial statement reported in the Auditor-General's Report. We could certainly have a look at that for the member, bearing in mind that a number of them are leased and we are not quite sure what information is available. We would have to take that on notice and work through an exercise.

Mr HAMILTON-SMITH: I would like to obtain that information as a flow-on, so thank you for that. I would like to move on now to the issue of Netherby Kindergarten. Can the minister say what research the government conducted prior to its decision to rebuild the kindergarten and what

progress is being made to replace the facility at Netherby now that the old kindergarten is being demolished?

The Hon. M.R. Buckby: This was the replacement of a 1939 Army hut that was located on the Waite Institute land, one which had got to the stage where for occupational health and safety reasons it had to be rebuilt. When that consultation process was undertaken with the local community there was very strong concern about the siting of a preschool on Waite Institute land, according to Peter Waite's will. We sought advice about that from Crown Law. We also took advice from various people in terms of the safety of the trees that were there, in terms of whether they might drop limbs, and trees that we might have to take out to accommodate the new Netherby Preschool. As a result of that consultation it was decided that we would move the preschool from the Waite Arboretum land up to Waite Road. The preschool had been temporarily relocated at Unley High School in January 1999. It is still there. In December 1999, the 1939 Army hut was demolished and the land was returned to the University of Adelaide for inclusion in the Waite Arboretum. The cost to the department of that demolition was about \$20 000. The University of Adelaide offered land adjacent to the Waite Child Care Centre as an alternative site, and I approved that last year.

The new facility was designed to meet regulations under the Children's Services Act 1998 to cater for 40 4-year-old preschool children per session and to complement the care provided by the child-care centre. The tender recommendation is currently with the Department of Administrative Services. I expect that the commencement of the building will be in July, so we should see some bricks and mortar going up there at that time. I am aware also that more trees are being planted on the original site where the old Army hut was, so basically it has been a win for the community in terms of having an excellent kindergarten facility and then the return to the community of Peter Waite's land. As the member would be aware, we have had discussions regarding the original act that is there allowing for the establishment of this site, and that act will now be circumvented, so to speak, in terms of being replaced by a private member's act to ensure that a preschool or an educational facility like a preschool cannot be built on Waite land again. So it is a win for the community and certainly an excellent facility will be provided.

Membership:

The Hon. M.D. Rann substituted for Mr Hanna.

The Hon. M.D. RANN: I refer to budget paper 4, volume 2, page 9.7—primary and secondary schools. Claims have been made over time that education will be GST free, but it is quite clear that it is not. Last week, the state Treasurer released a 19 page list of state fees and charges to which the GST will apply. They include: new and secondhand school uniforms; textbooks and materials sold to students; excursions and camps organised by the school (not curriculum related); and even school fundraising activities.

The minister will recall that the opposition raised the bizarre example of the problem and dilemma faced by a school community when, in respect of two identical chocolate cakes sold at a school fete earlier this year, the GST applied to one but not the other because of the price at which the cakes were to be sold. It is now quite clear, despite all the rhetoric in the federal parliament, that education is not GST free and that it will cost parents dearly.

The central question remains: what about school fees? We have raised this issue with the minister on a number of occasions and, over many months, he has said that he has been unable to get a determination on whether the GST will apply to school fees. Of course, the GST is to be introduced in about 12 days. On 18 August 1998 the opposition asked the minister whether the GST would apply to school fees, and he said that his department was investigating the matter. Almost two years later, a document released by the Treasurer last Thursday is silent on school fees except for a note which says that 'the GST status of education fees in some instances is not fully resolved pending the finalisation of an ATO ruling.'

With less than two weeks to go on the GST, South Australian parents still do not know formally whether the GST will apply to the more than \$20 million a year which they pay for school fees. If the GST does apply to school fees, it will cost South Australian parents more than \$2 million a year. Based on fees levied on schools in the minister's own electorate (Angle Vale Primary; Evanston Gardens Primary; Evanston Primary; Freeling Primary; Gawler East Primary; Gawler High; Gawler Primary, which has a \$195 school fee; Greenock Primary; Mallala Primary; Roseworthy Primary; Two Wells Primary; and Wasleys Primary) parents would have to pay more than an extra \$60 000.

We know that the GST will not apply to private school tuition fees but, as the Treasurer said a few days ago, we are still uncertain about whether it will apply to state school fees. The most recent school fee regulation (No. 35) defines school fees as 'materials and services charges which can include books, stationary apparatus, equipment, facilities, and organised activities'. Most of these appear to fall within the published Tax Office guidelines for the GST.

My first question is: what action has the minister taken to argue that the GST should not apply to state school fees in South Australia; why has it taken so long to establish whether this tax does apply (with only 12 days to go); and when will we find out whether it will apply to school fees in South Australia, given that the GST is to be introduced on 1 July?

The Hon. M.R. Buckby: First and foremost, the committee should be aware that over 99.9 per cent of the total cost of public education is GST free. The honourable member is correct in saying that we have been seeking information for a period of time from the Australian Taxation Office and the federal Treasurer to determine exactly what is in and what is out, particularly with reference to materials and services charges.

That information has been particularly slow in coming, but I can now advise the committee of exactly what is GST free and our plans in terms of materials and services charges. All state and territory recognised preschool, kindergarten and primary school education is GST free; special education courses for children and students with disabilities are GST free; primary and secondary courses (within the curriculum) covered under a determination by the education minister are GST free; and outside school hours child care is GST free.

All education sectors in Australia are still awaiting a final ruling in relation to supplies from the Australian Taxation Office. In the main, supplies are GST free, but some matters are under consideration, so we cannot be definite about what is taxable and what is GST free until this ruling is provided.

Based on draft ruling GSTR2000/D12, the following education related supplies for preschool, primary and secondary education courses are deemed to be GST free; an education course (including tuition, facilities and other curriculum-related activities and instruction); administrative

services directly related to the supply of an education course if the administration services are supplied by the supplier of the course; course materials for a subject undertaken in an education course (for example, photocopied or printed educational materials that specifically relate to the course); TAFE lectures that specifically relate to a course; course notes for a particular course; unexposed film and developing chemicals; art supplies; ingredients used in a cooking class; wood used in a woodwork class; chemicals used in a chemistry class; work books that provide space for students to complete exercises; consumable stationery items to the extent to which they are necessary for the course, for example, art materials, exercise books, pencils and paints (not including calculators and compasses); the lease or hire of curriculum related goods to a student by the supplier of a pre-school, primary or secondary course (provided the supplier of the course retains ownership in the goods); a right to receive GST free education (for example, charges for enrolling in courses and fees charged to confirm a student's place at a school); an excursion or field trip (only if the excursion or field trip is directly related to the curriculum of an education course and is not predominantly recreation); accommodation for students undertaking a primary or secondary course if the supplier of the accommodation also supplies the course; accommodation for students undertaking a primary or secondary course if that accommodation is provided in a hostel whose primary purpose is to provide accommodation for students in rural and remote locations who are undertaking such courses; cleaning and maintenance, electricity, gas airconditioning or heating as part of the provision of student accommodation which is GST free; and telephone, television, radio or any other similar thing as part of the provision of student accommodation which is GST free.

In terms of fundraising, we have all seen newspaper articles stating that school councils will now be recognised as 'not for profit' organisations. As a result, no GST will be charged on sausage sizzles or cake stalls. There was some clarification needed with that and it has come through only in the past couple of weeks. Legislative amendments have been tabled to provide government schools with the same GST concessions as non-government schools and charities, and this includes the GST-free treatment of raffles, bingo and non-commercial activities, including the sale of donated second-hand goods; the ability to treat some or all of their separately identifiable branches or activities as separate for GST purposes; the ability to treat certain fundraising activities as input tax (that is, they would pay GST on purchase but not claim input tax credits and therefore not charge GST on sales); and the ability to claim input tax credits when reimbursing volunteers and removing the requirement that all supplies made through a school tuckshop or canteen must be supplies of food for a non-profit body to choose to treat all its supplies of food as input tax.

We know that hobby or leisure courses will attract GST. It is still to be determined what courses are defined as hobby or leisure courses. The 2000 materials and services charge has been set but for 2001 we are undertaking an investigation as to how we might be able to restructure that to ensure that the total materials and services charge is GST free.

The Hon. M.D. RANN: You mentioned all the things that were not covered by the GST, which we have all known about for a considerable amount of time, but the question was about what action the minister has taken to argue the case with the commonwealth against levying the GST on South

Australian school fees. School fees are basically applied in a different way in different states, as the minister knows. When will we find out whether South Australian parents will be hit by the GST on school fees? What is the feedback, with 12 days to go? Following on from that, how much would the GST on school fees cost parents in South Australia? Given that the fees collect more than \$20 million, it appears that the cost could be more than \$2 million as a result of the minister classifying fees as materials and services charges. I am not asking for information on different areas but about school fees. We have asked the minister questions now for two years. Presumably, the minister has been belting the commonwealth around the head at ministerial meetings to make sure that South Australian school fees are not GSTable.

The Hon. M.R. Buckby: I have vigorously made representations to the federal Treasurer and to federal minister Kemp over GST issues. It was only in March that we had our MCEETYA meeting and all ministers, both Labor and Liberal, were pressuring minister Kemp in terms of when we would get decisions in terms of this and other GST areas that applied in education at the time. The non-profit organisation charity allocation to school councils and the fundraising was just one of those issues in terms of wanting a clear and direct answer. He told us at the time that significant work was being done and that, while it was taking a long time, he thought that in the end we would be satisfied with the results. Let us get back to the point. We are talking about 0.1 per cent of the total cost of public education.

I have written to the federal Treasurer asking for clarification; I am still awaiting an answer. I can do no more than lobby him as strongly as I can for information. The current information we have is that there will be very little difference in what is applying, but we still await that information from the federal Treasurer. I reiterate that we are talking about a very small part of the total education budget.

The Hon. M.D. RANN: By way of supplementary question, we appreciate that it is a small part of the overall global education budget, but this is the bit that applies to parents—the hit on parents. In the minister's own electorate I have detailed the sorts of costs that will apply in Gawler and other areas. The question I asked as a previous supplementary was that, if the fees are to be hit by the GST, how much does the minister expect it to add to parents' bills? Roughly, \$20 million in fees is being paid at the moment. Will we see an extra \$2 million whacked on the top that parents have to cope with if it is GSTable? With 12 days to go, you still do not know after two years of questioning.

The Hon. M.R. Buckby: What we do know is that the vast majority of the materials and services charge is GST free. We know that and excursions related to curriculum that parents will pay for in their materials and services charge are GST free. We have time to restructure the materials and services charge fee to ensure that it does not attract GST for the year 2001.

The Hon. M.D. RANN: So you are changing the way fees are collected?

The Hon. M.R. Buckby: No, we are waiting upon the guidelines in answer from the federal Treasurer. When we have that answer, we will be able to move in terms of ensuring that, if there is any impact, it is minimal. We may be able to restructure that fee so there is no impact on parents at all, and that certainly is an investigation we are undertaking. We have six months to do that. I hope that the honourable member would support that in terms of ensuring—

The Hon. M.D. RANN: I have a final supplementary.

The ACTING CHAIRMAN: That is it—it is the final supplementary.

The Hon. M.D. RANN: Full stop. If the GST applies, how will schools account for the GST on fees already paid for the second half of this school year? A lot of parents have already paid. Will they have to pay retrospectively and be rebilled? Can the minister confirm that parents who have already paid fees for 2000 will get a second account? I have a list of all the things in schools that will have the GST applied, including subject revision books sold to students; hire of facilities, halls etc.; sale of second-hand assets; photocopying cards sold to students; sale of produce from courses, depending on the nature of produce; sales of new and second-hand uniforms; technical studies material; fundraising revenue, which is in the ATO guidelines; sale of play group booklets; sale of equipment and other materials; play group insurance recoup; excursions and camps not curriculum related; text books and other materials sold to students; and so on. There is a list here from the commonwealth of all the things that will be slugged in education with the GST. I am simply trying to find out how much extra, if the GST is applied, parents will have to fork out. Secondly, will parents who have already paid their fees this year be given a second bill?

The Hon. M.R. Buckby: The answer to the last part of the question is obviously 'No, they will not be given a second bill.' Most of the materials that students will have purchased or paid for within their materials and services fee has already been received by the students this year. The member listed a number of issues and it has always been stated by me and by the Taxation Office that, where ownership changes hands, for instance where a student rather than leasing a musical instrument purchases the musical instrument, GST will apply, because it is no different from a student going out and purchasing the instrument from Allen's music shop or wherever. Where the student ends up owning the calculator or whatever else, the Taxation Office has deemed that it is no different from you or I going out and buying a calculator, so it attracts GST.

Regarding text books, there is an arrangement whereby, when students go into Dymocks or wherever they go to purchase a text book, there is an 8 per cent subsidy on the price of the text book to ensure that the student is not paying a high level of GST. I am sure the honourable member would be well aware of that. It has always been stated that anything that is related to the curriculum and where the ownership does not change hands, no GST applies. Where somebody buys a second-hand uniform, for instance, we are advised that the GST will apply. But the honourable member would be aware that most textbooks, computers and so on are leased or loaned to the students and students do not actually purchase them, so the GST does not apply.

The Hon. M.D. RANN: One of the things you have to clarify is whether, if people are paying by instalment later in the year, they will be paying GST whereas they did not earlier in the year; and whether some people will be hit and others not. How many overseas trips or delegations have been made by principals or senior school staff to countries such as China, Canada and the UK; how many staff travelled and what was the cost; did schools themselves meet any of the costs associated with the travel; and were schools required to cover the costs of the absence of the principals or senior staff from their schools? If so, were these costs met out of school funds paid by parents as compulsory school fees?

The Hon. M.R. Buckby: A number of exchanges occur, and I support them, particularly where principals are looking at and gaining knowledge from overseas education systems. It is very insular to think that we should remain in South Australia or even in Australia and not look abroad at what opportunities exist for our education system. It also exposes both students and teachers to another culture and another education system. From my travels I know that we have the best education system here. Mr Spring has the details that the honourable member is looking for.

Mr Spring: There were 201 trips by school personnel, of which travel costs were not paid by DEET.

The Hon. M.D. RANN: Not paid by the department?

Mr Spring: They were not paid by the department, but by the individuals. I do not have any figures as to whether there was any school contribution, because that is a matter for the school.

The Hon. M.D. RANN: That is obviously the key issue: parents think their fees are paying for their kids, not for principals to have trips.

Mr Spring: I did not say that.

The Hon. M.D. RANN: I know; I want you to clarify it.

Mr Spring: If teachers go with students to supervise them on an overseas trip, the arrangements vary between schools, but if you expect teachers, who work very hard when they are supervising students—

The Hon. M.D. RANN: That is not what I expect, but will you answer the question?

Mr Spring: Can I answer the question in my own way? You are making an implication in your comments that teachers are profiting, and that is not the case.

The Hon. M.D. Rann interjecting:

Mr Spring: Where teachers are supervising students, it is quite fair for the school to meet the costs of the trip, because the supervision is for 24 hours. When they travel alone, as far as I am aware, the teachers or principals meet their own costs. There may have been such a case, but I am not aware of one, apart from the obvious one I have just explained. Where students are involved, generally speaking, the school meets the cost. Where the teachers and principals go for their own professional development, they meet the costs.

The Hon. M.D. RANN: Will you find out for the committee?

Mr Spring: I will certainly find that out. It is also worth pointing out that you are probably not interested in international activities.

The Hon. M.D. RANN: I am very interested in that—

The ACTING CHAIRMAN: Order!

The Hon. M.D. Rann interjecting:

The ACTING CHAIRMAN: I warn the Leader of the Opposition—

The Hon. M.D. RANN: I'm just asking questions.

The ACTING CHAIRMAN: I warn the Leader of the Opposition. I make the point that if this warning is carried out it will mean the conclusion of this whole estimates committee—and that will be at the expense of the opposition, not the government. I warn the Leader of the Opposition that it would give me a great deal of pleasure to go home early, so he should be careful.

Mr Spring: Some \$850 000 of the cost of teacher and principal travel was paid from direct income generated from international activities. The estimated current value to the department across schools and TAFE of international activities is \$15 million.

The Hon. R.B. SUCH: First I would like to follow up on the issue of the early years strategy, following the question from the member for Hartley. The minister can take this on notice if he does not have the information with him. Will the minister provide details of the screening of children for medical, psychological and learning disabilities in the early years? Is there any intention to extend or expand that screening to older children within the system? That would include testing hearing, sight, psychological aspects and specific learning disabilities.

The Hon. M.R. Buckby: I do not have the figure for that, but in that early years strategy we have employed a further 17 speech pathologists to test children and identify where there is a problem. Along with that testing, the teacher obviously looks at how a child will operate in the classroom and so will assess the child's motor skills or social skills before they proceed. In many cases, when a child with a serious disability—a speech or hearing impediment—starts at kindergarten, the parent will often ask for that to be investigated, which we do. We spent some \$1.66 million on child speech pathology services last year, and \$380 000 is allocated this year for psychology services. In assessing the child, we undertake a full assessment of whether the child has a disability or learning difficulty and what services are available from the department to ensure that the needs of that child can best be met.

We are now employing some 45.6 speech pathology staff in our schools. Since 1993, speech pathology funding has increased from 33.8 to 63.9 salaries, so certainly a significant amount has been put in there. The speech pathology service operates on a consultancy model. That involves helping schools to meet the communication and curriculum needs of children and students with moderate and severe communication difficulties. Consultation is an ongoing process with the teacher and student, not one off contact. In many circumstances where there is a problem, parents are involved in setting out a negotiated curriculum plan for the student to ensure that we get the best for our students that we possibly can. Mr Chris Shakes can probably expand on that.

Mr Shakes: We have over and above what is described in the early years strategy as an infrastructure of assessment and support for children in the early years. Generally, that operates through a process of referral by an early childhood educator to a specialist staff member within our organisation. That specialist staff member can then do an assessment of a child's language development, or other sorts of development, and then, in most cases, we are able to look at ways of supporting that child within a preschool environment. We have a particular program called the Pre-school Support Program which adds extra resources to individual pre-schools to support children with additional needs.

The Hon. R.B. SUCH: I was trying to find out whether there is a universal assessment of children at a particular age. I am happy for the minister to take this on notice, if he wants to come back with a considered reply, because I threw it from left field following the early years question. I am particularly interested to know whether all children at a particular age are screened for medical aspects and for psychological and learning disabilities or whether it is a more individual approach. I am happy to await a considered answer if the minister wants to come back to it.

The Hon. M.R. Buckby: The answer to that question is that we do not have full screening, so to speak, in terms of a young child undergoing a medical to check their hearing, sight and so on; that is not undertaken by the department. I

guess it is deemed that that is a child health matter and not an education matter. While I would agree that, in many cases, it becomes an education matter because of the fact that we end up with those students in our classrooms and then, obviously, have to work out programs to suit them and to help them, it is not a program that we undertake.

The Hon. R.B. SUCH: Will the minister ask his staff for an evaluation of the desirability, advantages and disadvantages of such a universal screening that used to occur many years ago in my youth—

Mr SCALZI: That is a long time ago.

The Hon. R.B. SUCH: Yes, it is a long time ago: we are talking about the stone age. Will there be an assessment of the merits in conjunction with the Department of Human Services? The reason I highlight this is that on one of our parliamentary committee investigations into rural health we became aware that doctors in country areas—and one doctor in particular—take it upon themselves to assess all the children in their neighbouring area with tremendous results—and I am referring to the doctor at Tumby Bay. I think it would be worthwhile for the department, in conjunction with the Department of Human Services, to assess the merits of that to see whether we can tackle some of the behavioural problems and health problems that emerge at early stages. I do not ask for an answer now.

The Hon. M.R. Buckby: As I said earlier, a full assessment of a student's educational ability and needs is undertaken in the first term of reception, and similarly in pre-school, and a report follows the child in terms of the level of development that they have reached within that pre-school. That may well highlight, at times, the fact that a child may have a speech problem or a learning difficulty and that follows through to the school. I consider that to be a health matter and not an education matter, but I am happy to have a discussion with the Minister for Human Services to see whether or not there might be benefits in undertaking that and what the cost of that might be at the same time.

I think the committee would find that most parents—and I know, being one myself—are very vigilant in looking at whether there is a problem with their child regarding hearing, speech or whatever else. If they notice that there is a problem they can report it to their doctor or to CAFHS—I cannot remember what it is called now—which is located in regional centres and throughout the community and which undertakes testing. There are avenues that parents can use at the moment. However, I will take the issue on board and discuss it with the Minister for Human Services.

The Hon. R.B. SUCH: The next question is a parish pump type issue and relates to the preschool facility at Aberfoyle Park. Will the minister provide an update on that facility, which is a replacement of the existing preschool on Sunnymead Drive?

The Hon. M.R. Buckby: Aberfoyle Park Preschool in Sunnymead Drive was sitting under some high voltage powerlines. Significant community concern about this led to negotiations for ETSA (now ElectraNet) to purchase the property under its prudent avoidance policy. The contract for the sale of the site to ElectraNet is being drawn up at the moment with the settlement date to be determined by completion of the replacement facility. Additional land for the replacement of the preschool on Budapest Road, Aberfoyle Park was purchased from the Catholic parish for \$100 000, plus costs.

I approved the replacement preschool on 27 September last year at an estimated cost of \$683 153. The pre tender

estimate rose to a total of \$740 000 due to the necessity to comply with the new child-care centre regulations introduced in 1998. That involved an additional nappy change bath and additional site works. Tenders were called on 14 February and the builder, Partek Industries Pty Ltd, was contracted by the Department for Administrative and Information Services (DAIS) on 1 May. The actual tendered project cost is \$840 000. The sale proceeds of \$380 000 reduced the department's cost to \$460 000. I am pleased to say that construction began on 17 May and is scheduled for completion on 13 December this year.

The Hon. R.B. SUCH: I appreciate the minister's response. The concern was not so much electromagnetic radiation but the fact that helicopters conduct surveillance over those powerlines and the remote possibility that one day a helicopter might cease to act as a helicopter. That has been the main concern, but I am pleased that finally we now have that centre under way.

Mr HAMILTON-SMITH: I refer to budget paper 4, volume 2, page 9.6, 'Preschool Education'. I note that \$71 883 000 has been allocated and according to last year's Portfolio Statements (page 8.16) \$64.522 million was allocated. A rough calculation tells me that there has been a 12 per cent increase, but I note that there has been only a 1 per cent increase in the number of children in preschools. Will the minister explain or elaborate on that increase in funding?

The Hon. M.R. Buckby: As the member would know, we have a community service obligation in terms of preschools and the supply of funding to those schools and, as I have also stated in the previous answer, any new preschools now being built are being built to the standards required by the child-care centre regulations introduced in 1998, so there is some additional cost in terms of what is supplied. The good thing about our preschool sector is that some 94 per cent of children attend. It is the third highest attendance rate in Australia. I certainly see the benefits from preschool education. As all members would be aware, each child is entitled to four sessions per week as long as space is available at the preschool for those sessions. I have one child attending preschool now and my elder child has passed through it. It is an extremely good system and the directors of our preschools do an excellent job in providing developmental education to our young people.

In 1997-98, some 91.7 per cent of children attended preschools in South Australia. The latest figures supplied by ABS, as I have said, indicate that that has risen to just under 94 per cent. I will take on notice the member's request for a breakdown of the funding and provide an answer at a later stage.

Ms WHITE: With respect to the GST issue, the minister referred to the D12 draft ruling from the Taxation Office that came out some weeks ago. With respect to the apportioning of fees, the ruling states:

Where you charge a single fee to a student which may include any of the following:
 the sale of goods;
 the supply of items that are not part of the supply of the education course;
 a field trip or excursion that is predominantly recreational;
 the provision of food; or
 a membership to a student organisation—

It sounds awfully like university student association fees—you must apportion the fee between the GST-free, input taxed and taxable parts of the supply.

There are other references in that draft ruling that clearly state that the parts of the fee that attract GST and those that do not, those that are input taxed, or whatever, must be itemised.

In the past, this government has resisted having school fees itemised. Legally, it appears that this will now be required because of the Taxation Department ruling. Will the minister give a commitment that in future parents will be provided with an itemised account of all school fees? I think it is only fair that parents know exactly what they are paying for in terms of school fees.

The Hon. M.R. Buckby: The examples that the member has listed relate particularly to items where ownership changes hands, or to an excursion not related to the curriculum. We have always stated that students or parents will pay GST on those items. We are obtaining advice from Price Waterhouse in terms of setting out the materials and service charge fees to ensure that the department complies with the GST legislation and associated directives. We are doing that to ensure that the fee that is applied for 2001, and what parents receive in documentation, complies totally with the GST legislation.

Ms WHITE: Does that mean that the minister will continue to allow schools to provide parents with a single account with a single fee without itemising what that fee comprises? It has been indicated here that a portion of the fees that parents are currently charged attracts GST and a portion of it does not. As the minister would know, some schools, for example, itemise a few types of things that school fees are spent on in their newsletter, but they do not send out an itemised account showing whether or not each item is subject to GST.

The draft ruling from the Taxation Department seems to imply that—at least at the commonwealth level—a fee should clearly state at least what is and is not subject to GST. Surely it is reasonable that parents be provided with a bill that outlines what they are being charged school fees for, rather than what they predominantly receive now—a single figure that can be anything from car parking maintenance to stationery supplies to topping up the canteen or whatever.

The Hon. M.R. Buckby: Our aim for 2001 is that what is included in the fee will not attract GST. So, if we can do that there is no question for parents as to what and what does not attract GST. It is a matter of there being nothing in the fee to attract GST, and therefore there need not be any concern about it. Many schools in their newsletters outline what is in their materials and services fee.

Any parent at any time can go to the administration of a school and ask, 'What am I paying for in this fee of \$150 or \$160 or whatever?' There is no restriction as regards a parent asking for information. In the past excursions or whatever that were not aligned to the curriculum might have been included in the materials and services fee. Our intention is to make sure that all that is within the fee is within the curriculum areas and does not attract GST.

Ms WHITE: By your admission, some items currently find their way into school fees that would attract GST. You say that your aim is to make sure that the fees that are charged next year do not attract GST because they do not include any of those items. Who will pay for those other items such as excursions or whatever? How will you fund schools as regards the difference between the current fees and those charged which attract the tax?

The Hon. M.R. Buckby: I think the member is underrating schools, because what might have gone on in the past—
Ms White interjecting:

The Hon. M.R. Buckby: No, it is their ability to ensure that the excursions or whatever they undertake are aligned to the curriculum. I think that you are under-estimating the ability of the school councils—

Ms White interjecting:

The Hon. M.R. Buckby: No, I am not saying that at all. If you will be quiet, I will tell you. In the past there has not been a GST. What I said earlier is that schools may—not would—have had items in there that did not align to the curriculum. I am sure that schools will now ensure that items are aligned to the curriculum, or there may be a refocus to ensure that excursions or whatever are curriculum aligned—and that is not fudging the figures or dodging tax office rulings, it is just refocussing on the educational value from the activity being undertaken and ensuring that it is aligned to the curriculum.

In that regard, Price Waterhouse will look at this to see how it can be structured so that, in 2001, we have a materials and services fee that does not attract GST. Therefore, if a school wishes to undertake a snow trip or whatever that is not aligned to the curriculum, that would be for the school community to decide. Obviously, the parents would decide whether they wished to pay for that or whether they wished not to be included, if it is extra-curricula.

Mr HAMILTON-SMITH: I refer to family day care in budget paper 4, volume 2, page 9.13: there is an allocation of \$26.009 million, an increase on last year's allocation of \$19.448 million. By rough calculation, that is an increase of about 33 per cent. I note that there has been an increase of 13 per cent in the number of children in family day care. Can the minister explain the additional expenditure and how it is constructed?

The Hon. M.R. Buckby: There are 7 000 families using family day care and some 1 363 care providers providing care for 12 911 children in South Australia. If we divide that into rural and metropolitan, approximately 4 600 are in rural areas and 8 600 are in metropolitan areas. The family day care program provides opportunities for children to grow, develop and learn at their own pace in a home environment according to their interests and talents. Many parents choose this because they want their child to be in a home environment rather than in a centre environment.

Family day care assists families with dependent children to participate in the work force and the general community by supporting access to affordable quality child care. Family day care utilises the rich resources of a home environment in providing authentic experiences for children in care. Children are cared for in small groups with one responsible adult. In regional and remote South Australia, this is often the only form of child care available, particularly to farmers on the West Coast where, without family day care, either partner of the farming business would not have the ability to get a break from their children or to undertake extra work, particularly in busy times of the year when farmers are either seeding or harvesting. At critical times they need to be able to get family day care to help on the farm, and that help would not be there if it was not for family day care.

So these children are cared for in a safe environment which allows them to reach their full potential. The care providers are trained, supported and monitored by skilled coordination unit staff. Care providers in South Australia achieve competency in certificate 3 in community services prior to approval. Standards are monitored and all care providers are required to meet minimum standards. A quality assurance system for family day care is to be implemented

from 1 July 2001. The family day care staff and parents work in partnership to address the intellectual, social, emotional and physical needs of children in their care. South Australia is also extensively involved in the development and trial of the new curriculum framework and family day care provides care access, as I said, in remote and rural areas.

The member might be interested to know that it is predominantly funded by the commonwealth with federal funds comprising 95.6 per cent of total funds expended in South Australia this year. The amount contributed by the commonwealth is estimated at \$24.855 million. The state will contribute an extra estimated \$1.154 million, the total allocation being \$26.09 million. If that is an increase on last year, then it may reflect that there are more families using family day care than were using it in the previous year.

The member would also be well aware of the changes to funding for child care undertaken by the federal government and the resultant shift, I guess you would say, in terms of families making a decision whether they will use a family day care setting or whether they will continue to use a child care centre setting for their children. The majority I have visited, and the parents whom I know and who have their children in family day care, though, choose it because it is a home environment rather than a centre environment, and that is certainly one service that has been provided extremely well and one in which the utmost care is taken of those children on a daily basis.

Mr HAMILTON-SMITH: My next question relates to page 9.22 of Volume 2 of budget paper 4. I am looking at preschool education expenses of \$71.833 million. I note that there is revenue of \$1.644 million, which I assume is paid by families using preschool services in some way for additional services. Can the minister explain how all that works, what it costs to access preschools and where that revenue of \$1.644 million comes from? Is that charged to families? How does all that work? What do they pay for? How does that revenue come in?

The Hon. M.R. Buckby: Chris Shakes is in our children's services area and he will answer that question.

Mr Shakes: The preschool fees are charged by preschool management committees which are organisations that are incorporated under the Children's Services Act. The fee in a formal legal sense is a voluntary contribution towards the cost of operating that preschool. Fees range from \$30 to \$80 a term. That is the typical range for preschool fees.

The Hon. M.R. Buckby: If there are any other parts of the question that the member requires answers on, we will take that on notice and get an answer for him.

Mr SCALZI: Minister, are potential employees in child-care centres subject to police checks? What is the price per check, and who pays?

The Hon. M.R. Buckby: The answer to that is yes, they are subject to police checks and the very reason for this, of course, is in terms of ensuring that the children who are in these centres are cared for by people who have a very clear background in terms of any paedophilic activity or any illegal activity that a person might have undertaken. So a police check is undertaken to ensure that anybody with a history of violence against children cannot hold a licence or be employed by a child-care centre. This regulation came into effect on 3 April 1999 and it incorporates police checks for licensees, managers of child-care centres and child contact staff. The department manages the police checks on the licensee and the manager at no cost to the licensee or manager. The licensee as the employer manages the police

checks on staff. The licensee can pay for a police check or charge the worker. The current cost of that check is \$41 per person and only staff employed after 3 April 1998 are required to have that check.

This check is supported by the child-care industry. Some centres have had implementation issues regarding their understanding of the process. They have been dealt with on a case by case basis by the department, and the child-care industry is supportive of police checks being undertaken to enable transportability of the individual's police check from one centre to another. As members would be aware, if a person moves from being employed by ABC child centre to another one that record can then follow to the other centre. This issue is also being considered within the scope of the review of the Children's Services Act and the Education Act. The public consultation that has come in from those checks has reiterated that the government is following the right course in ensuring the utmost safety for our young children who are in centres, and ensuring that people who do have a record of violence against children are not allowed either to operate or be employed in one of those centres.

Ms WHITE: I want to clarify something, minister. In relation to the GST and school fees, you gave me the impression before that you are getting some consultants to look at restructuring your materials and services charge for next year, so that it is fully aligned with tuition and therefore does not attract the GST. Is that correct?

The Hon. M.R. Buckby: We are consulting with Price Waterhouse regarding the act and the regulations of GST that flow from that, so they can advise us exactly how we can ensure that what goes into a materials and services fee is not GST rateable. Obviously, all of that has to be aligned to education. There is no fudging of any figures; and there is no dodging of any rules. It is a matter of ensuring that we are complying with the act and with the regulations set down by the commonwealth, but with an aim that, for the simplicity of parents in terms of ensuring what is in and what is out, whether parts of the fee attract GST, we make it as simple for parents as possible. If we can achieve a materials and services fee which does not extract any GST, obviously that is the ultimate. That is what we are attempting to do.

Ms WHITE: The difficulty obviously is that to do that you have to align the charge with tuition and courses, and, of course, under the Education Act anything aligned with tuition and courses is free. In fact, the previous minister Rob Lucas produced Crown Law advice which said that the materials and services charge could not be for anything aligned to tuition, because that is in contravention of the Education Act. So I am not sure how you do that. There seem to be two completely polarised objectives there: aligning it with the regulation and your current materials and services regulation in the Education Act.

The Hon. M.R. Buckby: The member might be splitting hairs a bit here, because she would be well aware that under the Education Act the government is to provide for the facilities for education, to provide the staff, to deliver that education and to supply the basic materials that the staff require to teach the children. The member would be well aware of the fact that prior to 1960 parents did not pay a materials and services fee. They went out and purchased exercise books and various materials for children to undertake their schooling. In that, they were obviously paying wholesale sales tax and retail sales tax on those items, and it was deemed by the department of the day that this could be done at a cheaper rate to parents by the department purchasing in

bulk and as a result of that avoiding some of the taxes that were levied on materials that were used by students.

That is where it all started from and that remains basically the thrust of the materials and services fee, so that, with the materials that the students require, the department can make use of its bulk buying capacity to deliver that at a cheaper rate to parents, than the parents going down to their local store or to a retail store and purchasing these things at full tote odds. As I said, what the act sets down is that the structures, the buildings, the teachers, and the materials that teachers require to teach courses of educational instruction, within the eight areas of the curriculum, are to be provided by the government. The additional materials and services fee covers those items which are additional to that.

[Sitting suspended from 1 to 2 p.m.]

Ms WHITE: There is one issue about the GST and school fees which has not been addressed. The minister stated earlier that he will employ some consultants to try to work out some way of minimising the GST on the materials and services charge for next year, but that does not address the charge for this year. Fees have already been paid by many parents, but a number are paying by instalment and others are refusing to pay, so debt collectors are being employed.

These payments can be made to schools at any time: they are coming in now, they will be coming in in two weeks and progressively so. What should schools do in two weeks to deal with the problem of the GST: first, on fees which have already been paid; and, secondly, on fees which have not been paid? Will one group of parents pay more GST than others? If one looks at the way in which the GST is operating on some other things, perhaps the GST is payable for the full year, not only six months. Regarding the GST, what is the liability of parents who pay for fees before the minister's consultants look at the problem?

The Hon. M.R. Buckby: I said earlier that, in respect of materials which students receive for the full year but which were received in the first half of the year, where fees are being paid by instalment, the GST will not be applicable. This government has allowed parents to pay fees by instalment until the end of the third term to ensure that, where the need exists to prevent financial burden, parents can spread their payments. I will double check the situation and ensure that the CEO issues a directive to all schools before the end of the second term so that parents are aware of any possible implication as a result of the GST. However, I do not believe there will be any such implication because, as I said earlier, these materials were supplied to students in the first part of the year, so they should not have to pay the GST. That is my current advice, but I will ensure that schools are advised regarding those parents who are paying for fees on an extended payment basis.

The Hon. R.B. SUCH: My question relates to the new science and maths school to be established at Flinders University. However, I indicate, first, that when SSABSA appears before the committee I will explore the question of whether students, particularly in year 12, are still pursuing maths and science at the same level as has occurred in the past on a percentage basis. I will now focus on the new science and maths school that is to be established at Flinders University. What are some of the details of this new innovation?

The Hon. M.R. Buckby: I am aware that the honourable member is genuinely interested in Flinders University and the

schools within his electorate. Again, South Australia is proving itself to be the leader in education in the Asia-Pacific region. This Australian science and maths school will be established through collaboration with Flinders University and the commonwealth government. There is no other school like this anywhere in Australia. It will be available for our best and brightest maths and science students with the clear aim of producing more scientists and mathematicians to work within the industry in South Australia and Australia.

The government will provide \$2.1 million this year to commence construction of the school. This is a \$10.8 million project which should be completed in late 2002. At its peak, it will house 450 senior secondary students, including 150 international students. There will be an intake each year in years 10, 11 and 12 of 150 students. We will begin with a year 10 intake of 150 students, of whom 100 will be deemed to be Australian students and 50 international students.

The benefit to the economy of attracting international students to our state is well known: each student will bring a benefit of about \$25 000 to the economy. It is hoped that if these students attend our secondary schools they will go on to university here, thus continuing to add that economic benefit to South Australia.

The school will become a state and national focal point for teaching with professional development and research aimed at fostering improvements, innovation and reforms in science and maths in secondary schools and also transforming student attitudes towards science and maths as career options. It will refresh science and maths teaching throughout Australia, because this professional development program will see teachers being brought into the school and exposed to the school curriculum and then taking that knowledge back to their schools and imposing it on their students. So, not only the students of this science and maths school will benefit: the whole teaching community and South Australian school population will also benefit.

The students themselves will benefit because they will be working with teachers and researchers from the Flinders University as well as our own teachers. Therefore, they will be able to access the latest in aquaculture information technology, software engineering, visualisation and image processing, nanotechnology, laser science and biotechnology, which will be features of the science curriculum of this school.

This is an exciting innovation for South Australia, which shows that, again, we are leading the nation in education—there is no doubt about that. I have been approached by someone from England who said to me, ‘You’d better be ready for a number of teachers from Europe and England who will want to talk to you about what you are doing, because you are currently at the leading edge in the world in areas of information technology as well as local management.’

The international students will, of course, pay fees. We are looking to attract international students through Education Adelaide. I think there is no doubt that, through this school, science and maths will be reinvigorated in South Australia. The school will provide a focus for those young students who are interested in a science and maths career in the knowledge that they will have the opportunity, from time to time, to work with the top researchers in South Australia in different areas of science and maths. If you are a young person considering embarking on a science or a maths career, I think this would be a fairly inviting proposition.

Membership:

Mrs Maywald substituted for Mr Scalzi.

The Hon. R.B. SUCH: The minister would be well aware that we have an ageing teaching population in South Australia, the average age being about 47. There has been a lot of discussion about the gender ratio of teaching staff. The focus on talk-back radio today has been about the lack of male teachers in primary schools. In relation to the ageing of the teaching force and the obvious implication that we will need younger teachers, and the question of the gender ratio throughout the system including management and general teaching positions, what are the department’s strategies to deal with these aspects?

The Hon. M.R. Buckby: The issue has been raised at the national level. As minister I pushed for a review of teachers and the recruitment of teachers nationally, and that review is ongoing in terms of looking at the age structure of teachers. A survey suggested that there would be a shortage of teachers in Australia by the year 2003-04, and it addressed what the various federal and state governments were going to do about that. The number of male teachers is one of those factors, and I can report that South Australia has the highest number of male primary teachers, with 25 per cent of our primary school teachers being male, which is higher than any other state on a state by state comparison, according to ABS data. The national average is 22 per cent, and the ACT has the lowest with 13 per cent. We also have the highest number of male secondary teachers, with 53 per cent of our secondary teachers being male. The national average is 46 per cent, and the ACT has the lowest level with 38 per cent.

The number of full-time teaching staff as at 6 August 1999 in the census date shows that, of the 1 187 employees working under the Children’s Services Act, 1 per cent were males. Of the 6 919 teachers in primary schools, 25 per cent were males. Of the 5 032 teachers in secondary schools, 53 per cent were males. In respect of leadership positions, of the 473 principals in primary schools, 54 per cent were males; of the 80 principals in secondary schools, 61 per cent were males; and, of the 82 principals in R-12 schools, 62 per cent were males. As at 19 June, of the 2005 new recruits to the department in the year 2000, 25 per cent were males. There has been a gradual decline in the number of male primary classroom teachers. In 1990 the percentage was 29 per cent, and it is now down to 25 per cent.

In answer to the question, there is an imbalance in the primary area in terms of males and females. There has been a system where males tend to work with older children rather than younger children, but the issue that has been raised in the community of a male comforting a child in primary school when they are upset or have an accident and the innuendo that is often pointed at a male in terms of contact with that child, putting their arm around them or something like that to comfort them, has been a factor that has dissuaded males from going into primary school teaching. It is an area where young children do need to be consoled, and for a male not to be able to do that, lest a finger be pointed at him or innuendo raised because he might do that, is a significant factor in males not entering the primary school work force. That is very sad because it means that the children miss out on that male influence within the schools. All that the Education Department and the universities, which undertake the training, can do is try to encourage as many males as possible to enter the primary school area.

The Hon. R.B. SUCH: By way of supplementary question, what interaction is there with the universities in terms of the training provided to would be teachers regarding the quantum of practical experience? How much say does the department have in terms of influencing the specifics of teacher training?

The Hon. M.R. Buckby: Universities are federally funded and are somewhat a law unto themselves in terms of the delivery of courses and what is included within those courses. Mr Spring may have more idea of what goes on.

Mr Spring: The national tax force the minister established is looking at just that question and at the question of how employers use their power to demand certain standards in levels of practical teaching, which all of the states and territories unanimously want to be higher, with some exceptions. Some universities have quite high levels. It is an area at which we are looking nationally, and we will be saying to universities, 'Here is what a group of Australian employers—including the non-government sector—require out of teacher education courses.'

The Hon. R.B. SUCH: Will the minister describe the uniquely South Australian features of the Partnerships 21 program?

The Hon. M.R. Buckby: As I have indicated on numerous occasions in the House and elsewhere, Partnerships 21 is a model that is uniquely South Australian. When I formed the Cox committee to look into the local management of schools in South Australia, I instructed it to look at other models operating either interstate or overseas and to ensure that the model suggested to the state was the best system available. I believe that that has been achieved. It goes further with the 'no worse off guarantee' that the government gives, whereby no school will be financially worse off by joining Partnerships 21. Professor Cuttance of Sydney University, in evidence to the Industrial Commission, said, 'I don't know of any system that has moved to local management with a guarantee that all schools will be either equal to or better off, certainly no worse off, in terms of total funding.' That is quite true because there is no system I have come across—and we have looked at this in Victoria, New Zealand, England, Ireland and Scotland—that gives that guarantee to their schools that sign up for local management. The benefits of that are certainly coming through.

I visit schools now that are under Partnerships 21. For instance, the Robe Primary School used to have enough money to buy two hours SSO time a week for specialist literacy work with its students who needed it, but it is now buying 30 hours a week. Mr Spring and I went to Elizabeth North last week to look at the literacy and numeracy program. Two hours of literacy and numeracy are delivered every day in that school. The first hour of every day is spent reading, and the second hour is spent writing. The principal of that school said to us, 'There is no way I could have done this without Partnerships 21: the flexibility that gives me in terms of employing staff and using my global budget will deliver and is delivering much better educational outcomes for the children.' The improvement in literacy and numeracy at that school as a result of that policy is exceptional.

It means that for the first time the principal of the school and the school council know what is their school budget; it includes staff and all the operational expenses that go into that school. They are able to look at that and see where they can make changes and make their own decisions. I remind the committee that 100 per cent of any savings that they are able to make—and all the models we have seen elsewhere suggest

between 10 and 15 per cent savings when schools or school councils become responsible for their own budget—are kept by the school. They can turn those savings back into programs they wish to provide to their children. The sole focus of Partnerships 21 and the requirement for the school plan that has to be delivered prior to a school's acceptance as a P21 school is that there is a better educational outcome for the children. That is our entire focus in this—to use that flexibility to ensure that students come out with a better educational outcome.

Another matter that has been established in this model is addressing the disadvantaged students. In Partnerships 21 schools, where students qualify for School Card, the school gets a top-up to the school fee. So, for instance, for each School Card student in a primary school the school receives \$51. At the moment the School Card payment is \$110 to primary and \$170 for secondary students. That top-up payment is made for each School Card student. That program arose out of the Cox Committee, which recommended that, if we went to local management, we had to address the equity issues of those disadvantaged schools to try to ensure that some advantage was gained for those schools that came into the system. So, there is an additional \$51 for primary School Card recipients and \$45 for secondary School Card recipients in P21 schools. A risk fund is being developed so that, should schools encounter events that were not envisaged, they can access a risk fund to ensure that the school is not disadvantaged in any way.

In addition to that, the global budget is something that schools have not seen before. They have had no idea as to how much they might be paying for electricity, and various practices can then be undertaken in a school to use it more efficiently. I remember that staff in a school at Reynella decided to concentrate on the amount of energy it was using and found that, by switching off lights and turning off heaters when they left the room and ensuring that they did not have cupboards in front of windows, they were able to reduce their power bill by about 45 or 50 per cent. They are given an allocation for their power bill each year, they still receive that allocation as a P21 school and, if they make savings on it, they keep those savings and can turn them back into additional SSO hours or employ part of a teacher—whatever they can decide. That is the real advantage of this model.

As I said earlier, a couple of people from the Blair government in England have come to see me and have reinforced the fact that this model is at the leading edge of local management of any schools anywhere in the world. This chap said, 'You'd better expect a number of teachers and administrative people coming out here to look at this model, because you are certainly in front of the field; there is no doubt about that.' A comprehensive asset management planning process for the negotiation of asset management plans for every site, including inclusion of asset funding in the global for P21 schools, is also being undertaken now. So, a planned commitment in terms of maintaining the asset is undertaken by the department and the school so that the school can face the future with certainty.

These are things where, rather than the bureaucracy coming down on top of a school community, the school works with its community in deciding the high priorities it wants for its children, and that has not been done before.

An honourable member interjecting:

The Hon. M.R. Buckby: Previously, the department ruled what would and would not be done in schools. School councils undertake school management in terms of behaviour

and uniform policy and those sorts of things, and that will still continue, but this gives schools in South Australia a far greater level of say in their direction. The clear fact is that a school in Ceduna and the issues faced in Ceduna are different from those in Burnside, Aberfoyle Park, the Riverland or Mount Gambier. This model enables schools to be flexible. An honourable member says it is done already. In the past, government has given no incentive for schools to look at areas where they might address their practices, and this is the very fact of Partnerships 21. It gives a school an incentive to look at its policies and determine whether to switch off the lights, how to use the watering system, whether it is better to have an irrigated system rather than shifting a sprinkler each day, when it does its watering and whether it would be better to use a timer system so it is all done at night rather than in the daytime. It can address issues like that which may save money in a school budget. That school retains 100 per cent of those savings to use in whatever way it wishes.

They are some of the incentives that will ensure that Partnerships 21 schools are very successful. Of all the schools and pre-schools that have currently come in, I have not had a complaint come in to my desk, and certainly the schools that I visit are very satisfied with the level of training that is undertaken and the level of service that is given by the department. Paul Kilvert and his team are to be commended on the hard work that is being done in this area, as are Bronte Treloar and his team on getting up the global budget. A tremendous amount of work has gone into that because, again, breaking new ground will see that Partnerships 21 is an extremely successful local management model.

Membership:

Mr Hanna substituted for the Hon. M.D. Rann.

Ms WHITE: I refer to budget paper 4, volume 2, page 9.36, which states that the 2000-01 budget will have an operating loss of \$28.2 million to be funded by running down cash reserves. The education budget has incurred operating losses for the past two years and there is a further \$28 million loss this year. While education has been running down cash reserves, Treasury has cut each of the budgets to achieve savings. It appears that the budget strategy is not sustainable and will need some structural change before cash reserves are depleted. Does the minister agree that the budget has this structural problem; and how many deficit budgets is he planning for? Can he explain what structural changes will be made before the reserves fall below the level needed to operate?

The Hon. M.R. Buckby: No, I do not agree in terms of the \$28 million loss. The papers issued by the Treasurer, which the member for Taylor received two or three years ago, or whatever it was, in terms of the cost savings that the department was to make indicated over the three year period—this being the final year—that a total of \$47 million needed to be saved by the department as its share of government savings. In addition to that, the department identified certain areas of cost pressures that we could see. The enrolment benchmark was one that we foreshadowed. Also, because of statements coming from the commonwealth government, and knowing that we would be facing some pressure in terms of loss of commonwealth funding, it identified the total need within the department.

Therefore, we restructured the department to ensure that no school felt any impact of these cost savings and that there was no change to teacher numbers or to the formula set out

in the 1996 enterprise agreement. There has been no change to SSOs in terms of that area. It was my direction when these savings were implemented that they must not touch the classroom; that is, students must not be affected by any savings that were to take place. We have used a number of tools in terms of looking at improving the performance of the department, and cash reserves has been one of those that we have looked at. It is a planned reduction in terms of the cash reserves and it is approved by the Treasurer and by Treasury in terms of ensuring that, first, we make the savings that the Treasurer has requested; but, secondly, we ensure that we are not struggling when it comes to pressures on our budget both inside and outside the department. The departmental officers have done that extremely well, because the classroom has not been affected. The direction right from the start was that it was not to affect the education of children.

Ms WHITE: It is a bit hard for the minister to claim that there is not a loss of \$28.2 million in this budget when the budget papers refer to 'the operating loss of \$28.2 million'. How does that budget statement that cash reserves will fall by \$28 million reconcile with the three year budget strategy to which the minister has just referred that says that reserves will fall by only \$2.3 million this year? That is a three year budget strategy that the minister has confirmed that his Director of Corporate Services lodged in the commission. On the one hand your budget papers say that cash reserves will be run down by \$28.2 million, but on page 9.36 it states:

The operating loss of \$28.2 million in 2000-01 is to be funded by a planned reduction in the cash reserves held by the department.

Then your revised budget for 2000-01 lists the cash run down as \$2.3 million. Will the minister explain the difference?

The Hon. M.R. Buckby: Mr Treloar is the Manager of Corporate Services, so I will get him to explain it.

Mr Treloar: The best way to describe it is that the \$28 million planned run down in terms of cash reserves applies to the department's total operations. The document, which I think we refer to as the 'leaked document', was lodged in the Industrial Commission—as was an updated document—and it relates to a document that I think was prepared in February 1998 in relation to the department. At the time, I think I commented in the Industrial Commission that it had a life of its own. We simply updated that part of the department's budget, and that was the then state of play. I think we discussed it in detail at last year's estimates committee. I think we described it then as a document that certainly moves almost on a day by day basis. Similarly, that situation has occurred again.

The components which we were looking at and which people keep coming back to are contained in the February 1998 document. That is one of many that was produced. For example, it does not include P21, the operation of TAFE institutes and a whole range of the department's operations, whereas what the member is looking at now is the financial statements for the operation of the total department and the planned reduction in cash reserves.

Ms WHITE: It does not make sense because the document and the revised figures that you tabled in the commission were tabled on 19 April 2000. However, you may have answered another question of mine when you pointed out that that information does not include P21. What are the forward estimates for cash reserves in the next two budgets, that is, 2001-02 and the following year?

The Hon. M.R. Buckby: Mr Treloar will address that.

Ms WHITE: You have a planned reduction in cash reserves and you have been dipping into them. What will you do next year and the year after; that is, in 2001-02 and the following year? What are your forward estimates?

Mr Treloar: The documents include an estimate of the cash position at the end of 2000-01. As I understand it, the reason we are here today is to discuss the 2000-01 budget. At page 9.29—

Ms WHITE: What figures will you supply?

Mr Treloar: Sorry; I am just giving my answer. In the portfolio statements, volume 2, page 9.29, statement of cash flows—

Ms WHITE: For June 2001—

Mr Treloar: Could I finish my answer please?

Ms WHITE: Sure.

Mr Treloar: The budget that we are examining today is for 2000-01, and we have the 2001 budget documents with us today. Page 9.29 shows that the closing cash balance as at 30 June 2001 is \$110 103. That is the cash estimate that we have in the budget being examined today.

Ms WHITE: I asked what you were going to do. The minister has said that you are running down, in a planned way, the cash reserves to meet your operating losses and that you have done that in successive years. The cash reserves are running down, and you stated correctly that as at 30 June 2001 you will have \$110 million (or thereabouts). My question is, and my whole line of questioning has been: is there not a structural flaw in the budget if that is how you will balance your books? What will you do next year (2001-02) and the year after (2002-03)? What is your plan? You have said that you have a planned reduction strategy and, if so, what is it? You cannot keep doing this because sooner or later the reserves will fall below the level needed to operate. Or is it your strategy to wait for the next election when you may not be in power and so it will be our problem?

The Hon. M.R. Buckby: I understand that the plan that I have consistently referred to is the three year savings plan, which has been set out by the Treasurer, and the member for Taylor well knows that. I am sure that she would have an updated copy of that plan, which relates to issues that have been deferred or for which funding is now being met by Treasury, or in respect of a number of areas with which we have decided not to proceed. It is a flexible document. There are areas where there have been changes: for example, the enrolment benchmark is one of them. Regarding the enrolment benchmark this year, we will repay \$1.6 million to the commonwealth with a saving of some \$5 million—rather than \$1.6 million—that we thought would have to be repaid.

Mr Hanna interjecting:

The Hon. M.R. Buckby: Well, it is this year's forward estimates that we are dealing with.

Mr HANNA: Excuse me. Surely, you have a three-year plan? Surely the minister can look three years ahead? It is not too much to ask.

The ACTING CHAIRMAN: If the member has a question, he will be called by the chair.

Mr HANNA: Thank you, sir.

The Hon. M.R. Buckby: The member, sir, overlooks the fact that this is a review of this year's budget. As I have said, the use of cash reserves has been employed in terms of the three-year savings plan and this is the last year of that plan. As a result, the savings requested by the Treasurer will have been achieved. Cash reserves were used either where there have been programs that have not met expectations or where programs have been changed around in terms of what was to

be done within that plan. It has always been a flexible plan but the bottom line is that the department has had to meet the Treasurer's expectations and savings—and we will do that.

Today, we are examining the 2000-01 budget. I cannot look into a crystal ball for the 2001-02 budget. We will examine bilaterals for the year 2001-02 budget with the Treasurer in late October or early November. At that stage, we will assess the funds to education from Treasury and what our budget will be.

Mrs MAYWALD: Will the minister detail the funding arrangements in place to ensure equitable resourcing between students in rural and isolated areas of the state and those in metropolitan areas?

The Hon. M.R. Buckby: In relation to Partnerships 21, one of the big benefits for country and regional schools has been the construction of a rural index for schools that come under P21. There are significant benefits to the schools in terms of that restructuring and rural index. When I was first appointed minister, one of the issues raised was country areas program funding and the fact that we wanted to include schools that had not been included previously. The rural index has addressed that issue and has been a significant benefit to country schools. It is purposely directed towards country schools.

Mr Hanna interjecting:

The Hon. M.R. Buckby: In fact, the member for Giles is not arguing with me at all about this. I think millions of dollars are going into the P21 schools in Whyalla.

Mr Hanna interjecting:

The Hon. M.R. Buckby: It might be your policy to do that in government, but that is not our policy. The department will spend some \$387 million on children's services, schools, vocational education, training, employment and youth services in country regions in 2000-01. Total resourcing for country schools is \$264 million. While country schools have 27 per cent of total enrolments, they will receive 32 per cent of the total funds. On average, the government spends \$5 685 per year on each country school student compared with \$4 457 per metropolitan school student.

The rural student index is applied to P21 schools that are more than 80 kilometres from Adelaide to address disadvantages due to geographical isolation. The index aggregates the various forms of funding for rural schools, including the \$1.4 million of country areas program money. For additional educational funding, the rural allocation is \$1.64 million for non-P21 schools, whereas P21 schools receive that in their global budget.

If we look at what major works are going on in the country, amounts to be spent this year include \$200 000 at the Jamestown schools, \$550 000 at the Kirton Point Primary School, \$200 000 at the Murray Bridge Special and Primary School, and \$500 000 at the Wudinna Area School. Major works committed to commence prior to 2000-01 include \$1 million at the Amata Anangu School, \$900 000 at the Clare High School, \$600 000 at the Cleve PreSchool, \$500 000 at the Fregon Anangu School, \$1 million at the Mount Gambier East Primary School, \$700 000 at the Riverton High School, and \$400 000 at the Victor Harbor Primary School. New major projects due to commence this year include \$500 000 at the Moonta Area School and \$700 000 at the Roxby Downs Area School.

We are committed to providing funding and ensuring that our country schools are well serviced. The Open Access College is available not only to country schools with a small number of students who want to undertake certain subjects

but also to metropolitan schools. This is a big advantage for country students because they can undertake Maths I or Maths II, for example, when there might be only a couple of students in an area school who want to undertake those subjects.

Mrs MAYWALD: The figures that you quoted for expenditure per student in country and metropolitan areas differed to the figure that is in the portfolio statements volume 2, page 9.8, where it states that, for R-12 education and training, the estimated government expenditure per student for 1999-2000 is \$6 879, and the target for 2000-01 is \$6 942 per student. That is different to the figures you quoted in answer to the previous question. Can you explain the difference?

The Hon. M.R. Buckby: The figures that you quote include the overheads that are taken into account for the running of those schools. The figures take into account all overheads as well as tuition, and the head office (Flinders Street) staff who work there. The overheads accrued there would be allocated to that final figure, whereas we are extracting the actual number of dollars that are spent in country schools in these figures.

Mr Hanna interjecting:

The Hon. M.R. Buckby: No, because the figure that the member for Chaffey read out is over, and the figure I read out is \$6 585.

Mrs MAYWALD: It was reported in the *Sunday Mail* of 18 June that schools are holding about \$106 million in their bank accounts. Can the minister explain why schools are holding such a large amount of money?

The Hon. M.R. Buckby: Yes. South Australian schools currently have in the SASIF account some \$106 million. I am not sure when this figure came out last year, but I am fairly certain that it was around budget time: I remember at that stage schools having some \$80 million in that account. So, schools are holding an additional \$20 million this year in the SASIF account, which I would have to say makes one laugh when one sees comments, such as those by the union today, that \$100 million of this is in debt, that the schools are carrying debt of \$100 million, and that this \$106 million is not money that is there for schools to use at all. That is completely misleading and untrue.

I have checked with the departmental officers this morning and I am advised that the debt held by schools amounts to about \$7.5 million. So, schools are earning interest on that \$106 million which they can use for whatever they wish. Schools have a program in terms of where that money is spent: some 43.7 per cent of it goes to specific purposes; 22 per cent goes towards school programs; 20 per cent is for the provision of equipment replacement; 9.6 per cent is to meet creditors and school book deposits; and 3.9 per cent goes towards the canteen.

It shows that the funding for schools to carry out their programs in this state is there. As I look through the list I see a number of schools that are holding in excess of \$300 000 and \$400 000 in their accounts. Many of them would be saving for a gymnasium or putting money away for other capital works or for maintenance that they want to do on their schools. It shows that our schools are well cashed and have that flexibility in terms of using those funds.

The ACTING CHAIRMAN: Has an audit been done on those funds to make sure that they are used and are not accumulating purely and simply for the sake of accumulating funds?

The Hon. M.R. Buckby: We keep an eye on the amount of money in school accounts. As I said, when the funding gets up to a fairly high level and when a question is asked of schools in respect of why they might be holding that amount, in most cases it is a matter of them putting that money aside for a particular purpose. Schools are audited annually so that we can be sure that there is not a hiving away of funds. The Auditor-General publishes a breakdown of the commitments against school funds. The figures that I read out earlier were for 1998-99. So, yes, an audit is undertaken to make sure that schools spend those funds in the best interests of their students.

Mrs MAYWALD: The savings are accumulated by what means? Are they in programs that have been funded and are not utilised by the school? Where do they generate the income to put the money away for the savings?

The Hon. M.R. Buckby: For instance, a school will receive its back-to-school grant at the start of the year and will have commitments against that grant that they wish to undertake during the year. Non-P21 schools would receive their back-to-school grant in a lump sum and use that funding throughout the year to spend it on whatever programs that they decide are important.

In many cases it could be for the hire of facilities, for instance. They could, let us say, hire the local recreation centre to run physical education programs, as happens at Willunga, for instance. They would receive an amount at the start of the year and then use that amount to pay off the monthly payments that would be due to the recreation centre. So they get the benefit of receiving that amount up-front and then receiving the interest on that money while they are using it during the year. That interest then comes back into the school account and can be used by the school as well. Also, part of that funding and the funds that they receive might be from the hire of their own facilities. For instance, Angle Vale school, in my electorate, hires out its hall to a church group to hold church services there on a Sunday morning. Income from renting out those facilities can also go into SASIF accounts, or wherever the school wants to hold it.

Mrs MAYWALD: Minister, can you please detail for the committee what support is given to school community libraries throughout the state?

The Hon. M.R. Buckby: Our school libraries are a particularly important part of our schools. Before I address that, the member for Waite had a question on the capital value of preschools, as at 30 June 1999. The capital value of preschools was \$43.076 million as at 30 June 1999—that is land and buildings. As to the school community libraries, in 2000 the cost to the department for staffing of the 46 school community libraries is approximately \$2 million. The union has intimated that, under the global budget, money has been withdrawn from school community libraries. As usual, that is not the case. You do not believe the union in what it says, because usually it is wrong. The allocation for SSO hours was originally overstated when figures were being undertaken. That error has now been corrected and budgets have been adjusted accordingly.

The review of the school community libraries facilities has been conducted by the department to ensure that facilities were consistent with curriculum delivery requirements, particularly in the area of information technology. The report of the review is currently with the deputy chief executive. The school community library project commenced in 1975 and was a joint project by the Education Department and the Public Libraries Board. The focus for the project was to use

school facilities in the establishment of public libraries in rural areas. Generally, school community libraries were established in rural areas where the population served by the school, that is from which the school draws its students, did not exceed 3 000 people. Under the project the Education Department assumed responsibility for staffing and some facilities modifications. The Public Libraries Board was responsible for providing a subsidy and managing materials purchase and stock rotation, and local government had the responsibility to contribute funds to the operational budget and some facilities modifications.

In addition to opening during school hours, school community libraries are open on various week nights and/or at the weekend. Currently, the operational cost of the 46 school community libraries is increased by 148 hours each week to cover out of school hours use. Other joint use agreements have been established in country schools since the closure of the school community library project, for example, Peterborough, Kadina and Berri, but each library has an individual agreement that has been negotiated by the participating parties.

The member for Chaffey would be well aware of Glossop High School and the joint community library that is there. It is an excellent facility, second to none anywhere in the state. The agreement between the local council and the school is one that I know is supported by the member, and very enthusiastically, and it is one that has seen benefits not only for the students but for the community as a whole. Without collaboration with the local council there is no way that we would have built a library of such size and, likewise, local government would not have been able to afford to build a library of this size.

One particular aspect in that library is the collection of memorabilia by the RSL in the area. If people are visiting this library they should have a good look at this collection, because the memorabilia there from World War I and World War II is quite outstanding. It is a very good display, which is within the library, and gives students the benefit of seeing some of the conditions that our soldiers who fought in World War I and World War II encountered and the sort of equipment that they used. It is a fascinating display. But they do work very successfully and it is a benefit to the entire community.

Ms WHITE: That was an interesting answer to the member for Chaffey's last question; but, of course, a plain English interpretation of the minister's answer was that the money promised for those school community libraries was taken back and did not end up eventuating in the way it had been promised. My question, minister, relates to the fact that last year the budget for education was \$1 660.657 million. Expenditure for this current financial year is shown at page 9.22 as \$1 685.149 million. That is an over-expenditure of \$25 million. What was the reason for this over-expenditure and, given the evidence under oath to the Industrial Relations Commission on 19 April this year by the Director of Corporate Services that Partnerships 21 had unfunded liabilities of \$26 million in 2000-01, how much of the overspend in this current financial year's budget was related to Partnerships 21?

The Hon. M.R. Buckby: That additional amount relates to the 4 per cent interim award that was granted by the commission on 22 December.

Ms WHITE: In total?

The Hon. M.R. Buckby: In total; it is the 4 per cent from 22 December to 30 June this year of what would normally be

in the budget. That, of course, could not be predicted at 1 July or when the budget was being framed last year, because at that stage we had no idea as to what the interim outcome might be.

Mr Hanna interjecting:

The Hon. M.R. Buckby: We did not know. How are you going to budget for an increase—

Mr Hanna interjecting:

The Hon. M.R. Buckby: Treasury fully funds any increases that are going to come through, but what do you do? You do not put in a budget figure that may or may not occur. As I have just been advised by the CEO, all governments around Australia go back to Treasury when there are wage increases and get supplementation from Treasury for wage increases. So part of that additional amount was the 4 per cent interim increase in wages for teachers. There are also aspects of Partnerships 21 in there. I will have to seek details of that for the honourable member, in terms of the delivery of Partnerships 21.

Likewise, of course, this year's estimates do not include any outcome that will occur from the Industrial Commission and the Industrial Commission that is continuing. So, when we talk about comparing like with like, one needs to compare the estimated figures at this time last year with the estimated figures of this year, when you are comparing how much is being spent in education, because I would hope that the Industrial Commission will come down with a finding within the next three to four months of teachers' wages and, of course, any increase in teachers' wages will appear in that second column, as you have seen the 4 per cent increase, in terms of the results next year.

When comparing like with like (last year with this year), there is an increase of \$47 million over and above the estimate. That \$47 million will increase because of a teachers' wage outcome which is to take place and for which we will receive Treasury supplementation. The member for Taylor asked for a revised capital works forward program, which I produce. It indicates the total amount approved for new works of \$80 million.

Ms WHITE: That is the investment statement of all the projects for the next financial year?

The Hon. M.R. Buckby: That is correct.

The ACTING CHAIRMAN: Will that table be made available to all members?

The Hon. M.R. Buckby: Yes. This table is purely statistical and can be inserted in *Hansard*.

Revised capital works forward program April 2000		Investing
Category	Project	(\$m.)
	Annual Provisions	
	Education:	
	School Buses	0.560
	Land and Property	0.900
	Capital Works Assistance Scheme	1.605
(a)	Total Annual Provisions	3.065
	Education:	
	Payments on Completed Works	
	Anangu Schools—Wataru	0.215
	Craigmore HS	0.940
	Smithfield Plains HS	0.173
	Victor Harbor HS	1.093
	Clare HS Stage 1	1.474
	Mitcham Girls HS	0.259
	Wirreanda HS	0.922
	Mawson Lakes School	0.223
	Greenwith PS	0.400
	Paralowie School	0.550
	Spencer Institute of TAFE—Kadina	3.792
	NCCS projects	0.747

Category	Project	Investing (\$m.)
	Other Completed Projects	1.779
	Work In Progress 1999-2000	
	The Briars Special Early Learning Centre (Kent Town Preschool)	0.800
	Education Development Centre	5.069
	Gawler HS	1.258
	Glossop Senior Secondary	0.094
	Jamestown Schools	2.482
	Murray Bridge P & Special	0.400
	Oakbank A S	1.035
	Oak Valley Aboriginal School	0.173
	Playford PS	3.013
	School of The Future	6.115
	Seaford 8-12	2.000
	The Netherby Preschool	0.100
	Two Wells (Mallala)—Integrated Service	0.002
	Urrbrae Education Centre	3.800
	Woodcroft P	0.750
	Woodville Gardens Preschool	0.416
	Woodville HS	2.700
	Woodville PS	0.196
	Woodville Special School	0.050
	Wudinna A S	0.200
	Minor Projects/Restructure/Site Clearance Projects	0.300
	Centre for the Performing Arts and Visual Arts	19.664
	Regency Redevelopment Stage 2/3	3.771
	Net slippage/Carryover	-1.629
	New Works 1996-97	
	(National Child Care Strategy 1992-96)	0.880
	New Works 1997-98	
	Blackwood High Performing Arts	0.300
	New Works 1998-99	
	Adelaide High	0.100
	Vocational College (Windsor Gardens)	0.800
	Salisbury North Primary School	0.112
	William Light R-12 Stage 2	0.500
	Net Slippage	-0.453
	New Works 1999-2000	
	Anangu Schools (Fregon)	0.020
	Clare HS—Stage 2	0.050
	Cleve Preschool	0.028
	Cowandilla Primary School	0.012
	Heathfield PS	0.600
	Kirton Point PS	0.100
	Kimba Area School	0.220
	Marryatville High School	0.200
	Mitcham Girls High Stage 2	0.250
	Modbury South PS & Special	0.194
	Mt Gambier East PS	0.010
	North Adelaide PS	0.050
	Pt Lincoln PS	0.150
	Taparoo HS	0.140
	Net Slippage	-0.812
	Library 2001 IT Project	0.700
	CONCEPT—HRMS	3.300
	Venus IT Project	1.000
	Virtual Learning Environment	0.800
	Accounts Receivable System	0.750
	Local School Management System Implementation	1.000
	ETAFA:	
	Onkaparinga Institute of TAFE—Victor Harbor	0.250
	Net Slippage	-0.063
(b)	(Total Committed)	76.514
(c)	Approved Works—Forward Estimates =a+b	79.579
	New Works 1999-2000	
	Daws Road HS	0.050
	Southern Vocational College—Christies Beach HS	0.500
	Westport PS (Ethelton/Sema4 Primary Schools Amalgamation)	0.050
	Eastern Fleurieu Schools	0.050
	Airdale Schools	0.020

Category	Project	Investing (\$m.)
(d)	Total New Works	0.670
(e)	Total approved and New Works 1999-2000—c+d	80.249

The Hon. M.R. Buckby: At the beginning of her question, the honourable member intimated that we had cut funding to school community libraries.

Ms White interjecting:

The Hon. M.R. Buckby: No cuts in funding have been made to school libraries.

Ms WHITE: The minister admitted that he had reconsidered, and he came back with a lower figure.

The Hon. M.R. Buckby: I said earlier that the SSO hours allocation originally was overstated. When the department did its budget, it was agreed that an error had been made by both parties. That error was corrected, and the budgets were adjusted accordingly.

Ms WHITE: It is difficult to work from these global budgets if they contain these sorts of errors. On 19 April this year, the Director of Corporate Services told the Industrial Relations Commission that Partnerships 21 and computers made up a \$30 million black hole to be funded from the budget. The director explained that this was made up of: \$3.2 million for promotion and training; \$3 million for the disadvantaged (school card); \$20 million for take-up grants, and \$3 million to \$4 million for computers.

On 24 May this year, the minister is reported in the *Advertiser* as saying that Partnerships 21 was fully funded. One of these statements must be wrong. Is Partnerships 21 fully funded, as stated by the minister, or did Mr Treloar mislead the Industrial Relations Commission under oath?

The Hon. M.R. Buckby: Mr Treloar has not misled the commission, and I am also right. I will ask Mr Treloar to explain so that the member for Taylor is clear about how this is funded.

Mr Treloar: I do not recall using the term 'black hole'.

Ms White interjecting:

Mr Treloar: Will the honourable member clarify the question?

Ms WHITE: The minister has stated publicly, at least once but I believe several times, that Partnerships 21 is fully funded. Under oath, Mr Treloar told the commission—and I have the transcript here somewhere—that Partnerships 21 was not fully funded.

Mr Treloar: I am puzzled by that statement. All I can say is that Partnerships 21 is fully funded. I am not sure whether we are at cross purposes.

Ms WHITE: There is \$30 million which you identified as being made up of Partnerships 21 and computers which were not funded in the budget.

Mr Treloar: They are funded in the budget. The first point I make is that they are not funded by additional funding in the budget. If we go to the heart of the question, which I believe is how Partnerships 21 is being financed, essentially it is being financed by a reallocation of resources, part of which relates to cash flow management. As the honourable member would be aware, there is a range of funding for parts of Partnerships 21. For example, the sign-on grants are payable as a one-off grant.

Mr Hanna interjecting:

Mr Treloar: I did not use the word 'bribe'; I used the term 'sign-on grant'. The term 'sign-on grant' comes essentially from cash flow management by taking the global

budget to 12 monthly instalments. So, it is a fairly simple sum. This has been clearly explained in the memoranda to principals and school communities: that is, how grants used to go out and the timing of grants before. Switching to a monthly reporting and payment cycle had the impacts of, for example, loss of interest and a different cash flow. The source of funding for the sign-on grants is through cash flow management. We are not talking about insignificant amounts. If we say that 90 per cent of schools have taken on Partnerships 21, that would amount to about \$13 million in sign-on grants, and those sign-on grants are being paid for through cash flow management.

Mr Hanna interjecting:

The ACTING CHAIRMAN: Does the member for Mitchell wish to ask a question? I advise Mr Treloar not to answer interjections.

Mr Treloar: I am trying to answer the member for Taylor's question about the financing of Partnerships 21.

Ms WHITE: Let me help you. Before the commission, you confirmed that that \$30 million was in the same category as other policy initiatives of the government and that the government has to find funding for it from its own budget. You have just said that the funding for Partnerships 21 and the computers has to come from within the budget. It is not additional money and it is not funded outside the budget: it must come from savings, that is, cuts to something else. Is that correct?

Mr Treloar: With respect, no. Quite clearly, we are talking about a reallocation of resources.

Ms WHITE: A reallocation of resources from something else.

Mr Treloar: Please let me explain.

The Hon. M.R. Buckby: I hope the member for Taylor is not suggesting that the department should never look at its practices in how it delivers education, that it should keep on undertaking the same practices year after year and that, whether they be right or wrong, it should never examine them.

Mr Hanna interjecting:

The Hon. M.R. Buckby: Well, that is the intimation. The department looked at an alternative management model for schools. It then looked within the department to see how it could better use its resources to ensure that this model delivers more money to schools to undertake education programs. So, the department has looked at how it can more efficiently do the job and better use the education dollar to ensure that more money is delivered to schools at ground level where it is needed rather than rolling around elsewhere. Mr Spring will add to that.

Mr Spring: The impression has been given that we are over spending. The decision to fund Partnerships 21 was made last July in the middle of the current year's budget. In the normal way, a submission went to cabinet about that. So, there is no over spending. We set out and planned to do this. It was an undertaking made to implement the Cox committee recommendations and provide additional funds to disadvantaged schools. We met that obligation.

The second thing we appear to be criticised for is giving additional money to schools, which we are doing: we are giving additional money for schools and we are getting that from savings in head office, and the places we are getting it from have no effect whatsoever on schools. We are being very careful to rehabilitate people, for example, on Work-Cover, and our costs are coming down in those kinds of areas which actually benefit the individual and reduce overhead

costs. We are reducing the number of people who are over entitlement.

Every year, because of fluctuations in school enrolments, there are very large fluctuations, which means we start the school year sometimes with 500 people over entitlement, totally because of fluctuations in school enrolments. So this year we have been working very hard to place those people in funded jobs rather than unfunded jobs. In other words, we are making savings which not only do not have any effect on programs but which allow us, because all our schools are getting their entitlement staff, to reduce dead money—money that is being used to park people. We have embarked on a program of making sure that no stone is left unturned to ensure people are in funded positions.

I could go on and on: it is simple good management. That is all we are doing. There are no cuts unless you say that the things I have described are cuts. They are not cuts but simple good management. It has no effect on schools, but it makes sure we do not waste resources.

The Hon. M.R. Buckby: In addition, we can look at curriculum within our schools and at the new curriculum we are currently bringing into our schools. I remember being down at Frances at a meeting of kindergarten directors and school principals for the region. I will never forget a kindergarten director saying to me, 'I have just received six new pieces of curriculum within eight days.' She said, 'I have looked through it and I picked out two, and the rest will sit on the shelf.' She said that it was a complete waste of resources, and it was. I came back to Mr Spring and said, 'This cannot go on.'

We have some 100-odd people in the curriculum area who were producing curriculum in many cases just for the sake of its production. That is why we went out to tender and a group from the University of South Australia—teaching professionals, teachers themselves—have developed the new curriculum framework for South Australian schools, which will be far simpler than the old curriculum framework. Teachers say, 'I cannot fit in what I need to fit in in the school day because of what the curriculum demands', but I trust that we will not have that complaint any more.

That is just an example of where this government and department are constantly looking at our programs and asking, 'Can we improve the delivery of this and, if we can make savings in improving that delivery, let us put those savings into schools and put it out on the ground floor where it is needed and where principals and parents are asking for additional money.' As Mr Spring has said, it is purely good business management that we have been able to achieve what we have in the area of delivering reallocated money under the P21 program, and it is additional money on what schools were receiving before on the ground floor.

Ms WHITE: All of that response did not address the basic question, which was that Mr Treloar, the Director of Corporate Services, told the Industrial Commission that that amount of money had to be found from within the budget and the minister has been reported publicly as saying that it would be funded otherwise. That is the basic point and it has not been refuted.

The Hon. M.R. Buckby: Mr Spring, Mr Treloar and I have reiterated that, under good business management of the department, the Partnerships 21 program is fully funded. We have been able to look at the programs currently being undertaken in the department, the management practices of the department and how we can improve those practices and get better use of the education dollar. We have been able to

do as a result of excellent work by my departmental officers. We are delivering more money to schools on the ground through good sound financial management.

Ms WHITE: What is the minister budgeting for with that operating loss of \$28.2 million in 2002-01? What is the reason for that operating loss? How much of that loss is attributable to schools receiving top up payments under Partnerships 21?

The Hon. M.R. Buckby: None of that is due to top up payments.

Ms WHITE: What is it due to?

The Hon. M.R. Buckby: The \$28 million is in terms of looking at the three year document you have, which was upgraded at the Industrial Commission, in terms of the pressures and savings we had to achieve and looking at readjustments within our budget. As Mr Spring said earlier, Partnerships 21 decisions were not made until after the budget was brought down last year. We were still working on the development of global budgets at that time and refining them to put them out to schools in terms of the impact that would have. That was not known at budget time last year. Part is due to that. Mr Spring has additional information.

Ms WHITE: Are you saying that some is due to Partnerships 21?

The Hon. M.R. Buckby: No, Mr Spring will reply.

Mr Spring: I indicated earlier that we provided additional funds and that is included.

Ms WHITE: In the \$28 million we are talking about?

Mr Spring: As I understand it, yes. You were using the words 'top up' before, and that is a different matter in calculating a global budget. The top up does not have anything to do with the \$28 million. The additional funding for disadvantaged students to increase the School Card was one element. That figure varies and will vary as P21 sites come in as it is a per capita allocation for each school. It is automatic in relation to the number of students that come in and attract the School Card amount of money. The second amount was an increase of several million dollars for Aboriginal schools to ensure that no Aboriginal child, wherever they were, missed out on funding. In the past we had a cut off figure so that you had to have 20 Aboriginal students before you got funding. Under P21 every Aboriginal student attracts funding, wherever they are.

The third area was the development of a rural index that provided additional funds, which acknowledged the additional costs of rural areas. They were the three main areas. They all involve additional money and directed at P21. The concept of P21 is that the schools and communities will make a commitment to improve the outcomes for disadvantaged students. Essentially, it is a partnership. Those figures will change as additional schools come in—and they are coming in every day—and they will also change because of enrolment fluctuations in individual schools.

Ms WHITE: I refer to the \$28.2 million the budget papers say is the operating loss that is being run down from cash reserves. We have the \$2.3 million that appears in the three year budget strategy tabled in the commission for 2000-01. Mr Treloar or the minister said that does not include the effects of P21. Now, \$28.2 million minus \$2.3 million comes very close to the amount of money—the \$26 million or so—that the Director of Corporate Services said was due to Partnerships 21—is that correct?

The Hon. M.R. Buckby: We are not using cash reserves to fund Partnerships 21. It is that simple.

Ms WHITE: Is that just a coincidence?

The Hon. M.R. Buckby: Yes; and we are not using cash reserves. As was explained earlier, we have a budget to achieve with Treasury, and we have looked at the pressures on our budget. You can see in the document you have in your hands those pressures on the budget as well as the areas where cost savings were to be made. In that table you can also see those that have been undertaken, those that will not be undertaken and those where either the commonwealth or Treasury has changed its point of view and either Treasury is now funding them or, for instance in the enrolment benchmark, we do not have the responsibilities to the commonwealth because of changes to the commonwealth funding through the 1.3 pc variance that is now allowed in student numbers and the proportion of those students in the government and non-government sectors. So, the \$28 million is a change in the cash reserves, but it is in the overall departmental budget. We have not funded Partnerships 21 just by running down cash reserves. If your intimation is what happens in the future—

Ms WHITE: I am asking questions.

The Hon. M.R. Buckby: I am giving you an answer. If you are asking whether we will run out of cash reserves in the future, it is not funded through that area. The point is that this is the last year of the cost savings to be undertaken and, as a result of that, we will look at a new budget for 2001-02.

Ms WHITE: Initially—

The ACTING CHAIRMAN: Is this your fourth or fifth supplementary question?

Ms WHITE: When I initially asked the minister what expenses the operating loss was for, he responded by saying that none of that operating loss was attributable to Partnerships 21. Then Mr Spring talked about some Partnerships 21 costs. How much of that operating loss is attributable to Partnerships 21?

The Hon. M.R. Buckby: I am telling you that no part of that loss is attributable to Partnerships 21.

The Hon. R.B. SUCH: One of the issues that concerns many of my constituents and others is the question of history teaching—or lack of as they see it—in our school system. Is the department looking at this issue in the context of the new curriculum as to whether the current scope and depth of Australian history taught in our schools is adequate and appropriate? In that context I raise the following issue which has been put to me by people involved in the RSL. Given that Anzac Day now usually falls outside the school term, as a prelude to Anzac Day can greater emphasis be given in our schools to acknowledging that significant day? I guess it is an umbrella question in terms of the teaching of Australian history in our schools. Is the department looking at that in the context of the review of the curriculum, and in particular is it looking at Anzac Day and the fact that it now usually falls within the school holidays rather than during the school term?

The Hon. M.R. Buckby: I thank the member for his question and I note his ongoing interest. History is an area under the new curriculum framework which is being addressed and I will ask Mr Spring to outline the changes or what has been investigated.

Mr Spring: History as a subject is a compulsory part of SACE year 11 currently, but the SACSAs covers the whole of the curriculum. At the moment it is facilitated—or it is easier to teach Australian history—in the new SACSAs framework which is out for comment at the moment. If I could put that in plain English, it means that the outcomes and the structure of the documents on trial will make it easier for schools to do

that, but the actual responsibility for deciding the content as against the outcomes rests with each individual school.

What we plan to do—and are organised to do later this year when the trial framework becomes final—is to provide professional development and guidelines for teachers—teachers' guides, if you like—to enable them to develop their own curricula to meet the outcomes. My hope is that the way in which it is facilitated within the SACSA framework will encourage schools to do that. Substantial materials are now coming on stream out of a national effort on citizenship. I must admit, I do not know specifically. This is a major project on citizenship funded by all states and territories. I will find out and get back to you in writing on the question of Anzac Day. I agree with the member that that should be part of any citizenship or history course, but I admit to being unsure about whether that is specifically covered.

The Hon. R.B. SUCH: My second question relates to curriculum reform, which I greatly welcome—it is long overdue. In the context of that, as far as assessment is concerned, will there be any new initiatives to make it easier for parents to understand where their child is at a particular point in time, because one of the constant issues raised with me is the fact that—and it seems as though this has been the case for the past 20 years—it is difficult for parents to know at what level their child is and where they should be. It has been masqueraded in a fog, almost as if there was a conspiracy to make it hard for parents to know what level their child is at, where they should be and so on. As part of the approach to curriculum, will there be a reassessment of where the child is to make it easier for parents to know where the child should be according to class, age and so on?

The Hon. M.R. Buckby: This is a valid area and we receive this feedback from parents particularly in relation to the basic skills test. That is, through the results of the basic skills tests parents are very easily able to see exactly what level their child is achieving and are then able to look at whether they fall into band level one or band level six. They can get an accurate idea of whether their child is up to speed in terms of literacy and numeracy. In terms of what is happening with the curriculum framework, Mr Spring will enlighten the member.

Mr Spring: One of the stipulations that we have made for the new curriculum is that it will be understandable by students and parents. I agree that for far too long we have allowed a situation to go on where curriculum statements are written in jargon and, in some cases, in psycho-babble. When we do that, we cut out parents and students from understanding the purpose of what it is students are being taught and what is supposed to be achieved. In this current review, one of the complaints was that there were too many outcome statements—and 'outcome statement' is jargon—or too many objectives, if I can put it that way.

Overall, across the eight key areas there were 192 profiles in arts; 80 in design and technology; 96 in English, health and physical education; 24 in language; 228 in mathematics; 144 in science; 144 in society and environment; totalling 1 028. In the new framework, there will be 45 in arts; 30 in design and technology; 80 in English; 40 in health and physical education; 30 in languages—the only one with an increase, up from 24; 90 in mathematics, down from 228; 57 in science, down from 144; 60 in society and environment; a total of 432. We have sharpened up the whole thing and taken out unnecessary and out of date profiles. The purpose for doing all of that is so that it will be much easier to report. We have not done down the curriculum: if anything we have gone

the other way. But we have weeded out those things that were not essential in the past so that it is a much simpler job for teachers, parents and students to know what they are supposed to be doing and to get accurate reports. It is very important, as the question indicated, that parents know what their children can and cannot do. That is a key element of the design.

The other thing that we will do is to align the levels to year levels. One of the things that we have done to confuse parents in the past is to have the levels of the curriculum looking different from the year levels. They will be put into sync so that people can relate the year level to the curriculum level. As I said, because of the simplification and the application of priorities, it will be very much easier for teachers to report. In addition, at the moment we are out to tender for a major software package to assist teachers in the work load in relation to reporting on curriculum.

Quite a lot of what happens in schools involves very many processes to do with marking, recording, reporting and certification. This involves transcribing things any number of times, collating and totalling. As a result, an enormous clerical work load is related to the teaching process. The learner achievement software, which we have out to tender, will mean that, once data is collected, it can be transferred into all those other formats. That will mean a reduction in work load for teachers, but it will also mean that we will have much better and much more complete information for parents, teachers, the school and the school council. In the learner achievement software program, the teachers' guides program and the simplification of the curriculum we are attempting to get a major break through and solve a number of problems which teachers in schools have said have bugged them over the years.

The Hon. R.B. SUCH: As a supplementary question, is any consideration being given to looking at the structuring of the school day? I realise that you do some adjustment on the West Coast for things such as daylight saving, but my question relates to whether or not the current school day for both primary and secondary schools is structured in the most optimal way for the benefit of learning. It has been put to me that, particularly in relation to our primary years, compared with some countries—Germany, Holland and so—we do not extend the students as far as they could be or should be extended. I do not know whether that assertion is true, but that is what has been put to me—that is, we spend a lot of time on things that probably do not need to be part of the school day. Is anyone looking at the issue of the effectiveness of the school day in its current format?

The Hon. M.R. Buckby: Enfield High School this year has changed over to a four day week. The fifth day is free to enable students to undertake vocational training or block study. This change is by agreement between the students, the parents and the teachers at the school. The school day now commences at 8 a.m. and finishes at 4.30 p.m. (I stand to be corrected, but the hours are similar to that). The students do not miss out on the lessons they would have received under the full five day school week, but it gives them flexibility in terms of what they do on the fifth day, and many of the students now undertake vocational education training on the fifth day. It enables Year 12 students to have a block day of study at the school because teachers are still required to be on the school grounds on the Friday irrespective of whether or not they are teaching. Teachers still teach the normal number of hours.

So, it is an idea that has already been picked up. There is interest in using time with more flexibility and, particularly under Partnerships 21, in respect of what can be done with the timetable. It is something that the department is considering. It is being trialled at Enfield High School for the remainder of this year, and we will judge how successful it is by the results.

The Hon. R.B. SUCH: With respect to the 'Commonwealth enrolment adjustment benchmark'—just the title is pretty frightening—there is a perception (and probably a lot of reality in the observation) that state schools seem to have suffered in the context of what is made available from the federal government. When looking at many of our large private schools, it is noted that extensive capital works are taking place that do not seem to be happening at state schools. I realise that this adjustment benchmark is not specifically directed at capital works, but what is the state government doing to ensure that state schools get a 'fair go' from the commonwealth in terms of funding both for recurrent and capital assistance?

The Hon. M.R. Buckby: Enrolment benchmark and the way it has been constructed is an area where no state minister—Liberal or Labor—has agreed with the commonwealth government. At the ministerial meeting held in March, all ministers supported a review of the enrolment benchmark model, and a working party has been formed to examine enrolment benchmark and how a better model might be delivered to school systems. The federal government has agreed and has brought into play a 0.3 per cent variation to ensure that, if a school's enrolment figures vary by less than 0.3 per cent, there is no change in funding. In South Australia, that has been a help because numbers in our public schools have remained fairly stable and it has meant that the impact is not as great as expected.

The rationale for the commonwealth policy is that states and territories are making savings by avoiding future costs ('cost shifting' in commonwealth terminology) of educating students if they have not maintained their proportion of total school enrolments relative to 1996. In other words, if this year 29 per cent of students attend private schools and next year it rises to 30 per cent, the state government has saved money by students moving into that system and, as a result, the commonwealth supplying more money to the independent schools.

We as a government adopted a policy that schools would not be affected by this, and that is identified in our three year plan. It was one of the pressures on the budget that we noted and allowed for. I am pleased to say that because of the adjustments in Commonwealth guidelines for this, the outcomes have been much better than originally predicted. For instance, the EBA adjustments for the last three financial years were: 1997-1998, \$2.3 million; 1998-99, \$3.1 million; and 1999-2000, \$1.6 million. As I said, we have consistently argued very strongly against this and now have that working party.

I can cite some enrolment figures and percentages for the government and non-government sector in South Australia. In 1996 the government sector had 179 880 students, which was 72.44 per cent of school students; in 1997 the number fell to 179 010; in 1998 it was 178 822; and in 1999 it was 178 957. So if we relate it back to the 1996 benchmark, in 1999 we had 923 fewer students in the government system and that equated to a loss of 1.59 per cent.

For non-government school numbers, in 1996 there were 68 437, rising to 73 643, or an additional 5 206. The percent-

age changed in 1996: non-government schools had 27.56 per cent of school students and, in 1999, 29.15 per cent, a 1.59 per cent increase. I have been very vigorous in terms of the federal government. I can give some information as to how we stand against the other states: in New South Wales, 70 per cent of students go to government schools and 30 per cent to non-government schools; in Victoria, 66.1 per cent in government schools and 33.9 per cent in non-government schools; in Queensland, 71.6 per cent in government schools and 28.4 per cent in non-government schools; as I said, in South Australia, 70.5 per cent in government schools and 29.5 per cent in non-government schools; in Western Australia, 71.8 per cent in government schools and 28.2 per cent in non-government schools; in Tasmania, 75.1 per cent in government schools and 24.9 per cent in non-government schools; in the Northern Territory, 77.5 per cent in government schools and 22.5 per cent in non-government schools; and, in the ACT, 64.1 per cent in government schools and 35.9 per cent in non-government schools. The national average is 69.7 per cent of students in government schools and 30.3 per cent in non-government schools. This means we are actually above the national average by 0.8 per cent of students in government schools. As we can see, the figures nation-wide are around 68 per cent, 69 per cent or 70 per cent, so what has occurred in South Australia is no different from in other states.

Ms WHITE: On that enrolment benchmark adjustment issue, the minister said that he would guarantee to parliament that schools would not be any worse off. You would have to ask why it is, then, that that enrolment benchmark adjustment costing appears under 'Unfunded government policy initiatives' in the government's budget strategy, which means that they have to find the money from elsewhere in the budget so that something else has to go, of course.

The Hon. M.R. Buckby: I cannot let that go past, because it is a matter of an issue being within the budget. Each year the Commonwealth does a census of student population: I think that occurs in July-August. We do not know exactly what the numbers are going to be in state and in non-government schools at that stage. As has been identified in our three year plan, it was a cost pressure, which we recognised, and it was met via reallocation from within our budget to ensure that schools did not suffer because of this particular policy of the commonwealth and to ensure that there were not cuts to schools because of having to find this money.

We come back to the fact that this department has far better financial management now than it has had in the past and we are able, by looking at all our programs, to make those reallocations and to meet those cost pressures by reallocating from within. As a result of that, the programs delivered in schools are not affected.

The member for Taylor indicated earlier that class sizes had gone up. We cannot do that. Class sizes have not risen: the 1996 enterprise agreement states clearly the agreed class sizes and the formula for teacher allocation. Therefore, it is a complete misrepresentation of the facts to say that class sizes have gone up: they have not.

Ms WHITE: First thing this morning I asked the minister to supply for the 2000-01 budget all the program information for each program that he runs. He has not done that, so it is left to me, with the leaked document that we have—the program information for the 1999 budget—to go through line by line and correct them. I am not going to do that right away. I certainly do not have time. But I will pick out one of the lines. It is stated in the 1999-2000 budget regarding tier one

teachers that there was an allocation of \$620.64 million. What was the actual expenditure for that item and, given the teachers' award negotiations, what is the budget for this coming financial year, 2000-01? How will any new award be funded? In asking that question, I ask the more general question and that is, will Treasury be fully funding the result of the teachers' pay rise or will that have to come out of the education budget?

The Hon. M.R. Buckby: I will take on notice the figure of \$620 million and get back to the honourable member with the actual figure. The treasurer has consistently said that Treasury would fund reasonable wage increases. The member would be aware that we offered 13 per cent to teachers over a three year period and that is deemed by the Treasurer to be a reasonable wage increase. That will be fully funded. We will have to wait and see the outcome of the arbitration commission. You would be aware of the fact that in New South Wales teachers have accepted a 16 per cent wage increase over four years, so that equates to 4 per cent per year. We were offering more than that: we were offering 4.33 per cent per year, which was rejected by the teachers union as being not enough and not a fair and reasonable offer. I think all the teachers to whom I talked thought that was a pretty fair offer and, if I look at the amount of money that is currently being foregone by teachers, I think I would be asking some questions of the union leadership, just quietly, in terms of its direction. We have been advised by the Treasurer that all reasonable increases will be met.

Ms WHITE: Not necessarily all.

The Hon. M.R. Buckby: We do not know what the outcome is yet.

Ms WHITE: But will some of it come out of the education budget?

The Hon. M.R. Buckby: I will not predict anything until we find out what the Industrial Commission says. As Mr Spring has just advised me, the convention is that Treasury will fund any wage increases that are received in terms of by the commission or that are agreed to. So I do not expect that there will be any difference to that direction.

Mr HANNA: Minister, I have constituents who have sent their child to a primary school outside of the electorate of Mitchell for the purposes of receiving SHIP education and they have concluded that over the past year or two there has been a downgrading of the services provided specifically for SHIP students. So I ask the minister whether he will detail any cuts or under-spending on the SHIP budget line for this financial year, and will the minister assure us that there will be no cuts or under-spending on the SHIP budget line in the coming financial year?

The Hon. M.R. Buckby: There are three high schools that are funded under the special interest SHIP schools. An amount of \$285 000 was allocated to those schools. They are: Glenunga International High School, Aberfoyle Park High School and the Heights R to 12 School. Those schools provide programs for some 250 selected students as well as professional development for teachers. There is a review under way. The SHIP secondary special interest program is currently under way to determine the level of future funding required to achieve the outcomes that we are currently achieving. The three SHIP special interest schools are currently negotiating with the three universities to deliver accelerative and/or enrichment pathways for SHIP students.

Our other SHIP initiatives include \$30 000 allocated to Flinders University to undertake a pilot study related to pathways (SHIP students). There is a \$5 000 ministerial grant

that I give to the Gifted and Talented Association to help fund disadvantaged students who wish to attend annual workshops. In terms of primary, there is an amount of \$85 000 in grants to the learning to learn primary project. This focuses on thinking skills and the SHIP program. Some of those schools involved are Craighburn Primary, Magill Junior Primary, Clapham Primary, the Torrensville cluster of schools and the Tantanoola Primary cluster of schools. So that involves a grant to those schools in developing that project. There are 10 country students enrolled in SHIP programs in schools in 2000. Country teachers can access training and development in gifted education through these schools.

In the primary sector there is a network of 12 educators who receive teacher relief days to provide training and development for teachers, which includes two country school teachers, and more than 120 country teachers attended a gifted education conference on 17 June 2000. My local primary school, where my son attends, has a SHIP program, and there is certainly no reduction that I am aware of, from what I am told by the principal in discussions with him about the program, to students, and he undertakes a selection process for those students to come into that program, targeting those with higher intellectual potential. To my knowledge we are not looking at any change to that, apart from undertaking a review to see what are the outcomes of this and whether we can do it better.

Mrs GERAGHTY: Earlier today we were talking about surplus property moneys. Is there a formula for allocating moneys back to the schools where the school agrees to sell off surplus land?

The Hon. M.R. Buckby: There is no formula in terms of the sale of land. It really depends on the assets of the school and the repair of those assets. In some cases it might be that if a parcel of land is sold by the Land Management Commission all of those proceeds might go back to the school, just depending on what their circumstances are, whereas with a very recently redeveloped school where it is deemed that there is land that is excess to the needs of the school then that school may not receive all of the proceeds. Once an area is deemed to be excess it moves out of the province of the department and the Land Management Commission handles the sale of land, but the receipts of those sales come totally back to the department. It does not go into general revenue of the government. Those receipts come back. As was said earlier, we rely on those funds in terms of funding capital works programs. In sales that are made that funding comes back so we can put that back into capital works.

Mrs GERAGHTY: If I put to you that we have a school that has, for example, urgent need of certain works, let us say, airconditioning, and needs electrical upgrades, and has other urgent needs, if the school agreed to sell off a portion of its land, deeming it to be surplus, in the event that we had a school in that situation, that had had very little money spent on it over many, many years, would that money come back to the school to do those urgent upgrades?

The Hon. M.R. Buckby: The answer to that, I am advised, is yes it would. If the school puts up a submission to the department saying that it does not need the area of land and is prepared to sell it off, as long as it is prepared to commit to airconditioning and the other facilities that it requires, then we would certainly be interested in looking at that and to support the school.

Mrs GERAGHTY: So the money would come back to the school?

The Hon. M.R. Buckby: Yes.

Mrs GERAGHTY: If the school deems that this area of land is surplus to it but the department believes that more land could be sold off, is it possible that the school would be forced to sell off more land than it actually chooses to, or would there be an agreement with the school council about how much land?

The Hon. M.R. Buckby: There is a formula in terms of the number of students and the amount of land that is required for each school, so the department would not go below that level. If a school had excess land, for instance, and then the school approached the department to sell off part of that, and the department could not go below the formula that is set down for open playing space and that sort of thing for the schools, that could not be done. If the department was of the view that perhaps more should be sold, then part of the negotiations under an asset management plan would be with the school and negotiating with the school as to the optimal amount of land to be sold off in terms of what is required to be done at the school.

Mrs GERAGHTY: So the principle that you spoke of before would still apply, that if they were forced to sell off even more land than they chose to and needed all of these other works done, those moneys would come back to the school to ensure that the school finally got the upgrades?

The Hon. M.R. Buckby: Yes, that principle would still apply.

Mrs MAYWALD: I refer to budget paper 5, the Capital Investment Statement. The minister recently visited Loxton High School in the Riverland. The Loxton High School has been well maintained by the community, but very few capital works have been undertaken there in the past 30 years. This school is suffering greatly from major cracks in walls and jacked up corners; it is in dire need of capital works investment. When will this project be included in the budget and what is a likely commencement date for works at this school?

The Hon. M.R. Buckby: Yesterday I visited the Loxton High School to farewell Mr Aub Mattner, who is retiring from the position of deputy principal. Mr Mattner has been at Loxton High School for 28 years and has given excellent service. He has been a teacher for 38 years, and I called in to thank him for his work as a teacher of the many students who have passed through his hands during that time. I wish him well in his retirement.

I took this opportunity to inform the teachers why the Loxton High School did not receive approval for funding for capital works in this budget. As I indicated to them, there has been significant demand on the Regency Institute by international students and for the redevelopment of an area at a cost of about \$15 million, which was brought forward this year. That work was to be undertaken next year (with commonwealth funding), but because of occupational health and safety reasons as well as demand for courses from students, particularly in the hospitality area, this work has been brought forward. It will be funded by the state and it will receive commonwealth funding next year.

That is one of the main reasons why Loxton missed out. As I explained to teachers at that school, it was not only they who wanted my blood but also teachers at Ceduna who, just like Loxton, had lobbied extremely strongly for the capital works redevelopment of their school.

Mr Hamilton-Smith interjecting:

The Hon. M.R. Buckby: The member for Waite refers to Daws Road. That school has done extremely well. As I suggested to the staff, Loxton High School is very high on the

priority list. The scope of works that has been identified is estimated to cost \$4.31 million. That figure includes the provision of a gymnasium under the capital works assistance scheme. Work on the gymnasium could go ahead independently of the major project. If the school wants to undertake discussions with the department to get that part of the project under way, it can do so. A total of \$563 000 has been allocated to the Loxton High School since 1995 from Back to School funding for maintenance and minor works.

I congratulate the school community and the school council for keeping a number of the old wooden buildings in excellent condition. If the school community had not been as vigilant in keeping those buildings painted and well preserved, we would probably have had to undertake this capital works program perhaps four or five years ago. They have done exceptionally well, but we had to consider the amalgamation of the Taperoo High School, which parents had requested, and, similarly, the Ethelton and Semaphore schools.

We also had to consider the window of opportunity for the Australian maths and science school. In discussions last year, Minister Kemp indicated that the commonwealth would be prepared to put some money into it but that he needed to see the colour of the state's money before he was prepared to move on any commonwealth funding. This funding having now been allocated, we will go back to Minister Kemp and see what money we can get from the commonwealth for the maths and science school. The Loxton High School is extremely high on the list. As soon as it can be factored into the capital works program, we will do so.

Mr HANNA: How can the government justify not having sold the Sturt Primary School site since its closure 3½ years ago, especially given the fact that, when the Marion corridor review was undertaken about four years ago, the government promised at that time that proceeds from the sale of the school would be returned to schools in the area?

The Hon. M.R. Buckby: I am aware of negotiations with a private developer for this site. This matter has taken some time, because at one stage the Marion council put forward a plan for the site in terms of an information technology hub or centre. That proposal caused the discussions to be prolonged, but it was decided not to go ahead with it. We are currently dealing with a private developer. Mr Treloar advises me that the property will go to public tender within the next few weeks. He cannot recall the amount of valuation of the property right now, but he advises me that a number of projects have been undertaken in the area which might have emanated from the proceeds from this property. We will try to obtain some more information for the honourable member and pass it on to him in due course.

The ACTING CHAIRMAN: We will now deal with TAFE.

Additional Departmental Advisers:

Mr G. Wood, Executive Director, Office of Vocational Education and Training.

Mr G. Dodd, Acting Manager Briefing, Office of Executive Support.

The Hon. R.B. SUCH: My first question relates to the Regency Institute. We have moved a long way from the time prior to my arrival in this place when a member of parliament in an antagonistic way queried why the Regency TAFE college should purchase fine china. I do not think that any member of parliament now would be game enough to

question the purchase of china by the Regency TAFE. What are some of the features of the expansion planned at Regency, and how will these benefit the state?

The Hon. M.R. Buckby: Geoff Wood is the director within the department who is responsible for vocational education and training, and TAFE falls under that umbrella. The Regency Hotel School is the major provider of education and training for both food and beverage processing and hospitality in South Australia. It is one of the few examples in Australia where these two key industry areas have been strategically aligned. I visited Regency this morning to have a chat with some students, apprentice chefs, who will be attending the Sydney Olympics. Some 500 Regency students will be going over there and providing support to the corporate and sponsors boxes—people such as Samsung and Coca-Cola and other sponsors of the Olympic Games. They will be over there for four weeks, and in that four weeks they will prepare some 165 000 meals, ranging from breakfast in the morning right through to supper at night. It is worth something like \$2.4 million in terms of income to Regency. The students will be paid for the time they are there and for their services, so there is a benefit to them as well.

In addition, to have on your CV that you have provided hospitality services to sponsorship boxes at the Olympic Games is something that a lot of young chefs and hospitality people would dearly love in terms of experience. When an employer looks at that later, they will see that they have operated under some of the most unique conditions in terms of both pressure to deliver meals and in size and scope, because some of these sponsorship boxes range from catering for 300 up to 1 000 people. These young people will be run off their feet.

Stage 2 of the redevelopment of Regency campus comprises the construction of approximately 15 000 square metres of new facilities for the Regency Hotel School, valued at some \$33.86 million. The new facilities will include reception and administrative services, staff accommodation, commercial kitchens and other practical areas, laboratories, retail outlets, a restaurant, multi-use training and function areas, flexible training spaces for a range of food and beverage processing areas, toilet/change rooms, locker rooms and so on. Based on industry growth expectations to 2010, the hotel school expects a minimum growth of 50 per cent or some 3 000 additional local students and a 400 per cent growth in overseas students. I was talking earlier about the bringing forward of spending to Regency this financial year rather than next financial year and the reasons why we needed to do that: simply because of the sheer demand by students for this area.

The program areas expecting increases in training output are as follows: food and beverage processing, which is regarded as a high priority industry for future growth and vital in promoting and value adding to exports from South Australia; and tourism-hospitality, where strong employment growth is expected. If we look simply at the expansion of the Convention Centre by the government in doubling its size and the number of additional conventions that will bring into the state, there will certainly be a demand for young people or people trained in tourism and hospitality. International student training is another area, as is food and beverage processing. The project will provide overall benefits to the community through increased productivity and revenue from international students. The net present value benefits to South Australia are in the order of \$62 million to \$128 million, and additional training provided by the new facilities will

obviously increase employment opportunities and support state economic growth through the creation of a highly qualified work force.

The current network of key institutes around the world aligned to the Regency Hotel School include the Swiss Hotels Association and Le Cordon Bleu International, which really demonstrates the status of Regency as an international provider. In discussions with Monsieur Contreau of Le Cordon Bleu, he stated that Regency is why Le Cordon Bleu came to Adelaide. The sheer quality of training delivered from Regency in the hospitality and food and beverage processing industries was recognised by him, and it is recognised around the world as being second to none. I extend my congratulations to the staff who deliver that training. This capital expansion will certainly benefit not only Regency but the overseas students who come into Regency, who will benefit the state to a large degree.

The Hon. R.B. SUCH: I refer to the Roma Mitchell Arts Education Centre, something for which I have some affinity, having walked around the city with Libby Raupak and others several years ago to pick out that site. We looked like a miniature version of the Von Trapp family as we walked around the city. After declining the Hon. Rob Lucas's generous offer of the old Adelaide Girls High School in Grote Street for a fee of \$3 million, we were able to secure the current site. I am pleased that it is well advanced and close to completion. When will it be completed and what are some of the benefits likely to accrue to not only students but to the people of South Australia?

The Hon. M.R. Buckby: I am well aware of the honourable member's interest in this because, when he was minister, he deemed that it be called the Roma Mitchell centre. Certainly it could not be named after anyone better in this state in terms of the contribution Dame Roma Mitchell made to the state. It is a magnificent project. It is a \$30 million project, which brings together the performing arts, sculpture, print making, photography, jewellery, ceramics and the multi-media side of arts into one centre. That will be a great advantage for the students in terms of access but also in the location of the centre in terms of public access to that centre to see what work is being undertaken and the facilities there.

It will mean that dancers, designers and technicians who work in the theatre and entertainment industry will be able to undertake training in one place. They will be provided with a framework for the integration of new technologies into learning systems and the expansion of activities into related areas such as professional writing, film and television training and multi-media. This was first approved at the end of 1995, as the member for Fisher indicated, and was a relocation of the Centre for Performing Arts and of the North Adelaide School of Arts into the one site.

There has been a slight slow down on the project due to industrial disputes, but it is expected that the project will be completed towards the end of the year. In fact, we expect that it will be ready for operation in mid-October. Hansen Yunken, a local contractor, won the tender. I have looked over the site a couple of times and it is a very impressive building. There is no doubt that this will be a landmark for the arts and that benefits will come from that, with young people being trained in the best facilities and having access to that centre, which augers well for arts in South Australia.

The Hon. R.B. SUCH: My question relates to overseas students in our schools and TAFE institutes. Will the minister provide an indication of the numbers of those students and the

benefits flowing not only financially but in other ways to the state as a result of those students coming here?

The Hon. M.R. Buckby: This has been a particular push by this government because, while we have some 8 per cent of Australia's population in South Australia, we have been attracting only just over 4 per cent of international students, so it is certainly out of alignment with what we could expect. It is the reason why Education Adelaide was set up as a partnership focus among government, the three universities and the Adelaide City Council. Funding of \$7.2 million over three years has been put into that, with the aim of lifting the number of international students who come into South Australia to study. The department has some 991 international students this year. There are 321 in secondary schools and 670 in TAFE institutes. For TAFE institutes in semester 1, the 670 students who were enrolled came mainly from Asia; 82 per cent or 555 of those students were enrolled in TAFE award courses; and 115 of the students were enrolled in TAFE ELICOS (intensive English) courses. Recruitment of overseas TAFE students is a bit lower this year than for the same semester last year. Total enrolments for semester 1 have decreased by 20 in comparison with 1999.

Of the 321 students in government secondary schools in term 2, 2000, 213 are enrolled in secondary courses and 108 are enrolled in intensive English in preparation for secondary courses. New enrolments in term 2, 2000 have increased to 81 from 12 in term 2, 1999. While 21 countries are represented overall, the largest percentage of students enrolled in secondary schools comes from China, 52 per cent; Japan, 16.5 per cent; Hong Kong, 7.25 per cent; Brazil, 4 per cent; and Germany, 3.5 per cent.

Approximately 1 700 students are enrolled in non-government, accredited private VET providers and ELICOS accredited centres. As I stated earlier, it has been estimated that each international student spends about \$25 000 per year, and that includes fees, thereby contributing some \$24.7 million annually to South Australia's economy. We benefit not only from that but also from the cultural exchange, with our students understanding different cultures and forming ties and relationships with students from overseas countries. Out of that, in many cases, study tour programs are developed from international visitors coming into South Australia to look at what we have to offer in education.

When the universities are added to this, as at June this year, the number of international students from all sectors—that is, universities, schools and TAFE, both public and private—has increased by over 30 per cent. Some of our work in Education Adelaide is starting to hit the point. Certainly, when I was in Vietnam and we were signing up with the Hanoi industrial college and industrial college number 4 in Ho Chi Minh City, the Vietnamese expressed a significant amount of interest in students coming here to study at TAFE or at our schools. They are very interested in having further discussions. In fact, the son of the Deputy Prime Minister of Vietnam currently attends the University of South Australia and is doing an international business course. It is an area where we wanted to develop, and TAFE will receive the benefit of those extra students as well as other areas of the education sector.

Ms WHITE: On the subject of TAFE, paper 4, volume 2, page 9.9 shows outputs for vocational education and training. In a letter to the chief executive, the directors of TAFE warn the government that it now contributes less than any other state to the cost of vocational education and training and that

South Australia has the highest fees of any state. The figure given was double that of New South Wales. The directors said that extra funding was needed immediately in order to maintain our quality of TAFE, and I am interested to hear the minister's response to that. It is quite clear from the three year budget strategy tabled under oath in the Industrial Commission on 19 April 2000 that, in the 2000-01 budget, the cuts to the operations group, including TAFE, will increase this year to \$11.9 million. If funding for TAFE is cut in real terms, as given in that three year strategy, how will outputs be maintained as set out in budget paper 4, volume 2, page 9.9? Have the TAFE directors endorsed these outputs as being achievable, given that only recently they have advised the minister of the crisis in funding in the institutes and the immediate need for more funding?

The Hon. M.R. Buckby: In that three year plan the TAFE figure has not moved. They were to achieve cost savings of some \$9.8 million over the three years of the development. I cannot recall the amount to be achieved this year, but I will look it up in a minute. We are operating in calendar years. In 1999, the cost savings to be achieved were \$5.8 million; in the year 2000, a further \$3.15 million; and, in 2001, \$802 00, totalling \$9.777 million. The point that the member for Taylor does not highlight—

Ms White interjecting:

The Hon. M.R. Buckby: Yes, I am talking about TAFE institutes. The point that the member for Taylor does not highlight is that, when we started this, the average cost per student hour in TAFE institutes in South Australia was \$17.56. It was the third most expensive delivery in Australia behind that of the ACT and Tasmania, and the national average then (1996) was \$14.28. So, per student hour it was costing us an additional \$3.28 to deliver courses in South Australia. I am pleased to say that in 1998 that had been reduced to \$13.50 and the national average was then \$13.40. The 1999 national data collection is currently being finalised, so I cannot give the committee that information. TAFE has experienced or been asked for no greater level of cost savings than anywhere else in the department; it is in line with the other areas of the department. It has now contributed to the improvement and efficiency of the institutes.

I do not agree that TAFE institute funding is at an unsustainable point. The directors of the various institutes have now been aware of the program for two years and I compliment them on the work they have done. The paper to which the member refers claims that there has been a deterioration in the cash position of approximately \$5 million in 1999. That ignores the unusually high level of outstanding accrued revenue of some \$6.4 million. Taking into account outstanding revenues in December 1998 and December 1999, the analysis shows that there has not been a deterioration in total institute cash balances, although it has been agreed that some institutes need to improve their financial position.

As a normal part of budget discussions, the paper voices specific issues relating to institute funding, but in discussions with the Chief Executive, Mr Spring, TAFE institute directors—and I stand to be corrected by him—are committed to achieving the savings in the three year strategy, and they believe that they can be achieved.

Mr Spring: I would like to add to what the minister has said. I meet with TAFE directors regularly, and part of the commitment has been two-way. We have set out to reduce unnecessary head office costs in the TAFE sector, and we have passed those savings back to the institute to offset the savings task, which they have appreciated, and that will be

an ongoing process. Again, the strategy is to ensure that the money is where the students are and to ensure that not a cent is left lying around that we cannot pass on to programs.

The Hon. M.R. Buckby: One of the other benefits that we have introduced over the past couple of years is that, if a TAFE institute generates income through the development of courses in the community, it is able to keep that money. Previously, if TAFE institutes generated income from outside their budget, their budget was reduced accordingly, but that is no longer the case. So that again has been an incentive for TAFE institutes to undertake discussions with industry in terms of what industry wants and being more demand driven.

Prior to user choice being instigated by the federal government, I would hasten to say that TAFE courses were supply driven rather than demand driven. I think we have now seen a complete turnaround where, to their credit, TAFE institutes are now in a competitive market and are meeting that competitive market in terms of approaching industry and saying, 'Can we design a package of training for you?' In particular it is occurring at the Murray Institute, which is in my area. It is designing training packages for the wineries, and enormous numbers of staff in the wineries who have not undertaken any studies for many years or since they left school—and some of those people to whom I handed certificates were, in many cases, in their late 50s and early 60s—are now undertaking training.

That is a benefit to the economy but also a benefit to the institute in terms of the revenue that it is generating. Of course, TAFE has a very good chance of grabbing a large amount of the \$15 million that the government is providing for trainees this year.

Ms WHITE: During his reply the minister confirmed that that is the size of the budget cuts, but what he did not address, and nor did the chief executive, was my whole question, which was: do the TAFE directors say that they can provide the outputs indicated in the budget while making those cuts? My second question relates to the student side of things. TAFE fees are increasing. Very recently—I think it was this week—the Treasurer published the fact that a GST will be charged on student fees for fee for service courses. Will the minister say how many students that will affect? In his reply, will the minister talk about TAFE as opposed to the whole training market and give figures for both? Will the minister give the answer in the form of, first, the percentage of fee for service courses that we have as a percentage of the total number of courses and, secondly, also as a percentage of total student curriculum hours?

The Hon. M.R. Buckby: While I am trying to obtain some of that information, Mr Spring will provide some more information on the member's first question.

Mr Spring: In relation to the question about whether or not the TAFE directors have agreed that they can do it for that, you need to understand that the state training agency purchases training hours from institutions at costs which are set. These hours are determined on the advice of the Industry Training Advisory Boards and the VEET board. We purchase hours at differential prices, depending on what the industry is and the cost of delivering those hours. The cost of delivering those hours in South Australia was higher than interstate. With the efficiencies that TAFE institutes have in place, they are now almost precisely on the national average as far as efficiency is concerned.

The simple answer to the member's question is that we are purchasing from TAFE institutes to provide courses at national average prices. It would be quite surprising if they

had difficulty doing that. The other components of their budget relate to course fees and to earnings, either fee for service earnings or contracting earnings, and South Australian TAFEs, again in the past two or three years, have moved substantially to being number two in Australia in terms of earning capacity both interstate and overseas in winning competitive contracts to provide services to industry or to various aid projects.

I think the member needs to understand, if I can put it in a caring way, that the institute directors in that letter were bidding for extra money, but the reality is that they are very efficiently providing courses which are purchased or courses which they seek to provide at those prices. Initially they were not so successful in bidding for the user choice money against private providers. They improved last year. As the minister said, another \$15 million is available on top of the normal amount available for them to bid for this year. Given their improvement in efficiency, what they are able to pick up ought to more than cover that shortfall.

The Hon. M.R. Buckby: In answer to the member's question, we do not have the figures in respect of fee for service. We could attempt a bit of a ballpark estimate, but I will take that matter on notice and supply her with the proportion she is asking for in relation to fee for service students. I can tell the member that the Australian Taxation Office has said that TAFE accredited courses will be GST free. In terms of adult and community education courses that are likely to add to the participants' employment related skills, we are still awaiting a final determination on the kinds of adult and community education courses that meet the GST free requirements. We are still waiting on more information from the Australian Taxation Office.

Ms WHITE: My point is that many courses are available only as fee for service, so it looks as though those students will have to cop the GST. My third question is similar to one that was put to Minister Laidlaw, but Minister Laidlaw decided that it related more to your portfolio than hers. I ask it on behalf of my colleague the member for Kaurua. The information I have been given is that Noarlunga TAFE theatre is currently leased to Mr Bob Lott. The lease falls due on 30 June this year. I also understand that it is unlikely to be renewed and that Bob Lott will be given until December to complete his contracts.

Obviously, this is an important venue for community arts groups. However, the many users of the theatre are now very concerned about the future of the venue. What are the leasing arrangements with Mr Lott, including the possible termination of the lease? Will the minister reassure the many groups who use the TAFE theatre facility and who are very concerned at the moment that they no longer have a suitable venue?

The Hon. M.R. Buckby: I am aware of the venue and the lease that Mr Lott has had for a period of time. I believe the member is correct in saying that the lease falls due on 30 June. I do not have the other information that she has requested so I will take that question on notice and provide her with an answer at a later stage.

Witness:

The Hon. M.K. Brindal, Minister for Employment and Training, Minister for Youth.

Additional Departmental Advisers:

Dr. G. Wood, Executive Director, Office of Vocational Education and Training.

Ms J. Taylor, Executive Director, Office of Employment and Youth.

The ACTING CHAIRMAN: Does the minister wish to make an opening statement?

The Hon. M.K. Brindal: I would like to make a brief statement about the changing demands in the employment, training and youth portfolio and, hence, the focus of the 2000-01 budget. The economy of South Australia has improved significantly since the election of a Liberal state government. We have reached the time where it is prudent and responsible to re-evaluate the programs of the past and to make changes to our policies to match the demands of both the economy and the employment market.

For the past 18 months, unemployment statistics have bumped along, but they are still too high. At the same time, skilled vacancies in our state last month rose by 2.4 per cent and by 36.1 per cent in the past year. The time has now come for the government to put pressure on this and to squeeze the unemployment figure down further. That requires a change of direction. In doing this, we realise that it is the responsibility of the government to create a climate within the business sector where there is the confidence to increase investment and employ more people. We have demonstrated our ambition and our enthusiasm to achieve this.

As the economy moves into a new cycle, the government has been required to adapt so that its policies and programs maintain relevance and so that we can achieve the targets that both business and the community are telling us we need to achieve. The government has been receiving increasing feedback that business, mining, agriculture, manufacturing, construction and trades need trained and skilled workers. We are responding to that feedback. Indeed, the national May skills vacancy survey has shown that skilled vacancies have hit the highest level in more than a decade. We have clearly moved past the point whereby we need to create artificial jobs and place unskilled workers in them.

In response to the changing business environment, this government recognises its responsibility to both job seekers and the private sector and has made a commitment to the provision of skilled and trained workers to the labour market. This commitment will generate real wealth for South Australians. By adding value through training our work force, people can exploit more opportunities and add value to our resources, commodities, construction, manufacturing, aquaculture, information technology industry and so on within our community.

The government's focus in the latest state budget has been to put in an extra \$15 million to fund apprenticeships and traineeships. This is the government's response to the demands of the labour market and demonstrates that the government is listening to the needs of the community. This means that up to an additional 5 550 training places will be available in the coming financial year. As the committee may know, in recent years the rise in apprenticeships and traineeships has been phenomenal.

We have gone from a little over 14 000 people in training in December 1997 to more than 29 000 people in traineeships and apprenticeships at the end of 1999. On this point, there have been some recent public comments about some businesses rorting public training funds and by doing so imposing an unnecessary burden on taxpayers and the resources of the government. What has not been reported is that this government has already taken action to address this situation and tighten the guidelines so as to severely reduce the possibility of that type of situation occurring in the future.

Where the quality of training is called into question, it is always being examined, assessed, reviewed and scrutinised.

Wasteful training does not serve the trainee, the taxpayer nor the government. We have implemented measures to make certain that the training provided is relevant, is of a quality standard and leads to sustainable employment. Funds for traineeships are for skilling our workers so that they can have the opportunities to earn money at work and learn at the same time.

Traineeships should not be about the creation of an expensive employment subsidy for businesses looking to exploit the system, but, rather, providing unskilled people with the opportunity to improve their skills. By ensuring that the user choice funding program is administered in the intended way, we can maximise employment opportunities for South Australians.

We are not doing so with the lack of courage that the Victorian Labor government has shown by merely freezing the scheme so that those who should benefit are disadvantaged because they do not have the guts to get on with the job. This government will not be relaxed in its approach to the proper utilisation of taxpayers' funds which go to registered training organisations. The State government continues to be a major employer of young people through schemes such as the user choice, traineeships-apprenticeship program, the regional apprenticeship support program and the youth training scheme.

In the area of vocational education, the government is providing \$13.5 million over three financial years (1999-2000 through to 2001-02) for the enterprise and vocational education strategy. It has also established 20 regional partnerships across metropolitan Adelaide and in country areas of the state. The main aspects of this strategy are to foster formal partnerships between education and peak industry bodies and VET in schools, including structured workplace learning within industry accredited training areas and school-based apprenticeships—an area that I am sure the Minister for Education has spoken about.

Training centres will be established to involve more employers and communities in programs that focus on employment shortages. VET opportunities for school students will also increase, particularly training that is related to school-based new apprenticeships and the completion of certificates within the Australian Qualifications Framework. Enterprise initiative centres will also be established in some regions to involve industry and community-based mentors in youth enterprises.

I trust that this gives members some idea of the programs that we have in place to address, first, the unemployment within our state and, more importantly, the need for a more skilled and knowledgeable work force. If there is one thing this government is about, it is developing a highly skilled and internationally competitive work force. Knowledge, skills and creativity will, at the end of the day, be the essential drivers of South Australia's future economic growth.

Ms WHITE: The minister talked about some of the rorts in training that have occurred in South Australia. My federal and state opposition colleagues have been very much aware of this, as has the member for Fisher, who has been quite vocal about it. The minister spent a lot of time talking about how well user choice was working in this state. I have received some correspondence that I would like to put to the minister for his response. A letter from the Industry Training Providers Association, signed by Mr Peter Naughton, the chair, states:

Dear Ms White,

Thank you for meeting with the executive committee of our association recently at the Port Adelaide Training and Development Centre. The matters we raised are of extreme urgency as we believe that the state's capacity to deliver vocational education and training in accordance with the user choice system is severely compromised. As you are aware, a large portion of the new apprenticeships are now provided by registered training organisations other than TAFE.

However, the sustainability of this delivery is questionable because of existing government policy. In particular, the following are threatening the viability of the new apprenticeship system within South Australia:

- The policy of this government is to pay user choice training providers three months in arrears. We believe that no other government does this. This places considerable financial stress on all VET providers, including TAFE. However, non-TAFE providers do not have what is in effect a government guaranteed overdraft facility and are commercially disadvantaged in that they may be liable for overdraft charges or commercially vulnerable as they run up large debts prior to receiving payments.
- Even so, many providers do not receive payment within the contracted time after presenting their returns due to a number of factors. These include:
 - a large number of errors recorded due to inefficiencies in the system outside of the provider's control such as participants not being entered on the department's COTTS system due to the large backlog of training contracts. We believe that it may take up to three months before contracts are entered on to the system. Staff shortages together with much larger than expected contract numbers partly explain this.
 - what appears to be a policy of state Treasury to delay payments for as long as possible.
 - one of our members reported in May that he had not received over \$100 000 in payments for the December quarter activities.
 - error reports mean that few providers receive their full payment and must suffer further delays.
- The limitation of VET capital funds to TAFE providers resulting in non-TAFE providers having to provide for their capital needs from the user choice funds. Although some are eligible for partial funding through ANTA, this is by no means certain and in any case they have to fund in excess of 50 per cent of this from their own sources. This in effect discriminates against new apprentices who choose a non-TAFE provider as that provider does not have the same capacity to service their training requirements, particularly in a recurrent sense.
- In response to providers' pleas, the government reintroduced a limited imprest system this year. This provided some providers with a forward payment based on 50 per cent of the last funding period's first quarter activities. However, this was deducted in full when the first quarter payment was made, resulting in little benefit to the RTO. One of our members had his imprest payment deducted within two weeks of receiving it.

The concept of user choice is based on the premise that it will create an open training market and through competitive forces a more efficient and effective system would result. In effect, the way in which the government is implementing the system will make the open market unsustainable as non-TAFE providers, including our members, consider the possibility of withdrawing from user choice.

It is openly stated that the government wishes to reduce the number of providers and that its payments policy is one means of achieving this. If the government does not immediately alter its funding policy many providers are faced with becoming commercially unviable.

This must not be taken as a criticism of the employees of the department who we have found to be very professional and working to ensure to the best of their ability that the system works.

As industry based and not-for-profit training providers our ability to respond to the training needs of the community and the industries we serve is severely compromised and our commercial viability threatened.

Your assistance in addressing this concern will be very much appreciated.

Yours sincerely
(signed) Peter Naughton
Chairman

I will just summarise that letter very quickly and the dot points that were made. First, there is the assertion that your department, the government, is a bad payer of moneys to

private training organisations. The second assertion was that there is some bad administration going on, and they were the two main points that were made in that letter. The minister may or may not have heard some of the previous questions, but we are extremely supportive of TAFE and critical of the cuts to TAFE, and we have dealt with that sector previously. So I begin with a question about the private RTOs. Minister, what have you got to say in response to the chair of the Industry Training Providers Association as to the criticisms that have been made of the way user choice is implemented by the government?

Membership:

Ms Key substituted for Mr Hanna.

The Hon. M.K. Brindal: We have only 35 minutes to the dinner break but I will endeavour to the best of my ability to cover all the points raised in this question. Mr Peter Naughton, I suggest to the member, wants it a bit both ways. If my memory serves me correctly, he said something to the effect: 'I make no criticism of the officers whom I have largely found to be professional,' and yet you say that he criticises the bad administration of the department. As the officers administer the department, I do not know how he cannot criticise them.

Ms White interjecting:

The Hon. M.K. Brindal: Well, he cannot have it both ways. Let us get down to the nitty-gritty.

Ms WHITE: The work isn't being done.

The Hon. M.K. Brindal: The work is being done.

Ms WHITE: Slowly.

The Hon. M.K. Brindal: The member for Taylor wants to ask the question and answer the question. One day she may get the chance, but not today. The fact is that in South Australia there are 306 registered training organisations and there are at least 300 people from interstate with whom we deal. That is something like 600 RTOs. The member has a letter from one; not from 200, not from 300, but from one, and there are some criticisms in that one letter. I would hardly say that that is a damning indictment. Nevertheless, let us deal with the facts. When I took over as training minister there were unacceptable delays, of up to five months, in processing some of this material. We have cut that down, as we speak, and it is audited regularly, to less than two months. On average we would say two months, but less than two months in most cases, and the officers concerned are trying to cut it down even further.

One of the problems, and a severe problem, is that, when the information comes in, it is often simply not correct, and often the new apprenticeship centres are sending incomplete or incorrect forms which have to be sent back and then have to be reprocessed, which wastes everybody's time. But my officers with the best will in the world cannot process information that is incomplete or incorrect, and that causes a delay. But I repeat: from five months to two months. I categorically deny the assertion that there are fewer officers. We are at full complement and there are no fewer officers. If there is a stress at all it is because the number of traineeships and apprenticeships which they are now processing is three times the number they were processing a year or two ago. So, with the same number of officers, they are working at three times the capacity that they were expected to deliver two years ago, and not only are they producing three times the work but they are doing it in well under half the time. I think

they deserve credit, not the sort of criticism they come in for in that letter.

The fact is that Mr Naughton, if he wishes to, in this sort of area can get an imprest account. He can get pre-payment for some of his clients, and then when his paperwork is done the amount that he has been pre-credited is deducted from the amount that he is then paid. So the fact is we do not expect training providers to wait until all the paperwork is in before they get any money. In fact, with the celebrated case of ARTI, the reason there is a debt for ARTI is that ARTI claimed that it would be training a number of people, who, upon audit, they were not training, so we asked for the money back.

So clearly that is an absolutely public demonstration of the fact that private providers can access public funds before they have to put in the paperwork. That flies in the face of the sorts of things that Mr Naughton says. But most damning of all is that I do not recall receiving any correspondence from Mr Naughton. If he wants me or my officers to fix a problem, one would think that the first place he would go to have the problem addressed would be either my officers or myself, not the shadow spokesperson. With the best will in the world, I know she has legitimately asked questions, but, if nothing else, he has probably wasted several weeks by writing to her rather than coming directly to us, and we may well have been able to address the problem.

Are there any other issues with this area? The answer is yes. It is not perfect, and there are things that we are doing, as we speak, to correct it, but what we cannot afford to do is recreate a new system, put it on hold, like the Victorian government has done and cost people, genuine people, looking for real training the opportunity. For all its faults we will try to repair those faults and keep the machine running, because we believe that you do not sacrifice human beings in the need for government efficiency.

There are, as I said, some 300 registered training organisations. Mr Naughton is obviously one of them. If he is dissatisfied, as a gentleman in private business, he has a number of choices to make, and that is whether to continue to do business with the government or to go off and do business with somebody else. That is his clear choice, but we are not bound to him, he is not bound to us, we are doing the best we can, we will continue to do the best we can and if Mr Naughton does not like it I suggest that he get into a new range of business.

Ms WHITE: You may have misunderstood, minister, that Mr Peter Naughton was writing as Chairman of the Industry Training Providers Association. It was my understanding that the association had approached the minister. I assume it was you, rather than Malcolm Buckby, or maybe it was both, but that is a matter between you and the chair of the Industry Training Providers Association. I noted that you said just now to the committee that you had not met with him.

My second question relates to new apprenticeships in the traditional fields, such as mechanics, etc. What proportion of the increase in new apprenticeships can be apportioned to the traditional trade areas (excluding tourism and hospitality)?

The Hon. M.K. Brindal: The occupational groupings with the largest in-training figures are as follows: intermediate clerical sales and service workers, 5 130 (17.6 per cent); automotive, 4 790 (16.4 per cent); labourers and related workers, 4 180 (14.3 per cent); elementary clerical, sales and service workers, 3 550 (12.1 per cent); food, 2 160 (7.4 per cent); intermediate production and transport workers, 1 690 (5.8 per cent); mechanical and fabrication engineering, 1 560

(5.6 per cent); electronic and electrical, 1 310 (4.5 per cent); and the construction industry, 1 300 (4.5 per cent).

Ms WHITE: My next question relates to the Construction Industry Training Board. As the minister would know, the board and the associated levy—the concept of which in the construction industry Labor strongly supports—were set up by Labor under the current Leader of the Opposition. In the most recent financial statements of the board, I note that there is a fair amount of cash in reserve. How much of that is investment funds, given that we are in a period of a building boom and there are significant skills shortages in this area? There is a campaign at the moment—the minister and I attended its launch—but how much of this reserve is being invested and how much is actually being spent?

The Hon. M.K. Brindal: The honourable member is correct in that this board was set up in almost the dying days of the Labor government. In 1997, the department commissioned Coopers & Lybrand to review the act in response to its legislative requirement to do so. Cabinet endorsed the finding of this review which was that the construction industry training levy should continue—and it has. There are some critics within the industry, some of whom are more vocal than others. Cabinet instructed that further work should be undertaken on the general operation and administrative processes relating to the collection of the levy. That work also included a review of the competition aspects of the act. As the member would know, that would include virtually every aspect of government nowadays.

Cabinet approved the majority of the recommendations for this work, and instructed that an amendment bill be drafted. It is expected that an amendment bill will be introduced in the very near future. Specifically regarding the matter of the reserve, I read in a briefing note in just the past couple of days that the actual amount is about \$1.5 million. Other money that is part of the cash flow situation is available at any time. The honourable member will be aware that, whilst I have certain responsibilities in respect of the board, this is an independent board very much directed by the industry. So, I do not have the power to act as I would if the board were less independent in its nature.

The advice of the board's accountants, a number of other people and the board itself is that prudential management requires that the level of reserves that the board has is the level that would be expected of directors of a company in order to meet contingent liabilities should such liabilities arise. This means that the board's legal advisers and accountants have set a level of reserves which they believe the board must have because of the nature of its business. The briefing note cited an instance (which I will not detail to the committee) where, in order to collect some training moneys, which under the act the board believed were due and payable to it, the board almost had to resort to legal action. The briefing note also stated that, in the case of such legal action, the reserves would have been adequate (perhaps not fully adequate) to meet the costs involved.

I repeat that the reserve is not there because the board wants to save money; it is not there because the board has nothing on which to spend it: it is there because, as an independent body properly managing its resources, the board's accountants and lawyers and everyone else have said that it needs to keep such a reserve because that is part of the prudential managing requirements of the directors of a company which, in effect, is what the board is.

The Hon. R.B. SUCH: My question relates to contracts of training, which include trainees and apprentices. There has

been a dramatic increase in the number of contracts of training which have been signed in the past three or four years from 4 000 to almost 29 000. What is this increase attributed to, and which sectors have taken up most of the apprenticeships and traineeships?

The Hon. M.K. Brindal: I will not go through the same list that I went through for the member for Taylor. Those details are already on the record and show the increase in the number of trainees and apprentices. In terms of training opportunities, the distribution is as follows: 81.8 per cent to the private sector; 8.5 per cent to training companies; 2.6 per cent to local government; and 7.1 per cent to the state government.

We believe that the increase in the number of apprenticeships is due to increased flexibility and the range of training programs through the training packages; the consolidation of the flexibility and the range of options under user choice; the close cooperation with the new apprenticeship centres; the attraction of commonwealth employer subsidies; and the state government's own recruitment of apprentices and trainees.

I add to that the very valuable work that the state government is doing through its VET in schools program and its pre-vocational school training programs, some of which the member for Taylor and I and other members witnessed at the new Performing Arts Centre in Light Square. It was a very good example of active cooperation between young people in school and the construction industry. I am sure the member for Taylor will correct me if I am wrong, but I think that every young person we met that day would almost certainly have been bound for an apprenticeship within the construction industry and most, interestingly, because of the experience they had had, were not necessarily going onto the apprenticeship that they thought they would want to go onto from day one, having seen a range of apprenticeships.

The new apprenticeships and user choice arrangements have reformed South Australia's contracted training arrangements. Apprenticeships and traineeships are now available in many more industries. In 1998, there were some 200 occupations in South Australia and there are now almost 1 000 occupations that attract apprenticeships and traineeships. This is a difficult problem for the ministers of ANTA to grapple with. Everybody has a right to access traineeships and apprenticeships, but there must be some equality of standards. We always have to be careful that if somebody doing pedicure has a qualification at one of the very high levels that equates to other trades with similar qualifications—that a level of skills in one area equates to a level of skills in another area. That is sometimes difficult because, as many members would know, in many vocations and fields of endeavour people think that, because there is a high degree of skills in their profession, they are perhaps better qualified than people in another profession who technically might be at an even higher level. It is a constant aspect for all ministers, whether Labor or Liberal—it does not make it any easier.

New apprenticeships are based on training packages being developed by industry bodies and these packages specify the competency standards for the skills required in the industry and the qualifications that result from combinations of these competencies and standards of assessment. The training now leads to nationally recognised qualifications, which is an important development of the past few years. Under user choice, any registered training organisation in Australia can be chosen, in line with particular training needs. The employer and the employee have a far greater say over the

content of the training and how, when and where it is delivered. Training organisations are registered only if they can provide employers and individuals with quality services and products.

In addition to the eight TAFE institutes, there are 306 non-TAFE registered training organisations approved to operate in South Australia. Part-time apprenticeships and traineeships are available where industrial arrangements allow and in 1999 there were at least 1 810 part-time apprentices and trainees. Students still at school can start to undertake their apprenticeship and, in 1999, 185 students still at school were under a contract of training. This is an exciting innovation about which I think both Mr Spring and Dr Wood are very pleased. Group training companies were another development under the member for Fisher as minister, or around that time. The change from individual employers to group training companies, which can arrange for employers to share an apprentice or trainee with another business, takes away the liability from an individual, sometimes a very small business operator.

Apprenticeships can now be delivered entirely in the workplace with the training provided by supervisors, fellow workers and trainers from the RTOs. The commonwealth government pays progressive commencement, progression and completion incentives. The state government provides payroll tax and workers' compensation incentives. The commonwealth government has also established one-stop new apprenticeship centres to help employers, apprentices and trainees and DEET staff work closely with these centres, although as I said previously they do not always fill out the forms correctly.

The Hon. R.B. SUCH: By way of supplementary question, whilst I recognise that traineeships are not youth specific, there appears to be a conundrum in that the number of trainees and apprentices has increased dramatically, yet the youth unemployment rate has not changed. Is the minister confident that the provision of traineeships has not been away from young people; in other words, have young people got the benefit of the new traineeship system? Is he confident that in opening it up young people have not in effect missed out and therefore we have not lowered the youth unemployment rate as much as the government obviously would wish?

The Hon. M.K. Brindal: It is a very difficult question and I would be the guru of all youth and employment ministers in Australia if I entirely understood all the forces at work in our labour markets and industry sectors, and I do not pretend to be. The member for Fisher knows that the youth unemployment rate (and I hope members opposite will take note of this because, if they are ever in government, it is very important) at around 30 per cent to 40 per cent is an absolute travesty in terms of the way figures are used. It really worries me that such figures are released and young people get up and read the paper (and some members opposite especially know, because they represent the sort of youth I am talking about) and think there is 30 per cent unemployment and do not have enough confidence in themselves to go out and look for a job. Why should they if they think 30 out of 100 young people simply cannot get a job? They put themselves among the 30.

Mrs Geraghty interjecting:

The Hon. M.K. Brindal: I am not knocking that. It is a disincentive promulgated by the media. Of those in the youth population, as a percentage of the entire youth population who are looking for work, 6.7 per cent of our young people are actively engaged in looking for work. That is a big difference from 40 per cent. I cannot honestly answer the

question with a degree of certainty, because it is a rolling feast. You have young people who in any three month period come into the youth cohort and people at the 24 year old end who go out. Some come in unemployed and go out unemployed. Others get employment along the way. New apprenticeships and training opportunities have resulted in a lot of these young people, while in the youth cohort, gaining training and employment.

The member for Fisher will understand the profound restructuring of the South Australian economy in the past 15 to 20 years. There were factories everywhere. One only has to go through the electorates of most members, especially in the western suburbs, to see the number of closed and derelict factories. People have shifted from industries that were manufacturing based into a whole range of other sectors, and most of the people who have shifted have needed training. We have held rather better in this state and created a rather strong foundation because we came off a profoundly difficult base. It was South Australia probably more than any other state in this nation that had to restructure and rebuild the whole basis of its work force because it was built correctly by Playford in the 1950s on elaborately manufactured goods, and that is the sector that suffered most.

In answer to the question from the member for Fisher, yes, we have given youth a fair opportunity; yes, they have accessed it; but as to whether we can quantify it exactly, the answer is 'No.' I challenge any employment minister to sit here and honestly tell the parliament to whom they were responsible that they could quantify it either. We are trying to absolutely ensure that the sorts of things he said certainly do happen. It is one of the reasons why we lowered the age for trainees. The payroll tax rebate paid by the state government was available to all trainees. As of budget night, it was available only to any trainee under 25 years on the day they took up their traineeship. So there is a conscious effort in that area to ensure the benefits are accruing to youth and not to other people.

The Hon. R.B. SUCH: My second question relates to monitoring the quality of training and hence what is provided to trainees via registered training organisations. What mechanisms exist to ensure that people do get training and that they get quality training?

The Hon. M.K. Brindal: That is an excellent question. I would say to the member for Fisher that what has happened to ARTI is a very good example of the fact that when we get complaints those complaints are looked at and something is done about them.

Mrs Geraghty interjecting:

The Hon. M.K. Brindal: The honourable member interjects too quickly. I point out that one training provider, ARTI, went out west of Ceduna and west of Broken Hill and to isolated and rural areas to give people training opportunities. That was the only provider we had. I am sure there is not a member in this committee who would not support my officers who, when they had problems, said 'Let's try to help this group through these problems, because they are the only ones providing this unique service.' In fact, we did it not once but twice. At the third time, when people were getting let down and disappointed, we reached the stage where we could not keep travelling with someone who would not produce the goods. I accept that some people say that we did not do it quickly enough, but I honestly believe that my officers—and I hope myself, because I was responsible for the decisions—made a responsible decision that tried to combine the interests of real people out there looking for training opportunities

with the fact that we had a limited choice of training provider. So, we had to try to work with that which was there.

I am pleased to be able to inform the committee that since that happened I have had a letter from at least one training organisation that will now go in and seek to provide a service. I was genuinely concerned that with the provider falling out of the race a hole would be left with no-one providing training to people in isolated and remote areas. All South Australia's registered training organisations undergo a full assessment against national and local registration requirements before they can be registered. So, there is a full, complete and detailed audit of national and local registration before they can become registered, and they are then registered only in terms of that audit. So, you cannot be registered as an RTO and then provide something else. You are registered to provide certain services, and they are all that you can provide.

Under the requirements of the Australian recognition framework, all RTOs are subject to a rigorous compliance audit at least once during their three to five year registration term, and employees are also inspected to check that adequate supervision of trainees and apprentices is provided, as all members would accept as necessary. The comprehensive audits involve site visits and consultation with trainee and employer clients; external auditors provide particular VET expertise. The one thing that we cannot really address is the good nature of some trainees. I was speaking to one last Friday, and she told me that she had been given her compliance form with ARTI and had completed it in good faith, saying that everything was really good, because she had been given it three or four weeks after she entered the course. Having said how good ARTI was, she was subsequently put in the very embarrassing position of discovering that it was not providing all she thought it would provide. She freely admits that she gave us wrong information. She had told us how good ARTI was, and six months later she found that that was not the case. It is a difficulty, because most people are fairly decent and try to give people the benefit of the doubt, and that is an area we have to work through.

The suspension and revocation advisory committee makes recommendations to the Accreditation and Registration Council (ARC) on any action which should be taken against non-complying providers. Since the implementation of the ARF in 1998, there have been 222 audits of South Australia's 306 training providers, and all registered training providers registered with ARC will be audited before the end of this year. Where ARC receives complaints (and this is the important part of the answer to the honourable member's question) or we receive complaints and they are passed on to ARC about training quality, non-routine audits are immediately initiated.

On two occasions, ARC has restricted a provider's registration to ensure that the provider fully complies with the registration requirements. ARC has revoked one provider's registration, and that decision was not appealed. DEET investigated the quality of on the job traineeships in office administration and small business in South Australia in 1999 and found that employers, graduates and registered training organisations reported positively on the quality of outcomes for on the job traineeships, that there was no evidence of major fraud or rorting in South Australia, and that the employers' capacity to provide training assistance to apprentices and trainees was identified as an area for improvement. An ARC working party is addressing this issue.

As members know, a Senate inquiry into VET recently held hearings in South Australia. The South Australian submission to the inquiry concluded that the impact of national training reforms in South Australia has been positive. However, the submission also noted the need to assess the balance between up-skilling of existing workers, the training of new labour market entrants (which is the matter that the member for Fisher just canvassed), the administrative complexity of the system (which touches on the shadow minister's first question), and the need to monitor the impact of training reforms on the regions in South Australia.

Mr HAMILTON-SMITH: I refer the minister to budget paper 4, volume 2, page 9.9, which deals with training and the way in which it supports industry. Will the minister explain the government's commitment to supporting existing industries and, in particular, will the minister say what the government is doing about the training necessary to underpin the expansion of the food industry? I am looking at the connection between training and the economy.

The Hon. M.K. Brindal: The food industry makes a significant contribution to the state's economy; it is estimated to be over \$5.5 billion annually, and growing. For example, just in the food and beverage processing area, South Australia employs some 19 000 people, so it would probably be the biggest single employer in the state. A key element of the state's food plan is to raise the professional standards and skills base of the industry to build a work force responsive to international trends. The sector needs to embrace new technology and knowledge; training also needs to be aligned with present and projected industry needs at both operator and management levels. Food industry apprenticeships and traineeships increased in the 1997-98 financial year by over 851 per cent over the previous year. Similar increases are expected for the 1998-99 year. I have a table which is purely statistical in nature that I will incorporate into *Hansard*.

Period	Trainees	Apprentices	Totals
1996-97	174	144	318
1997-98	2 060	106	2 166
Percentage increase/decrease	+1 083%	-26%	+581%

The Hon. M.K. Brindal: A \$13 million upgrade of food facilities at Regency Park has recently commenced. Contaminated soil has been removed, building work will commence in late June and equipment will be installed during the December 2001-January 2002 vacation, ready to commence programs in February 2002. That upgrade is expected to cost \$24.9 million.

[Sitting suspended from 6 to 7.30 p.m.]

Membership:

The Hon. M.D. Rann substituted for Mrs Geraghty.

The Hon. M.D. RANN: The minister has heralded growth in jobs since the Liberals were elected. Unfortunately, while jobs in South Australia have grown by 34 400, the South Australian population over the same period has risen by 41 800, and the situation is even worse when we compare jobs growth in South Australia with that nationally. Since December 1993 there has been record jobs growth in Australia of over 1.2 million (15.8 per cent) compared with a modest 5.3 per cent in South Australia. For the minister's benefit, that is 15.8 per cent nationally in terms of jobs growth compared with 5.3 per cent in South Australia, and that is since the December 1993 election. So that amounts to about one-third of the national growth in jobs; in other words,

South Australia has contributed about 2.8 per cent of the national growth in jobs.

The minister has attempted to highlight the double digit unemployment in South Australia during the last national recession. What I think he keeps neglecting to tell the people of South Australia is that the jobs gap between the national and the South Australian unemployment rates has widened dramatically since that time. In 1992, the gap between the peak national and the South Australian unemployment rates was 1.1 percentage points or 9.8 per cent. By contrast, the jobs gap now stands at 1.8 percentage points or 26.8 per cent. That is the key point. What we are looking for is the closure of the gap between the South Australian unemployment rate and the national rate.

Of course, we remember the pledge by the previous Premier—I think even echoed by this Premier—to bring down South Australia's unemployment rate to the national rate by the year 2000, but in fact the jobs gap between South Australia and the rest of the nation has grown. In recent months, the minister has changed tack a bit and has tried to claim long periods of trend employment growth. I note that he has now given up on that approach, as ABS trend data now show three consecutive months of job losses in South Australia and three consecutive months of increases in the unemployment rate.

Given the state of South Australia's jobs market, what justification is there for the government's 'Bring them home' scheme and why is the government not attacking the problem from the front end, that is, creating the economic climate and jobs market that will ensure our young, highly skilled graduates can find work in their chosen field without having to leave South Australia? Perhaps in answering that, the minister can detail his own involvement in the 'Bring them home' scheme in terms of policy.

The Hon. M.K. Brindal: The brief answer to the leader's question is that we are.

The Hon. M.D. RANN: Bringing them home?

The Hon. M.K. Brindal: The answer to the leader's question is, we are. Read the question, and the answer is—we are. In fact, to range over all the matters covered by the leader would take a long time, so I will try to pick out a few salient points and the leader can ask some of the other questions if he wishes. The fact is that, for the past two or three months, trend unemployment has been less than we would like, but that was after something like 22 consecutive months of trend employment growth.

I would rather be sitting here answering the leader and saying, 'Yes, there were three bad months after 22 consecutive months of trend employment growth' than having had that trend growth suffer all the time. I am sure that the leader will agree: this is not just about playing with statistics. This is about people, and it is about people in South Australia who cannot get jobs. So, it is not just about playing games with statistics.

The Hon. M.D. RANN: That is why closing the jobs gap between South Australia and the nation is the critical statistic.

The ACTING CHAIRMAN: Is this a supplementary?

The Hon. M.D. RANN: This is a supplementary, sir.

The ACTING CHAIRMAN: Has the minister answered the first question?

The Hon. M.D. RANN: No, he has not. I am just trying to help him.

The Hon. M.K. Brindal: I stand to be corrected, but I think it was three or four months ago that the difference between our state figures and the national average was down

to about .9 per cent; it was under 1 per cent. There was another month when it was about 1 per cent, and that was just a few months ago. It is not that now: it is wider than that; the leader is quite right. But the fact is that we got it down under 1 per cent, and it is a long time—many months—since we came that close.

It is going a bit the wrong way at present, and in this budget we are trying to address some of those things. The leader is quite right: we would like to get it down, not to the national average but so that any South Australian who wants a job, gets a job. That is the final aim: the final aim is not just to say, 'We are doing as well as everybody else.' The final aim in this state and, I am sure, for the Leader of the Opposition, is actually to say that every person in this state who wants a job can be profitably employed. In the meantime, we toy with figures. It is a long, slow haul, but we will get there.

The Hon. M.D. RANN: The point that I am raising, by way of a second supplementary question, is that the minister constantly refers to 1992's unemployment rate. But the fact is that the growth gap between us and the nation was much narrower then (at 1.1 per cent) than it is now, so I am not the one who is playing with statistics. I am simply correcting the record of this sort of mantra that is said constantly during question time.

The object is to create jobs, but the object in creating jobs, when you have international recessions, upturns and downturns, is basically to close the gap between us and the nation. The gap then was 1.1 per cent: it is now 1.8 per cent. I hope that, at the end of the minister's time in office, some time next year, we will have substantially closed the gap. Of course, that is something that we all want to achieve. The reason why I asked the question is the government's Bring Them Back Home scheme: what was the minister's involvement in that scheme as Minister for Employment? Was a substantive amount of policy work undertaken beforehand by the department and, if so, what is the nature, extent and scope of that policy work? It seemed very much like a press release made on the run.

The Hon. M.K. Brindal: That is an unfortunate comment. When I do leave this office, that is, the ministry for employment—which I anticipate to be some time in about five years, because I do not think that the Premier will leave me in the position for the whole of my parliamentary career—I hope that the situation will have considerably improved. So, the leader and I share at least one aim in common. As I said to the leader a minute ago—

The Hon. M.D. RANN: I am keen to help your preselection, as you know.

The Hon. M.K. Brindal: I do not think that you can be a member of both political parties at once. I think that both our parties have rules against that. As the leader just ignored, it is 1.8 per cent at present, and we are not happy about that, but two or three months ago it was under 1 per cent. These figures bounce around in a way that people would not believe, but I think that the leader will acknowledge that the adverts for skilled job vacancies in this State are at all-time record levels and have been for some time.

There is a degree of jobs out there for which we are not finding the skills-set to match. Therefore, we are trying to do two things: one is trying to bring back some of our skilled young people from interstate; and the other is, within the context of this budget, upgrading the skills of our young people and our young unemployed people so as not to have to bring people back but to employ those who are already here. If a job vacancy exists today and if a firm needs to

employ today, it cannot wait a year or two for us to upskill those people. It makes a lot of sense to bring home skilled young people or to attract skilled young people from interstate because they all add to a vibrant economy. Returning to the question about whether it was a press release on the run, this government is a team. This government works in concert. The Premier made the announcement with due consideration and with due deliberation.

The Hon. M.D. RANN: Was there prior consultation with your department?

The Hon. M.K. Brindal: The leader knows that I cannot discuss cabinet deliberations.

The Hon. M.D. RANN: In other words, there was not.

The Hon. M.K. Brindal: The leader knows that I cannot discuss cabinet deliberations, but I just said that due consideration and due planning was done in respect of this, and to say that a careful and considered statement by the Premier was anything other than a careful and considered statement—

The Hon. M.D. RANN: It was very similar to one put out by Helen Clarke a few weeks before.

The Hon. M.K. Brindal: I know that the leader had a lot of experience handling the press in his various incarnations before he became a minister and while he was a minister. The leader holds a great record. I think that he will tell me that he managed to get a run on one particular press statement 17 times.

The Hon. M.D. RANN: It was 19.

The Hon. M.K. Brindal: Nineteen times he managed to get a run on it. With collegiate bipartisanship, I have to say that he should not gauge the Premier on his very good record in that regard.

The Hon. M.D. RANN: As Minister for Employment, is the minister aware how many persons have so far been enticed back to South Australia under the 'Bring them back home' scheme? How much was paid to each person in direct or indirect assistance? What jobs have been taken up?

The Hon. M.K. Brindal: No, I am not. The Premier's portfolio is handling that scheme, so I am not aware, but I would doubt that at this early stage statistics have been garnered anyway.

The Hon. M.D. RANN: One or two jobs?

The Hon. M.K. Brindal: I would not know.

The Hon. M.D. RANN: The minister cannot say whether even one job has been created under the 'Bring them back home' scheme or whether any subsidies have been offered. The big headlines were about people, about offering hope, about the concern of every South Australian parent that their kids will have to leave town to get work, and many have done so. This was announced some months back with great fanfare. Presumably advertisements have been run for the interstate media, that it was not just for the *Advertiser's* benefit. Presumably more than one or two jobs have been created under this scheme. Can the minister get back to us with a statement on that?

The Hon. M.K. Brindal: I will. I regret that the leader did not ask the Premier. I said that I did not know. I did not say that not one job has been created: I certainly did not say that. I said that I am unaware of the statistics. I have not been presented with them. I doubt that they have yet been collected, but we will absolutely and certainly say to the leader that we will determine whether those statistics have been collected and, if they have, give him a proper answer.

Mr HAMILTON-SMITH: My question concerns the government's overall employment strategy, and I am referring to budget paper 4, volume 2, page 9.17. Clearly,

employment and training is a key focus for government. Can the minister outline what programs have been implemented in the budget—some of the positive news—to achieve those objectives that the government has set?

The Hon. M.K. Brindal: The two previous employment statements detailed a comprehensive range of employment programs which resulted in over 1 200 businesses being provided with the incentives or subsidies to encourage the placement of trainees and apprenticeships and which assisted with over 11 000 placements. The success of these programs is demonstrated by the fact that the total employment in South Australia has risen by 37 300 or 5.8 per cent over the two years to May 2000, and the unemployment rate has fallen from 10.1 per cent to 8.4 per cent.

The 2000-01 statement outlines strategies that will continue to build on the successful programs outlined in the previous statements with additional emphasis being placed on increasing the skills levels of the work force. The sum of \$4.68 million has been allocated to assist development activities with the aim of achieving a minimum of 700 employment and training outcomes. In order to assist development within the state, an additional \$15 million for 2000-01 has been made available to meet the continued growth in structured 'off' and 'on' job training for trainees and apprentices, which will enhance the skill level of the work force to take advantage of employment opportunities. This is in addition to the funding already provided for 'user choice'.

Development programs such as special partnership programs will provide funds to state government and other agencies to integrate employment opportunities in their activities. Up Skill SA is a joint venture arrangement between state government agencies and private sector contractors. This aims to increase training and employment opportunities for young South Australians through formal traineeships and apprenticeships.

In answer to the shadow minister's question this morning, I have checked and I can find no reference to the gentleman who wrote the letter. If the honourable member would like to provide me with the letter, I will provide him with an answer.

A total of 8 200 young South Australians have been employed in the public sector since 1993 through the state government youth training and recruitment scheme. An intake will again be undertaken this financial year providing further opportunities for young people. Over \$3.86 million has been allocated to provide regions with the flexibility and autonomy to tailor initiatives to meet their unique regional employment needs. At least 1 800 people will be assisted through a number of programs, including the regional employment strategy. In addition, the trainee support program will continue to support the placement of public sector trainees in regional development boards with the Department of Education, Training and Employment acting as the host employer and funding the salaries of trainees.

Another regional program—I know dear to the heart of some members opposite—is Working Towns which funds business and community groups to undertake innovative projects that stimulate local economies and employment creation.

The Hon. M.D. Rann interjecting:

The Hon. M.K. Brindal: Yes, it is sort of like Main Street, but it has evolved since the time you were in charge of it. You did have one or two good ideas: where they were good we kept them on; where they were bad we kicked them out. The regional industry training and employment program

will also support regions by promoting the benefits and value of training to small businesses and develop closer links between businesses and training providers. The sum of \$18.2 million has been allocated to assist business development activities through the provision of incentives, rebates and subsidised business advice, such as the mature age employee incentive scheme which will continue to assist employers by providing a financial incentive to employ people aged 40 and over—and we believe that this will be very useful scheme for some members opposite to access after the next election.

The ongoing human advisory service will provide up to 20 hours of partially subsidised human resource consultancy services to small business. The business management training of apprentices initiative will increase the further employment options for apprentices who are completing their apprenticeships by providing them with business management skills. The state government has allocated nearly \$2 million to assist people, with a particular emphasis being placed on Aboriginal apprenticeship placements across South Australia. All members will applaud the amount of money that is being put into the specific training needs of our young indigenous people and trying to get them the representation in the work force that they deserve.

Mrs MAYWALD: I refer to budget paper 4, volume 2, page 9.17. What areas of assistance are being offered to employers in regional areas in this budget?

The Hon. M.K. Brindal: Before I answer the honourable member's question, I would like to congratulate her. I visited her electorate this morning and spoke to the Select-Staff Riverland office, a private sector group which is providing meaningful employment for people in the Riverland. It is aggregating what was traditionally casual labour and providing people who choose to be employed as casual labour with virtually full-time work. Instead of working for a week at a vineyard, having a week on unemployment and then having to find more work, this group is virtually giving these people full-time work.

This scheme is working exceptionally well for many people in the Riverland who are battlers. These people are not highly skilled with university degrees but they are honest workers who are being given a better chance of getting a job than they were previously. There is continuity of employment. I congratulate the honourable member because she was involved in some of the preliminary work.

In response to the honourable member's question, since 1995, 1 468 government traineeships have been made available to young people in regional areas. In the first nine months of 1999-2000, the regional industry program has resulted in the creation or retention of 1 141 equivalent full-time employees and secured investment of \$38.5 million. This year, the state government has again provided significant funding in the budget for a range of programs which directly assist regions to maximise their employment potential. Over \$3.86 million has been allocated to assist regions with a particular emphasis on continuing to devolve funds to regions.

The honourable member will be aware that for some time we have been working closely with regional development boards. This strategy seems to have been successful from the point of view of both the boards and regional employment outcomes. Assistance to regions will be provided predominantly through the regional employment strategy which gives regions the flexibility and autonomy to tailor initiatives to meet their unique regional employment needs. The strategy combines the former KickStart and KickStart for Youth

programs, to which the leader alluded a moment ago; IT Skills Advantage; and the self-starter programs, to provide a pool of funds of \$1.98 million which regional development boards can access to advance their own strategic priorities.

The strategy will enhance economic development activities across all regions of the state and provide sustainable employment opportunities for local people. In addition to the regional employment strategy, there are several state-wide programs which regional areas are able to access and which directly or indirectly assist with employment. Such programs include: the government apprenticeship scheme, which provides a centralised apprentice and trade trainee recruitment and placement service for state government agencies across and throughout South Australia (including regional areas); Working Towns, which funds business and community groups to undertake innovative projects that stimulate local economies and employment creation; the Human Resource Advisory Service, which provides up to 20 hours of subsidised human resource consultancy services to small businesses; and consultants, who supply participating businesses with tailor-made services to address their particular human resource and employment issues. The Regional Industry Training and Employment Program aims to develop closer links between business and training providers to assist small business in improving management skills and networking—

An honourable member interjecting:

The Hon. M.K. Brindal: I won't be here that long—to increase training opportunities for sustainable employment. A suite of mature age support programs are designed to assist persons over 40 years of age to gain skills to re-enter the work force. In addition, financial incentives are available to small business owners who engage eligible mature age staff. The traineeships support program targets and supports the placement of young public sector trainees in regional development boards throughout the state.

The Hon. M.D. RANN: I refer to 'Output Class 3.1' budget paper 4, volume 2, page 9.17. The opposition has had considerable concerns regarding—to use the minister's own words—the 'changing of the levers' in relation to attacking youth unemployment. We are particularly concerned that successful programs, such as the public sector youth traineeships scheme, which was started by Labor, expanded by former Liberal minister Bob Such and continued until now by the current minister with full bipartisan support, have suffered a massive cut and that the resources have been put into TAFE and the controversial User Choice scheme.

In answer to questions last week regarding the diversion of \$16 million away from the traineeships scheme, the Premier admitted that the TAFE system is facing cost pressures—little wonder, given that the government has ripped over \$20 million out of TAFE institutes in the past three budgets. As a former minister for TAFE, I am particularly pleased that the minister has acknowledged the work we did in Main Street, KickStart and other areas. The area about which we are most proud is the establishment of the Australian National Training Authority, which meant that we were able to leverage many more millions of dollars into our TAFE institutes.

It concerns me greatly and, if we want to succeed as a community, let alone as an economy, we must invest in education and training. With the government ripping over \$20 million out of TAFE institutes in the past three budgets, it is no wonder that the Premier is referring to the stresses and cost pressures within the TAFE system. Earlier this month,

the minister under questioning about the cuts to public sector traineeships said:

The traineeships worked. They were a great positive for this government and they received about 70 per cent full-time take up rate.

In March this year, a newspaper report in relation to the traineeships stated:

Mr Brindal said the majority of calls were from unemployed youths seeking to register for the traineeships, but he conceded a significant proportion were also from youth with valid concerns about the scheme. We have learnt lessons from this.

The report further quotes the minister as follows:

We discovered in some cases we have taken names, given them a test but then failed to keep them informed about how their application was progressing. They were applying, passing the tests and waiting in limbo. Sometimes they were getting to an interview and other times disappearing into an abyss. This is unacceptable and it will be corrected.

Minister, you have said that this situation was unacceptable, that the scheme had obviously been mishandled, and that you had learnt lessons from it which led directly to this massive cut by cabinet to a successful training program. How can you justify the cut to a program that you yourself have said was the government's great success in employment?

The Hon. M.K. Brindal: The leader is clever but not clever enough. The fact is that, in respect of the last part of the leader's question, he has cobbled together two different issues. In respect of the last part of the leader's question, the traineeships were always and have been since I have been a minister fully subscribed, that is, we placed everyone for whom we had money in the past two budgets.

The Hon. M.D. Rann interjecting:

The Hon. M.K. Brindal: Yes, there was no slippage and we got a 70 per cent take up. The lessons that we learnt, to which the leader refers, were lessons in communication with people who were waiting. We took up the 1 000 people into jobs and 700 of them went on into full-time employment, but there were other people with whom we were not communicating properly and that is where we learnt the lessons. This scheme goes on, albeit in a diminished form.

The Hon. M.D. RANN: A \$16 million cut from 1 200 down to 500 positions?

The Hon. M.K. Brindal: It will be somewhat more than 500 positions. I am currently considering how many positions there will be. There will be somewhat more than 500.

The Hon. M.D. RANN: It has gone to 600 from 1 200—you have cut it in half.

The Hon. M.K. BRINDAL: I will let you know when we have made the decision.

The Hon. M.D. Rann interjecting:

The Hon. M.K. Brindal: What is in the budget is in the budget. The lessons we have learnt are lessons about communication with people who apply for a range of government schemes and we should be dealing with them quickly and efficiently, making sure they receive progress reports and replies and I am assured that, after I reported to the House, it was put in train. Whether the scheme this year is 500, 600 or 700—whatever size the scheme is—the leader can be assured that the people will be dealt with better, having learnt from the mistakes, than they were at one time when we got those complaints. There has been an improvement in that area.

As for the justification for the cutting of the scheme, it is this. I have said all along that the scheme was successful—we were very pleased with the results—but the fact is, as the

leader has said month after month (or, if the leader has not said it, the member for Lee has said it), unemployment has bumped along. It is the job of a government—and the leader and member for Lee called repeatedly for this government to do something—to change it. As the leader says, employment was flat. He says that we were coming out of a national recession. We like to say we were coming away from a Labor government (the two might be the same, but I am not quite sure). At that time because of a flat employment market it was I think the right thing to do—the leader acknowledges that as they started the program—to assist people into placement by job subsidy and in that placement (and I think the Labor government initiated this part as well) you should upskill the people.

It was not just a matter of buying somebody a job but getting them into the work force and making sure that while they were there they got adequate skills to give them the chance to stay on. That is why that scheme over successive governments was kept on and was so successful. But we now face a different labour market, a market in which there are a lot of skilled jobs, but we cannot get enough skilled people, so the shortage now is not necessarily in jobs but in people with the appropriate skills. We have made a conscious decision to move away from the employment subsidy, which gets somebody into a job and then upskills them, to put more money into investing in the training.

The Hon. M.D. RANN: That does not make much sense in terms of what the government is doing. We have seen a massive fall in the number of kids completing year 12 since the change of government. You say you are interested in investing in training. We have seen \$20 million ripped out of TAFE. We have seen a cut of \$16 million to this employment scheme that everyone regarded as the government's most successful employment and training scheme, and it seems to me that you cannot say you are investing in training at the same time as you have ripped \$20 million out of TAFE in the past three years. I will go on to the question, because I do not want to anger the Acting Chairman, as he is the only person in this parliament I fear.

This year's employment statement describes the government's Employment Council as the peak advisory body to the government on employment matters. What advice did the minister receive from the Employment Council on the effectiveness of the state government youth training scheme, the small business employer incentive scheme and the payroll tax rebate scheme, all of which have been substantially cut back or discontinued in the recent state budget? I want to repeat that for the benefit of the minister. We keep having committees set up. We had the defence industry committee set up in the last election campaign, involving admirals and others, heads of departments, heads of industries, and it sat once. It was supposed to lead us forward to a defence infrastructure high tech future, yet it has not met for 1 000 days. However, the government now says that its Employment Council is its number one peak advisory body to the government. Did the minister consult with the Employment Council, and what advice did it give him on the effectiveness of the state government youth training scheme that the minister has cut by \$16 million, the small business employer incentive scheme and the payroll tax rebate scheme, all of which were substantially cut back or discontinued completely in the recent state budget?

The Hon. M.K. Brindal: Let us compare apples with apples and get a few things straight. Is it true that the government traineeships have been cut back? The answer is

'Yes.' Is it true that that money and additional money have been placed into training opportunities? The answer is 'Yes'. Is it true that the government has cut back on apprenticeship and training opportunities and provided less money? The answer is 'No'.

The Hon. M.D. RANN: You've cut TAFE by \$20 million over three budgets.

The Hon. M.K. Brindal: I will ask the leader to bear with me and look at industry and trade, where \$5 million is provided for programs that will allow employment and training opportunities. I ask the minister to look at Minister Armitage and the IT sector, where \$3 million is provided for traineeships. I also ask him to look at Minister Kerin in the aquaculture sector, where \$1 million is provided for traineeships. If you add that \$9 million to the cut in the government programs, you will find that the government commitment to traineeships, while it has shifted away from the government sector, is more in this budget than it has been in previous budgets. However, in addition, where the government trainee sector has been cut back, that money and additional money is being provided to training schools. So, if you look across the whole budget, you see that we are putting more money into traineeships—albeit that they are not as numerous within the government sector. That is the first thing to correct.

The Hon. M.D. RANN: What about the small business employer incentive scheme which has been discontinued, even though the minister has been claiming that it is such a great scheme and that small business is so important to our economy.

The Hon. M.K. Brindal: I will answer the question in respect of the Employment Council first, because that is better. The Employment Council has met regularly since its inception a little under or a little over 12 months ago. The Employment Council is mentioned in the employment statement as working to provide an employment blueprint to be presented to the state government for inclusion in the next budget cycle. The reason for that is that the Employment Council had not met and had not developed its expertise to the point where it felt competent enough to advise the government for this budget cycle. So the answer is that the Employment Council in this budget cycle was not consulted because it felt that it was not in a position at that stage in its development to express an opinion. It is working on an employment blueprint—a very important document which will be presented to the government and which the government will consider in light of the next budget and employment outcomes and programs for the next budget.

That is a first for probably any government in this country—to actually give to a council the power to develop something to present to government and have it there for government to analyse, to comment on and to stand up and answer to. It was not done for this budget because, in fairness to the Employment Council, it did not feel that its expertise was developed to the point where it should be doing it at this time. It is a bit like half training a doctor and expecting the doctor to operate on a patient before they feel competent to do so. I would back the people on that council 100 per cent. They are absolutely decent, thoroughly reliable people of great integrity. The fact that they did not seek to run in after two minutes to try to give answers to all the questions—

The Hon. M.D. RANN: How long have they been set up?

The Hon. M.K. Brindal: I believe the council was set up a little under a year ago. As the leader would know, in the budget cycle the budget deliberations commence in about November. So, you are not talking about the council having

no involvement at five minutes to 12 on 23 or 24 May—you are talking about their involvement a few months after they started.

The Hon. M.D. RANN: Will the minister explain why the government chose to discontinue—according to the budget papers—the small business employer incentive scheme, a scheme regarded as being helpful in providing people with a start in small business?

The Hon. M.K. Brindal: That is true. It was a very successful scheme and was over-subscribed. In other forums, the leader has suggested that we have increased taxes and raised moneys which we simply have not done. As the leader knows, there is a fixed amount of money in any budget and the government of the day has to allocate the money in the best way it can.

In 1997-98, \$10 million was allocated to the small business employer incentive scheme over three years, commencing from that date with payments to be completed by 30 June 2001. An additional \$4 million was made available over three years in the 1999 employment statement. While no additional funding has been made available to the small business employer incentive scheme in 2000-01, the \$4 million in the 1999 employment statement will allow the program to continue to its completion in June 2002. The program has not been scrapped: the program will reach its deadline.

A total of 4 611 placements have been approved under the Small Business Employer Incentive Scheme. The program is now fully committed, that is, the funds have been fully utilised. The focus of the government's employment program is changing in response to the need for skilled, trained workers in business, mining, agriculture and construction. We had to put money where our priorities were.

The other thing that is important to note is that we did quite a bit of work on the Small Business Employer Incentive Scheme. It was a rip-roaring success. There is no other word for it. But we also found that 52 per cent of employers indicated that they would have employed that person regardless of the scheme. The leader needs to question whether it is good use of public moneys, no matter how good the scheme, to apply money to a scheme where we have recently discovered that at least half of those people were going to be employed anyhow; and that is against the pressures that we are now coming under because we need to upskill our work force. There is, and continues to be, a shortage of skilled people in the South Australian work force. If we do not address it, this state is imperiled as a result, so we will address it.

Mr HAMILTON-SMITH: My question deals with youth employment. I refer in particular to budget paper 4, volume 2, page 9.21. I ask the minister to outline what outcomes the budget predicates for Youth Plus and whether those Youth Plus outcomes have been achieved.

The Hon. M.K. Brindal: I thank the member for Waite for his question. I know that he has a commitment to young people, and I commend him for it. The 15 members of Youth Plus were first appointed in July 1999, and since that time they have met regularly with me and independently advised me on many issues relating to young people in South Australia.

They have also done some absolutely first class work for other ministers and government agencies. They have gone out and consulted on a number of issues, ranging from volunteers in our community through to the Premier's youth challenge. As well as providing ad hoc information to me, Youth Plus

has been prepared and pro-active to research and gather information on issues faced by South Australia's youth population. Some of its projects have included the Pathways research project, which examined the perceptions and experience of at-risk South Australian young people in mainstream education and training and also those engaged in alternative education and training. The project focused on rural and metropolitan young South Australian people aged between 15 and 21 who were experiencing difficulties continuing mainstream education and training and who are completing or have completed an alternative education or training pathway. Through the Office of Employment and Youth a \$20 000 budget was allocated for this research to be carried out.

The Youth Plus multicultural youth project is another project which aimed to investigate the perceptions and experiences of young people from culturally and linguistically diverse backgrounds who have been encountering barriers to successfully entering the paid labour force. There is also the youth development program consultation. As part of the consultation process of the South Australian youth development program, which I know members opposite will be very excited about—and they are looking very excited about it—Youth Plus undertook a two-phase consultation process to investigate the perceptions and experiences of young people regarding specific elements of the proposed model. In phase 1 Youth Plus consulted with students in years 9 and 10 who attend school in the southern, western, northern and central regions. Young people attending two schools in a rural area were also consulted, and Youth Plus consulted with young people at Woodville Special School and two youth representative committees—the Youth Policy Action Group and the Multicultural Youth Network (YPAG is a committee of YACCSA).

In phase 2, Youth Plus members undertook a consultation process with young people active in established service provider programs in order to ascertain what made existing service provider programs interesting to some young people. The collection of this information was considered important in informing the youth development program task force about potential marketing strategies. This consultation session collected data regarding what these young people considered to be positive about the programs they were involved in and would encourage them to continue participating. Service providers who sent representatives to the consultation including the following: St John Ambulance, the Scouts Association, Guides SA, Police Rangers, the Surf Life Saving Association, all the defence forces and the SES.

Youth Plus consultations were held in the Riverland from 31 March to 2 April. A number of young people from Glossop, Loxton, Renmark and Waikerie were consulted on a range of issues, including health, transport, education, recreation, employment, concepts of community, urban versus rural living and the youth allowance. I do not know whether they consulted the member for Chaffey, but I think she is just out of the youth age group. During the consultation young people were also encouraged to complete surveys focusing on education, employment and training pathways, health, sexual health, body image, society and law, community relationships and attitudes. The aim of these consultations was to investigate what young people in the Riverland area considered to be the main issues of concern or importance to them and the determination of potential strategies for addressing these issues.

In relation to obtaining TAFE competencies through voluntary work, an investigation was undertaken by the Youth Plus society and law subcommittee into the feasibility of young people obtaining competencies towards TAFE certificates as a result of participation in voluntary work initiatives. As a result, I was provided with a series of recommendations and a proposed pilot project for consideration. No separate budget was allocated for that project.

I think that, so far, one of the things that I look back on as being one of the major accomplishments of my time as Minister for Youth has been the establishment of Youth Plus, a very fine group of young people. It is a group of young people whose political affiliations I do not know, but of one thing I am—

Ms Key interjecting:

The Hon. M.K. Brindal: No, I am just saying that of one thing I am sure: in the next 20 years, some of them will probably bob up on all sides of this parliament as future leaders in our community.

An honourable member interjecting:

The Hon. M.K. Brindal: That might be true. They are exceptional young people of exceptional calibre, and one of the things that I hope that we as a government are doing, in addition to getting good and sterling advice from them, is providing them with the opportunity to develop themselves so that in the years to come they really will be leaders in our community.

The Hon. R.B. SUCH: My question relates to Youth Week, in which I take an interest, having been the creator of it—and I note it has been copied by the federal government, which is good. Can the minister provide some details regarding participation rates in Youth Week, particularly in country and regional areas?

The Hon. M.K. Brindal: As the member said, this year marked the inaugural National Youth Week—although from the state's perspective, as he pointed out, Youth Week is certainly not new. It has been for some years a highly successful event involving a partnership between state government and local government, and it celebrates youth achievement and encourages youth participation. Feedback from councils that applied for state government grants has indicated that young people's participation in activities was extremely positive, and I am sure that the member for Fisher will be delighted to know that, since he inaugurated it, participation has been increasing on a year-by-year basis. It started well and it continues not only to survive but also, in fact, to grow and to prosper.

Throughout South Australia, 45 councils, or 65 per cent, participated in Youth Week. It involved a total of well over 1 000 people just in the planning and coordination of activities. Approximately 26 000 young people participated in Youth Week events throughout South Australia at over 122 different Youth Week activities staged throughout the state. There were 49 events in the metropolitan area, interestingly, 73 in regional South Australia (it is interesting that regional South Australia seems to do somewhat better in these sorts of celebrations than perhaps does metropolitan Adelaide), one celebration in rural and remote South Australia, and even a virtual youth event conducted through the post, over the radio and via, of course, the internet. In recognition of youth—

An honourable member interjecting:

The Hon. M.K. Brindal: Internet is something that you do through the computer. In recognition of youth participation, 114 youth participation awards were distributed to young people via 19 councils; that is, \$100 was given out for

a council—and I think the member for Fisher would approve of that as a development on the original concept. Regional and country councils that participated this year include the Barossa; the Copper Coast; Gawler; Kangaroo Island; Le Hunte; Mid Murray; Murray Bridge; Tatiara; Whyalla; the South-East LGA, which is, in fact, all the councils down there—Grant, Lacedpede, Mount Gambier, Robe and Wattle Range; Clare and Gilbert valleys; Elliston and Streaky Bay; Goyder; Kapunda; Light; Loxton; Waikerie; Renmark; Paringa; Roxby Downs; and Victor Harbor, Yankalilla and Alexandrina as a group.

Planning for National Youth Week in 2001 is now well under way, and the event will be held between 1 April and 7 April. The state government provides \$100 000 in grants to councils throughout South Australia whereby in consultation with young people in the community they develop and implement a variety of activities. These activities provide opportunities for young people to showcase their skills and abilities and highlight to the community their achievements on issues of importance. In South Australia it is anticipated that there will be a stronger focus on the participation of regional and rural councils and achievement of an even greater component of youth participation. Opportunities will be afforded for young people to be involved, if possible, in the public relations campaign for 2001. The national planning group will meet in Canberra in July 2000 to further discuss Youth Week in 2001.

On Tuesday 18 July at the State Library of South Australia, I will place the views of the youth of 2000 in a capsule, especially designed by a young artist, to be stored in the Mortlock Library until 2020. That ceremony will acknowledge the contributions made by young people—

The Hon. M.D. Rann interjecting:

The Hon. M.K. Brindal: If the leader promises to go along to the opening, perhaps we can fit him in the capsule and he can be reopened in 2020 just in time to be elected perhaps.

The Hon. M.D. RANN: At least I will still be young enough!

The Hon. M.K. Brindal: That was the cruellest cut of all. The vocal cords web site was designed by young people for young people. The site asks young people to postcard things about themselves and their home town, including what is important—pictures, their highlights, their achievements, their dreams and their issues—capitalising on the views and opinions placed on the web site. These entries will be stored and archived for 20 years as the vocal cords SA time capsule for South Australia to reflect and build upon the future.

I close the question by acknowledging the important contribution the member for Fisher made while he was Minister for Youth. The party that is in government has been very lucky: there have been a number of youth ministers and I think they have all contributed in their own way. They have all been committed to youth, and I think one of the strengths of this government in the youth area is the succession of ministers who have actually been dedicated to those young people whom they were appointed to serve for the time that they did so, and the member for Fisher was one of the leaders among those.

Membership:

Ms Rankine substituted for Ms White.

Mrs MAYWALD: My question refers to budget paper 6, page 33. The 2000 employment statement marked the

conclusion of the small business employer incentive scheme. This was a scheme that was targeted at small businesses that did not pay payroll tax for the previous financial year. Will the Minister explain the outcomes of that program, and what other initiatives are now being put in place to support businesses in that category to employ South Australians?

The Hon. M.K. Brindal: I will briefly answer this question because I have partly answered it—I think the member for Chaffey was out at the time. It was in part asked by the Leader of the Opposition in a different form. The member for Chaffey would be very interested in my correcting a few assertions of the Leader of the Opposition. The Leader of the Opposition asserts that there have been cuts of \$20 million in TAFE.

The Hon. M.D. RANN: Over three years.

The Hon. M.K. Brindal: Over three years. This is not true. The reductions were not \$20 million in TAFE: they were \$5 822 000 in 1999; \$3 153 000 in 2000; and \$820 000 in 2001. That adds up to \$9 770 000, not \$20 million. During that time efficiencies have been achieved which have allowed the growth in student numbers. For instance, the total numbers in 1998 were 91 924—

The Hon. M.D. RANN: What were they in 1992?

The Hon. M.K. Brindal: —and in 1999 they were 92 130. In relation to 1992, I will get back to the leader and tell him exactly. In terms of the question that the member for Chaffey asked, \$10 million was originally allocated to the small business employer incentive scheme and the member will realise that that money has been fully allocated and fully committed.

The scheme will continue with \$4 million available in this budget to see it progress to its conclusion in June 2002. The Regional Employment Strategy, which commences on 1 July 2000, will allow regions to tailor employment development activities to suit local needs. Businesses will be able to apply directly to the regional development boards in their area for funding assistance for employment development activities. Businesses and regional development boards will be able to work closely together specifically to develop programs that meet business employment needs.

The Human Resource Advisory Service will continue to provide a subsidised human resource consultancy service to small businesses. This program assists businesses with human resource issues affecting their business and their ability to employ, and human resource consultants provide businesses with tailor-made services to address their particular human resource needs and employment issues. The Mature Age Employer Incentive Scheme will also continue to provide \$2000 over 12 months to businesses that take on a mature age jobseeker, someone of 40 years or over.

The program encourages businesses to consider taking on mature aged, experienced workers while, at the same time, supporting businesses with the costs associated with hiring the new worker. The Mature Age Employer Incentive Scheme is offered in addition to any other grants or incentives that are made available by the Commonwealth government. The Ticket To Train scheme gives small businesses a \$500 voucher that funds the accredited training that best meets their needs. That is also a good program.

The Payroll Tax Trainee Wages Rebate Scheme which, judging from the thriving nature of some of the businesses in the honourable member's area, is increasingly relevant to them as some of them are now reaching the size at which they will pay payroll tax, provides—

Mrs Maywald interjecting:

The Hon. M.K. Brindal: It is very good for the honourable member's electorate, yet she argues that it is a small percentage. It is probably slightly larger than she cares to admit. It provides 80 percent of the rebate on the payroll tax paid to eligible trainees. The scheme is designed to assist employers who pay wages to employees aged 25 or under who are engaged under an approved apprenticeship or traineeship scheme pursuant to a contract of training.

Finally, the Enterprise Innovation Program assists small to medium-size businesses by subsidising the cost of consultancy services, workshops and other services to improve their international competitiveness and, hence, their prospects of increasing employment.

Mrs MAYWALD: With the Small Business Employer Incentive Scheme, I have a situation in my electorate whereby an employer put on an apprentice in January on the basis of the Small Business Employer Incentive Scheme being likely to be available at that time. It had not closed off in January, and they put in an application. A number of pieces of correspondence between the department and the employer continued until after April. The employer was advised that the program had been fully expended. He is continuing with that apprentice, although he now will not be able to take advantage of the Small Business Employer Incentive Scheme. However, the apprentice has now been put on and will probably have been employed for six months at the time the new programs come into effect.

In the new programs that the minister is talking about implementing through the regional development boards, will employers such as this, who did employ on the basis that the Small Business Employer Incentive Scheme was available, be able to access those new programs or will the criteria for those programs limit his capacity to apply for those schemes?

The Hon. M.K. Brindal: It will depend on the programs, but the boards will have flexibility in doing the programs, so the answer is probably yes. More importantly, the answer to the honourable member's question quite specifically is that, where there are a few people such as the honourable member describes, we are carefully analysing the situation because, if the application was made at the right time and the delays resulted because we needed further information or because we were slower in processing the information than we should have been, that person will in fact be put on the Small Business Employer Incentive Scheme. It is oversubscribed, but we do not intend to disadvantage any person because an administrative act or the requirement of further information might have precluded them from that scheme.

With respect to the member's specific question about whether they would be eligible for other schemes, the answer is yes, but the matter would largely be determined by those people and the local boards, because it is a more localised decision-making process. If the situation is as the honourable member described it, there is every chance that that person would be judged eligible for the small business employer incentive scheme, and we will find the money to include the person on it because there is no way that we would disadvantage any employee or employer because of a bureaucratic holdup or requirement. If they are eligible, if they applied properly, they will get the money. It is not their fault that we were untimely in responding.

Ms KEY: My first question relates to budget paper 4, volume 2, page 9.22 and carryover funds. During last year's estimates, the minister gave a detailed but somewhat confusing explanation of the Youth SA budget expenditures for the previous year. When I questioned the minister about

the \$851 000 in carryover funds that had not been allocated in the 1999-2000 budget, reducing the budget from \$2.1 million to \$1.7 million, the minister indicated that 'most of those funds have been expended'. Can the minister detail what the \$851 000 was expended on? Was the money expended by the minister or by his predecessor in the portfolio, the Hon. Joan Hall? Was the money spent exclusively on core responsibilities of the then agency, Youth SA? The minister also indicated that there would be carryover funds for this year from last year. How much has been carried over and to what purpose does he want to direct those funds that have been allocated?

The Hon. M.K. Brindal: I congratulate the honourable member for actually asking me a question on the budget. Secondly let me say that—

Ms Key interjecting:

The Hon. M.K. Brindal: You usually do but not all members opposite do. The core budget in 1999-2000 was \$1.181 million and it was allocated as follows: \$518 100 for Youth SA for operating costs; \$207 300 for youth coordination and policy, including an allocation of \$135 000 for YACSA's core funding, which the member will notice is a significant application within the budget that we are speaking about.

Ms Key interjecting:

The Hon. M.K. Brindal: It is without CPI because we have not got CPI, thank you—or is the member suggesting that we should rob Peter to pay Paul by extracting from other needy sectors in youth simply to add to somebody else's bottom line? Should we pay the superannuation and every other escalating cost they want, as well?

The ACTING CHAIRMAN: Interjections are out of order. The minister should just answer the question.

The Hon. M.K. Brindal: I am not interjecting, sir, I am replying to a question. The sum of \$249 000 was allocated for youth participation and celebration, which included things like Youth Week, Youth Plus, Youth Parliament, etc. The sum of \$206 200 is allocated for youth sector development activities, including seminar series, youth sector training fund and the youth initiative grants, as well. In addition to the 1999-2000 core budget, carry-over funds of \$594 750 were allocated to a range of projects including new initiative grants (\$244 750); an extra Youth Week for the financial year because the South Australian Youth Week was held in October and the South Australian/National Youth Week was held in April, so we had to fund two Youth Weeks after last year's budget; and the first international youth services model conference, which I think the member will acknowledge was an outstanding success on both a national and an international plane.

Several of the 1998-99 Youth SA projects experienced delayed starts or delays in their development and were not finalised as at 30 June 1999; hence, the requirement to carry over some committed funds. The projects included launch and market testing of The Maze web site (which has since been accomplished), implementation of the quality assurance model in the youth sector and the feasibility study of a youth enterprise shop. The refocussing of the ethnic youth development seeding grant, following the receipt of substandard applications, also left \$180 000 to be carried over for funding of new initiative grant schemes and others.

The 1999-2000 budget allocation for Youth SA represented a minor increase over its 1998-99 core budget. The 1998-99 budget included \$1 million, approximately, carry-over from previous years from the delayed implementation

of projects. Carry-over projects funds from 1999-2000 will be used for corresponding youth activity areas over 2000-01. For example, the \$150 000 carried over from Youth Week will be utilised for statewide Youth Week events in 2000-01.

Finally, I assure the member that absolutely all moneys allocated from the budget to the areas of youth, whether by me or my predecessors, have to the best of my knowledge always been spent exactly within the portfolio area on the conditions for which they were appointed. It is true that on occasion—and the members knows—we have put things out, discovered we have had substandard applications or that we could do something in a better way, and we have reprioritised the money. No money has ever been taken from the youth sector, having been applied to the youth sector, and been applied for any other purpose.

Ms KEY: My second question has been partly answered by the minister. In relation to page 9.1, volume 2, budget paper 4, despite the Liberal Party's preselection promise of having a separate youth department, during the year the stand alone office of Youth SA was absorbed into the new department structure now referred to as the Office of Employment and Youth. Excluding the funds earmarked for the Premier's youth challenge, what is the total budget for the Office of Employment and Youth with regard to the youth sector for 2000-01?

The Hon. M.K. Brindal: First, there was a promise, I believe, to have a stand alone Minister for Youth. I am the Minister for Youth. The Public Service which services a minister has to be configured in confirmation of the minister's ministerial commitments. I am the Minister for Youth, and I am the Minister for Employment and Training. It makes perfect sense, therefore, to combine those two specific functions under the Office of Employment and Youth. So long as the Liberal Party is in government, we will not be running around creating new government departments, each with their own head and each with their own autonomy. We are trying to have an integrated and seamless approach to government. Therefore, an Office of Employment and Youth makes perfect sense.

If ever there is a reconfiguration and there is other than a minister for employment and a minister for youth and training, the structure of my department under one executive director can easily be divided so that there is a stand-alone office of youth or an office of youth with the requirements of some other ministry. The fact is that, for administrative purposes, there is an Office of Employment and Youth combined, because I am the minister of both. That is a better administrative arrangement. Within that department, youth has its own staff, its own needs and its own policy, and it acts accordingly. There is simply one minister and one executive director, but it appears to be working very well, because many of the employment needs of South Australia are the employment needs of our youth. The fact that the Office of Youth can work so closely with the Office of Employment and Training I think has some positive outcomes.

Ms KEY: Will the minister advise the staffing profile for the Office for Employment and Youth, how many of those positions are dedicated to youth affairs, and of those positions how many staff are permanent and full-time employees?

The Hon. M.K. Brindal: All the positions that were in the former Youth SA have translated over. They are all clearly identifiable as youth positions within the new structure, and the number was approximately 11.

Ms Key interjecting:

The Hon. M.K. Brindal: Eleven and 12 are approximately the same amount. The honourable member might be correct. If the honourable member wants me to specifically find out, I will get a detailed answer for her. Generally speaking, they are permanent public service positions. Virtually all of them would be full-time positions as part of the normal public service but, again, I will take that question on notice and give the honourable member a detailed answer.

Ms KEY: My next question relates to page 9.21, volume 2, budget paper 4, youth initiative grants. Minister, in an answer to a question from the member for Chaffey, you mentioned information about grants. For the last financial year have all the grants funds been allocated? Are you holding over any money? You previously mentioned a figure of \$244 750. I am assuming that \$120 000 is money that was allocated for the non-English speaking youth initiatives and \$150 000 for the rural youth initiatives. Could you clarify whether that is the case because, if it is, the sums do not add up in the grant budget line. Could the minister detail what is happening with regard to youth initiative grants?

I am wondering whether any political considerations have delayed the decisions in the grant categories. Have the recommendations that have been made to the minister about funding for grants been accepted by him without any interference? How will the minister be evaluating the outcome of these grants, and I include in that the new initiative grants for young people from culturally and linguistically diverse backgrounds which, as I understand it, is the new term for NESB.

In relation to that particular grant, I note that the submission from the minister's office to the Local Government Association indicates one position for the whole of the state at an ASO4 level. Will the minister advise from where the money for this grant will be coming. My understanding is that \$10 000 of it will be coming from the minister's office, but perhaps he could clarify what is happening with that grant.

The Hon. M.K. Brindal: First, let me deal with the youth initiatives grants, because the honourable member touched on a range of matters. The funds allocated under the budget for the scheme were \$120 000 over two years for ethnic youth—youth from culturally and linguistically diverse background—for new initiative grant schemes and \$150 000 over two years for young people living in rural and isolated areas. They were once-off grants achieved through a carry over of funds in the 1998-99 year to be achieved in the 1999-2000 budget. We have assessed applications for all those grants and \$150 000 over two years for people living in rural and isolated areas has been fully allocated; and \$90 000 of the \$120 000 over two years for ethnic youth has been allocated.

Ms Key interjecting:

The Hon. M.K. Brindal: It is \$90 000 over two years in the ethnic sector. When the shadow minister talked about political intervention, the fact is that, as minister, when someone makes a recommendation, I make the decision. That is not political interference but exercise of the prerogative of the minister to make a decision, because it is not the group that is elected but me and it is me who has to answer to you in this parliament. The group can recommend to me what it wants and I will make a decision in line with what I think is best, so long as I am minister, because it is me who has to sit here and report to you as shadow minister on what I did. The member knows, and I do not want to detail to this committee, the different forces in play in that area and sometimes the competing egos and interests in play in that area.

There were three groups, all of whom have something to offer the area, that applied for grants. Each had a slightly different component, but they were closely allied almost to the point where they were just different facets of the same stone. The decision was therefore made that we would apply a single grant to be jointly administered by the three bodies concerned so that whether or not they like it they will have to cooperate and we will hold the money in the Office of Employment and Youth and draw it down on their account on their say so—just simply administer the money, so there is no fight about who controls the money. We are thereby getting the best outcome not for the three organisations but for youth.

In this way we are trying to get the best outcome for youth. That was my decision, taken with absolute regard for what those who recommended on the panel said to me. It was not their decision but mine. Similarly the young people living in rural isolated areas made recommendations to me. The decision that comes out is not their decision but mine and I take full responsibility for all the decisions. I sincerely thank those people who deliberated very carefully and gave me the advice on which to make an informed decision.

Ms KEY: You mentioned a figure of \$90 000. My understanding is that the Multicultural Communities Council, the Migrant Resource Centre and the Youth Affairs Council of SA all put in separate submissions in the application for new initiative grants under this culturally and linguistically diverse background. The minister made the decision to grant \$60 000 over two years for the project.

The Hon. M.K. Brindal: That is exactly correct and they must be very pleased with it because Mr Davey from YACSA spoke to officers of my department and did not mention it once. The shadow minister knows that if Mr Davey was other than pleased of course he would have mentioned it. There were two grants—one for \$20 000 and one for \$10 000—that is how the \$90 000 is accounted for. So it was \$20 000 to one organisation, \$10 000 to another and \$60 000 to the combined three you spoke about.

Ms KEY: Who will be receiving the \$20 000 and who will receive the \$10 000?

The Hon. M.K. Brindal: I do not have the names in front of me, but I will give them to the honourable member.

Mr HAMILTON-SMITH: I refer to youth and youth development, in particular to budget paper 4, volume 2, page 9.21 dealing with youth services. Will the minister broadly outline the progress of the South Australian youth development program?

The Hon. M.K. Brindal: Yes: \$4.4 million has been allocated over four years and that was announced in the state budget as the program allocation. The aim of the South Australian youth development program is to provide training and community participation opportunities to young South Australians through partnerships between schools, communities, youth organisations and young people.

Following the announcement of the program last year, I undertook community consultation. Initial consultation was held with community groups which had previous experience in delivering programs to young people, and they were groups such as St John Ambulance, the Country Fire Service, the Royal Life Saving Society and the YMCA. Youth Plus, which is my ministerial advisory council, undertook a two phase consultation which I outlined in answer to a previous question.

On 7 June 2000 I signed seven operating agreements between the department and service provider representatives.

A broad range of service providers will be involved in the program, including an option to join the defence force cadets. Other service providers participating in the program include the Red Cross, the Surf Life Saving Society, the scouts, guides and environmental organisations. Extensive consultation has taken place, and 55 schools, both from the government and the non-government sectors, have indicated an expression of interest in the first round of applications which close on 30 June 2000. More schools again have expressed interest in participating in 2001. That is an excellent start.

Programs are expected to commence in schools in term 3 in 2000, beginning on 24 July 2000. The Department of Education, Training and Employment, in partnership with the Duke of Edinburgh's award scheme, Young Australia Challenge SA division, has won the national tender funded by the commonwealth Minister of Youth Affairs. Ausyouth, which is the partnership name, has been contracted to deliver a package of services to coordinate and facilitate youth development activities at a national level. So we can say with some pride that, before our scheme is even off the ground, we are national leaders in the area. The strength of this partnership is an holistic approach between the two organisations and the expertise which both of those arms bring to the project. The partners each contribute considerable experience in service provision and their extensive networks in government, education, youth and community sectors.

Several committees with national representation will advise the Ausyouth team on the major aspects of the project and the achievement of the seven stated outcomes. Ausyouth will provide a range of services designed to support new and existing youth development activities through the researching and documentation of best practice, extensive consultation with stakeholders, including conducting a series of national, state and territory forums to exchange information, and exploring corporate sponsorship at a national level. Ausyouth will also provide a youth development web site and quarterly newsletter. Finally, because of the foresight of the Duke of Edinburgh scheme and my officers, we have formed a very interesting synergy between the government and the community—a partnership between government and the community—

The Hon. M.D. Rann interjecting:

The Hon. M.K. Brindal: I'm sure that that the Leader of the Opposition would be aware that the Duke of Edinburgh scheme is a very fine youth development scheme.

The Hon. M.D. RANN: Sir Eric Neal was one of the world heads of it.

The Hon. M.K. Brindal: Sir Eric Neal, indeed, was a major player in that on a world scale, but Sir Eric Neal lives in Government House not the palace. It is a very splendid home, but I do not think it quite reaches the palace.

Ms KEY: I refer to the regional statement, budget paper 7 (pages 5 and 6). I note that at the bottom of the page is \$1.6 million to encourage regionally based public sector trainees. How many trainees will that involve? I note on page 6, \$1.1 million is provided for a regional Aboriginal apprentice program—and the minister may have mentioned this in one of his answers under employment. What is the status of the Youth Affairs Council of South Australia budget submission proposal with regard to an Aboriginal youth worker position on Yorke Peninsula at a cost of \$45 000? How has that fared in the minister's deliberations?

The Hon. M.K. Brindal: As a government, we received the YACSA submission on the budget. I have spoken to the Executive Director of YACSA because, after all these years,

I do not think he understands the budget process, including the process of the Labor government, in that the Executive Director said he hoped that I would be arguing for the totality of their budget submission. As the shadow minister would know, their budget submission is extensive and it covers a number of portfolio areas. The way the budget process is arrived diminishes the impact for ministers in other portfolios to argue a case in the early stages of the budget development. I explained that to Mr Davey in the hope that next year, when putting forward a similar submission, he will ensure that the individual components are directed to the attention of the appropriate ministers, such as Minister Brown, in the early decision-making stage of the budget.

As the shadow minister would understand, the problem with presenting a submission later in the process is that it is very difficult once the budget is three parts cemented to then turn around and consider radical change to a budget as a result of a submission—no matter how good. It is a matter of timing and implementation practice which I took up with the Executive Director at our last meeting and, hopefully, he will take that as a constructive suggestion for their input in the future.

Ms KEY: Hopefully, the minister also gave that advice to the PSA and SACOSS, which I understand both lodged their budget submissions at the same time.

The Hon. M.K. Brindal: I do not talk to the PSA and SACOSS but I hope they read *Hansard* and will learn from—

Ms KEY: As a matter of interest, they supported the public sector traineeship scheme.

The Hon. M.K. Brindal: Yes, I know they did but they do not happen to be the elected government and, in the opinion of the government, they do not happen to be right in that submission. The regional employment strategy to be implemented for 2000-01 will give greater autonomy in planning and decision making, based on local knowledge and the need to assist regional employment. Program funding will be delivered in accordance with a three-year strategic plan and 12-month local operational action plans. The local operational action plans will address areas such as business assistance, labour market initiatives, industry development initiatives and strategic initiatives. The sum of \$37 500 will be made available to organisations to engage appropriate local support to achieve agreed employment targets.

In addition to the regional employment strategy, the following programs will continue to assist the regions. In this respect, I refer to the Human Resource Advisory Service, the working towns program, the regional training and employment programs and the regional labour exchange programs, all of which I have detailed in answer to previous questions. A broad range of government funded VET programs is to be delivered through regional South Australia through the TAFE system as well as private training providers. Regional training in the year 2000, as the shadow minister points out, involves a \$1.6 million program which has been provided to allow training to cover identified regional skill shortages. Year 12 school leavers—

Ms KEY: My question was how many trainees.

The Hon. M.K. Brindal: I will just finish. The year 12 school leavers who are not in the work force or did not gain entry to tertiary study are currently receiving training in the following areas: information technology, aquaculture, horticulture, tourism and hospitality, food processing, small business, enterprise schools and viticulture. The general tender program allocates a total of \$2.2 million across the state, and of this amount 42 per cent is targeted for regional

South Australia in a variety of programs. Under the ticket to training program, small businesses receive a \$500 voucher which allows accredited training that best meets their need. About 271 businesses in regional South Australia received tickets to train in 1999-2000. This represents 45 per cent of the total budget. The adult community education regional development fund will train 340 students—

Ms KEY: Is the minister obliged to answer my question or to give his dorothy dix answer?

The Hon. M.K. Brindal: I am.

The ACTING CHAIRMAN: Minister, will you continue with your answer?

Ms KEY: I am trying to be brief, as the committee members would appreciate, and I am getting an answer that does not answer any of the questions that I have been asking. The minister is dragging the time out and we are not getting the answers.

The Hon. M.K. Brindal: I must have misunderstood your question because I thought the answers I had given—

Ms KEY: Do you want me to ask them again? There are three questions.

The Hon. M.K. Brindal: Well, you can if you want to; I do not mind.

The ACTING CHAIRMAN: I will rule in a minute about the number of questions but, minister, could you continue?

The Hon. M.K. Brindal: Within apprenticeship and traineeship training, large numbers of apprentices and trainees in outer metropolitan regions and country regions including the South-East, Riverland, Mid North, Eyre Peninsula and West Coast receive government funding to support their training.

Ms KEY: You have not answered the question. The question was regarding the \$1.6 million to encourage regionally based public sector traineeships; how many are we talking about? Also, regarding the \$1.1 million regional Aboriginal apprentice program, how many apprentices are we talking about? I am happy for the minister to get back to me, as long as he undertakes to do that.

The Hon. M.K. Brindal: We are not sure about the \$1.6 million, so I will get back with a specific answer. The answer to the second question is 60 Aboriginal apprentice places. The shadow minister will understand that for a variety of reasons the cost of delivering those services into Aboriginal communities is considerably higher than it is to deliver equivalent programs. While some people might criticise that amount of money for a limited number of placements, we believe—and we hope we would receive bipartisan support—that it is a bit higher per head but it is worth it.

Ms KEY: The minister has already supplied a fair bit of information about Youth Plus by courtesy of answering a question from the member for Waite. I refer to budget paper 4, Volume 2, page 9.21. I think the information that is in there is an absolute disgrace, because it tells us absolutely nothing. If, as he says, the minister is hoping to present information and be transparent and let us know what is going on, that page does not do very well on that process. Needless to say, I would like the minister to provide a breakdown of the total costs involved in establishing and supporting Youth Plus since it was set up in 1999. I am pleased to say that Youth Plus is one of the few programs in the Liberal Party pre-election platform that it has delivered, even though it has taken two years and five ministers to come to reality. How has Youth Plus influenced your advisory processes and decision making since its establishment? Why has the

executive support role for Youth Plus been removed from the Office of Employment and Youth and relocated with the office of the Chief Executive of DETE, Mr Geoff Spring? Do you believe that Youth Plus has sufficient expertise and support to cope with your requests from outside representation on bodies such as the employment council?

The Hon. M.K. Brindal: First, the administrative arrangements were a matter of providing the best and most speedy support for Youth Plus. The current arrangements were arrived at in consultation with the chair and members of Youth Plus, and they seem to be working well.

Ms Key interjecting:

The Hon. M.K. Brindal: They seem to suit Youth Plus. In fact, the chair of Youth Plus has an office in my suite of offices, because that is where I invited her to be. The clerical and executive support would perhaps be a bit too isolated from the rest of the unit if it was down with me. The decision was made with the chair that the best place to locate it was with Mr Spring's office, and that is a decision that Youth Plus and I are quite happy with. In answer to how its advice has affected me and government decisions, I would say 'profoundly' as a short answer, but a longer answer can be found in earlier questions. As to the actual costs, they are not part of this budget paper so I cannot say I have come prepared with that detail. I think the costs were minimal, but we will get a detailed answer.

I believe that the biggest cost would have been in the extensive searching and recruitment process. The member will recall that the government was criticised. It was probably the most stringent process ever undertaken to place people in, after all, what is an advisory committee. The young people—

Ms Key interjecting:

The Hon. M.K. Brindal: I will ignore the interjection, because I do not know how many Young Labor, how many Young Democrats, or how many Buddhists, Catholics or Anglicans I have. That is irrelevant. I know the calibre of the young people, and that is all I need to know. I would suggest to the shadow minister that they are certainly not all Young Liberals, because they do not give me the answers that I always want or that I am comfortable in hearing. They give me absolute honest and fearless advice. The point I make is that I have no knowledge of their political affiliations—nor should I—their religious affiliations or a number of other things that I believe are their private business and do not impinge on the range of advice.

What I do know is that they range from very clever people who have undertaken degrees through to unemployed people, people from the northern suburbs, country people, people in a range of professions and people from a range of ethnic backgrounds, including a young Aboriginal man. I am very proud of them, and I am glad that the shadow minister acknowledges that it was a commitment that we both kept and honoured. As for it taking a while, I can only answer for myself: I came in, we had promised it and I delivered it.

Ms KEY: So, there is sufficient expertise and support to cope with your requests from outside representations, such as the Employment Council—that was the other part of the question.

The Hon. M.K. Brindal: I think that the chair of Youth Plus, who is a member of the Employment Council, also is contributing her fair share in as much detail as anyone else. She is young and, therefore, people would say that she lacks experience. You cannot be 20 and have the experience of a 50 year old: but you can have the passion of youth and the vision of youth. What she is contributing is not the same as

a 50 year old employer, but it is exactly what we want: it is the vision of youth, it is the passion of youth and it is where she is at that she is contributing. And, yes, she is properly supported. She is having no trouble making as much of a contribution—and a significant contribution—as anyone else. I invite members opposite to ask any member of the Employment Council whether that is not the case. I am as proud of her as I am of any other member of the council. She is doing a good job and, therefore, I cannot but think that she is adequately supported.

Ms RANKINE: Budget paper 4, volume 2, output class 1 in relation to education and training details that the government will have a focus on regional employment shortages and training and skills development identified by employers within regions in which schools are located, and that the communities will be involved in all that. Tonight we heard the junior minister talk about skilled vacancies being at an all time high. My electorate suffered a significant blow in 1996 when, at the end of that education year, the Salisbury East Campus of the University of South Australia closed. That was a flagship to young people in my electorate that further education was attainable and it was real for them—and, in fact, my son completed his degree there and was one of the students who was able to do that at the end of 1996.

This is a much needed and much used facility by both the community and schools in that area. When the university closure was being mooted, the opposition leader expressed real concern about that and put a motion before the House about the withdrawal of courses and the eventual closure of that facility. Sadly, the House did not support his opposition to those things happening and, indeed, the minister at the time (and it is fortuitous that the member for Fisher is here) said:

The university will be relocating some courses over at least a 10 year period—
this was in 1994—

but, on the information given to me by the university, that campus will be used for educational purposes. The university should announce the details of that in the very near future, but on the information given to me it is not into the business of flogging it off, getting rid of it or closing it down. . .

We all know what happened: it has been closed, as I said, since the end of 1996.

I asked the minister two questions last year in relation to that. In November I raised the issue again and the minister said that state cabinet had approved the university sale of the land in question and went on to say, however, that an offer had been put by an education and training organisation, and praised the work of the member for Makin, Trish Draper, in ensuring that that particular facility was kept as an educational facility. Will the minister give me a guarantee that no authorisation for the sale of that facility will be given unless it retains the educational and training focus and that it will not be used for a commercial development? I have been told that the agreement that was reached with this training authority has lapsed and that the university has signed an agreement with a developer to have the facility developed for residential purposes.

The Hon. M.R. Buckby: It is correct to say that a proposal was put forward by a consortium of training personnel in the northern areas. They sought to purchase the site. However, they were not able to raise the finances required within the time frame stipulated by the university, and as a result that offer fell through. I am advised that since that time a private developer has made an offer, which has been accepted by the university, and that the training group

that was trying to purchase it is now having discussions with that developer in terms of having educational facilities on the campus. I am not aware of any residential development of the campus. It is a matter between the university and the developer, anyway.

Ms Rankine interjecting:

The Hon. M.R. Buckby: I can only tell the member what I have. The member would be aware of the group Nastec and it is currently—and about 10 days ago I spoke with some of the people involved—having discussions with the developer about locating on the site. I do not know how far those discussions have gone, but they are certainly involved in discussions at the moment concerning what they were trying to do within the existing buildings.

Ms RANKINE: Did the authorisation for sale given by cabinet have the proviso that it maintain the education and training focus?

The Hon. M.R. Buckby: I would have to check that, to be honest. It may have, but I cannot recall the exact detail of it, but I can—

Ms RANKINE: That was the focus of my question in the first place.

The Hon. M.R. Buckby: I will check that and let the committee know.

Ms RANKINE: What action will the government take if the sale is agreed to for residential development?

The Hon. M.R. Buckby: That is something about which we do not know anything at the moment. The government has not been approached by the developer at this stage. As I have said to the member, I know that discussions are occurring between the training groups and the developer at the moment in terms of the buildings that are currently on site and the use of those buildings. Now, I do not know—

Ms RANKINE: There is a lot of open space.

The Hon. M.R. Buckby: Yes, that is true. I do not know what other plans are with the developer because that is not my responsibility. The university owns the land and as a result of that—

The Hon. M.D. Rann interjecting:

The Hon. M.R. Buckby: It was transferred to the university.

An honourable member interjecting:

The Hon. M.R. Buckby: Yes.

Ms RANKINE: Why did you have to get cabinet approval for the sale? That land was owned by the Crown; therefore the college would have to make application.

The Hon. M.R. Buckby: The best idea is for me to check the details of the cabinet submission rather than going by my memory at this stage and provide an answer to the committee.

The Hon. M.D. RANN: Will the minister list all the consultancies let during 1999-2000, indicating to whom the consultancy was awarded; whether tenders or expressions of interest were called for each consultancy and, if not, why not; and the reasons for each and the cost of each?

The Hon. M.R. Buckby: Consultancy expenditure in 1999-2000 is estimated to be \$615 000 compared with \$833 000 in 1998-99 and \$679 000 in 1997-98. The department reports that consultancy expenditure on a regular basis uses the definition provided by the Department of the Premier and Cabinet, that is, 'a person or firm engaged for a limited period to carry out a defined task free from direction'.

Expenditure delegations for goods and services including consultancies range from the standard \$65 000 for executive directors, \$200 000 for specific purposes, to \$500 000 to the chief executive and deputy chief executive. Contracts for

consultancies must be signed by the minister with the exception of contracts under the TAFE Act, where delegations exist to sign contracts on behalf of the minister: \$150 000 for institute directors and up to \$500 000 for the chief executive and deputy chief executive.

The departmental procurement framework outlines specific processes for consultancy as well as the limits above which tenders must be called, and rules for waive of tender. These include procedures for estimating the consultancy fee prior to tendering; obtaining references as part of the evaluation process; identification of evaluation criteria; and reviewing the consultant's performance. The department's accredited purchasing unit is responsible for ensuring that these processes are followed, and I can advise the leader of the following consultancies. First, in respect of consultancies greater than \$50 000:

- Internal review of State Office. The consultants were PWC; the amount of the consultancy was \$199 998; it was on a limited tender based on EOI; and it looked at the review of the functions of the State Office.
- Indigenous Education Strategic Initiatives. The consultancy was won by Luminis Pty Limited; the value was \$74 000; and it was joint funding between us and Adelaide University. This looked at two language-specific syllabus frameworks and Aboriginal language programs.
- Project Strategic Results, business case for the human resources system. The consultant was KPMG; the amount of the consultancy was \$70 000; and it went to tender. The consultancy established a business case for the department's human resource system.
- South Australian Curriculum Standards Association Accountability Framework. This consultancy was won by the Australian Council for Education Research; the value of the consultancy was \$64 212; and it went to tender. This was looking at the calibration of standards, ensuring that student outcomes are consistent to year 12.

In respect of consultancies greater than \$10 000 but less than \$50 000:

- Special Services Review. The consultancy was won by Browne and Co; the value of the consultancy was \$39 000; and it went to tender. The consultancy reviewed the efficiency of special services provided to sites.
- Work Force Demand Analysis. The consultancy was won by the South Australian Centre for Economic Studies; the value was \$30 420; and it went to tender. It looked at a review of work force requirements.
- Focus Schools Program. The consultants are to be announced; the value of the consultancy, \$25 000; and it went to tender. The consultancy was to provide support, advice and direction to that Focus Schools Program.
- Development of a model and methodology for Indonesian learners. The consultancy was won by Anny Be and Associates; the value of the consultancy was \$16 300; and there was a limited selection of consultants reviewed. The consultancy was for a plan and delivery of one three-day workshop/term for retrainees.
- Virtual Learning Environment Project. The consultancy was won by Reardon Consultants; the value of the consultancy was \$14 000; and expressions of interest were asked for. The consultancy was to develop a tender for evaluation of the Virtual Learning Environment Project.
- Review of strategic response. The consultancy was won by PWC; the value of the consultancy was \$13 950; the tender process was waived; and the consultancy reviewed functions of strategic response.

- Publishing review. The consultancy was won by Plexus; its value was \$12 000; it went to tender; and it was to review the whole of the department's publishing.
- LearnSA structure. The consultancy was won by Hiser; its value was \$10 000; expressions of interest were sought; and it reviewed the LearnSA web site and departmental requirements.

Consultancies below \$10 000:

- Barcode system for logbooks and recommendations on system and training. The consultancy was won by Comware; its value was \$9 750; and the tender was waived based on previous research into companies that could do this work.
- REMUS and human resource management service review. The consultancy was won by Alan Miller Consulting; the value of the consultancy was \$9 000; tender was waived; and it was a review as to whether the REMUS system is suitable for the human resource system for the department.
- E-commerce business plan. The consultancy was won by Plexus; it was valued at \$8 000; expressions of interest were sought; and it looked at the review and preparation of an e-commerce business plan for the Technology Education Centre.
- Critical teaching project. The consultancy was won by the University of Melbourne; the value was \$5 000; the tender process was waived; and it was the planned structure and delivery of project workshops and communication processes.
- Curriculum standards accountability framework. The consultancy was won by Muirgen; the value of the consultancy was \$5 000; the tender process was waived; and it was a report on the relationship between curriculum statements and profiles and the planned new curriculum framework.
- Survey of the secondary student labour force. It was undertaken by ABS; it was valued at \$5 000; tendering for the consultancy was not applicable; and there was joint funding for the State Statistical Priorities Committee.
- Probity assessment tender for library software. The consultancy was won by Ernst & Young; the value of the consultancy was \$2 400; expressions of interest were sought; and it looked at a probity audit on tender for library software.
- ESL (English as a second language) tutor training. The successful consultant is to be announced; it was valued at \$1 850; we sought expressions of interest; and the consultancy concerned training tutors to deliver English as a second language in mainstream teacher development courses.

That is the list of consultancies undertaken by the department.

The Hon. M.D. RANN: Will the minister give us the names, titles and salaries of all executives with salary and benefit packages exceeding an annual value of \$100 000? Which executives have contracts that entitle them to bonus payments? What are the details of all bonuses paid in 1999-2000?

The Hon. M.R. Buckby: No bonuses are paid within the education department to any executive. We have 25 executives. Of those, four are on \$99 999 or less; six fall into the bracket of \$100 000 to \$119 999; eight fall into the bracket of \$120 000 to \$139 999; five fall into the bracket of \$140 000 to \$159 999; and two executives earn greater than \$160 000. The other information that the member requires, in terms of names aligned to all of those, I will take on notice and supply him.

The Hon. M.D. RANN: Could the minister give the committee the names and titles of staff who have been issued or have access to government credit cards, the reasons for having the cards, and the amount expended on each in 1999-2000?

The Hon. M.R. Buckby: As at 1 June 2000, the department centrally manages 796 active corporate credit card holders. These card holders are employed in administrative and TAFE positions. Any credit cards held by schools are managed locally. Total expenditure incurred through centrally managed corporate credit cards for the period 1 July 1999 to 31 May 2000 is \$3.406 million. The department's credit card policy and procedures set out how the corporate credit card is to be used and identifies the key accountabilities of the various officers involved. The credit card was introduced to improve the department's purchasing and accounts payable performance because the credit card process ensures that suppliers receive timely payment and, at the same time, the billing cycle improves cash management for government.

The card allows transaction verification at the point of sale against control parameters, such as the type of purchase and dollar limits specified for each card holder. It allows for a 30 day payment cycle and costs \$5 per annum. In terms of the names of those people who hold credit cards, I will take the question on notice.

The Hon. M.D. RANN: Following on from the same line, how many officers have been issued with government owned mobile telephones; what restrictions apply to their use; and what is the total mobile telephone call bill for each of your departments?

The Hon. M.R. Buckby: There are approximately 2 800 mobile telephones in the department. Last year we reported that we had 3 280 mobile telephones which included 480 analog services that were diverted to digital telephones. There has been little net movement in the number of digital mobile telephones in the past 12 months. The cost of the hardware is charged to the cost centre of the relevant director or site. In the majority of cases, however, where occupational health and safety issues or high cost of land lines in sites indicated that a mobile telephone was an appropriate solution, the cost might be met by the state office. All institutes and preschools pay their own call costs, and all school and corporate call costs are met by the department's recurrent budget. P21 sites pay for their own mobile telephones and users are required to reimburse the department for the cost of private calls. The only figure I have here is a \$480 000 operating cost, but I will look at the question that the member has asked, and any other details we will take on notice.

The Hon. M.D. RANN: Could the minister list all employees who used private plated cars in 1999-2000 and the conditions which are attached to their use?

The Hon. M.R. Buckby: The CEO has informed me that it is the same as the number of executives in the department.

The Hon. M.D. RANN: Could the minister detail interstate and overseas travel attended during 1999-2000 by the minister, his staff and by executive public servants, including costs, locations and purposes?

The Hon. M.R. Buckby: I will take that question on notice. We have some details here in terms of the staff, but I do not have my ministerial details here, so I will take the question on notice and provide an answer.

The Hon. M.D. RANN: Could the minister inform the committee or give details of all advertising and promotional activities and campaigns undertaken by all agencies within

his portfolios for 1999-2000, the purpose of each and the cost of each?

The Hon. M.R. Buckby: We will take that question on notice.

The Hon. M.D. RANN: Did any of the minister's agencies rent vacant and unused office space during 1999-2000 and, if so, what was the cost to the taxpayer of the rent or lease of the unused office space?

The Hon. M.R. Buckby: I will take the question on notice.

The Hon. M.D. RANN: Will the minister name all his ministerial staff and state their classification and remuneration?

The Hon. M.R. Buckby: I will take that question on notice.

The Hon. M.D. RANN: Which consultants submitted reports during 1999-2000; what was the date on which each report was received by the government; and were the reports made public?

The Hon. M.R. Buckby: I will take that question on notice. I have provided a full list of consultancies. I do not have the dates on which those consultancies were provided to the department, but I will provide that information.

A question was asked earlier by the opposition—I think by the member for Taylor on behalf of the member for Kaurna—about the Noarlunga Theatre. The lease arrangements for the theatre are as follows. Approximately five years ago, it was agreed that Adelaide Commercial Theatres Pty Ltd would manage the Noarlunga Theatre. At that time, funding was provided to support management and set-up costs. It was agreed that rent would be of a nominal value only.

This arrangement expires on 30 June 2000. However, bookings for the theatre have been taken by Adelaide Commercial Theatres beyond June 2000. It has been agreed informally between the institute and Adelaide Commercial Theatres that the present arrangements will continue until the end of the year 2000 in the interests of local theatre users who have made bookings beyond June 2000. Whilst the ACT has managed the theatre over the past five years, the institute has been subsidising the agreement by way of costs for things such as airconditioning which are not able to be monitored separately. Although the Onkaparinga Institute is not running a performing arts teaching program, the theatre is an important community resource.

A commercially sustainable management arrangement needs to be put in place to ensure that the ongoing costs of keeping the theatre open can be met and the necessary refurbishment of the theatre conducted. Institute representatives have been holding discussions over recent months with both Mr Bob Lott, the Director of Adelaide Commercial Theatres, and the City of Onkaparinga. The object of these discussions is to explore all options for keeping the theatre open as a financially viable operation and a community resource, including seeking other sources of funds.

A project team has been set up by the City of Onkaparinga Council to undertake a feasibility study for uses of the Noarlunga Theatre post December 2000. The institute and all community stakeholders in the theatre are expected to be consulted as part of this study which should be reported by the end of this year.

I would like to thank Mr Spring and all the departmental officers who have worked extremely hard to make sure that information is available for the committee. A tremendous amount of work goes into ensuring that we come along with as much information as we can on the day so that we can answer the opposition's questions as well as questions of our own members. I thank my departmental officers for the exceptional work that they do in gathering that information.

The Hon. M.D. RANN: I thank the minister and his officers and you, Mr Acting Chairman, and your staff for the assistance provided during the deliberations of the committee.

The ACTING CHAIRMAN: Minister, I thank you and your staff, Minister Brindal and his staff, and the members of the committee for their indulgence for almost 11 hours. As there are no further questions, I declare the examination of the votes completed.

ADJOURNMENT

At 10 p.m. the committee adjourned until Wednesday 21 June at 11 a.m.