

**HOUSE OF ASSEMBLY****Thursday 1 August 2002****ESTIMATES COMMITTEE B****Chairperson:**

Ms M.G. Thompson

**Members:**

Ms F.E. Bedford  
 Ms V. Ciccarello  
 Ms. R.K. Geraghty  
 Mrs J. Hall  
 The Hon. D.C. Kotz  
 Dr D. McFetridge

*The Committee met at 11 a.m.*


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Department for Administrative and Information Services,  
 \$150 952 000  
 Minister for Industrial Relations—other items, \$503 000

**Witness:**

The Hon. M.J. Wright, Minister for Industrial Relations,  
 Minister for Recreation, Sport and Racing.

**Departmental Advisers:**

Mr G. Foreman, Chief Executive Officer, Department for  
 Administrative and Information Services.

Mr D. Harvey, Acting Director, Office for Racing.

Ms A. Allison, Finance Manager, Department for  
 Administrative and Information Services.

Ms P. Chabrel, Ministerial Liaison Officer, Office for  
 Recreation and Sport.

**The CHAIRPERSON:** Good morning, everyone. I will again read the comments about the procedures that are followed during the estimates committee for those who have not heard them before. The estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. The committee will determine an approximate time for consideration of proposed payments to facilitate the changeover of departmental advisers. I ask the minister and the lead speaker for the opposition to indicate whether they have agreed on a timetable for today's proceedings.

**The Hon. M.J. WRIGHT:** Yes, we have.

**The Hon. D.C. KOTZ:** Yes.

**The CHAIRPERSON:** Changes to committee membership will be notified as they occur. Members should ensure that the chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the Clerk of the House of Assembly by no later than Friday 16 August. I propose to allow both the minister and the lead speaker for the opposition to make opening statements of about 10 minutes each. There will be a flexible approach to giving the call for asking questions based on about three questions per member alternating each side. Supplementary questions will be the exception rather than the rule.

A member who is not part of the committee may, at the discretion of the chair, ask a question. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the assembly *Notice Paper*. There is no formal facility for the tabling of documents before the committee. However, documents can be supplied to the chair for distribution to the committee. The incorporation of material in *Hansard* is permitted on the same basis as applies in the house; that is, that it is purely statistical and limited to one page in length.

All questions are to be directed to the minister and not to the minister's advisers. The minister may refer questions to advisers for a response. I also advise that, for the purposes of the committee, some freedom will be allowed for television coverage by allowing a short period of filming from the northern gallery. I declare the proposed payments open for examination and refer members to appendix D, page two in the Budget Statement; and part 10, pages 10.1 to 10.51, volume 2 of the Portfolio Statements. Minister, I invite you to now make an opening statement if you wish.

**The Hon. M.J. WRIGHT:** The South Australian racing industry is a significant employer, which generates direct and indirect revenue for government, provides entertainment and promotes tourism throughout the state. The direct contribution to gross state product is estimated at \$126 million, and employment generation equates to 3 900 jobs or 1 850 FTEs. In the lead-up to the last state election, I released a detailed racing policy statement. That statement acknowledged the uniqueness of the racing industry and the great variety of people, both professional and volunteer, who make up the industry.

The policy statement also detailed a number of challenges and future threats to the success and sustainability of the racing industry. The statement also highlighted a series of strategies to encourage government and key industry stakeholders to work together in a collaborative way to ensure the well-being of the racing industry in South Australia. The administrative vehicle to initiate, develop and assist with the implementation of these strategies was a clearly defined Office for Racing. The Office for Racing has been established and has an approved budget allocation of \$451 000 for the current financial year. I will expand upon the details of this budget allocation later on during this estimates committee.

The racing industry now operates under a corporatised controlling authority structure and under the framework of a privatised TAB. It is well-known and documented that, in opposition, I vigorously opposed these outcomes brought about by the former Liberal government. This government's objectives are vastly different and will be undertaken in consultation and partnership with the controlling authorities and with its stakeholders. Those objectives will be to examine, analyse and assist with the development and implementation of appropriate measures which will result in a net improvement in the overall viability of the state's racing industry.

The opportunity now exists, through the government's commitment to an Office for Racing, to take a position that reinforces its developmental and advisory role, as distinct from being the traditional funding provider or lender of last resort. The budget for the Office for Racing will accommodate the operation of the recently announced Racing Industry Advisory Council. The council will generate a high order level of thinking on strategic issues designed to assist the

industry in these difficult times. I will also expand on the specific roles and functions of the council later during estimates.

In summary, much has already been achieved in terms of honouring commitments made during the last election campaign. There is much more to do, and I look forward to working with the stakeholders.

**The CHAIRPERSON:** Does the member for Newland wish to make an opening statement?

**The Hon. D.C. KOTZ:** Yes; I will make only a brief statement. Since 1993, the Liberal government invested very heavily in the development and upgrade of community and major sport and recreation facilities. This was enhanced by the introduction of the Gaming Machines (Miscellaneous) Amendment Act 1996. That led to the subsequent \$2.5 million per annum allocation from gaming revenue being set aside for community sport and recreation grants. As a result, funding programs were established which would look to better support the development and provision of sport and recreation at the community level. They were the active club program, the state facilities fund and the statewide development scheme.

To support community infrastructure and maximise participation, the Liberal government invested very heavily in the development and upgrade of community and major sport and recreation facilities. Some \$10 million was allocated to more than 240 community organisations through grants for facility development across the state. In response to community demand, in the year 2000 the Liberal government doubled the community funding program from \$900 000 to \$1.8 million per annum for community and regional projects.

In addition, a further \$17 million was committed for facility development over the next three years. In addition, more than \$2.5 million has been distributed to major facility development initiatives, and more than \$60 million has been invested in the development of major facilities such as the ETSA Park netball facility, the SANTOS athletics facility, the Hindmarsh Soccer Stadium and the Pines hockey facility. That concludes my opening remarks.

**The CHAIRPERSON:** I gather that your opening remarks related to the whole portfolio area and not specifically to the Office for Racing.

**The Hon. D.C. KOTZ:** Yes, that is correct.

**The CHAIRPERSON:** Does the shadow minister wish to open the questioning?

**The Hon. D.C. KOTZ:** Yes, Madam Chair. First of all, I would like to acknowledge that, as stated by the minister, there have been dramatic and great changes in the area of racing. I think both the minister and I have similar views on the manner in which the development of racing in the state will continue to be supported, and the opposition will certainly give bipartisan support to that.

In terms of the budget allocation under Output 2.1, the minister has previously acknowledged that the previous minister for racing allocated in last year's budget some \$365 000 for the creation of the Office for Racing. However, as part of this year's budget announcement, the minister claimed that he was creating an office of racing and allocating some \$451 000 to that. Will the minister advise whether we now have two offices of racing and does that account for the increase in funding?

**The Hon. M.J. WRIGHT:** I thank the shadow minister for her question and certainly welcome her opening comment, which I am sure she makes in good faith, and I believe that

there will be, by and large, a bipartisan approach to racing. I understand, and it is the advice I have received, that when we came to office the funding of \$365 000 for the Office for Racing under the former government was largely stripped away (as the shadow minister correctly stated). That needs to be highlighted, because there appears little doubt that there was a policy position, and perhaps a philosophical belief, in respect of the Office for Racing—not by the current shadow minister but by the former minister for racing—whereby, for whatever reasons (and one can only speculate), I imagine largely to do with: the change to the corporatisation of the racing industry; the sale of the TAB; and, perhaps, savings generated by the former government, that the Office for Racing could be done away with.

This government vehemently disagrees, and one of the challenges of the incoming government on learning of that policy position—although I had suspicions while in opposition that proved correct when we came to government—was to get the Office for Racing back up and running; and we have done that. The figure referred to by the shadow minister relates to staffing costs. I understand that it does not include accommodation. Nonetheless, the key point is that, when we came into government, we found the funding of about \$365 000 for the Office for Racing had largely been stripped bare.

**The Hon. D.C. KOTZ:** I assure the minister that, during my period as minister for sport, recreation and racing, it was never my intention not to have an office for racing, and I establish that for the record. In the output class under Racing Notes there is a target of two proprietary racing licences in this financial year. Has the minister personally made any commitments to any interested parties as to licence fees, and has anyone made representations to the minister about licence fees?

**The Hon. M.J. WRIGHT:** With respect to the direct question about representation, I understand that the only representation directly to me was made by John Hodgman, but representation has also been made to the Acting Director of Sprint Horses Australia.

The shadow minister is probably aware of and has been briefed on an internal review that took place with respect to proprietary racing. It is no secret that the Labor Party in opposition was opposed to the legislation brought forward by the previous government and was somewhat suspicious of it. Having said that, in the lead-up to the last election we thought that the fairest way of dealing with this issue was to undertake an internal review. That has now been completed and shared with potential stakeholders in relation to this particular area and, by and large, has been accepted as a very worthwhile review. As I have said, a meeting took place with John Hodgman at which the member for Chaffey was present.

The review summary identified three legislative options: either to repeal the act; to introduce amendments to satisfy outstanding concerns; or to retain the act. On 6 June, I issued a ministerial statement in relation to this matter that informed potential applicants of where we were with regard to the status. We are probably in a position whereby major stakeholders are aware of the details of the internal review, and the government will need to take a policy position with regard to those three options that I have highlighted to the estimates committee.

**The Hon. D.C. KOTZ:** I am, of course, aware of the review and I acknowledge the minister's courtesy in enabling a briefing from departmental officers. Knowing that the minister is, as I am, an avid supporter of the racing industry

in South Australia, and will continue to support the industry following corporatisation of the thoroughbred, harness and greyhound controlling bodies in late 2000, will the minister advise the committee of the current total funding for the Office for Racing and any other support areas which attract government funding in the current budget and any grants or other commitments of funding that the government may have provided to the racing industry or to any of the individual racing codes?

**The Hon. M.J. WRIGHT:** I will need to ensure that I can get all the detail for the shadow minister. It is my understanding that the shadow minister's question was: what is the funding allocation for the Office for Racing? I can advise that \$451 000 has been allocated for the Office for Racing; I do not know of anything beyond that. The shadow minister also asked a question about grants, and I am happy to get that detail for the shadow minister.

Off the top of my head, the shadow minister is aware that the Office of Recreation and Sport provides some grant money, but I will check the detail. With regard to thoroughbreds, I think that is in the order of \$400 000. In total, we think approximately \$650 000 was allocated in 2001-02. I will check the details. As I said, thoroughbreds were allocated about \$400 000, and harness and greyhound were tapered down roughly according to the market share of the industry. Those grants come from the management and development program. I imagine that the industries will apply for those again in this current financial year.

**Ms CICCARELLO:** Minister, referring to page 10.11 of the Budget Statement, Budget Paper 4, and following on from the member for Newland's question about the setting up of the Office for Racing, will you indicate what the purpose of the Office for Racing is?

**The Hon. M.J. WRIGHT:** As I said, this was a commitment that we gave in the lead-up to the last election. The policy statement acknowledged the uniqueness of the racing industry. The statement also detailed a number of challenges and future threats to the success and sustainability of the racing industry. The key administrative vehicle to initiate, develop and implement these strategies, and to establish positive and constructive relationships with industry stakeholders, is a clearly defined Office for Racing. While the Independent Gambling Authority and the Office of the Liquor and Gambling Commissioner will continue to undertake the regulatory and compliance aspects of the government's legislative framework, the new Office for Racing is proposed to provide broader developmental support to the industry in addition to its advisory role to government via myself as the Minister for Racing.

It is proposed that the Office for Racing will provide developmental support to the industry through the following functions:

- provision of high level and timely advice to government and the minister on development of racing industry policies, programs and major events;
- researching and monitoring trends in the racing industry, both within Australia and overseas;
- provision of effective communication, continuous consultation and liaison with key stakeholder groups, peak bodies, relevant business sectors and state and interstate government agencies;
- monitoring the ongoing effectiveness of policies, programs and overall performance of the racing industry; and

- assisting to ensure that the state's legislative framework allows the industry to operate in a way that leads to public confidence in the industry.

As I said, funds of \$451 000 have been allocated to meet the costs of the Office for Racing for the 2002-03 financial year.

**Ms CICCARELLO:** I refer to Output Class 2.1, page 10.11, Budget Paper 4, volume 2. Can the minister advise the committee of details regarding a joint proposal by the SAJC and the Adelaide City Council to upgrade facilities at the Victoria Park racecourse?

**The Hon. M.J. WRIGHT:** I thank the member for her question. Last week, I met with the Chairman of the SAJC, Mr Peter Lewis, at his request, to discuss the future development of Victoria Park. Subsequent to that meeting, I received a formal proposal from the SAJC relating to the future of Victoria Park as a metropolitan thoroughbred racing venue. The SAJC's current lease over Victoria Park expires in July 2004. The SAJC has advised that it is prepared to commit \$1 million to the upgrade, which represents the insurance proceeds from a fire in the old derby stand some years ago. The SAJC is also prepared to commit up to \$130 000 per annum towards the servicing of debt finance that may be required to complete the project.

It could be said that the SAJC has offered no real financial support to the redevelopment beyond a contribution to the upgrade of the jockeys room building. According to the SAJC, the Adelaide City Council has committed funding of up to \$2 million towards the proposed upgrade, subject to various conditions, which include a financial commitment by both the SAJC and the government. The proposed redevelopment of Victoria Park includes:

- demolition of old buildings and officers, toilets, betting ring and parts of the external wall facing Fullarton Road;
- renovation of the heritage grandstand;
- renovation of the hospitality area under the heritage grandstand;
- members grandstand to have a corporate dining facility with track viewing and outdoor seating;
- a fully enclosed and airconditioned betting ring with glassed viewing area; and
- the administration office upstairs, public bar, jockeys rooms, owners and trainers bar, and stewards room are all to be upgraded to allow multiple use of the facilities all year round.

The SAJC claims that it is unable to make a substantial contribution to the redevelopment of Victoria Park as a multipurpose complex unless it is done in joint partnership with other major stakeholders. The SAJC suggests that other major stakeholders include car racing, equestrian and cycling groups. The SAJC's proposal refers to the potential for savings to be achieved within government if permanent viewing structures were to be established along Fullarton Road in lieu of the temporary infrastructure that is erected and dismantled each year for the Clipsal 500 event.

Notwithstanding that some savings may be possible, it is most unlikely that support will be found from within the community generally to erect permanent structures in the parklands. Furthermore, as with the SACA grandstand redevelopment proposal, this government has made it very clear that its current priorities do not include the provision of large-scale financial assistance towards spectator sport facilities.

Horse SA has shown interest in Victoria Park and other sites, including Morphetville, as a state equestrian facility. For the reasons identified above, however, it is not likely that

the community would support any further development of the parklands, particularly those that involve permanent structures. This is considered to be the case, despite the SAJC progressively reducing its footprint over the area of the parklands that it currently leases from the Adelaide City Council.

Discussions with other government agencies, including tourism development, Australian Major Events and the SA Major Sports Board, confirm that a number of proposals for the redevelopment of Victoria Park have been submitted over the past few years within a range of costs of up to \$25 million to \$30 million. Each of these agencies confirmed that the level of expenditure required at Victoria Park to accommodate permanent multi-use facilities could not be justified. On behalf of the government, I rule out a request from the SAJC for a \$1 million contribution from the government for the redevelopment of Victoria Park.

**Ms CICCARELLO:** Can the minister advise the committee of the prospects for the long-term future of the state's racing industry following the Liberal government's fire sale of the SA TAB and of any impacts it might have on the operation of the agency?

**The Hon. M.J. WRIGHT:** I thank the member for the question. Output Class 2.1 relates specifically to the racing industry and the sale of the South Australian TAB. It will have significant long-term impacts on the industry and on the manner in which the government will be required to provide support to the industry. There is little doubt that the sale of the South Australian TAB heads the list of a series of decisions made by the former Liberal government with respect to the state's racing industry that will have long-term negative effects. With no coordinated strategy to work with the industry to find a way forward and to work towards economic solutions that would lead to long-term viability for the three codes of racing, the former Liberal government locked itself into its own privatisation ideology, despite all the signals that demonstrated that the decision to dispose of the TAB was seriously flawed.

The previous government failed to appreciate that its first estimates of the sale value of the TAB were grossly overstated. As it became evident that these initial estimates were in fact unrealistic—a situation which was assisted in no small part by the excessive period involved in the scoping review of the TAB—the former government found itself committed to a number of deals it had made, which led to the passage of the TAB sale legislation.

What cannot be denied is that there was only one bid for the purchase of the South Australian TAB. That bid was for an amount substantially less than the government believed was possible, and despite this situation the now opposition, wedded to its privatisation philosophy at any cost, proceeded with the sale. Perhaps the worst aspect of this decision, however, was that it knew that the sale would produce a net loss to the taxpayers of South Australia.

The former government also must have known that the short-term benefits promised to the racing industry could not be sustained in all probability in the long term. Even the purchaser of the TAB knew this and subsequently sought guarantees from the former government if it could not produce future revenue streams sufficient to meet the fixed product fees payable to the codes in the first three years post the sale.

Beyond the first three years following the sale of the TAB, the racing industry's principal revenue stream reverts to a product fee calculated on the turnover performance of the

privatised body. The problem, however, is that the industry was promised very high initial revenue streams that would be extremely difficult to sustain in subsequent years. This situation has placed the racing industry in a potentially precarious financial position.

The former government also induced industry support by providing one-off capital funding injections to each of the codes for various infrastructure projects that in the future will need to be funded from revenue. Whilst no doubt welcomed by the industry at the time, payments such as these were motivated not by the desire to support the codes but rather to reach the point where the government could rid itself of what it saw as a nuisance industry.

Labor governments have traditionally adopted the view that there is a positive role for government to play in partnership with the racing industry. The present government maintains the strength of this commitment to a partnership approach, and my agency will work constructively with the industry to identify potential opportunities for revenue growth and long-term development initiatives.

**The CHAIRPERSON:** I advise the committee that the time agreed for examination of the line relating to the Office for Racing has expired. Minister, I presume that you wish to change advisers for the examination of the Office for Recreation and Sport.

**The Hon. M.J. WRIGHT:** Yes, Madam Chair.

#### **Additional Departmental Advisers:**

Mr W. Battams, Director, South Australian Sports Institute.

Ms J. Hughes, Director, Policy and Special Projects.

Mr P. Schwarz, Manager, Grants.

Mr J. Green, Manager, Finance.

**The CHAIRPERSON:** Minister, do you have an opening statement?

**The Hon. M.J. WRIGHT:** Yes, I do. The government's recreation and sport program is delivered through the Office for Recreation and Sport. The work of the office takes place across the state and in partnership with clubs, associations, community groups and local government as well as with other state and federal bodies. The office has a number of programs to ensure that sporting and recreational activities are available to all South Australians.

In spite of our state's reputation as having a healthy outdoors lifestyle, the reality is that the proportion of physically inactive South Australians is rising. Recent studies have shown a decline in the average number of times each week spent in walking or in moderate or vigorous leisure-time activity. When the budget was released, specific funding for recreation and sport was announced. This included an upgrade to the Superdrome to ensure that this facility is maintained at an international standard. The safety of participants in boxing and martial arts has been enhanced with the passage of legislation and the proposed appointment of a boxing and martial arts advisory committee.

Elite sport has received assistance to ensure that state-of-the-art sporting equipment and technical support is available to assist the South Australian Sports Institute. Sport and recreation plays a vital role in building better communities, and this government will continue to develop strategies that will assist in improving the health and wellbeing of South Australians.

To further achieve the objectives of increased physical activity, the office has a number of priorities which include:

promoting the social, economic, health and wellbeing benefits of participation in sport and active recreation; developing partnerships with the industry, commerce and all levels of government; providing leadership for the recreation and sporting industry; developing facilities, programs and services; and continuously improving and developing the recreation and sporting industry. These objectives will ultimately be achieved by ensuring each dollar spent is targeted to achieve maximum benefit to the community.

To ensure that the funds available for recreation and sport are targeted effectively, I have established a review of the major grant funding programs. The review will examine the effectiveness of the current Office for Recreation and Sport grant programs in meeting the needs of the government, industry and the community; evaluate alternate models of funding program delivery; and provide recommendations on grant principles and guidelines.

The Office for Recreation and Sport has not been immune to the budget savings cuts the government has had to implement in this year's budget. Despite the need to meet these savings, I have decided to maintain the grants to peak sporting and recreation bodies through the management and development program as well as the active club program for the current financial year. This decision will ensure that the resources that are targeted towards broad-based participation are maintained. The success of athletes at the Commonwealth Games and at other international events will be maintained only by continuing to encourage the youth of South Australia to participate in sport and recreation activities.

I have also committed to retaining the base level funding to the Community Facilities Funding Program at \$1.9 million per annum. This program will be supplemented in 2002-03 with an additional \$1.5 million, approximately, from the Community Infrastructure Fund. The grants review will provide a valuable basis from which decisions regarding future funding priorities and program allocations will be determined for the coming years. I have also directed the office to undertake an audit of state, regional and significant community facilities.

The state government has a policy commitment to implement a statewide sport and recreation facilities audit to identify the physical resources and needs of the community. The audit will focus on state, regional and significant community facilities provisions. Other key priorities of the Office for Recreation and Sport over the coming year will include:

- the development and implementation of a state recreation trail strategy;
- to initiate a whole of government state physical activities strategy;
- to implement the Boxing and Martial Arts Act 2000, including the establishment of a boxing and martial arts advisory committee.

To increase participation levels and maximise the benefits for all South Australians, it is vital that the grassroots strength of the South Australian sporting and recreational communities are sustained and developed. In order to achieve this, in 2002-03 the government will:

- Work with peak sporting bodies, associations, clubs and the Department of Education and Children's Services to encourage fair and ethical sporting behaviour.
- Support community based sporting organisations to ensure that all South Australians, including those living in rural and regional areas, are able to access high quality,

affordable sport and recreation opportunities in their local communities.

- Continue to support and develop South Australia's network of walking and cycling trails, including the Heysen Trail, and work to protect road reserves and other government land for recreational use.
- Work with the local groups and local beachside councils to develop a comprehensive, environmentally sensitive recreational walking trail network, integrated with the South Australian Walking Trails network through Adelaide's beachside suburbs.
- Further develop, in conjunction with local government, South Australia's network of bicycle paths in metropolitan Adelaide and regional areas.

The major focus of this government is, therefore, to get our community more physically active more often. This will need to be done through a range of targeted activity initiatives, as well as the continued support and development of our traditional sport and recreational industry providers, associations and clubs. These targeted programs will be announced over time and will be in line with any changes to funding arrangements that emanate from the grants review.

**The Hon. D.C. KOTZ:** I need to establish some of the information that the opposition requires from the budget papers. At this point I ask the minister to look at the three output areas that are part of the responsibility of recreation and sport, that is, output classes 2.2, 2.3 and 2.4, and use them as a conglomerate of the questions I need to ask to establish some of the budget measures that the Labor government has undertaken. In Output Class 2.2, the total budget is some \$15.654 million. That output appears to have increased by about \$2.5 million. In Output Class 2.3, the total budget is \$4.284 million. There seems to be a reduction of about \$300 000. In the facilities management, Output Class 2.4, there seems to be about \$2.792 million less in that overall budget area. Could I ask the minister to address the reductions and increased expenditure in those three output areas so that I am aware of the reasons why these variances are there?

**The Hon. M.J. WRIGHT:** I will run through the advice I have received. When I get to the end we can see whether the answer addresses the specific figures referred to by the shadow minister. Output Class 2.2 relates to increased expenditure of \$1.236 million, and it arises from a permitted carryover of \$300 000 from surplus Olympic soccer funds—these funds are precommitted and have secured matching funding from the federal government for the delivery of physical activity initiatives due to commence in 2002-03; secondly, new initiative funding of \$143 000 for the boxing and martial arts legislation; and, thirdly, additional community sporting infrastructure grants of \$2 million provided in 2002-03.

Offsetting the above are general administration and labour cost savings of \$127 000 as a result of savings initiatives introduced by the Department for Environment and Heritage in 2001-02 and a reduction in payroll tax in 2002-03; the proposed reduction in FTE numbers (2) being in response to the government's 3.25 per cent savings initiatives of \$133 000; and reductions in the output costs of the program by the removal of allocated corporate overheads from the Department for Environment and Heritage.

In relation to Output Class 2.3, the reduction in expenditure of \$0.299 million arises from the general administration and labour cost savings of \$66 000 as a result of savings initiatives introduced by the Department for Environment and

Heritage in 2001-02 and reduction in the payroll tax in 2002-03. Offsetting the above is a reduction in the output costs of the program by the removal of allocated corporate overheads from the Department for Environment and Heritage.

In relation to Output Class 2.4, the reduction in expenditure of \$2.792 million arises from:

- Reclassification of the Trails Program funding from operating to investing in 2002-03. There is a net change in funding for the Trails Program across the budget years of \$580 000. As a result of the reclassification to 'investing', \$1.1 million is removed from Output Class 2.4.
- Removal of funding for Adelaide Oval facility development is \$500 000.
- The transfer of community sporting infrastructure grants of \$1.9 million to Output Class 2.2, Recreation and Sport Participation.

Offsetting the above is new initiative funding for salt damp rectification at the Super-Drome of \$600 000; secondly new initiative funding of \$345 000 to alleviate office cost pressures from operating deficits at the Adelaide Super-Drome and Santos Stadium and the charging of commercial rents for entry and use of the Adelaide Aquatic Centre; and, thirdly, a reduction in the output costs of the program by the removal of allocated corporate overheads from the Department for Environment and Heritage.

**The Hon. D.C. KOTZ:** As the minister is aware, the previous budget provided for a new funding program that totalled \$17 million over three years. That funding was created to enable sport and recreation organisations across the state to gain greater access to grants for facility development. The new community facility grant program was meant to allow communities to plan for sport and recreational infrastructure and to plan to meet their own needs, with \$7 million provided until the end of this last financial year. This meant that a further \$5 million would be available this year and another \$5 million in the following year. Will the minister advise the committee whether the funds I have identified are still available in this budget and throughout the forward estimates in those numbers?

**The Hon. M.J. WRIGHT:** The \$1.9 million base for the 2000-01 round represented a doubling of the available funding of \$900 000 for the previous 1999-2000 round of the community facilities fund. The \$6.9 million round of community facilities grants was allocated in the 2001-02 financial year. The proper 2001-02 second round of community facilities grants closed in January 2002. A total of approximately \$9 million was therefore allocated by the former government for community facilities grants in 2001-02.

As at 30 June 2002, approximately \$4.8 million had been paid out to recipients, with a balance of approximately \$4 million outstanding. These commitments will be paid out in the current 2002-03 period as the grant recipients progress and complete their projects. Of the \$6.9 million allocation in 2001-02, the first round had 194 successful applicants from the 249 who applied—a 77 per cent success rate, or three in four. The competitiveness needed to secure a grant in this first round was significantly less than in other rounds, where there is typically a 33 per cent success rate. The \$5 million community infrastructure allocations for the current and next financial year have been reduced. Decisions regarding the application of these funds will be considered in conjunction

with the findings of the grants task force report due in December.

**The Hon. D.C. KOTZ:** I have a supplementary question, just to clarify one of the statements you made earlier. Because of the thrust of the numbers you have given, perhaps I have not taken them all in exactly. You mentioned that a certain amount of the larger grant had already been completed in the last financial year, and I think you mentioned that some \$4 million was still outstanding and had to be paid. Is that amount actually carried over in the budget showing under these outputs and your total budget?

**The Hon. M.J. WRIGHT:** The advice I have received is that the \$4 million expenditure to which the shadow minister refers is in the budget outputs.

#### Membership:

Mr Caica substituted for Mrs Geraghty.

**The Hon. D.C. KOTZ:** I have another supplementary question, to clarify those figures. The overall budget has been reduced this year, quite obviously. The minister is now saying that that was one carryover expenditure that impacts on the total budget outlay, in as much as that is not new money but carryover funding. Is that the correct interpretation of how I am hearing his answer? If that is the case, is there any other carryover funding in any of the three outputs that affects the bottom line budget total?

**The Hon. M.J. WRIGHT:** No, you have an incorrect interpretation; it is not a carryover.

**The Hon. D.C. KOTZ:** It is an amount which was allocated last year and which was not spent but which will be spent this year, and that is not a carryover?

**The Hon. M.J. WRIGHT:** It comes from the current year budget.

**The Hon. D.C. KOTZ:** But it is carried over from last year. All right; we seem to have a different interpretation. I refer to Output 22 on page 10.11 where, under performance indicators, the number of sporting grant applications to be evaluated during 2001-02 was 1 600; however, the minister's target for 2002-03 shows that only 1 460 are expected to be evaluated. That is a reduction of 140 grants. Will the minister explain the reason for the reduction and the cost savings on this reduction?

**The Hon. M.J. WRIGHT:** The number of sporting grant applications evaluated to which the shadow minister refers represents grant funding made available through the active club grant program and the community recreation and sports facilities grant program. The target anticipated for the 2001-02 financial year was 950, and the target achieved for the 2001-02 financial year was 1 600. The target proposed for 2002-03 is 1 460 applicants to be evaluated. The decrease from the number achieved in 2001-02 is due to an additional round of grants being assessed in the 2001-02 financial year through the community recreation and sport facilities grants program.

**The Hon. D.C. KOTZ:** May I ask a supplementary question for clarification purposes?

**The CHAIRPERSON:** For clarification only.

**The Hon. D.C. KOTZ:** These money figures are sometimes difficult to grasp. With regard to the reduction that you spoke about in terms of the target figures and the projected savings, did you give an amount of the savings?

**The Hon. M.J. WRIGHT:** No, I did not; you did not ask for one, so this is hardly a supplementary to your earlier question. Your earlier question was about the reduction in the

number of applicants, and the simple reason for that is that one less round went out.

**The Hon. D.C. KOTZ:** So one less round went out and one less round of money was held back to be paid out in this financial year?

**The Hon. M.J. WRIGHT:** I will say it again. The decrease from the number achieved in 2001-02 is due to an additional round of grants being assessed in that financial year through the community recreation and sport facilities grants program.

**The Hon. D.C. KOTZ:** The basic question is: is that funding that is due to be paid from the previous—

**The Hon. M.J. WRIGHT:** This is another supplementary, is it?

**The Hon. D.C. KOTZ:** It is. It is a clarification. Is that funding, funding that was already in the budget last year, to be applied, or are we talking about new funding in this budget?

**The Hon. M.J. WRIGHT:** I have already said in my opening statement that we are maintaining the funding for the Active Club Program.

**Ms BEDFORD:** I refer to Budget Paper 4, volume 2, Output Classes 2.2 and 2.4 and ask: what is the government doing to increase the effectiveness of the grant funding programs conducted by the Office for Recreation and Sport?

**The Hon. M.J. WRIGHT:** I thank the member for Florey for her question. The Labor policy on sport and recreation identifies that funds spent on recreation and sport need to be targeted effectively. To ensure that this occurs, it was resolved to consider ways of improving the effectiveness of the funding programs currently under the control of the Office for Recreation and Sport. A grant funding task force has been established to review the effectiveness of the current funding programs and to consider ways to improve the current principles, criteria and guidelines. The role of the review is to provide a summary report, advice and recommendations to the Minister for Recreation, Sport and Racing in respect of:

- the nature and distribution of current funding provided by the Office for Recreation and Sport through the Active Club Program, community recreation and sport facilities program and management and development program;
- contemporary funding models and trends in relation to recreation and sport, both nationally and internationally;
- feedback from key stakeholders with regard to: determining the relevance of existing funding programs to client and industry needs; determining the extent to which funding programs achieve the strategic objectives of the government and the Office for Recreation and Sport; identification of gaps which exist in current funding delivery; the evaluation of alternative models of funding program delivery; and recommend funding programs, principles, criteria and guidelines.

A ministerial advisory committee has been established to represent the views of all sectors of the recreation and sport industry during the process. The role of the ministerial advisory committee is to:

- provide advice and direction to the strategic working group on the data collection, process and information sources available;
- promote the importance of the review to industry and provide support and assistance with information dissemination as required;

- present a consistent position on issues related to the review and, where necessary, formulate and undertake action to address the issues;
- provide an industry based perspective on key issues; and
- provide a report to the minister, including recommendations relating to the review objectives.

The committee includes representatives from Sport SA, Recreation SA, local government and the commercial sector. The cost of the review will be absorbed within the existing Office for Recreation and Sport. Members of the committee will not receive board fees. In addition, a strategic working group from the office has been established to undertake the specific tasks required to service the task force and conduct the project.

Through an open industry consultation process, all sectors of the recreation and sport industry will have the opportunity to provide comment and direction in relation to the review's terms of reference. It is anticipated that a call for submissions to the review will commence on 3 August with the consultation phase to be completed by 27 September this year. A final report from the ministerial advisory committee for my consideration will be delivered in December this year.

**Ms BEDFORD:** Further in relation to Output Class 2.2, I notice that a new executive director has been appointed to the Office for Recreation and Sport. Can the minister outline the new incumbent's background and envisaged role within the office?

**The Hon. M.J. WRIGHT:** Yes, and I thank the member for the question. Dr Phil Hamdorf has taken up the appointment of Executive Director as from 22 July. Dr Hamdorf was previously Head of the Centre for Physical Activity in Ageing and Chief Exercise Physiologist for the Royal Adelaide Hospital. The Centre for Physical Activity in Ageing was established in 1981 by Dr Hamdorf and now enjoys both a national and international reputation as a centre for excellence. Dr Hamdorf has wide-ranging accomplishments in research, teaching, clinical practice and management within the fields of exercise science, physical activity and sports medicine. Dr Hamdorf was awarded a Churchill Fellowship in 1998 which facilitated his widespread investigation of physical activity programs throughout North America and Europe. Dr Hamdorf is extremely well qualified and experienced for the position of executive director.

It is envisaged that Dr Hamdorf's role will encompass a timely review of strategic directions and priorities within the Office for Recreation and Sport pertaining to physical activity and its economic value to the community. Several additional areas of importance have been outlined by Dr Hamdorf since his appointment. These include:

- increasing the physical activity level of the community (including school sport and daily physical activity);
- articulating the greater leadership role of the Office for Recreation and Sport within South Australia; and
- pursuing increased accountability of the investment in recreation and sport made by the government.

**Ms BEDFORD:** Will the minister advise the committee of the details of the special interest schools grants initiatives and provide a progress report on their implementation?

**The Hon. M.J. WRIGHT:** Yes, and I thank the member for her question. The previous government approved funding of a one-off capital works program for the development of joint community-schools sports facilities in conjunction with the special interest sports program schools. Seven projects were approved through this allocation, and in some instances the projects were to occur in partnership with DECS and/or

local government. Office for Recreation and Sport funding allocation has been derived from the following sources:

- Living Health Reserves Fund, approximately \$2 million;
- State Facilities Fund, \$400 000;
- 2000-01 Management and Development Program, \$107 000;
- 2000-01 Management and Development Program carry-over, \$111 000;
- Recreation and Sport Fund, \$666 000;
- 2000-01 Community, Recreation and Sport Facilities grants carryover, \$75 000.

The total funds amounted to \$3 370 000. The schools to benefit from the funding initiatives are:

- Marryatville High School, \$320 000 for the upgrade and construction of tennis courts;
- Heathfield High School, \$1 million for the upgrade of the gymnasium into a performing arts centre;
- Blackwood High School, \$1.25 million for a new community recreation centre, which the school's special sports netball program will access;
- Seaview High School, \$70 000 for the upgrade of the tennis courts;
- Seaton High School, \$160 000 for the upgrade of the baseball facility;
- Wirreanda High School, \$200 000 to assist with the construction of a new gymnasium for physical education;
- Brighton Secondary School, \$400 000 for a new stadium, which will also serve as the state headquarters for indoor volleyball. I understand that that project is on hold.

My advice is that no projects have commenced construction. I am further advised that two grants went to community recreation associations, not to schools, and that three grants were paid in advance, and that was to Blackwood, Heathfield and Marryatville. The Blackwood and Heathfield projects did not have an approved project scope, design and costing from all parties. One project, Brighton High School, is still negotiating an agreed project scope and funding requirements between the parties. Design and costing of the project will then occur.

The Brighton High School project has been earmarked to be funded from the State Facilities Fund. As a consequence, this project has been prioritised for funding ahead of other known and longstanding state facility needs, including upgrading of the rowing course, a state facility for baseball, a second hockey pitch at The Pines, a criterium track at the Super-Drome and upgrading of existing state facilities including Santos Stadium and ESTA Park.

People can make their own judgment, but it does seem somewhat surprising that approximately 80 per cent of the total programs cost was allocated to Heathfield High School and Blackwood High School through community recreation associations. The way this initiative was funded highlights the need for projects to be properly scoped and costed before funding is allocated. That would ensure that projects could commence within a reasonable time frame and not a year later still remain uncommenced.

**The Hon. D.C. KOTZ:** Previously, Active Club grants were distributed to the House of Assembly's 47 representative electorates with \$40 000 available to clubs and organisations in any one district, as the minister would well know. Any funding not taken up to \$40 000 in any electorate would be available at the minister's discretion to then offer to other electorates with applications over \$40 000. That was devised as a politically correct distribution of funds to deflect any cries of pork-barrelling from the then opposition. However,

it did have an element of fairness inherent in its distribution principle. Will this government apply the same fairness criteria to the Active Club grants?

**The Hon. M.J. WRIGHT:** This is part of the reason why we are having a review. I have shared discussions with the former minister in regard to how Active Club grants could or should be applied. Let me give one example. In the electorate of Lee, a reasonable proportion of the money is consumed by the facilities at West Lakes. That is not such a bad thing but local sporting clubs in the electorate of Lee compete with the groups that use the body of water of West Lakes, which are Apex bodies and various other associations, and almost invariably those organisations come from outside the electorate. That is one example, but individual members have raised other examples with me, both on my side of politics and on the shadow minister's side, as well.

The short answer to the shadow minister's question is that, as a result of the review, we hope to be able to hit the mark more effectively with regard to the expenditure of money, not only through the Active Club grants but also in our other funding areas, the Management and Development Program and community infrastructure. That is why the incoming government has taken on that challenge, because we cannot be confident or certain, especially with the Active Club grants, for reasons that I have already articulated, that we are necessarily hitting the mark. We want to avoid any accusations of pork-barrelling, and I am certainly not making that suggestion in respect of Active Club grants and the previous government, although I do make it in regard to other grants.

With respect to Active Club grants, other options are available. One argument has been presented that people who live in the country, in a bigger geographical area, with more sporting clubs are at a disadvantage on a pro rata basis compared with some electorates in the metropolitan area. We need to look at a range of issues with respect to the Active Club grants. In general, I think it has worked okay. It is good that we have that money available to make some difference to local sporting clubs and associations, but perhaps there are better ways that we can do it, and we have certainly opened our mind to that challenge. As a new government, we are prepared to take on that challenge and we look forward to the debate. That is why we have involved such a broad cross-section of industry groups in the review. We look forward to the input from local members of parliament in regard to all three grant areas, but in particular to the one that the shadow minister asked about.

**The Hon. D.C. KOTZ:** During his time in opposition, the minister expressed on many occasions his concerns that the previous minister signed off on the recommendations for grants provided to him by an assessment panel. Has the minister taken any action to alter the process by which grants processed by this government are given final approval, as he sought an assurance from the previous minister 'that he and his office will be totally removed from any decisions with regard to funding'. Has the minister taken his own advice?

**The Hon. M.J. WRIGHT:** I know the shadow minister would not do me an injustice by misquoting me, but I also hope that she would not do me an injustice by not referring to the full quote. Obviously I do not have those words in front of me, but I think my criticism of the previous minister was—and this applies to me as well—that what can take place when signing off recommendations made by the Office for Recreation and Sport may well be that a draft comes before you—and I am not saying this did happen—and recommendations could be altered before the final list reaches the



minister, whether it be the previous minister, me, or whoever the minister might be.

As I have been meeting with industry groups, I have given them a guarantee that, once recommendations reach my desk and I have to sign off on them, they will be in and out of my office within 48 hours. The industry has greatly welcomed that. In relation to the process about which the shadow minister has asked, that will be a part of the review. I will await advice from the review about those sorts of details. However, I think I have made my point regarding what I believe was part of my criticism in opposition.

**The Hon. D.C. KOTZ:** One of the particular programs that I must admit I had a special desire to see implemented was the establishment of some 15 after school sport centres around South Australia that would look at linking young people from school to community clubs. As the minister would know, with the advent of more family members involved in working lives, fewer people are involved in physical activity; and, with heart disease and obesity on the rise in young people, increasing the promotion of healthy lifestyles through sporting programs can certainly, in some way, alleviate some of the health problems that plague our society. Has the minister taken this program on board or will he give a commitment to consider introducing such a program which has all the elements of social inclusion being promoted by this government?

**The Hon. M.J. WRIGHT:** I thank the shadow minister for her question, and I am delighted that she has strong empathy with this. I am certainly prepared to give a commitment that I will give consideration to it—and the shadow minister has been in politics long enough to know what that means. What I mean by that is, yes, it will be under active consideration. I think that what the shadow minister says has some merit. This is something that has been raised with me, and I have certainly said to officers that we have to keep this under active consideration and, if we can find ways of funding it, we will do so. The short answer is yes.

Part of the reason why I do have some sympathy for what the shadow minister is talking about is that I think one of the great challenges we have as a parliament is to try to ensure that in the areas of physical activity and physical education—and this picks up part of the theme that the shadow minister talks about—we challenge ourselves to see whether we can find ways of returning to what we used to have in place in the education system some 15 to 20 years ago. Some schools do it very well—let me make that point right from the outset—but some schools do it very poorly. Although this is outside our portfolio, I am sure that the shadow minister will support me as we work through government to try to put in place a better system when it comes to daily physical activity in schools and a better program for physical education, and that picks up what the shadow minister asked about regarding after school hours.

That is one of the great challenges. It is not a great challenge simply because there is a change of government: it is a great challenge because both Labor and Liberal governments have let it fall off the agenda. Some schools do not do it very well. We have to challenge ourselves to try to make this a core responsibility in the curriculum because, if we are serious about dealing with fitness, health and obesity, we have to ensure that we put in place a better, more comprehensive program across all schools when it comes to physical activity and physical education. It is only when we have achieved that that we will have a greater ability to influence young people and older people; and we need to

work more strongly with clubs, associations and recreation bodies.

I think we have lost a generation when it comes to physical education in schools. I am appalled by some of the programs that are supplied within our education system when it comes to physical education. As I said from the outset, some do it very well. I well remember last year receiving from my eldest daughter's class teacher a program which set out regular physical education and which wanted the support of parents. I wrote back and said, 'Let's have more of it. You're the first teacher who has written to me since Alexandra has been at primary school and she is now in year five.' So let us have more of it and let us put it back into the system.

**The CHAIRPERSON:** I think there spoke a very passionate minister and a passionate former physical education teacher.

**Mr CAICA:** I refer to Budget Paper 4, volume 2, Output Classes 2.2 and 2.4 on pages 10.11 and 10.12. Will the minister advise the committee what the government has achieved in progressing and promoting recreational trails in our state?

**The Hon. M.J. WRIGHT:** I will give a short answer because I have an understanding and a commitment to the shadow minister who needs to ask some omnibus questions. I would like to acknowledge the previous government when it comes to recreation trails. This government has done some good work in its early days. We have done some groundbreaking work in regard to a strategy that has been worked through with a range of major stakeholders and interest groups. It is a high priority for this incoming government and we look forward to doing a lot of very strong and productive work in the recreational trails area. I certainly compliment the Office for Recreation and Sport for the good work that it has done in this area.

**The Hon. D.C. KOTZ:** I appreciate the minister's cooperation. The omnibus questions are:

1. Will the minister advise the committee how many of the 600 jobs to be cut from the Public Service will be lost from within the sport, recreation and racing portfolio?
2. Will the minister identify all matters which are currently under review within this portfolio area and advise the committee of the names of the consultants undertaking those reviews and the total cost of each contract of each matter under review?
3. Will the minister advise the committee of the number of positions attracting a total employment cost of \$100 000 within all departments and agencies reporting to the minister as at 30 June 2002, and estimates for 30 June 2003?
4. Will the minister advise the committee which initiatives contained within the government's compact with the member for Hammond have been allocated to this portfolio and, if any, how much will they each cost and will these costs be met by new or existing funding?
5. For each year 2002-03, 2003-04, 2004-05 and 2005-06, and from all departments and agencies reporting to the minister, what is the share of the total \$967 million savings strategy announced by the government, and what is the detail of each savings strategy?
6. For all departments and agencies reporting to the minister, what is the share of the \$322 million underspending in 2001-02 claimed by the government; what is the detail of each proposal and project underspent; and what is the detail of any carryover expenditure to 2002-03 which has been approved?

**The Hon. M.J. WRIGHT:** I will take the member's questions on notice. I thank the committee and the officers from the Department of Recreation, Sport and Racing.

**The CHAIRPERSON:** I advise the committee that the agreed time for the examination of matters relating to the Office of Recreation and Sport has expired.

**Additional Departmental Advisers:**

Mr N. Wilson, Acting Director, Workplace Services.  
Mr T. McRostie, Director of Workplace Relations Policy.  
Ms J. Ferguson, Executive Director, Policy, Planning and Community Service.  
Mr M. Atts, Ministerial Adviser, Industrial Relations

**Membership:**

The Hon. I.F. Evans substituted for the Hon. D.C. Kotz.  
Mr Goldsworthy substituted for Mrs Hall.  
Mrs Redmond substituted for Dr McFetridge.

**The CHAIRPERSON:** Does the minister wish to make an opening statement?

**The Hon. M.J. WRIGHT:** Yes, thank you, Madam Chair. Workplace Services' role is an important one. It is a regulator, an enforcement agency and a provider of policy advice, and it acts as an aid to employers and employees in understanding their obligations and their rights.

Workplace Services' vision is for safe, fair and productive workplaces and a high standard of public safety. It is committed to assisting South Australia to achieve the best industrial relations, occupational health, safety and welfare and public safety outcomes. Whilst many perceive Workplace Services' role as limited to employment, it has a far broader scope. In part, this is because workplaces, in many instances, are used by the public, or otherwise have the potential to directly affect the public. For example, it is clear that safety issues relating to amusement structures affect not only the workplace safety of those who operate them but also affect the public who use the service or frequent the area surrounding such a service.

The issues surrounding major hazard facilities is one area of regulation that has both workplace and public safety components. Provision has been made for the continuation of this important work in the 2002-03 budget. The imperative for Workplace Services to reconsider South Australia's approach to this area was provided by the Longford tragedy. This process commenced under the previous government, and I recognise its contribution in supporting this initiative. I feel sure that it will support the work that is required to take it to its conclusion.

The reviews initiated in relation to industrial relations and occupational health, safety and welfare have the potential to have a significant impact on Workplace Services through legislative amendment. Workplace Services is providing support to the reviews of industrial relations and occupational health, safety and welfare, and it will also play a role in assisting the implementation of any reforms arising from the review recommendations.

The 2002-03 budget for Workplace Services is a responsible one. It has to meet savings requirements, but additional funding has been allocated to meet cost pressures and to fund initiatives.

The Workplace Services inspectorate will continue to pursue compliance activities, both in response to complaints and through targeted activities. Procedures for improved compliance and investigation will be implemented. Investi-

gations arising from incidents within Workplace Services' area of responsibility are becoming increasingly more complex. The recent Riverside investigation exemplifies the difficult technical issues that can arise, but it is not economic to retain all the skills that may be required for investigations within Workplace Services. Therefore, whilst we will strive to ensure a high skill level within the inspectorate, there will be a need from time to time to seek the assistance of technical experts external to government to get to the bottom of accidents affecting workplace and public safety, and the budget provides for cost pressures in terms of the need for expert technical reports for investigations. The 2002-03 budget also provides for the progressive implementation of improved training for the inspectorate, and a continuing improvement in the inspectorate's ability to access mobile technology to increase effectiveness in the field.

Whilst Workplace Services has sole responsibility for investigations and prosecution, WorkCover is also charged with occupational health, safety and welfare responsibilities. Workplace Services and WorkCover are now working together to deliver a better understanding of occupational health, safety and welfare obligations and practices. Joint targeted intervention strategies will be undertaken in the labour hire, construction and transport industries. Workplace Services will continue to pursue its vision for safe, fair and productive workplaces and high standards of public safety.

**The CHAIRPERSON:** Does the member for Davenport wish to make an opening statement?

**The Hon. I.F. EVANS:** No, I do not, Madam Chair.

**The CHAIRPERSON:** Will the member for Davenport proceed with the questioning?

**The Hon. I.F. EVANS:** On 11 July, the minister issued a press release stating that the total cost of the review of the industrial relations system undertaken by Commissioner Stevens was \$80 000. What are the terms and conditions under which Mr Stevens is employed and how much is he being paid to undertake the review? Further, when does his contract expire and what is the additional travel expenses budget for Mr Stevens?

**The Hon. M.J. WRIGHT:** In respect of this review, I have also said that it is an opportunity that I believe all major stakeholders have welcomed. It provides an opportunity for each of the stakeholders, the government and the opposition to be involved in a review of this area, and it is something that should have been done a very long time ago. On a number of occasions, the previous government brought forward legislative change and, of course, that is the right of any government. This government has chosen to undertake a comprehensive review. It has terms of reference but, in addition, we have also said that we will not exclude any party from coming to the review and raising any issue they believe has merit.

With regard to the specific details, on budget day a media release was issued which stated that the Workplace Services budget contained provision for \$80 000 in review costs. The breakdown of the figures that the shadow minister has asked for is a provision of \$40 000 in respect of Greg Stevens' fees to conduct the review of industrial relations; a \$20 000 provision for the potential implementation costs of recommendations arising from the review of industrial relations; and a \$20 000 provision for the potential implementation costs of recommendations arising from the review of occupational health, safety and welfare.

Greg Stevens is a person of high calibre and a former deputy president of the Industrial Relations Commission. The

responsibility of calculating his fees was given to Mr Graham Foreman, who negotiated with Mr Stevens. I think it would be fair to say that those fees are in line with his previous level of remuneration.

The shadow minister also asked when the review would end: I have asked for it to report to me on 15 October. One of the challenges I gave to Greg Stevens was that it is important that he carry out this review thoroughly and comprehensively but that he should meet a deadline of approximately October, because I am not a great believer in reviews taking forever and a day. That request was also put to Greg Stevens, and, via Graham Foreman, he has said that he believes that he will meet the target of providing recommendations to the government by 15 October.

In respect of the shadow minister's question, I imagine that is when his payments will end. I am further advised that those payments are until 15 October. There is opportunity for further work beyond that date, which may or may not arise from the recommendations and which could involve Greg Stevens, but none of that has been negotiated. We may have to get further details for the shadow minister. My advice is that Mr Stevens' contract runs for another month, but those payments are until 15 October. We will provide the full details to the shadow minister.

**The Hon. I.F. EVANS:** Is travel within additional expense budgets?

**The Hon. M.J. WRIGHT:** My advice is that that is part of the \$80 000.

**The Hon. I.F. EVANS:** As a supplementary question for the minister's benefit, is the minister advised that the \$80 000 includes the travel and accommodation for regional meetings? Is that included in the \$40 000 paid to Mr Stevens? That is not the way I interpret it. I understand that \$40 000 is going to Mr Stevens, as is the extra \$20 000. Outside of that, there must be a range of other expenses—travel, accommodation and meals. I am trying to establish those costs, because I think it is more than \$80 000 all up when those are added.

**The Hon. M.J. WRIGHT:** We will get that detail for the shadow minister. I am happy to provide that advice.

**The Hon. I.F. EVANS:** How many government officers have been dedicated to help conduct the review? What classification is each of those officers and at what cost? Which budget line is paying for these officers?

**The Hon. M.J. WRIGHT:** In relation to the review of industrial relations, it is the equivalent of one at the level of ASO7. With regard to the second part of the question—the review of occupational health, safety and welfare—it is also the equivalent of one at the level of ASO5.

**The Hon. I.F. EVANS:** There are a couple of other parts to that question, minister. You might look at *Hansard* and provide the answers. I did not expect you to have all the detail today. Was the consultancy currently being undertaken by Mr Stevens advertised for open tender? If so, how many people applied and were interviewed for the position? If it was not advertised, was Mr Stevens a recommendation from IRAC, and what performance criteria have been built into the contract review to ensure that the taxpayers of South Australia benefit from the review?

**The Hon. M.J. WRIGHT:** I think I have all parts of the question but, as the shadow minister offered with the previous question, if I have not, I will provide him with that information. Was it advertised? No, and that was quite deliberate. The review requires specialist skills, and Greg Stevens certainly provided those specialist skills. Did it go to

IRAC? No. The contract does include a schedule of deliverables.

**Ms CICCARELLO:** I refer the committee to Budget Paper 4, volume 2, page 10.17, at Output Class 4.1. South Australia has controls on the use of fireworks in South Australia that limit their use to licensed, professional operators. In dealing with the illegal use of fireworks, a major problem appears to be the inability to control and to track these dangerous products at the point of entry into Australia. What is the budget impact of the present regulatory practices on Workplace Services, and what is the South Australian government doing to address the situation?

**The Hon. M.J. WRIGHT:** This issue was brought sharply into focus by the recent death of a 16 year old boy who was using illegal fireworks in Victoria. Illegal fireworks are dangerous and, in the wrong hands, can result in serious injury or death. The problem across all Australian jurisdictions is exacerbated by access via the internet and the black market.

There is a relatively simple answer to this issue, and that is for the federal government to place fireworks products on the prohibited imports list. The effect of this process is that approval to import must be granted by the relevant minister, and the relevant state regulatory body can be advised of the import. This allows fireworks to be tracked and monitored as they move to various storage and distribution points across Australia.

Clearly, illegal and dangerous items—for example, self-igniting crackers—can be refused entry into Australia through this relatively simple checking procedure. Workplace Services currently has in storage, as evidence, some seven tonnes of fireworks that were imported into South Australia without notification. Of this amount, some five tonnes would be classed as illegal product under the current act, which would represent a significant danger to the South Australian community if it had found its way onto the black market.

Currently, three staff are allocated on a part-time basis to manage this function within Workplace Services. It is assessed that this represents a financial commitment of approximately \$80 000 per annum. The work of this group could be made significantly more efficient if problems could be identified and dealt with at the source, rather than our reacting to issues and accidents as they occur.

The South Australian government, together with other state governments, has written to the federal Minister for Workplace Relations requesting a change to the Customs Act to allow greater controls on these products at the point of entry. Despite representations from state and territory governments, the federal government has failed to play its part in protecting South Australians. The South Australian government will continue to urge the federal government to reimpose controls at the point of entry for these dangerous products, as a mechanism to ensure that the illegal trade in fireworks is stamped out in South Australia.

**Ms CICCARELLO:** I refer to Budget Paper 4, volume 2, page 10.17—Output Class 4.1. Given the serious implications of an accident at a major hazard facility, as evidenced by the 1998 Esso Longford Gas Plant explosion in Victoria, what is the government doing about ensuring that such facilities are operating safely in South Australia, and has provision been made in the 2002-03 budget to address safety issues relating to major hazard facilities?

**The Hon. M.J. WRIGHT:** The South Australian government is concerned about the potential threat to workplace, public and environmental safety that these

facilities could pose to the South Australian community. Major hazard facilities are currently regulated under existing legislation in South Australia, including the Occupational Health, Safety and Welfare Act and the Dangerous Substances Act. In South Australia, eleven facilities have been identified as major hazard facilities. Some examples include mining operations at Roxby Downs, an explosives manufacturer at Cavan and the oil refinery at Port Stanvac.

The South Australian government is committed to ensuring that facilities in this state operate at the highest safety standard possible and that safety processes and practices are in line with contemporary international standards. An industry consultation paper has been released for public comment. This paper identifies four possible regulatory options for consideration by stakeholders. The options include: new SA-specific regulations; using the national standard covering major hazard facilities within an existing South Australian act; developing a co-regulation model where standards and processes are agreed between the regulator and the operator of the facility and, finally, continuing to regulate the facilities using existing acts and regulations.

A major consideration in the adoption of any new regulatory model is: who will meet the cost of introducing and enforcing the new arrangements? The South Australian government will consult widely with key stakeholders prior to making a final decision about how to regulate major hazard facilities. This consultation will be framed around the industry consultation paper and will include industry and community based forums to be conducted in metropolitan and regional areas.

Because this is an extremely complex and specialist area, expert advice will be provided to Workplace Services on international trends and approaches and will be available to assist with the technical issues raised in the industry and community consultation phase. In financial year 2002-03, a budget of \$75 000 has been allocated for technical expert services, travel and accommodation for the consultation process and development of a regulatory position paper in relation to major hazard facilities in South Australia. It is anticipated that a final report with recommendations to government will be provided in December of this year.

**Ms CICCARELLO:** My third question relates to Budget Paper 4, volume 2, page 10.17—Output class 4.1. What is the government doing to ensure that the Australia-wide 10-year target for reduction in death and injury at work is achieved?

**The Hon. M.J. WRIGHT:** I thank the member for the question. It is obviously an important one, which I am sure we would all acknowledge. Workplace Services will continue to put in place procedures for improved targeted compliance and investigation in order to meet the recently adopted 10-year national target.

Specifically, the target is a 20 per cent reduction in workplace fatalities over 10 years to 30 June 2012; 10 per cent by 30 June 2007; and a 40 per cent reduction in workplace injuries over 10 years to 30 June 2012. This target was established through the national Occupational Health and Safety Commission and confirmed in May 2002 by the Workplace Relations Ministers Council meeting. Workplace Services is proposing to form an investigation unit, staffed by a small group of highly experienced investigators, supported by a solicitor with expertise in the relevant legislation. It will be the responsibility of this unit to drive high-level investigations, act as coach and mentor to the inspectorate and ensure that investigation standards are maintained and improved.

A comprehensive program of targeted intervention strategies for the two-year period 2003-04 will be implemented. This program includes adoption of seven new occupational health and safety strategies: transport, construction, labour hire, manufacturing, aquaculture, wine and brandy and workplace hazards, each chosen after careful research of the greatest problem areas. Each strategy is designed to address a significant safety problem with a key objective of improving compliance with the state's occupational health, safety and welfare legislation, thereby ensuring safer workplaces.

Three of these strategies in the labour hire, construction and transport industries will be undertaken jointly with WorkCover. Workplace Services will continue with the roll-out of the successful workplace hazards strategy. As part of this strategy, information material will be progressively released for the machine guarding, load shifting and electrical hazards. The information releases will be supported at various stages with auditing and other measures by the inspectorate.

The yet to be released stages of the workplace hazards campaign will complement the already released materials about falls from heights, chemicals and manual handling hazards. Workplace Services will ensure that the inspectorate achieves and maintains a high level of investigation skills through a structured training and development program and through the phased adoption of the national Workplace Inspection Competency Standards.

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

#### **Membership:**

Mrs Geraghty substituted for Mr Caica.

**The Hon. M.J. WRIGHT:** I make a minor correction from this morning. In relation to major hazard facilities, I gave an answer which referred to an incorrect location. I said that examples included 'mining operations at Roxby Downs'—that is correct—'and 'explosives manufacture at Cavan', but it is at Gladstone. I apologise for that.

**Mr GOLDSWORTHY:** Can the minister assure the parliament that, in his handling of the Stevens consultancy, the minister complied with all the requirements of the policy document 'Evaluation of Public Sector Initiatives', all the Treasurer's instructions and the Commissioner for Public Employment guidelines?

**The Hon. M.J. WRIGHT:** Greg Stevens is obviously very popular, because his name has been raised a number of times by the opposition. The advice that I have received is that I did comply pertaining to Mr Stevens' special expertise and experience. I would therefore say yes.

**Mr GOLDSWORTHY:** Will the minister rule out offering further consultancies or extending this consultancy for Mr Greg Stevens at the conclusion of the current contract?

**The Hon. M.J. WRIGHT:** I do not envisage that there will be an additional consultancy for Greg Stevens in relation to the review he is currently undertaking; nor do I imagine that there is anything on the horizon with respect to this particular portfolio in relation to Mr Stevens. Beyond that, no, I am not ruling anything in or out. This is a four year term. I do not know of anything that is on the horizon. Mr Stevens is undertaking this consultancy on behalf of the government, but should his expertise be required further into the term of this government, or when we are re-elected next term, I am not ruling anything in or out.

**Mr GOLDSWORTHY:** Does Mr Stevens' contract contain provisions which allow an extension of this consul-

tancy to advise or draft legislation and/or advice on the implementation of new legislation? If there is an extension, is that included in the \$80 000 previously advised?

**The Hon. M.J. WRIGHT:** We may need to get further detail for the honourable member. You might recall this morning I said there is provision for an extra month, but the advice I have received is that there is nothing specific in regard to the question. If the department determined that an extension was required, there is nothing to stop that happening. As I understand it, that is how most contracts in relation to this operate.

**Ms BEDFORD:** I refer to Budget Paper 4, volume 2, page 10.17. What is the government doing to increase the community's understanding of the most commonly occurring workplace hazards?

**The Hon. M.J. WRIGHT:** Issues relating to hazards in the workplace are regulated through the Occupational Health, Safety and Welfare Act 1986 and the Dangerous Substances Act 1979. In November 1999, Workplace Services commenced research into workplace hazards across all industries. The research identified six workplace hazards that were major contributors to workplace accidents and injuries. The Workplace Hazards Strategy was established as the central focus of Workplace Services targeted compliance initiatives. The strategy has been extended until the end of 2004. The Workplace Hazards Strategy aims to reduce injuries, raise industry and community awareness of the hazards, and distribute improved information materials on the hazards to industry.

To date, the first three workplace hazard strategies have been implemented and each has generated specific information products that have been made available to the public free of charge, including generic survey check list questionnaires; hazard specific audit tools; industry and hazard specific information documents; and a web site to provide public access to information relevant to the hazards. The impact of the compliance strategies undertaken has contributed to reductions in the number of injury claims recorded by WorkCover.

During the period the strategy was undertaken there were 26 per cent fewer injuries from working at heights, 36 per cent fewer injuries from chemical use, and 35 per cent fewer injuries from manual handling than for the corresponding period in the previous year. The six key workplace hazards identified as contributors to workplace accidents and injuries are working at heights, chemical use, manual handling, machine guarding, electrical hazards and load shifting.

**Ms BEDFORD:** I have a supplementary question. Does the minister have a list of the six workplace hazards to which he referred?

**The Hon. M.J. WRIGHT:** The six workplace hazards? They are those which I read out.

**Ms BEDFORD:** Did you read them out individually.

**The Hon. M.J. WRIGHT:** Yes.

**Ms BEDFORD:** I refer to Budget Paper 4, volume 2, page 10.17. The government has established a regional office in Port Lincoln. What activities have been provided for in the budget in terms of the Port Lincoln office?

**The Hon. M.J. WRIGHT:** I was certainly delighted to open the office in Port Lincoln. I can assure the honourable member that it is functioning very well. It has been extremely well received by people in the region. The regional office commenced operations on 3 December 2001. It provides an extension of the services offered by the previously established

Whyalla regional office and is receiving support from the Whyalla regional office. The decision to open an office at Port Lincoln was based on customer demand for government services and the expected growth in the aquaculture and fishing industries.

One of the points that was made by the new occupational health and safety officer who is running the office is how well those particular industries have received the regional office—which I think is good news for us all. Provisions have been made for a number of services to be provided from the Port Lincoln office. Customer services provided by the office include:

- Advice and assistance about occupational health, safety and welfare matters to the industries and towns of Eyre Peninsula.
- Investigation of workplace accidents, health and safety complaints, employment legislation, compliance complaints and public safety matters.
- Promotion of occupational health, safety and welfare issues within the business and local communities.

The office also provides a basic information service about the WorkCover system to the local communities. Regional offices have planned the following occupational health, safety and welfare targeted initiatives to be implemented over the next two years. Inspectorial staff from the regional offices will participate in a joint initiative with WorkCover, commonwealth employment department projects, ATSI and Business SA to deliver an occupational health, safety and welfare, education and advisory program for the state's indigenous communities. Workplace Services will undertake work site inspections for commonwealth development and employment projects and assist with the development of occupational health, safety and welfare policies and procedures.

The regional offices will undertake a program aimed at aquaculture and ocean fishing industries over the next two years. The program aims to deliver a measurable improvement in safety systems, a reduction in workplace accidents and increased safety awareness in the industries. A report on the findings of audits on aquaculture, diving and ocean fishing safety will also be produced. The regional office staff will liaise with aquaculture growers associations, local development boards, PIRSA and fisheries groups during the delivery of the program.

**Ms BEDFORD:** Just to round off on the same area in Budget Paper 4, volume 2, what steps is Workplace Services taking to improve occupational health, safety and welfare in the wine industry?

**The Hon. M.J. WRIGHT:** Workplace Services has conducted an auditing program in the wine and spirit industry. Workplace Services divided the auditing process into two main areas: wine manufacturers (wineries) and grape growers (vineyards). The wine manufacturing audit was undertaken with 33 wineries across the state undergoing audits with follow-up visits. Workplace Services is continuing to provide advice and assistance to the manufacturers. The larger proportion of the project is grape growers. WorkCover has registered approximately 2 100 growers.

Workplace Services adopted a pro-active approach to the audit. The audit document was mailed to all 2 100 growers with a proposal to undertake 400 audits. This approach has received positive feedback from the industry. Workplace Services has received many requests from grape growers to be included in this audit process. The grape growers understand that this process is a method by which they can move

towards satisfying their obligations under the Occupational Health, Safety and Welfare Act.

It was decided that, for reasons of consistency in this audit process, issues of legislative non-compliance would result in an official notification of the identified problem. This method clearly identifies to the relevant grower a description of the problem and includes a suggested remedial action. This activity has been exceptionally well received and, in many instances, requested by the industry as a means of ensuring consistency of approach. It is also seen by industry as a reliable means of raising its awareness of the required OHS&W performance standards

To date, Workplace Services has undertaken a total of 21 audits in the Barossa, Clare, Langhorne Creek and Southern Vales areas. The participants are randomly selected and involve organisations that vary in size from many employees to perhaps one casual. These visits have resulted in 122 improvement notices. For approximately 60 per cent of the notices issued, the problems have been resolved. Those that remain are responding in an appropriate time frame. Inspectors involved in the audits will present up to date findings during Safety Week in November 2002. This will assist in raising the level of knowledge of occupational health, safety and welfare in the wine industry.

**Mrs REDMOND:** The government has announced that it has implemented \$967 million in savings measures over four years. What is the Workplace Services share of that savings task, and what programs have been cut to achieve it?

**The Hon. M.J. WRIGHT:** The advice I have received is that the net reduction is approximately \$118 000. With regard to the detail the honourable member asked for, the way that will be prioritised is still being worked through, so decisions have not been made. I think there was also a point about new initiatives. Cost pressures include funding for experts' reports, advice on major hazard facilities legislation, OHS&W and IR legislative reviews, competency based training and technology for field work. I have some additional information which may be of interest to the honourable member. The approximately \$118 000 to which I referred is made up of a \$470 000 reduction from a 3.25 per cent savings target, plus extra cost pressure funding of \$352 000.

**Mrs REDMOND:** Can I ask for clarification of that? I am still not clear what the minister actually meant in that last part. I got the \$470 000 reduction, but I did not follow the rest of the answer.

**The Hon. M.J. WRIGHT:** I do not think it is hard to understand. The \$470 000 is the reduction, as you correctly said. That is the 3.25 per cent savings that have been applied. The \$352 000 refers to additional funding that has been applied for cost pressures, and the \$118 000 is the difference between the two.

**Mrs REDMOND:** Can the minister guarantee that no occupational health and safety or industrial inspectors within Workplace Services will be cut as part of the broken promise on the 600 Public Service job cuts and, if so, will the government replace those employees? Are any occupational health and safety or industrial inspectors being cut?

**The Hon. M.J. WRIGHT:** I refer to my earlier answer about the net reduction of approximately \$118 000 and how that will now be prioritised. I cannot give you a guarantee, but certainly every effort and attempt will be made not to make a cut in that area of occupational health, safety and welfare officers. That is one thing about which I have asked for further advice from the department as a priority, and I still await the detail of that advice.

So I hope that we will not have to cut inspectors. Every attempt will be made not to do so.

**Mrs REDMOND:** I refer to the recent ministerial statement by the Attorney-General in which he acknowledged that there are three newly announced criminal offences, those being cause serious harm intentionally, cause serious harm recklessly and cause serious harm negligently, and that they will apply to the workplace. My question is: has IRAC been advised and consulted about this issue and, if so, what was its response? And, if not, why was it not consulted?

**The Hon. M.J. WRIGHT:** No, IRAC has not been consulted. It is not an industrial specific matter. But I highlight that one of the first things that I undertook as minister was to get IRAC to meet. I acknowledge that the most recent minister on the former government's side did get IRAC back as a working group: that deserves acknowledgment. I have given a commitment to IRAC that we will meet quarterly—I think it is the expectation of the legislation that we meet four times a year. We had our first meeting in early May, and I think it has an important role to play.

**Mrs REDMOND:** My question was essentially in two parts: had IRAC been advised and consulted, and the minister's answer was no; and, if not, why not? Do I take it from the minister's response that the answer 'no' is because it was not an industrial matter?

**The Hon. M.J. WRIGHT:** I think I said no, it is not an industrial specific matter.

**Mrs REDMOND:** And is that the reason it was not consulted?

**The Hon. M.J. WRIGHT:** Yes.

**Mrs GERAGHTY:** I refer to Budget Paper 4, volume 2, page 10.17, Output Class 4.1. Can the minister advise the committee about the purpose of the review of industrial relations that is now under way?

**The Hon. M.J. WRIGHT:** Yes, I am delighted to do so. I think I have spoken briefly about the review from a contextual position. On Thursday 2 May, I announced a review of industrial relations in South Australia to the Industrial Relations Advisory Committee (IRAC). I was very pleased to advise the committee that Greg Stevens, a highly respected former Deputy President of the Industrial Relations Commission, would conduct the review. I advised the Industrial Relations Advisory Committee that Workplace Services would be providing support to Mr Stevens.

The review has been extremely well received by both employer and employee representatives. This is the first major review of industrial relations in South Australia since the Cawthorne report in 1981-82. Much has changed in the world of work in the past 20 years. There has been a significant shift away from permanent full-time employment. There has been a marked decentralisation in the regulation of employment arrangements. Many changes have been implemented in other jurisdictions. The legislation enacted by the previous government was instituted without meaningful consultation with stakeholders. The last set of amendments proposed by the previous government was defeated. Again, it was a proposal instituted without meaningful consultation.

This government will engage with stakeholders in determining the reform process, and the review of industrial relations is the key to that engagement. In developing recommendations, Mr Stevens is required to consult widely with the general South Australian community. In undertaking this consultative process, the major industrial consultative body in South Australia, the Industrial Relations Advisory

Committee, is a key vehicle for consultation with employer and employee representatives. Mr Stevens has also conducted consultation at Berri, Mount Gambier and Port Augusta. The review provides a consultative, participative process, led by an esteemed and highly experienced participant in South Australia's system of industrial relations.

I think I also said this morning that it is clearly a different way of doing business. We, on this side of the house, believe that in all areas, particularly in an area such as industrial relations, it is critical to bring together the major stakeholders, both on the employer and the employee side, to be involved in genuine consultation and to be inclusive in their approach. I noted the bipartisan approach, including the support, after this announcement, of Business SA. I might also say that on both the employer and the employee side of IRAC this particular announcement—not only of the review but also of Greg Stevens' undertaking the review—has been universally accepted.

So I think it is an important demonstration of a new government doing business differently from the previous government. We believe that what comes out of this review may guide the government in potential changes next year, or even later this year, with regard to legislation and may also shape policy in a variety of areas which are, of course, inclusive of the review.

As I also said this morning, quite deliberately, there have been some areas identified with regard to the review, but we are deliberately not excluding any player from bringing any issue to the review. I think that that has also been very well accepted by the business community and by the employee side as well. So the purpose of the review is to make recommendations to enable the government to determine and implement potential legislative change and also potential policy direction.

**Mrs GERAGHTY:** I refer to Budget Paper 4, volume 2, page 10.17. Has provision been made in the 2002-03 budget for increasing the skill level of occupational health and safety industrial relations and dangerous goods officers?

**The Hon. M.J. WRIGHT:** The Office for the Commissioner for Public Employment has issued guidelines for human resource development outlining the principles under which the South Australian Public Service will provide development opportunities for its employees in order to ensure a more skilled and flexible work force. Workplace Services provides a framework for its employees to achieve the knowledge and competencies that enable them to apply their professional skills and perform their duties effectively.

The Workplace Services Training and Development Plan ensures the upskilling of individual staff members in all areas. This includes the implementation of the recently endorsed Diploma of Government and Advanced Diploma of Government from the national public services training package. Casual factors in the need for improved training and development include the intake of 11 new inspectors and inadequate compliance over the past two years. This has identified the need for competency based programs, including advanced investigation techniques, improved report writing skills, improved knowledge and understanding of court processes and procedures, and advanced audit and risk assessment procedures. Professional development in specific occupational health and safety disciplines and attendance at national and international seminars are included in budget planning.

**The CHAIRPERSON:** The agreed time for examination of issues relating to Workplace Services has now expired. I

thank the minister's advisers and I invite his advisers in relation to WorkCover to come forward.

**Additional Departmental Advisers:**

Mr K. Brown, Chief Executive, WorkCover Corporation.

Mr G. Davey, Chief Operating Officer.

Mr R. Muncey, Director, Office for Government Enterprises, Department of Treasury and Finance.

**The CHAIRPERSON:** Minister, do you wish to make an introductory statement?

**The Hon. M.J. WRIGHT:** In the lead-up to the last election, I stated that a Labor government would conduct a thorough review of workers compensation in South Australia. This government's approach to the reform of workers compensation will be consultative. It will provide for the participation of the stakeholders in developing recommendations for reform. The terms of reference for the review direct attention to critical areas of the scheme. However, consistent with this government's consultative approach to the development of reforms, the terms of reference do not prevent other issues being raised in the course of the review.

After considering the potential mechanics of the review, a triangular structure was determined. This structure was arrived at to ensure that the review's investigations are rigorous and completed within an appropriate time frame. At the apex of the triangular structure is Mr Brian Stanley. Mr Stanley's role is to provide strategic leadership. His responsibilities are focused upon the latter stages of the review. Amongst Mr Stanley's key responsibilities are the management of the consultation processes with respect to anticipated recommendations and ensuring that the review's recommendations are consistent with the broad policy framework outlined in the terms of reference. Mr Stanley is eminently qualified for this role. I have previously described securing his services as a coup. Mr Stanley was previously the President of the Workers Compensation Tribunal, the Industrial Court and the Industrial Relations Commission.

At the corners of the triangle are the reviewers who will focus on workers compensation and occupational health, safety and welfare respectively. These reviewers are responsible for developing the discussion paper that will be distributed as a framework for comment, undertaking the extensive research and ongoing consultation associated with the review, assessing the submissions that are received and, in conjunction with Mr Stanley, determining the direction of the anticipated recommendations. Ms Meredith, a person with a long involvement in workers compensation in South Australia, has been secured to focus on workers compensation. Mr Bishop will focus on occupational health, safety and welfare. Mr Bishop has dealt with occupational health, safety and welfare in a variety of roles in the public sector for many years.

The review is independent. It would not have been appropriate for WorkCover or Workplace Services to review themselves. This review is timely. It is almost 20 years since the present system was conceived and 15 years since WorkCover Corporation was established. There has been some change along the way. However, a holistic examination of the scheme has not been conducted until now. Some stakeholders have made representations about various policy issues: the deeming of various workers as employees; and the provisions in relation to third party wrongdoers.

I have maintained a clear and proper position in relation to issues of legislative policy. I will not pre-empt the review's

recommendations. The terms of reference provide that the review's recommendations must promote a workers compensation scheme that ensures:

- early, effective and sustained rehabilitation and return to work;
- prompt payment of compensation;
- an efficient, accountable, equitable and affordable workers compensation scheme;
- reduced levels of dispute;
- employment security for injured workers;
- fairer workers compensation outcomes for all South Australians.

It must also ensure an occupational health, safety and welfare system that provides:

- a sustained reduction in the incidence of workplace injury, disease and death, thereby reducing economic and social costs to the South Australian community;
- the empowerment of stakeholders at workplace level to ensure safer work practices;
- an education and enforcement regime that is effective, accessible and proportionate to the significance of workplace injuries, disease and fatalities, with a focus on the provision of safe systems of work.

I look forward to the review's recommendations. The recommendations will be a guide to the government in implementing change. This review is all about delivering world's best practice in occupational health, safety and welfare for South Australians. As members will appreciate, it is very important for a new government to ensure that the financial basis of the scheme's financial decision making and management is sound.

Following discussions with the Office for Government Enterprises, I have commissioned a report that will examine financial reporting, corporate governance and other practices critical to the financial management of WorkCover. It is essential that the government and the South Australian community have rock solid confidence in the integrity of WorkCover's financial reporting and planning processes. As I said in my ministerial statement to the house on 6 June, I make no judgment about current practices in terms of the financial reporting of WorkCover or the policies on which they are based. That is the purpose of the review and I shall await the outcomes.

This is an opportunity to learn from the experiences of the past 20 years. It is an opportunity for stakeholders to contribute and participate in a wide-ranging review. It is an opportunity to deliver world's best practice in occupational health, safety and welfare and workers compensation for all South Australians.

**The CHAIRPERSON:** Does the member for Davenport wish to make an opening statement?

**The Hon. I.F. EVANS:** We have only 45 minutes and 10 minutes of that has been taken up with the minister's opening statement, so I will go straight into questions. What is the total budget for the combined OHS and WorkCover reviews, including salaries for consultants, WorkCover officers, Workplace Services officers and public servants, travel, office accommodation and miscellaneous items?

**The Hon. M.J. WRIGHT:** That has not been finalised. WorkCover might have determined what it considers appropriate but I have not. As the recent China trip issue has demonstrated, WorkCover has not always exhibited appropriate decision making on financial matters. The budget for the review has not been established. Mr Foreman is negotiating

with WorkCover. Those negotiations have not been concluded.

I have received some preliminary advice about which I have written to WorkCover. It has put forward a figure which was not acceptable to me—it was in the vicinity of \$600 000. After receiving that advice from both the chair and the CEO, I wrote to the chair. I will not go through the full letter, but in it I said that I am concerned about the appropriateness of the allocation as it is considerably in excess of the anticipated cost. I think it would be fair to say that it has not been finalised. Mr Foreman is negotiating on behalf of government and on behalf of me as minister, but I will be making the ultimate decision regarding the expenditure for this item.

**The Hon. I.F. EVANS:** I have a supplementary question. Will the minister confirm that a figure of over \$750 000 has been discussed between his office and WorkCover?

**The Hon. M.J. WRIGHT:** No, I cannot confirm that. The advice that I have received from both my office and Mr Brown is that that discussion has not taken place.

**The Hon. I.F. EVANS:** Can Mr Brown confirm that WorkCover has discussed a figure of greater than \$750 000?

**The Hon. M.J. WRIGHT:** Not greater than \$750 000, which was the member's question, but I think he might have meant to say \$750 000. That discussion has taken place, but not with my office and, as I said, via Graham Foreman, I as the minister will be making the final decision regarding the budget for this review.

**The Hon. I.F. EVANS:** Will the minister confirm whether it is true that the Minister for Industrial Relations requested the WorkCover Board to pay the total cost of the combined WorkCover OHS review and, if so, what answer did the WorkCover review give to that request?

**The Hon. M.J. WRIGHT:** I certainly have not made that request of the board, but I have had discussions of a general nature with the chair—we meet frequently. Mr Brown may have been involved in those discussions. Whether or not I have ever directly asked the question about WorkCover paying—Mr Brown is shaking his head—I cannot be certain. I have made no direct contact with the board, but I am certainly pleased that WorkCover is picking up some of the responsibility, as will Workplace Services. This subject was probably talked about in discussions with Mr Gunner and Mr Brown. To the best of my recollection, I do not believe I directly asked for the WorkCover Board to pick this up.

**The Hon. I.F. EVANS:** There was a second part to the question, which was: what was their response?

**The Hon. M.J. WRIGHT:** Mr Brown advises me that the board approved the funding at its last meeting. What the mechanics were within the board, I have no idea. It is probably the case that the shadow minister has a better idea than I.

**The Hon. I.F. EVANS:** Did the WorkCover Board in responding to this request, or indeed in communications about this request, suggest that it had not budgeted for this large extra expense of up to \$750 000, and one of the possibilities for making up the budget black hole was to raise employer WorkCover levies?

**The Hon. M.J. WRIGHT:** I can only repeat my earlier answer: I have not been advised of the discussion that took place. I cannot say they did not because I simply do not know. I have my contact with the board. I met with the board once a few weeks ago and this issue was not raised at that board meeting. The advice that I have received is that, in relation to the figures to which the shadow minister refers, \$600 000 was not budgeted; a further figure of \$150 000 was



budgeted, but there was no suggestion at the board level of a levy increase.

**Ms CICCARELLO:** I refer the minister to Budget Paper 3, chapter 7, page 15. Will the minister advise the committee of the developments to address the importation and management of chrysotile asbestos as an occupational health, safety and welfare hazard and how that relates to the financial management of WorkCover?

**The Hon. M.J. WRIGHT:** Yes, I would be delighted to do so. I thank the member for her question. As members would be aware, prevention is always the best cure. Addressing occupational health, safety and welfare risks not only prevents injury and disease at work but also provides the best method of ensuring an affordable workers' compensation scheme through fewer injuries, less disease and fewer deaths. The Workplace Relations Ministers Council has endorsed a recommendation by the National Occupational Health and Safety Commission to prohibit the use of chrysotile asbestos in Australia by no later than 31 December 2003, and to take a range of related actions to introduce a comprehensive ban on other forms of asbestos. Of the five other forms of asbestos, two are already prohibited in most jurisdictions, including South Australia, and the other three have no known uses in Australia.

WorkCover and the government strongly support the National Occupational Health and Safety Commission's recommendation. WorkCover has been supported by Workplace Services (part of the Department for Administrative and Information Services), which has coordinated consultation with employer and employee groups in South Australia to ensure that their views are considered.

Currently, Workplace Services is representing WorkCover on a working party to develop nationally consistent criteria for managing exemptions where no other alternative is available to the ban on import and use of chrysotile asbestos. Initial consultation suggests that the impact on industry will be minimal. Time frames for implementation of the prohibition have been established to allow a lead-in time for the replacement of existing chrysotile stocks.

I understand that the former minister for workplace relations requested that the Occupational Health, Safety and Welfare Advisory Committee undertake a review of the adequacy of South Australian occupational health, safety and welfare legislation in addressing asbestos-related hazards. Following research by Workplace Services, recommendations have been considered by the Asbestos Advisory Committee, WorkCover and the Occupational Health, Safety and Welfare Advisory Committee. I have been advised that a report will shortly be forwarded for my consideration.

**Ms CICCARELLO:** I refer to Budget Paper 3, chapter 7, page 15. Can the minister advise the committee of the basis on which WorkCover sets levy rates?

**The Hon. M.J. WRIGHT:** WorkCover sets an average levy rate for two purposes: to predetermine the amount of levy to be collected for the financial year to cover projected claims liability as estimated by an actuarial review and WorkCover's operating expenditures; and to provide the basis for setting industry levy rates and, subsequently, individual employer levy rates. To determine the average levy rate, the WorkCover Board adopts a funding model which it views as appropriate to managing a scheme within the funding target of 90 to 110 per cent. The rate struck for 2001-02—and to be maintained in 2002-03—is 2.46 per cent. The model has three components. The first component is based on the break-even rate to recover the 2002-03 estimated claims liability and

costs of administration. This represents the minimum levy required to ensure the maintenance of WorkCover's funding position. If the average levy rate is set below this rate, claim payments and administration costs are funded from the scheme's investment funds.

The second component has two parts. The purpose of the second component is to mitigate known and potential risks to the scheme's funding position. The first part ensures that the board's funding policy of 90 to 110 per cent funding is maintained over time. Unfunded liability is recovered over a three to five-year time period to ensure that the scheme remains within the range of 90 to 110 per cent funding over time. The second part ensures that potential investment losses do not undermine the scheme's funding position. This safeguards against the potential for a negative investment return, which is anticipated approximately once in every five years.

The third component in the process incorporates the cost of the safety achiever bonus scheme refunds and bonus penalty payments to determine a target levy of 2.59 per cent. The published average levy rate is net of the safety achiever bonus scheme and bonus penalty payments, because employers receive these collections back as reductions in their levy by participating in the safety achiever bonus scheme and bonus/penalty schemes. Once the target average levy rate and industry rates are set, an individual employer's levy is determined by the rate set for their industry and their eligibility for a bonus or penalty based on their own claims performance. The present approach is to determine levy rates on this basis, having regard to the information available at the relevant time.

**Ms CICCARELLO:** I refer the minister again to Budget Paper 3, chapter 7, page 15. Can the minister advise the committee about the incentives offered by WorkCover to assist in returning injured workers to employment and the financial benefits to the scheme of the incentives program?

**The Hon. M.J. WRIGHT:** The government is committed to ensuring that injured workers are adequately compensated for their injury and that they are rehabilitated to ensure that an appropriate return to work and to the community is achieved. As part of this commitment, opportunities to assist injured workers' return to work are provided. The Re-employment Incentive Scheme (RISE) has an important role to play in this as it supports injured workers who, for whatever reason, cannot return to their pre-injury employer. RISE assists injured workers to ensure that they are job ready. The RISE unit provides training opportunities that allow injured workers to acquire new skills that assist them to return to the work force. RISE also provides incentives to employers to employ injured workers.

In the 2001-02 financial year, employers who engaged RISE participants received benefits from WorkCover of approximately \$1.173 million. These benefits largely consist of wage subsidies of up to 75 per cent for the first three months of employment and a subsequent 40 per cent reimbursement for the second three months. There is an additional 10 per cent retention payment following 12 months of employment, to a maximum of \$2 000. Since its inception in 1991, under the guidance of the former Labor government, RISE has placed more than 3 000 injured workers back into employment. The scheme has an average retention rate of about 70 per cent. This means that injured workers are returning to the work force into jobs that are sustainable for longer than just the subsidy period.

WorkCover invests in the RISE program because of the significant return. That is a return to the community as well

as to the scheme itself. It is a return that results in safer workplaces, because employers work with RISE to provide safe work opportunities. It is a return that is worthwhile, because it supports injured workers. In 2001-02, approximately 298 workers were placed into employment through RISE, involving almost 250 employers. In financial terms, in the 2001-02 financial year there was an estimated reduction to unfunded liability of nearly \$19 million due to the RISE scheme. That is \$19 million that the scheme will not have to pay because of the RISE scheme. It also represents flow-on benefits to the community, because 300 injured workers per year are back at work. This figure is up from the previous financial year of approximately \$16 million in reduction to unfunded liability.

**The Hon. I.F. EVANS:** Will the minister guarantee that WorkCover levies will not increase to pay for or because of the combined WorkCover OH&S review?

**The Hon. M.J. WRIGHT:** The shadow minister is aware that the biggest impact upon levy rates is the investment portfolio. The shadow minister is also aware, because he has asked questions about the average levy rate previously in the parliament, of the range of different areas that could impact upon that. He is also aware—although he was not when he asked the earlier question in parliament—that there has been some expectation that an incoming Labor government would increase the average levy rate, which of course it did not. The board, via Keith Brown, recommended to me that the average levy rate stay at 2.46, and the government was happy to accept that advice. The review will look at a whole range of areas. Mr Brown also points out that \$600 000 is a very small amount out of \$360 million.

**The Hon. I.F. EVANS:** Will the minister confirm that the WorkCover Board has not discussed, or is not discussing, increasing WorkCover levies as one option to cover the cost of the combined WorkCover OH&S review?

**The Hon. M.J. WRIGHT:** My advice from Mr Brown is that the board has not discussed this. Of course, the levy rates are set for the next 12 months.

**Mr GOLDSWORTHY:** For the term of this government, will the minister rule out changing the WorkCover legislation, or any other legislation, to reintroduce coverage for work journeys—that is, employees covered under WorkCover who travel to and from work in both the private and public sector? Will the minister also rule out the reintroduction of access to common law remedies for persons who are presently covered under the WorkCover scheme?

**The Hon. M.J. WRIGHT:** The member is aware of my opening statement. I have maintained a clear and proper position in relation to issues of legislative policy, so I will not pre-empt the review's recommendations. The member is new, but I think he has some understanding of the historical background to the debate that took place in the early 1990s in respect of common law. By and large, there has been bipartisan support with regard to that debate. It is useful to look at the history on this issue.

In 1992, a package of amendments was introduced by the then Labor government. During debate on the amendments, the then Independent Speaker Norm Peterson introduced further amendments to increase lump sum payments for non-economic loss and removed access to common law. These amendments were developed in discussions between Mr Peterson and the then WorkCover CEO, Mr Lew Owens. The then Labor government indicated its opposition to the changes but did not call a division on the clause. The House of Assembly passed the amendments. Once in the Legislative

Council, the Labor government supported the changes, which were opposed by the Liberal opposition.

The terms of reference for the review of workers compensation and occupational health, safety and welfare do not mention the reintroduction of common law. However, the terms of reference provide for further issues to be raised in the course of the review. The review's recommendations will provide a guide to the government in developing and implementing change. Hypothetically, if the review recommended the introduction of common law, it would not be binding on the government.

**Ms BEDFORD:** Can the minister outline the benefits of Safe Work Week?

**The Hon. M.J. WRIGHT:** I can indeed. In South Australia last year there were around 44 000 claims for workers compensation. With about 65 000 employers and 650 000 people in employment, the issue of workplace work and safety affects the whole community. It also costs our community dearly, both in a social and an economic sense. For every one of those injured, there are ripple effects felt by families, businesses and communities. The economic cost is substantial, equating to an estimated \$2 billion. Research shows a majority of South Australians view this toll as a fact of life, but the reality is that most of it can be avoided. We have the skills, knowledge and technology to tackle the hazards in our workplaces.

Safe Work Week is a week-long program of workshops aimed at providing businesses with practical solutions in safe work, injury management and return to work. The ultimate goal of the week is to assist employers and employees in making their workplaces safer and in helping them to return workers to safe, productive work as soon as possible, should an injury occur.

Independent research conducted in previous years has indicated that 30 per cent of employers and 20 per cent of employees who have attended the workshops will return to their workplace and implement ideas and solutions they have learned. The specific aims of Safe Work Week, to be held from 11 to 15 November 2002, are to promote workplace safety, prevention and rehabilitation programs to South Australian businesses, provide solutions to workplace safety issues and raise awareness of occupational health, safety and welfare as an important community issue.

The focus of the week is on providing accessible forums that offer real solutions for employers, employees and other key professionals to take back and to implement in their workplace. This year, approximately 80 workshops are planned for Safe Work Week. It is expected that around 4 000 people will attend workshops and events throughout the week. The majority of these will be free and will be held at locations across metropolitan and regional South Australia.

Whilst a variety of workshops will be offered throughout the week, workshops offering a one-stop shop approach will take place on the following topics: manual handling, injury management and health, welfare and best practice management strategies. A special masters series of workshops on new and emerging issues will provide occupational health and safety professionals, or those who have a high degree of knowledge of specific safe work issues, with the opportunity to further extend their knowledge or be exposed to new concepts.

Safe Work Week culminates in the Safe Work Awards dinner to be attended by more than 1 300 people and to be held on Friday 15 November. The Safe Work Awards recognise employers and employees who are leading the way

in workplace health and safety. This year, WorkCover is seeking nominations in the following categories: employer of the year; employee of the year; responsible officer of the year; information technology solution award; safe work promotion award; safe design award; initiative in small business award; and community service award.

Safe Work Week is coordinated and funded by the WorkCover Corporation. The program is developed in partnership with Workplace Services, the United Trades and Labor Council, Business SA and Self Insurers of South Australia. The dinner on 15 November is held at about that time each year. Despite the previous minister not having the good manners to invite the shadow minister, I formally now invite the shadow minister to that dinner on 15 November. I would ask that an invitation be sent to him as a matter of priority.

**Ms BEDFORD:** Can the minister advise what initiatives have been undertaken by WorkCover to reduce the incidence of injury and illness in the workplace?

**The Hon. M.J. WRIGHT:** Numerous initiatives have been undertaken through the SAfer Industries Program, a partnership between WorkCover and high risk industries in South Australia. Two such initiatives, developed hand-in-hand between WorkCover and SAfer Industries, include the Virtual Kitchen, a safety induction program within the hospitality industry Occupational Health and Safety Committee and, secondly, the construction industry Common Safety Induction Course, a development of the building construction and civil construction SAfer Industries Committee. During the last few years, on-line or web-based training has begun to offer a real alternative to classroom training amongst employers. Web-based training can be scheduled at convenient hours and tailored to the needs of the individual employee: it saves on costs of attending formal training.

The Virtual Kitchen, a safety induction program, was developed to assist in implementing health and safety programs. This product was developed by the hospitality industry Occupational Health and Safety Committee in conjunction with WorkCover. It was designed to educate hospitality employees, in particular young workers and small businesses, about managing hazards in the workplace. Upon completion of the induction program the employee can print a certificate of achievement from their computer.

The construction industry Common Safety Induction Course is a joint development of two SAfer OH&S industries: building construction and civil construction. The induction course is a joint partnership with the Construction Industry Training Board and is recognised at most major construction sites including council construction sites. The training is delivered by seven industry associated, accredited and registered training organisations and can be conducted in-house or on-site. Over 5 500 construction industry workers have been inducted over the past 18 months. The Virtual Kitchen and the induction course are two examples where employers, employees and WorkCover are working towards safe work outcomes in South Australia.

**Ms BEDFORD:** Can the minister advise the committee of the strategies that WorkCover has implemented to reduce the impact on the scheme of fraudulent activity?

**The Hon. M.J. WRIGHT:** WorkCover has continued to develop and broaden its approach to the detection and management of fraud. WorkCover's investigation unit continues to focus on addressing identified risks and achieving the best outcome for the scheme. An expanded compliance unit that uses the latest intelligence analysis and project

management methods supports the investigation function. The compliance unit intelligence analysis identifies operational compliance issues impacting the scheme. These include the employer levies process, the claims process and provider activities. Priorities are set using a comprehensive risk assessment and following an approval process. A project plan is developed and undertaken using appropriate resources. Ongoing monitoring is established to ensure continued compliance where appropriate. During the last 12 months, there has been an average work in progress of 170 files at any one time compared to 150 for 2000-01 and previous capacity of approximately 50 files.

I have some additional advice from Mr Brown which he would like me to provide in response to an earlier question from the shadow minister. Mr Brown advises that, when the board outcomes document talks about the ability to recover through increasing non-exempt levy receipts, it does not refer to levy rate increases. It anticipates an increase in receipts through increases in South Australia's total remuneration.

#### **Witness:**

The Hon. J.D. Lomax-Smith, Minister for Science and Information Economy.

#### **Additional Departmental Advisers:**

Mr G. Black, Acting Chief Executive Officer, Department of Employment, Further Education, Science and Small Business.

Mr R. Martin, Executive Director, Information Economy Policy Office.

Mr G. Thomas, Chief Executive Officer, Playford Centre.

Mr B. Miller, Executive Director, State Procurement and Business Development.

#### **Membership:**

Mr Hamilton-Smith substituted for the Hon. I.F. Evans.

Dr McFetridge substituted for Mrs Redmond.

**The CHAIRPERSON:** Does the minister have an opening statement?

**The Hon. J.D. LOMAX-SMITH:** Yes. The term globalisation has permeated into the language and awareness of the South Australian community in recent years. This reflects the enormous effect and change that has come from new ways of trading, communicating and carrying out financial interactions around the world. These changes have largely been led by developments in information communications technology, which has seen the creation of a new economy called the information economy. This is defining a new world of social and commercial interaction. It will permeate every aspect of our lives—how we live, learn, work, play, buy, sell and interact.

The online environment is in its infancy. We have seen the rise and fall of the 'dot.coms'. We have seen that not everything that technology enables makes practical or economic sense or has real appeal to people in their every day lives. It is important that we give ourselves the best chance of supporting technology, not for its own sake but for the benefits it can bring to South Australians. What is important is the development of policies and projects that can make a difference in creating jobs or providing some other measurable benefit to South Australians.

There are new opportunities for small business to connect and interact effectively with those who were previously well beyond their reach and influence. Equally, consumers now

have a wider choice. We are only at the beginning of understanding all the implications of being in a connected world, but scientific research, the commercialisation of innovation and an understanding of emerging technology are major factors that can underpin our economic growth.

The state government's action in establishing a portfolio of science and information economy reflects, first, the importance of the information economy to our South Australian community and, secondly, a commitment by the government to harness the strengths we have to maximise our social and economic potential within this new economy. The focus of the information economy area is often mistaken, in part due to its name, as an economic one. However, a key component of a strong and vibrant local information economy has to be an aware and skilled community. Thus any future policy in this area will also include a strong social element.

Globally, the need to recognise the social dimension of the information economy was brought into focus by former president Bill Clinton at the World Congress on Information Technology in Adelaide in February this year. He said that a study had estimated that by the year 2008 the eight wealthiest countries in the Asia-Pacific Economic Council (APEC) would have 72 per cent of their people on the internet on a regular basis, but the 11 poorest would have only 4 per cent of their people on the internet.

As I acknowledged at an earlier estimates hearing for the Office of Innovation, a key driver of this new economy is information communications technology which pervades all aspects of our modern economy. I said then that investment in ICT research and development creates both wealth for new jobs and business growth. It improves productivity. The Productivity Commission attributes half of Australia's productivity improvement over the past 10 years as being as a result of the adoption of ICT technology. In addition, it reduces the cost of delivery of services and increases access to existing and new services such as telemedicine, e-commerce, business and government services.

South Australia's ICT sector employs approximately 9 000 South Australians in more than 550 small and large companies. Notwithstanding the global downturn in ICT industry growth, it continues to be greater than in many other sectors of the economy. In this context, the state government provides an important degree of support through the Information Economy Policy Office (IEPO). IEPO acts as both an advocate and a key adviser to support government, industry and the community to maximise the benefits of the information economy both socially and economically. At the same time, as part of the science and information economy portfolio area, the Playford Centre provides a catalyst for the development of the growing South Australian information and communications technology industry.

An overview of these two interdependent but separate agencies, their roles and future directions will help clarify these two parts of the portfolio. The IEPO office works with the community, industry and other state, federal and local government agencies to advise the government on South Australia's role within and adoption of the information economy. Its objectives are to:

- build awareness and understanding of the information economy;
- work with other parts of government to achieve online services; and
- ensure that South Australia has the infrastructure, including telecommunications capability and the business environment, to underpin growth in the new economy.

In addition, it works to establish a safe, secure and trusted legislative basis and standards compatible with the rest of the world. It provides economic direction, measures and analyses those factors which are relevant to developing the sector, and it builds mutually beneficial relationships with other states and countries for the better development of our own information economy.

The nature of ICT and its impact on business and community life is evolutionary yet dynamic. As such, we must have a dynamic policy framework to ensure policy directions remain strategically relevant and economically sound. Close links with the Economic Development Board and the new Premier's Science and Research Council will ensure government policy in this area is both relevant and aligned with other government strategic directions.

The World IT Congress has placed Adelaide at centre stage in the global IT community and we need, of course, to build on this momentum. The government will strengthen its relationship with the local IT industry, in particular the IT Council, to ensure the state capitalises on the opportunities that were presented by the congress, albeit at a bad time in our political election cycle. Given the dynamic environment, the government's new initiatives including the Premier's Science and Research Council, the Economic Development Board and the science and information economy portfolio it is appropriate that the role and functions of IEPO be examined.

Accordingly, to support me as Minister for Science and Information Economy, the role, objectives structure and work program of IEPO is being reviewed. Future policy and projects in this area will be based on a systemic review of the strengths, weaknesses, opportunities and threats to the information economy in South Australia. This review and the formation of a future strategy for the information economy will be a key objective for the 2002-03 year.

In pointing to new directions, the achievements of the office over the past year are acknowledged. Several of those initiatives, coordinated out of IEPO, have demonstrated the information economy's ability to enhance community interaction and participation; highlighted the positive social impact of the information; and demonstrated its ability to enhance existing social infrastructure in schools, hospitals, libraries and other government support services. Highlights of IEPO's past year include:

- Networks for You program, which was a joint commonwealth-state program fostering internet awareness in rural communities across South Australia. To date, 40 000 people have accessed this program since it began in February 2000, and the uptake of the internet in rural South Australia is reported at twice the national average.
- The state government has used its telecommunications purchasing power to assist in the creation of affordable modern telecommunications infrastructure for South Australians to ensure that South Australia's telecommunications needs can be met now and in the future. The state now boasts a greatly improved telecommunications infrastructure than it did just two years ago.
- A joint initiative with DETE to deliver a two-way satellite solution to children in remote areas of the state has already had dramatic effects. It reduces in real time the ability of the School of the Air to interact with children across the net, and this initiative truly highlights the information economy's ability to overcome the tyranny of distance and make a difference in ordinary people's lives.

The incorporation of the South Australian Consortium Information Technology and Communication (SACITT), comprising the three universities, industry and government, also works in this way to provide added outcomes by coordination and collaboration. In relation to the Playford Centre, this organisation is important in developing South Australian ICT industry and works through the formation and growth of start-up businesses. It is only a small organisation, but it effectively fills a funding gap for high growth start-up ICT businesses in the state. It does this by investing funds and leveraging further capital from professional investment funds and business angels.

The Playford Centre has set up a subsidiary company, Playford Capital Pty Ltd. This is 95 per cent owned by the Playford Centre and 5 per cent by Ngapartji Multimedia Centre. Playford Capital holds a \$10 million grant from the federal government's Building on IT Strengths (BITS) program. Playford Capital is one year into a three-year program to invest \$10 million into start-up and early stage ICT companies in the state by taking minority equity stakes in small companies in the start-up phases. South Australia receives less than its per capita share of venture capital: typically, less than 2 per cent of money invested in Australia.

Playford Capital helps fill this shortfall by investing amounts of \$200 000 to \$450 000 from the BITS fund and attracting and leveraging other investment alongside Playford Capital. Playford's decision to invest can be used by the investee company to attract other capital providers such as business angels. These are wealthy individuals or organisations who provide money and business expertise to companies or people with venture capital to co-invest. Normally, the Playford money will be the first professional investment, and Playford's capital and support will prepare the business for investment by second round financiers.

In many ways Playford Centre provides more than just financial assistance. It also mentors start-up firms, providing experience in start-up management, exports, technology, commercial agreements, marketing and finance. Playford Centre staff work alongside the management of the investee companies and work in a way that leverages venture capital from around Australia. In the financial year just completed, which was the first year of operation with the BITS fund, Playford Capital invested \$1.63 million into six companies. It also attracted \$7.4 million of co-investment funds from venture capital and business angels. Playford has attracted funds from every mainland state during this year. In addition, the centre has invested \$5.5 million into 23 South Australian companies from its formation in 1997 until late 2000, when it moved to using the BITS funds. These companies have exported \$2.1 million of products and services a year, and sales growth is around 21 per cent a year. The return from investment into these companies was \$146 000 last year and is expected to be higher than that, at about \$179 000, this year.

In the past year Playford Capital was a catalyst for equity investment in three South Australian companies using commonwealth BITS funding. They were: Simply the Best, SeaChange Technology and Dspace. Through the enabling of \$4.5 million in equity in Dspace by venture capital following the initial seed funding of \$250 000 by Playford Capital, these businesses have moved forward and grown and employed more staff. By participating in a syndicated equity investment of \$2 million, the South Australian e-freight company MoveIt is now progressing its freight moving internet business very actively. We found that support at the

recent World Congress for IT in Adelaide in matching IT companies with potential national and international partners was of significance, but in many regards it was not just finding money for these businesses: it was also attracting staff from across the world.

This year Playford Capital will continue by looking for promising investments in South Australian high-tech start-up companies that have the potential for growth. It will provide support such as a kick start with seed funding and provide business guidance and assistance in the sourcing of second round funding from venture capitalists and strategic partners. This support will be part of the government's overall information economy strategy of working collaboratively with industry and others to create an environment that enables the information economy to benefit South Australians, not just economically, but also socially.

**Mr HAMILTON-SMITH:** I will make a brief opening statement and note the opposition's concern that that statement has taken 15 minutes—a quarter of the time available for questioning today, which we think is disappointing. The opposition is of the view that innovation and the knowledge economy are the future of the South Australian economy, that we need to transform this economy totally and that the area for which the minister is responsible needs to lead the charge and have the resources to do so. We are extremely concerned that the good work built up over the past eight years may languish.

We feel that the start made with the A.D. Little report of the early 1990s, the IT 2000 policy that followed in 1995 and the IE 2002 policy that then followed in the late 1990s together provide a very good foundation for the way ahead. We are concerned that cuts in this area, about which I will ask questions shortly, may result in a diminution of the good work of IT 2000 and IE 2002. We find the absolutely stunning announcement made by the minister two days ago that the new government has totally failed to provide or continue with the \$40.5 million innovation fund created by the former government to be an absolutely stunning act of incompetence by this government.

You have continued with one innovation project, which was the initiative of the previous government: the Grain Research Centre of Excellence at WAIT, which we will deal with later. There is no additional funding for any further project. As you explained earlier, you will simply see what comes by and grab it if you can, but there is no funding provision. It is a stunning admission, given that the \$3 billion Backing the Future program from the federal government relies so totally on a commitment from the state government as part of a partnering arrangement to attract the sorts of centres of excellence to this state to which the minister referred in her opening remarks.

We feel that the link to IT and biotechnology is important. We also see the need for centres of excellence largely to lead the charge in showing the way for small business. We are concerned about this government's disjointed approach to IT and the information economy. We find the stunning admission two days ago that the minister for information economy, who has within her portfolio the Office of Innovation, does not have within her portfolio the Centre for Innovation and Business Manufacturing which, in the minister's own words two days ago, is 'the main provider of small business services in South Australia'. That would include small business information economy based services, yet that organisation, CIBM, is with another minister, the member for Port Adelaide—the Treasurer and minister for industry. It is a

mysterious and disjointed decision, and we will be looking at how IEPO will be carved up and how the split between DAIS and your portfolio will fall.

The opposition notes another concern. I think we are dealing today with Playford Capital, which is funded through industry and trade, but we are also dealing with budget lines in DAIS. We repeat the concern we expressed two days ago that the disjointed and fractured way this portfolio has been presented to the estimates committee is a matter of concern. We have three appearances over two weeks; we could have had one appearance in one day and dealt with all the issues in this portfolio in one swoop. I will move on to my first question. I refer to the Department for Administrative and Information Services Output Class 4.2 shown on page 10.28, concerning cuts to the information economy area. Why has the government reduced net expenditure on the information economy from \$13.526 million in 2000-02 to \$11.59 million in 2002-03—an apparent cut of almost \$2 million from the information economy? What programs or activities are to go or will be cut back as a consequence?

**The Hon. J.D. LOMAX-SMITH:** First, I congratulate the member for Waite. It has taken two days, but at least he now knows what CIBM stands for. There are several issues that need to be brought to the attention of the member for Waite. First, there has been no failure in funding. He may have been asleep at the wheel when it was announced, although I thought he was at the launch. But we have funded for the centre for plant genomics at the Waite centre, which is \$12 million. We have been interested in and supported the ICT Centre of Excellence but, in case the member had not noticed, we did not win the project. It went interstate. In relation to the CRCs and the centres of excellence, we are still in the game but there does not seem much point posting the cheque if we have not been awarded the project. So, we will not be involved in those events unless we are fortunate enough to win them.

However, we have an active program for science and information economy and, in relation to the previous government's management of these portfolios, it was quite clear that they were disrupted, fragmented, and left languishing in multiple departments where the natural synergies were not taken advantage of. This government has put those natural components into one portfolio where they can work together. But, notwithstanding that observation, it is worth commenting on the fact that this government's cabinet does work together, it does coordinate across portfolios, and we are very anxious to make sure that we do not operate within silos and we make lateral attachments to other departments and work jointly on projects.

**Mr HAMILTON-SMITH:** I ask for an answer to the question. Almost 25 minutes has gone. Can we get an answer to the question about reduction in funding from \$13.5 million to \$11.5 million for the IEPO?

**The CHAIRPERSON:** Minister, you might like to repeat your opening statement in response.

**The Hon. J.D. LOMAX-SMITH:** Madam Chair, I came into this series of estimates committees with goodwill and a willingness to be open, but I have found the member for Waite has not allowed me to be direct because, if I do not correct his assertions, which are generally inaccurate, then he takes them as being agreed to and says I have admitted to having failed or I have admitted to cuts. I feel I cannot let his inaccurate comments go unanswered so I have taken the decision that I will respond to his inaccurate assertions before I answer the question. If he can refrain from making inaccur-

rate opening statements, I will refrain from responding to them.

In relation to any alleged cuts, there is an apparent net reduction of \$1 million which reflects funding fluctuations from Networks For You, which is a commonwealth funded project.

**Mr HAMILTON-SMITH:** I have a supplementary question. On reading the budget papers, last year net expenses were \$13.526 million and this year it is \$11.59 million. That is a difference of \$2 million. By way of a supplementary question, I am asking the minister whether she can explain why \$2 million, almost 17 per cent or 18 per cent of the budget, has vanished.

**The Hon. J.D. LOMAX-SMITH:** I wonder whether we could get clarification on this matter. The numbers are quite simple but I can understand the member for Waite's difficulty: he has never been involved in estimates as a minister so he possibly does not understand the way the figures are presented.

**Mr MILLER:** The net expenses are \$13 million and \$11 million, not the gross expenditure. We receive revenue from various areas and this includes money for projects such as Networks For You, which is funded by commonwealth money. The gross expenditure, which is the total expenditure, is falling from \$17.9 million to \$16.9 million in this area, and that is a reflection mainly of the reduction in the Networks For You program, which is the commonwealth grant money. There are some other programs which are part of IE 2002, which are one-off programs and which have finished, and they were funded for a period of one or two years.

**Mr HAMILTON-SMITH:** Thank you, we will look into that. I note that your planning for revenue is up by nearly \$1 million this year over last year, but we will not waste time exploring that.

**The CHAIRPERSON:** Will the member for Waite ask his second question?

**Mr HAMILTON-SMITH:** I refer to the IEPO and the transfer from DAIS to your department, minister, which I assume is about to occur. Is the Information Economy Policy Office to be transferred fully to the new Department of Science and Information Economy, and how much of the \$16.8 million in Output 4.2 on page 10.18 will be transferred and what will remain with DAIS? I note on page 10.4 that the status of the IEPO in advising government on policies that should be adopted and projects that should be undertaken to enable the state to succeed in the new economy now includes developing initiatives and managing projects to completion. The last part, I understand, was not always an IEPO role. Will you as Minister for Science and Information Economy be managing projects, or will part of the IEPO remain with DAIS and some of it come to your department? So, how much of the money and the entity of the IEPO will come to you and how much will stay with DAIS or be sent elsewhere?

**The Hon. J.D. LOMAX-SMITH:** The IEPO will not remain with DAIS. The projects and funding will come predominantly to my department but there may be an opportunity for some liaison with other departments. We are talking about a more horizontal linkage and we will second staff into other departments.

**Mr HAMILTON-SMITH:** I have a supplementary question. I understand that the name 'IEPO' may come with you, but I am asking whether all the people, all the roles, all the functions and all the money currently with the IEPO, and historically, will come to you, or will there be a 50-50 split

or a 75-25 split? Will the whole lot come over, or what will happen?

**The Hon. J.D. LOMAX-SMITH:** I think there is some misunderstanding, because the IEPO does carry out projects. You seem to think that the IEPO does not perform any projects.

**Mr HAMILTON-SMITH:** No, I am simply making the point that the IEPO performs a number of functions, one of which now, according to the budget papers, appears to be managing projects to completion. It also has strategic functions. I wonder whether it is only the strategic functions that will come to you and that the management and contract administration functions will remain with DAIS or whether you will take on all those roles. I want to know where the money and the people are going.

**The Hon. J.D. LOMAX-SMITH:** I think that there is some confusion. We do not manage contracts: we manage projects. For instance, the networks program is managed from within DAIS in the IEPO. But when there are contracts for services for the whole of government, they are managed through DAIS.

**Mr HAMILTON-SMITH:** Is all the money in Output Class 4.2 in DAIS and all the entity of DAIS to come to your new portfolio and be presented as such in next year's budget?

**The Hon. J.D. LOMAX-SMITH:** We are still negotiating over the new shape of the department, but the IEPO is destined to leave DAIS.

**Mr HAMILTON-SMITH:** So it is about as confusing as the Centre for Information and Business Manufacturing, by the sound of it.

**The Hon. J.D. LOMAX-SMITH:** The member for Waite is confused about CIBM. I am not.

**Mr HAMILTON-SMITH:** So is the industry, minister.

**The CHAIRPERSON:** The member for Waite will ask his third question.

**Mr HAMILTON-SMITH:** My third question concerns Service SA, an IE 2002 policy. I understand, although the budget does not specify, that it is funded in Output Class 4.2. What is the government's vision for the Service SA program and what funding has been allocated to the first customer service centre in Whyalla and to the confluent web site, call centre and the additional three customer service centres, together with rural agents? Where will the three new customer service centres be located?

**Ms CICCARELLO:** Norwood.

**Mr HAMILTON-SMITH:** That is my concern. Is the present government planning to redirect the program from regional areas and from the country into Adelaide, and particularly into Labor Party seats?

**The Hon. J.D. LOMAX-SMITH:** The member for Waite should not judge us all by his own standards. We do not believe in that kind of activity. We try to serve the whole of South Australia equally well, but it might serve the South Australian public better if he asked that question of minister Weatherill.

**The CHAIRPERSON:** The member for—

**Mr HAMILTON-SMITH:** Excuse me, Madam Chair.

**The CHAIRPERSON:** Excuse me, member for Waite.

**Mr HAMILTON-SMITH:** I am asking for a supplementary.

**The CHAIRPERSON:** Is it for clarification?

**Mr HAMILTON-SMITH:** The minister has explained that Service SA is a project managed by IEPO.

**The Hon. J.D. LOMAX-SMITH:** I did not say that. That is your interpretation.

**Mr HAMILTON-SMITH:** Is it one of your projects?

**The Hon. J.D. LOMAX-SMITH:** Do you want me to answer simply?

**Mr HAMILTON-SMITH:** I am asking the minister what the vision is for Service SA, which is an IE 2002 project, which, as she has explained, comes within her portfolio.

**The Hon. J.D. LOMAX-SMITH:** I am not required to have a vision for something that is minister Weatherill's portfolio.

**Mr HAMILTON-SMITH:** All of IEPO is in minister Weatherill's portfolio at the moment, but it is coming to you, minister, and that is why we are here. We are asking questions of the minister about IEPO and what is coming to her. Is that not correct?

**The Hon. J.D. LOMAX-SMITH:** No, there seems to be some confusion about where that part of the project lies.

**Mr HAMILTON-SMITH:** Is that staying with DAIS?

**The Hon. J.D. LOMAX-SMITH:** Would the member prefer Mr Martin to explain to him simply where that program lies within the portfolio?

**Mr HAMILTON-SMITH:** Yes.

**Mr MARTIN:** IEPO has historically developed the ideas and policies and what projects should be developed and implemented to bring the policies into being. That means, as projects, it might be putting things out for bidding into the private sector or for people to perform certain services for government or to develop certain things. The release of those documents, the assessing of the bids, the evaluation of the bids, and all of that process has been handled within IEPO. In addition, once a preferred bidder is selected, historically the negotiations with that bidder and the dealing with the other bidders have also been handled by our office.

Following negotiations, we go through a contractual process and enter into a contract with someone to deliver whatever the project is and then, when the project goes into the management phase, it is handed over to another section of DAIS for it to be managed as an ongoing implementation of a project. One has to differentiate between the initial stages of developing, calling for, assessing and putting a project in place and reaching a contract for its management and implementation. We do the first half. The rest of DAIS, generally government ICS, has been doing the second half.

In relation to the IE 2002 projects, because there were so many and because, frankly, a lot of them were only a title and did not have any substance or implementation plans when the plan was released, we tried to give some of them substance. There were so many that we could not do that ourselves, so some was done in the rest of DAIS. Government ICS, for instance, had the sole responsibility for Service SA from day one, and it developed Service SA and rolled it out in three sectors in the country, I think, in the first instance. Government ICS still has the management of Service SA.

The various other individual projects in IE 2002 were handled differentially. Some of them already pre-existed in other government departments and continued to operate in those departments and were never separate projects handled within IEPO or DAIS in any event. About half of them were new projects or could be classified as such and were handled either by IEPO or by the rest of DAIS in some way.

**Mr HAMILTON-SMITH:** The minister said earlier that IEPO did not write contracts, or words to that effect, and I have also raised this issue of IEPO managing projects to completion, which the budget says on page 10.4 (first dot point), but it has just been explained that there is a project that is not being managed to completion by IEPO. I am trying

to clarify on behalf of the taxpayer who will manage these projects to completion. Will it be IEPO and you as minister, as the budget paper says, or will things be left in DAIS and there will be an overlap?

**The Hon. J.D. LOMAX-SMITH:** I think there is some confusion about who writes and who manages. We do not write contracts. I will ask Mr Martin to explain it to you again.

**Mr MARTIN:** We develop the terms for the contracts. In entering into contracts, the government takes proper advice and has historically taken proper advice in relation to those contracts. The negotiations leading to those contracts and the projects under IEPO's management have been done in IEPO. I would like to correct what I said before. There is one project that we do, the Networks for You program, which is wholly run out of IEPO. That is an exception to all the other things. That pre-existed the IE 2002 plan by 12 or 18 months, and that is a very large project, as the member is probably aware, that is managed from IEPO and through many areas in the country. That is an exception to the other general things I mentioned, and I would like to correct that for accuracy.

**Ms CICCARELLO:** I refer the minister to Budget Paper 4, volume 2, page 10.16. Will the minister inform the committee of the impact of the recent World IT Congress on the state's local IT industry and the steps taken by this government to capitalise on the opportunities presented?

**The Hon. J.D. LOMAX-SMITH:** The next two years are very important for South Australia's IT industry because the recent World IT Congress has placed Adelaide in the world IT spotlight until May 2004, when the next congress will take place in Athens. The congress provided IT companies with an opportunity to capture the attention of potential interstate and international customers. Many of these customers and companies exceeded their own expectations and are now participating in the global market. Business deals were not the only benefit from the congress. Several companies used the opportunity to identify and recruit senior IT executives into the state. Others obtained international expertise to refine their products, and some formed a number of partnering opportunities for future collaborative arrangements.

I recently met with the Chief Executive Officer of the World Congress on IT 2002, the Chair of the IT Council, and representatives of several small and smart IT companies which took part in the congress. We discussed the implications of the congress to the state and looked at the next steps to ensure that the state capitalised on the opportunities presented by the congress. During that meeting, I heard a number of good news stories from the industry representatives. One common theme ran through all of them and that was that, above all, the congress provided credibility to the local IT industry, with Adelaide now seen and recognised as a logical place to conduct IT business.

The South Australian IT Council will now lead an action group of representatives from the Australian Information Industry Association, World IT Congress executive team, local South Australian IT companies and the South Australian government to ensure that the state capitalises on the opportunities presented by hosting the World Congress in Adelaide. This group is currently finalising a strategy paper and an action plan. While I have expressed the government's willingness to support them in this process, the extent and nature of government support will be clearer once the action group has finalised its strategy paper.

**Ms CICCARELLO:** My second question also relates to Budget Paper 4, volume 2, page 10.16. What steps is the

minister taking to ensure maximum levels of internet awareness education and uptake in rural South Australia?

**The Hon. J.D. LOMAX-SMITH:** Networks for You, which we have briefly discussed already, provides internet awareness sessions and one-on-one support to rural South Australians. Approximately 200 centres across rural areas provide access to the internet as network centres. I have visited some of these during our country cabinets and visits to rural towns. The network centres are in libraries, councils, hospitals, regional development boards, tourism centres, community centres, youth centres, schools and TAFEs.

Networks for You works with communities of interest to create the link between the interests of people in the community and the benefits that the internet offers. Such groups include parents and friends, senior citizens, sporting clubs, staff groups, professional bodies and chambers of commerce. A subsidy program has recently been introduced to assist small community groups such as seniors, youth and special interest groups to fund internet access in their organisation for their members.

South Australian rural areas had the highest change in population rates in relation to internet uptake and use during the fourth quarter of 1999 to the third quarter 2001. South Australian rural areas experienced a 16.1 per cent increase in the population who have accessed the internet compared with the national rural average of 14.4 per cent. An additional 27.1 per cent of the South Australian outer metropolitan population accessed the internet during the fourth quarter 1999 to third quarter 2001, while the national outer metropolitan average increased by only 17.4 per cent during the same period.

One of the special highlights of the program is that it employs young people to act as mentors and trainees. In fact, 18 young people per annum were employed on IT traineeships, enabling them to stay in their regional communities and to develop vital skills for the future and for their community's sustainability. It provides confidence and skills to these young people and, to date, approximately 50 young people have participated.

**Ms BEDFORD:** Just following on the member for Norwood's question, what action has the South Australian government taken to make the internet more useful and relevant to South Australian citizens, businesses and organisations?

**The Hon. J.D. LOMAX-SMITH:** One of the projects that has been going for 1½ years now is Connect SA. It is aimed at assisting more South Australians to take advantage of the internet by making the internet more useful and relevant to South Australian citizens, businesses and organisations and to encourage the development of more South Australian web sites. A key feature of Connect SA was that it provided dynamically changing headlines originating from numerous other web sites, for instance the *News*, and linking viewers to the originating web site for full text of the *News* article. Whereas other web portals provide American, international and Australian content, Connect SA focuses on the South Australian perspective: this is a vital point of difference.

To June 2002, \$0.7 million has been spent on the project. It was hoped, when the program was launched, that 400 000 people would use the free email service. To date, however, that has not been the case, and in May 2002 only 452 people used this service. The email service has really not been widely adopted, largely because the market is already well served with free email services. For this reason, the



email service and the Connect SA portal are currently being reviewed to decide whether there might be another or better way to provide the outcomes we sought.

**Mr HAMILTON-SMITH:** My question is about the Playford Centre and how the government plans to fund and assist entrepreneurship and venture capital. This is a pet interest of mine, as the minister probably knows. I happened to do an MBA sub-thesis on the new economy at the University of Adelaide whilst completing my business studies in the new economy and the knowledge economy, and the role venture capital plays is vital. What are the government's plans to fund the business incubator program and to support the Playford Capital operated by the Playford Centre? There is the federal money, but state support is also required. How many investments will Playford Capital now make in the three-year period to 30 June 2004? I gather the Playford Centre will come completely under you, minister, so what is your vision for the future for Playford Capital and its role in assisting start-up companies in this state?

**The Hon. J.D. LOMAX-SMITH:** Can I commend the member for Waite for upskilling and continuing to gain expertise in a higher degree. Playford plays a very important role in helping start up companies; I have addressed that matter earlier. Clearly, there is a disconnect between the number of commercially realisable ideas and that transition to the marketplace. Our state is particularly hampered by the lack of venture and angel capital, and that is why the Playford Centre plays such an important role not just in providing start up funds but also, more importantly, in advice and mentoring. In relation to the number of companies that should be supported over three years, we expect that 25 to 30 investments should be made.

**Mr HAMILTON-SMITH:** I have a supplementary question. We talked about how much state money is required and what the financial commitment is over the next three years. Is there a funding future from the state government's viewpoint? At the end of three years, where to then, as there are two years to go?

**The Hon. J.D. LOMAX-SMITH:** We have in 2002-03, \$1.4 million; 2003-04, \$1.5 million; and 2004-05, \$1.6 million.

**Mr GOLDSWORTHY:** What is the government's vision for the industry action plans program which encourages industry groups to facilitate IE plans for specific industries? What level of funding has been allocated for that?

**The Hon. J.D. LOMAX-SMITH:** I am advised that the industry action plans were part of the IE 2002 network of potential projects. This project included the spatial information clusters, water, defence and IT industries. The previous government had made a decision that, to date, the process had not been highly successful, and the whole function had been passed over to DIT and now the Office of Economic Development. It was a decision made by the previous government.

**Dr McFETRIDGE:** What funding and support will be provided over the next three years from 2002-03 to the IT Council and on what terms?

**The Hon. J.D. LOMAX-SMITH:** We will need to get back to the member on the precise sum of money. Around \$200 000 has been budgeted for this year. After that period, we will conduct a review of its effectiveness and whether or not the body should continue in its present form. I suppose there are opportunities to have industry funded organisations and we will be talking to the organisation and discussing how they might run in future. It is the third year of a three-year funding cycle.

**Ms CICCARELLO:** Can the minister report on any growth in employment in the IT sector and where the major demand for skills lies?

**The Hon. J.D. LOMAX-SMITH:** A recent survey by the South Australian Centre for Economic Studies reported a positive outlook for the local IT industry in a number of key findings. Current employment in specialist IT firms is estimated at 9 000 and growing at approximately 5 per cent per annum, and that is over four times the average growth in other job sectors.

Overseas exports from the IT sector grew to \$214 million or 14.8 per cent of the industry's total revenue—a rise from \$156 million in 1998. Interstate exports represent 26.3 per cent of total revenue earned, and this is expected to rise to 29 per cent by the end of 2002. Fifty-eight per cent of employees in the industry have a graduate or postgraduate qualification, and this trend of upskilling is continuing. Businesses established in the past three years comprise 24 per cent of the industry, demonstrating a high rate of entry into the sector.

All indicators present very positive signs for continued employment and export growth. Initial indicators and informal feedback reveal that the IT sector has received a significant boost following the 13th World Congress on Information Technology held in Adelaide, and the government has offered support to the IT Council of South Australia to ensure that the state's IT industry capitalises on those opportunities. An IT industry growth plan is being developed by the IT Council of South Australia in partnership with key stakeholders, including the government.

**Ms CICCARELLO:** I refer the minister to Budget Paper 3, chapter 7, page 12. Can the minister advise how the commonwealth BITS funding is contributing to the development of the information and communications technology industry in South Australia?

**The Hon. J.D. LOMAX-SMITH:** I thank the member for Norwood for her question. The Playford Centre, via its controlled subsidiary Playford Capital Pty Ltd, is investing \$10 million of commonwealth BITS funding, on behalf of the state, over a three-year period to June 2004. This money goes to local ICT companies that can demonstrate potential for high growth. Playford Capital is a consortium comprising Playford Centre, the Centre for Innovation, Business and Manufacturing and Ngapartji. To date, it has committed \$1.63 million of the \$10 million and will invest the balance of \$8.37 million over the next two years. Playford Centre provides management and administration services to Playford Capital and, along with the other consortium members, provides finance and business development services to qualifying South Australian ICT companies.

During the past year, a total of 202 companies have received assistance from the consortium partners. A total of 34 companies receive some form of financial assistance; and eight of these companies received approval for equity investment from Playford Capital of between \$30 000 and \$450 000. Playford has used the BITS funds to inject much needed capital into potential high-growth ICT start-ups and also acts as a money magnet, successfully attracting a further \$7.4 million in private equity co-investment. Securing co-investment funds is vital to fast track the development of the ICT industry in the state.

**Ms CICCARELLO:** I refer the minister to Budget Paper 3, chapter 7, page 12. Can the minister outline the major achievements of the Playford Centre and the role it has played in assisting South Australia's economic development?

**The Hon. J.D. LOMAX-SMITH:** The Playford Centre is the lead partner in the Playford Capital Consortium, which secured \$10 million for the state from the commonwealth BITS program. The centre, via its controlled subsidiary Playford Capital, is building on its early achievements by using the BITS funding to invest in potential high-growth ICT companies. To date, Playford Capital has invested \$1.63 million in six companies and approved a further two investments totalling \$300 000, and it has also successfully secured a further \$7.4 million in co-investment. Its recent investments include:

- DSpace Pty Ltd, which is located at Technology Park. DSpace has developed innovative world-class satellite modem technology. Playford Capital's earlier investment of \$250 000 in DSpace was rewarded when, at the end of March, four investors, including two venture capital firms from interstate, committed to invest \$4.2 million in DSpace to allow it to further develop its products and technology.
- Move It Pty Ltd, a South Australian company operating in the freight industry, is developing a logistic system that allows users to track and trace outbound and inbound parcels and packages. In mid March, Playford Capital invested \$300 000 alongside a venture capital firm and a private investor to commit to a total investment of \$2 million into the business.
- Beonic Corporation Pty Ltd, which develops systems that provide people counting in shopping malls and other retail outlets. Playford invested \$250 000 in Beonic and brought in two business angels, including one with excellent retail connections, resulting in \$1.1 million in equity in Beonic.

Playford Centre has assisted over 280 companies under the earlier success sharing models since it commenced operation in 1997 until the time Playford Capital commenced operations.

A total of 23 companies were assessed as potential high-growth ICT businesses and were allocated a total of \$5.5 million. A further 260 companies, although not demonstrating potential for high growth, were nevertheless provided with some financial assistance or, at the very least, an assessment of their business case and some valuable market research.

The primary role for the centre has always been to actively assist ICT companies to prepare for and raise second round finance. Nine of the companies assisted under the success sharing model have succeeded in raising more than \$22.5 million funding in total with the centre's assistance. Companies in which the centre, or its controlled subsidiary Playford Capital, has invested and is still currently working with employ 146 000 South Australians and export over \$2.1 million in information technology products and services. Sales growth from investees is in the order of 21 per cent per annum.

In summary, Playford Centre and its controlled subsidiary Playford Capital are performing an excellent service in developing the local ICT industry, through their efforts in investing in potential high-growth companies and attracting professional investors into the state. These investors are bringing substantial sums of money into South Australia to invest in our businesses, allowing them to grow quickly to take advantage of the rapidly changing ICT market opportunities.

**Mr HAMILTON-SMITH:** Despite the fact that the government has run the time out for this question with a long

opening statement and lengthy questions and answers, I want to read some omnibus questions into *Hansard* to be taken on notice, if that is all right.

**The CHAIRPERSON:** Certainly.

**Mr HAMILTON-SMITH:** My questions to the minister are:

1. For each of the years 2002-03, 2003-04, 2004-05 and 2005-06, and from all departments and agencies reporting to the minister, what is the share of the total \$967 million saving strategy announced by the government and what is the detail of each saving strategy?

2. For all departments and agencies reporting to the minister, what is the share of the \$322 million underspending in 2001-02 claimed by the government and what is the detail of each proposal and project underspent and what is the detail of any carry-on expenditure to 2002-03, and what has been approved?

3. Will the minister advise the committee how many reviews have been undertaken or are scheduled to take place within her portfolio since the government was elected? What matters do these reviews pertain to and which consultant or consultancy organisation has been hired to undertake this work, and what is the total cost of these contracts?

4. Will the minister advise the committee how many of the 600 jobs to be cut from the Public Service will be lost from within the portfolio?

5. Will the minister advise the committee which initiatives contained within the government's compact with the member for Hammond have been allocated to this portfolio, the cost of each initiative, and whether these costs will be met by new or existing funding?

6. Will the minister advise the committee of the number of positions attracting a total employment cost of \$100 000 within all departments and agencies reporting to the minister as at 30 June 2002 and estimates as at 30 June 2003?

**Mr GOLDSWORTHY:** Minister, how will the government continue its commitment to the m.Net program? What funds will be provided over the three years and beyond to develop the resource? Will m.Net infrastructure remain with DIT or with the Minister for Science and Information Economy?

**The Hon. J.D. LOMAX-SMITH:** This function, m.Net, is not part of my portfolio responsibility. I understand it is part of DIT.

**Mr HAMILTON-SMITH:** The m.Net project is one of the most significant information economy and technology projects initiated by the state government in recent times. It links to the earlier questions: what is with DIT; what is with the minister in her new portfolio; and what is with DAIS? It sounds like an absolute mess. There are things all over the place. The minister has criticised the former government along the same lines, and yet it sounds as though the information economy area is all over the place with the new government.

Minister, what role will your department play, if any, in the m.Net project, the Centre for Innovation and Business Manufacturing, as you have so carefully reminded us? What role will it play with contracts administration once IEPO has finished with it? Will you have control of information economy, or will it be spread all over the place, as you seem to be indicating?

**The Hon. J.D. LOMAX-SMITH:** I think the member for Waite should consider that information economy impacts on every function of life and government. There is not a single department that does not have as an integral part of its

infrastructure a major information economy component. It is unthinkable, although rather charming, that he should ascribe to me the role of being the only minister in the whole of government, because every department has computing and IT functions. It does not work like that.

However, in our government, ministers do speak to each other. We do collaborate and work together. It is not necessary that I run the whole government in order to be the Minister for Science and Information Economy.

**The CHAIRPERSON:** Time for the examination of this line has expired.

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**Witness:**

The Hon. T.G. Roberts, Minister for Aboriginal Affairs and Reconciliation.

**Membership:**

Mr Caica substituted for Mrs Geraghty.

Ms Kotz substituted for Mr Hamilton-Smith.

Mrs Hall substituted for Mr Goldsworthy.

**The CHAIRPERSON:** Minister, do you have an opening statement?

**The Hon. T.G. ROBERTS:** Yes. First, I take this opportunity to place on public record my pleasure in having ministerial responsibility for Aboriginal Affairs in South Australia, and I accept this important responsibility. The metropolitan, regional and remote Aboriginal communities are the most marginalised and disadvantaged sections of South Australian society, as indicated by statistical measures in the important areas of health, housing, education, employment and training, and that has been the situation for a long time.

In government, it is Labor's commitment to form an agenda to turn these trends around to begin the immediate process of lifting standards to improve choice and options. Whilst in opposition, we worked in a bipartisan way over a period of time with the previous government, and we worked cooperatively on many issues with the previous minister, who is here today—and I take time to note that. There were some areas where we had disagreement on ways to proceed, but I am sure that the previous government was trying to achieve the same aims and ends.

Unfortunately, throughout Australia circumstances have changed, for the worse in a lot of cases, particularly in remote regions and we hope, cross-agency, to be able to in a bipartisan way put a lot of programming together to try to address some of the difficulties that face people in metropolitan, regional and remote areas. A key element of our policy is to work with communities to try to get the best possible outcomes by communities taking ownership of, first of all, recognition of the problem and then being able to identify a solution so that we can best target our government resources to communities to have lasting impacts on the way in which we deal with those matters.

A key element has been to place Aboriginal Affairs in cabinet and that was a clear demonstration that the government's commitment to the area was a genuine one, to take those major issues directly into the process of government via the cabinet. It was important to make sure that cross-agency cooperation was going to be paramount in our policy development to come to terms with a lot of problems that we

have been facing and are going to face. Furthermore, the government will continue to seek to treat Aboriginal Affairs in the future in a bipartisan way, and I have certainly had a lot of discussions with the shadow minister for Aboriginal affairs in this place, and I hope that cooperation will continue.

The government will work with the commonwealth, states and territories to deliver total coordination of service provisioning through whole-of-government commitment in the areas of health, education, housing, employment training and aged care, and I must emphasise that the commonwealth's role is paramount in being able to fund adequately a whole range of programs that we as states are able to identify and work through cooperatively and together in order to get the outcomes that we require and to achieve that choice and opportunity that we are desirous of.

It is a priority with indigenous youth to begin breaching the generational poverty cycle and it is vital, particularly in the metropolitan area, that we try to break that through education and training opportunities and recognition of a whole range of problems in education, including truancy and being able to motivate particularly younger Aboriginal children to be interested enough to stay in the education system to become available for the programs that we can set up in the secondary and, hopefully, tertiary education system.

About half of the South Australian indigenous population resides in the metropolitan area, and this must be taken into account in the delivery of services. In that process it is critical to understand the strains that are placed on the delivery of services by the movement of the indigenous population within and from regional and remote areas into the metropolitan area. Too often, I think, we get a lot of our programming wrong or misplaced in not being able to identify some of those movements and trends that are occurring where remote and regional service provisioning and communities in particular start to feel the strain. Young people tend to want to move towards the bright lights of the metropolitan area. Those trends are difficult to pick up but we have to be continually monitoring them, otherwise they turn into major problems for others in the sharing of the little resource that a lot of metropolitan based Aboriginal people have.

The major issues causing deterioration of choice and loss of dignity include the abuses of drugs, alcohol, petrol sniffing, violence in the communities and, to some extent, the broad-based problem that exists in the rest of the community, and that is gambling. Education, health, housing and income are pivotal to enhance choice and become paramount for employment and lifestyle options. We have to foster the aspirations and ambitions of original Australians through education and broader understanding—not patronage—to balance the power relationships. Only then can respect be regained by indigenous leaders on behalf of their people and in the eyes of the wider white community. It is a fine line between patronage and intervention and that is the balancing act that governments have to play in giving the confidence of leadership to the communities so that they can take ownership of their lives. But we have to provide the resource backup and balance that they cannot provide themselves. The broader community expects that support for their aspirations to be filled: we have to supply it for our indigenous population, too.

As minister, I do recognise the time and effort of the indigenous community and individuals who, over many years, either voluntarily or on a lot less payment than some people within the broader community are paid, are helping us come to terms with some of the difficulties that people in

communities face but, unfortunately, in some communities those people are getting worn out with the amount of difficulty that they are experiencing in dealing with many of the problems they face on a day-to-day basis. Without their help in these communities the situation would be far worse. I am committed to building the leadership capacity of indigenous individuals and communities to ease that burden and further strengthen the communities.

Indigenous deaths in custody and disproportionate contact with the criminal justice system are a blight on the entire community. The prison population in this state and in all other states shows far too high a representation of indigenous people in our correctional services system.

The government will continue its commitment, along with the commonwealth and states, to implement the recommendations of the royal commission into Aboriginal deaths in custody. That is an ongoing program and a continuing, ongoing problem. We are also looking for alternatives to incarceration for the treatment of many of the problems that young male adults, in particular, have in dealing with either the prospect of incarceration or being incarcerated in our correctional services system. The government cannot and will not sit and watch the further deterioration of Aboriginal communities which have so much to offer our community as a whole. We have to build their confidence up within their communities so that they are able to confidently show and display their culture and be proud of it. In a spirit of reconciliation and in the way in which the reconciliation processes work we have to ensure that the broader community is able to have that same pride in living and working alongside our indigenous population.

As I have tried to point out, the portfolio responsibilities offer many challenges that directly impact on the day-to-day lives of Aboriginal people in the state, and I am committed to addressing the disadvantaged in our society in some way, and to making a positive contribution to achieving improved outcomes. I acknowledge that there are many other areas of government that play a role in improving the living standards and overall health of Aboriginal communities. I thank other ministers and many committed staff who have worked in a bipartisan way to achieve outcomes in areas such as health, education and housing.

Again I thank those many people in the regions, the metropolitan area and remote areas who supply that backup servicing, because without that help governments would not be able to afford to carry out many of the programs. In my short time in the position I have been fortunate to meet and discuss many important issues with members of the communities, and by listening I have certainly been able to learn a lot about lifestyle, culture and heritage that I certainly was not aware of before being a shadow minister, and now minister. I am still learning. I am particularly keen—

**The CHAIRPERSON:** I am conscious that we have only an hour for this and I wonder whether it might be time to invite the member for Newland to speak. Do you have much more to say? Ten minutes was the amount of time allotted for opening statements, minister. Perhaps it might be appropriate to hand over to the member for Newland now.

**The Hon. T.G. ROBERTS:** I will finish this one sentence. I am particularly keen to strengthen my relationship with Aboriginal people in all areas of the state including rural, remote and regional communities and I look forward to working with the opposition in a bipartisan way to achieve many of the issues that I have outlined in my preliminary opening.

**The Hon. D.C. KOTZ:** I thank the minister for his comments. However, in terms of bipartisan support from the opposition, I believe that the minister has dealt with aspects of his portfolio in a manner which is detrimental to some people who I believe deserve far better recognition of dignity than the self-humiliation that is now being imposed upon them. If we can resolve these issues, at some time in the future I may offer the minister bipartisan support, but at this point I have no regard for the manner in which he has operated in the first few months.

In relation to Budget Paper 4, volume 2, page 10.42, Aboriginal Development, Land and Heritage, an increase of \$1.1 million, which relates primarily to land rights administration funding from ATSIC, is administered directly by DOSAA for the first time. Both the minister and I know the reasons for that \$1.1 million coming into DOSAA's account. In fact, it is the reason for the dispute in the AP lands at the moment between the Pitjantjatjara Council, AP and ATSIC. As the minister knows, ATSIC is a major funding contributor; AP is the legal decision making body; and Pitjantjatjara Council is the employee of the Anangu Pitjantjatjara Council. It provides a service for payment or fees for legal and anthropological services.

The AP Council claims that the minister has exacerbated this terrible dispute which is separating people on the lands and which had been relatively concluded prior to the minister's taking over the portfolio. The minister would be aware that ATSIC, as the major funding body, wrote to the Premier on 29 April. That letter, from Brian Butler, states:

... I have been informed in a telephone call from an adviser to minister Roberts that the minister intends to transfer funds from DOSAA to the Pitjantjatjara Council for the duration of the review he has announced into funding and governance matters on the lands. I take this opportunity to point out that there has been no formal consultation with ATSIC on the matter of the so-called 'eminent persons' review of funding and governance for AP. As the principal provider of funding for AP, and in keeping with the spirit of the agreement entered into by both parties 12 years ago, we must protest at this clear lack of consultation and communication on the part of your minister. . . As it currently stands, ATSIC provides in excess of three-quarters of a million dollars in funds dedicated to assisting your government's state land rights legislation.

I request that you intervene to restore these funds without delay.

The minister would be aware of the letter he received from Anangu Pitjantjatjara, which was signed off by the Chairman of Anangu Pitjantjatjara, Owen Burton, on 23 April. In part, the letter states:

The AP executive is astounded by your lack of support for its current efforts to get better value for money for its taxpayer-funded professional services and to establish strong governance on the AP lands. You have not given proper respect to AP and to the fact that we have at all times followed a proper process, regardless of what a disgruntled minority may tell you. We will be going ahead with our plan, however, and we hope that you will decide to support us in this. . . The AP Executive is led to believe that you have arranged some sort of 'emergency funding' for that purpose. The AP Executive would like to be informed why this has happened, where the funding has come from, how much funding has been provided, what the funding is for, and under what part of your ministerial powers this has occurred.

Does the minister accept responsibility in mismanaging what is a very complex situation by opening the doors to Pitjantjatjara Council Incorporated, including Mark Ascione and Phillip Hope who were banned from the lands by AP Council, when you, minister, offered funding to Pitjantjatjara Council, when the doors had in fact been closed quite literally, and effectively gave solace to those who had

intimidated, misled and acted most inappropriately both personally and legally? Does the minister accept—

**The ACTING CHAIRMAN (Mr Caica):** Order! Is the member for Newland going to ask a question?

**The Hon. D.C. KOTZ:** This is the question, and it is coming to a conclusion.

**The ACTING CHAIRMAN:** I thought it might have been an opening statement!

**The Hon. D.C. KOTZ:** Does the minister accept that his action encouraged the dispute by supporting these vindictive and unprofessional individuals driven by self-interest and greed?

**The Hon. T.G. ROBERTS:** There are many questions involved in the issue. The member is right in saying that bipartisanship had broken down over this issue, and there is no doubt about that. The difficulty that we have in reaching agreement on this is to find a way to proceed that will avoid the most difficult of circumstances—that is, to have a solution or settlement to a problem that has existed for some considerable time. In fact, the opening up of the dispute goes back probably to 1996. The issue has been bubbling along without settlement for some considerable time and there has been a great deal of angst between the two land-managing councils.

There is no easy solution to the problem. We have three major groupings in the Anangu Pitjantjatjara area. There are two executives representing the interests of the groupings. There are two service providers: one that falls under the auspice of the Anangu Pitjantjatjara Council and the other one under the auspice of the Pitjantjatjara Council. One is situated physically in Alice Springs, and the other physically resides on our side of the border in South Australia.

I took an interest in this issue, as the opposition spokesperson for Aboriginal affairs, some time around 1997 and followed the dispute with interest. I had been contacted by traditional owners and Pitjantjatjara Council members and, because Pitjantjatjara Council and Anangu Pitjantjatjara people are on both councils, it makes it very difficult to get a solution that can be seen to be a workable one when you walk away from it. The solution to the problem has to take in a tri-state response and have commonwealth support. It is not a matter of my intervening in a way that is patronising: it is one of my intervening in a way that I felt was necessary because of the loss of life that was occurring on the lands while the disputes were going on over issues that had nothing to do with service delivery or human service delivery to the people within the lands.

If the dispute was going to continue, my view was that no attention would be paid to the difficult issues associated with petrol sniffing, alcohol and drug abuse and violence, unless a form of governance was provided that represented the interests of all people. The Anangu Pitjantjatjara Council's preferred position was that the Pitjantjatjara Council had no right to exist and that, because it was a Northern Territory-based organisation, all the services provided by the Pitjantjatjara Council should be brought in under the AP Council and situated at Umuwa.

It did not seem to me to be a very good way of settling a dispute, as the same people wander through Western Australia, the Northern Territory and South Australia. It was not a matter of supporting one side or the other: my view was to support both sides to make sure that, in the intervening period of discussions surrounding the dispute, the Anangu Pitjantjatjara council be paid the respect it deserves under the act and that the Pitjantjatjara Council, which had little or no

legislative protection in relation to its own existence due to the way in which the act was put together in 1981 or thereabouts, had a role and function, as you pointed out, as a service provider.

It was important that it be a council which had a political make-up and which was representative of the views of a large number of people in parts of South Australia, parts of the Northern Territory and parts of Western Australia which were not being taken into consideration. As you pointed out, if it were to close its doors, the council that had been a historical gathering point for political views would have been extinguished; it would not have had a physical existence. That is part of the dispute as it stands now. There is an attempt to close down or take over by AP the physical aspects of the Pitjantjatjara Council.

It is my view that, if an interim committee of both the AP Council and Pitjantjatjara Council could be formed through negotiations, as a South Australian state government responsible for all AP through the auspices of a representative committee representing all three major groups within that region, we could establish an interim committee that represented these people and then discuss the issues around combining the resources of the Pitjantjatjara Council and the AP Council and getting the two bodies to concentrate not just on the big ticket items but also on health, education and housing—all the service provisioning we needed to provide the alternatives for choice and opportunity for people in that area.

Unfortunately, the program that was put in place was that the AP survive and the Pitjantjatjara Council sink. I did not view that as an option. I am still working on it at this stage and I will be going to the AP lands tomorrow to facilitate further meetings to try to get a negotiated settlement around those issues. We hope that, with the combined support services when tier 1 and the commonwealth programming are put together, a form of governance will be on site that is mature and cooperative enough to be able to accept the administrative responsibility that goes with the provisioning of those important services. They are the life saving support services of nutrition, health and preventing and dealing with substance abuse and petrol sniffing, and all the law and order issues that your government recognised with an increased police presence.

All those issues need to be dealt with to try to get a cooperative approach for those sorts of outcomes. We are still working towards that solution. If we cannot get an agreement through the negotiating process, we will have to take an alternative look at the way in which we deal with it. We will not put up with this. A Coroner's inquiry that is to report very soon will be very critical of not just the South Australian state government but also other state governments that have allowed communities to deteriorate to a point where choice opportunity is measured by what drug or alcohol substance you abuse and your community collapses. That is the only choice some of those communities have.

Responsibility is on, and I would hope that, in a bipartisan way, we can still pick up the pieces and work towards a settlement where we can get three states cooperating to a point of dispatching services through health, education and housing to provide those opportunities; and we can get the commonwealth interested enough, then, confidently to place money into programs that will deliver services long term so that we can turn around those deteriorating circumstances.

**The Hon. D.C. KOTZ:** The minister is quite correct in stating that the Pitjantjatjara Council Incorporated does not

have legislative relief in any way. However, he is incorrect in stating that Anangu Pitjantjatjara wants to abolish Pitjantjatjara Council. The minister must be aware that a service agreement was recently drawn up by Pitjantjatjara Council for Anangu Pitjantjatjara Council to provide services. As the recipients of a service fee to provide legal and anthropological services (and they are the people who drew up an agreement), the Anangu Pitjantjatjara people felt it necessary to get an independent legal person to give advice on that agreement. It is as simple as that. I believe, as I am sure the minister does, that it is appropriate that if you are the recipient of a financial benefit—

**The ACTING CHAIRMAN:** Order! The member for Newland will get to the question, please.

**The Hon. D.C. KOTZ:** It is a little more difficult and complex to ask in a few seconds.

**The ACTING CHAIRMAN:** Member for Newland, ask the question, please.

**The Hon. D.C. KOTZ:** As the minister is aware, independent advice was sought, and it was through that situation that the Pitjantjatjara Council caused even greater problems than it had caused before. I know that the minister has tried to resolve the dispute by appointing Mick Dodson—a respected Aboriginal leader—to attempt to negotiate a solution. However, I have been advised that Mick Dodson returned and reported to the minister yesterday and, with all his skills, he was unable to solve the problem. I am also advised that he took some considerable time to sit down and talk with the people concerned.

**The ACTING CHAIRMAN:** Order! The member for Newland will get to the question.

**The Hon. D.C. KOTZ:** At the moment, Mick Dodson's comments seem to be aligned with Anangu Pitjantjatjara, and the Pitjantjatjara Council people have been irrational and not necessarily eager to assist in the processes. Will the minister give me his advice on the situation as it stands now and the results of Mick Dodson's attempt at resolution?

**The Hon. T.G. ROBERTS:** Dr Mick Dodson was appointed by us to intervene as a mediator to try to get a negotiated settlement. He has returned from the lands and given me a verbal report. I have asked him to put that in writing for me to present to cabinet. I will not comment on the report until it is in writing and until it goes before cabinet. However, I can indicate that there will be other meetings tomorrow as an outcome from the meetings that were conducted by Mick Dodson, and they will be the final stages of the mediation process.

With respect to the information that the honourable member has in relation to the Pitjantjatjara Council's attitude to the negotiations, I suppose that in any dispute one side or the other will try to play one-upmanship and hide behind the government or the opposition in trying to progress their case. In this case the Anangu Pitjantjatjara Council does have the legislative protection and support of this government. It is the council that we support. The Pitjantjatjara Council was asked to abandon its buildings and turn the services over to Anangu Pitjantjatjara as part of the negotiated settlement. That was seen as a barrier to any mediation process and we have to try to work our way through that difficulty.

There was a foreshadowed proposition put up by AP to the Pitjantjatjara Council but it was a caveat that the Pitjantjatjara Council could not accept in terms of the mediation process. We hope to try to at least get some outcomes from the efforts that have been put in by a lot of people over a long period to get both councils to work together and to combine the

resources of both AP Services and the Pitjantjatjara Council Services. I do not think that is an unreasonable prospect to try to work towards as an aim. It does not mean that by empowering the Pitjantjatjara Council you disempower the AP Council: it does not mean that by empowering the AP Council you weaken the Pitjantjatjara Council. Both, in the government's view, have a role and function to play in representing the interests of people on both sides of the border.

**The ACTING CHAIRMAN:** Before the next question I will make a short statement. I would like the questioning to be orientated towards the budget estimates, which is what we are here for. I congratulate the minister on his forthright answers to questions which, to date, have had very little relevance to why we are here. So, as a word of advice, please orientate yourselves towards the process that we are here for, and that is the budget estimates.

**The Hon. D.C. KOTZ:** I thank you, Mr Acting Chairman, and I accept your advice. I realise that you did get encouragement from the other side. The fact is that when I started this question I identified the exact page and the exact line in the budget that I am talking about. I am still talking to that particular line, which is at page 10.42 of Budget Paper 4, and highly identified.

**Ms BEDFORD:** Is this the only issue of importance in this area?

**The Hon. D.C. KOTZ:** It is the only one I happen to be interested in.

**Ms BEDFORD:** This is it?

**The ACTING CHAIRMAN:** Order! The member for Newland is entitled to her third question. Please proceed.

**The Hon. D.C. KOTZ:** Minister, will you investigate the inappropriate actions of Mark Ascione and Phillip Hope—Mark Ascione who took the principal legal adviser role out of Pitjantjatjara Council—and look at the standover tactics and intimidation that has been promoted by these individuals? Did you also fund Mr Gary Lewis, the chairman of the Pitjantjatjara Council, for legal advice in this last—

**The ACTING CHAIRMAN:** Order! There is a point of order.

**Mrs GERAGHTY:** Mr Acting Chairman, while I appreciate that the member opposite has identified a line in the budget, I am struggling to see how this is relevant.

**The Hon. D.C. KOTZ:** There is \$1.1 million. That is relevant.

**Mrs GERAGHTY:** It is your deep personal interest in it that is relevant. I feel that this is more an issue of the heart, or something else, but it does not appear to be relevant to the expenditure in the budget line.

**The ACTING CHAIRMAN:** The point of order is upheld. I am having trouble understanding the relevance with respect to the line you have identified.

**Ms BEDFORD:** You are not in charge any more, Dorothy. The Chair is here. You are wasting everyone's time. There are other issues.

**The Hon. D.C. KOTZ:** This is my time as well, thank you very much. It is \$1.1 million. If you do not understand, I cannot take the time to tell you all about it.

**The ACTING CHAIRMAN:** Order! The member has asked that question.

**The Hon. D.C. KOTZ:** I have and I am waiting for an answer.

**The ACTING CHAIRMAN:** I will give the minister the opportunity to answer it if he feels so inclined.

**The Hon. T.G. ROBERTS:** I think the question related to the behaviour of the legal advice and counsel of one side as opposed to the other side. If I were to conduct an investigation into the activities and advice given by legal counsel provided to the Pitjantjatjara Council, I would then be obligated to investigate the activities and advice given by legal advice to the AP Council because, in my view, both of them have behaved badly. That does not mean that we still cannot get a settlement. I am sure that, left to their own devices, the traditional owners and the people in the communities would love to sit around a table and discuss the issues in a rational and traditional way, and I am sure they would come away with a settlement without some of the interference of the people who are paid huge amounts to administer the services that are supposed to be provided to those communities.

I would surely like to be able to transfer some of those funds directly into the communities to help them with their health, education and housing. Unfortunately, as the minister I have a statutory role and function to play to try to work through the legislation we have. If we did have a bipartisan approach to this, it should be to disarm both the AP council and the Pitjantjatjara council—

*An honourable member interjecting:*

**The Hon. T.G. ROBERTS:** I am talking about disarming them of the weapons that they use against each other in relation to prolonging the dispute. The dispute is being prolonged by the inability of the negotiators to get around a table and even sit in the same room. That is how far the dispute has deteriorated. I am an optimist and I am still trying to get rational people to sit round a table and discuss the issues rationally as to whether there can be power sharing between the groups. If that cannot be achieved, there will have to be another form of governance that at least allows input from all the various viewpoints from that area to be accommodated and to at least provide some advice on the way in which traditional owners want their services to be provided, and in a way that they can take ownership of those services and we can provide back up support for them to be able to live in a way in which their children are not dying in early adulthood from petrol sniffing and drug and alcohol abuse. It is a far more serious problem than many of us in this parliament realise.

**Ms CICCARELLO:** I draw the committee's attention to page 10.7 of the Portfolio Statements, under Output Class 1: Aboriginal development, land and heritage, where it is intended in 2002-03 to:

Improve living standards in major rural and remote Aboriginal communities by providing essential services and implementation of reforms that will increase the level of regulatory advice in the areas of electricity and water supplies and sewerage disposal.

Can the minister provide details of the status of water and sewage disposal services to the 18 Aboriginal communities represented under the essential services bilateral agreement?

**The Hon. T.G. ROBERTS:** I thank the honourable member for her question and for her interest in Aboriginal affairs generally. This government is responsible for managing and coordinating sustainable essential services infrastructure that contributes to a safer and healthier living environment for Aboriginal communities and is maintained in accordance with a joint state/ATSIC essential services agreement. The state government is working in partnership with ATSIC to develop a jointly funded program totalling \$1.4 million over three years for SA Water to extend service delivery in accordance with regulatory frameworks of water

and effluent services to rural and remote Aboriginal communities.

The introduction of SA Water will ensure regulated connection to and disconnection from both effluent and water supply services. In addition, SA Water will conduct regular chemical and microbiological testing of potable water supplies. The coordination of the above mentioned services through SA Water rather than by a number of parties has been the case in the past and will greatly improve response times to critical water issues and provide opportunities for improvements in water research and planning.

The essential services bilateral agreement was established in 1988 between ATSIC and the South Australian government to cooperatively fund both capital and recurrent essential service requirements for major Aboriginal communities in this state. This agreement was renegotiated in 1997 and currently makes provision for the service needs of 18 Aboriginal communities. Under this commonwealth/state ATSIC funds capital infrastructure component the state matches that funding to maintain the infrastructure. In February 2002, ATSIC released a document that reviewed the way in which services are delivered. One of the recommendations of that document was a proposal to once again renegotiate the terms and conditions of the bilateral agreement. That renegotiation will take place this year.

Under present arrangements, no provision exists for regulated connection and disconnection to both effluent and water supply services, thus jeopardising the integrity of those systems. No formal or regulated arrangements exist for both chemical and microbiological testing of potable water supplies. There is also no formalised user pays system in place which would assist in conservation practices. Service connections and disconnections, water quality monitoring, sewerage monitoring and preservation of system integrity begs the need for statutory regulation. This is currently being progressed.

**Ms CICCARELLO:** I refer again to page 10.7 in the Portfolio Statements under Output Class 1, Aboriginal Development, Land and Heritage, relating the government's intention to promote partnerships with Aboriginal communities in the advice, planning and development of government service initiatives. Can the minister provide the committee with an example of how the government intends to achieve this target through the progress of the Port Augusta Social Vision and Action Plan and how the community will benefit?

**The Hon. T.G. ROBERTS:** This government is committed to improving policy and strategic advice in the delivery of outcomes for Aboriginal people through the provision of strategic policy advice on a range of Aboriginal affairs issues impacting on the social development of Aboriginal people in South Australia. In particular, this government, through the Department of State Aboriginal Affairs (DOSAA), has a significant role in developing cooperation between and coordination of effort in the delivery of programs and services to the Aboriginal community and monitoring the effectiveness of delivering these services.

Specifically this has been progressed through the Port Augusta Social Vision and Action Plan, *Shaping the Future* report, an initiative of the City of Port Augusta developed in partnership with the Attorney-General's Department of South Australia. Recommendations from that report that are of significance to the Aboriginal community are 3.4, 3.6 and 7.1, which I will address separately.

Recommendation 3.4 refers to the interim Aboriginal Advisory Committee, which was formally activated during

July 2001 with a role to: implement recommendations from the *Shaping the Future* report; advocate between the council and relevant groups; design strategies to increase promotion of Aboriginal culture; liaise with other councils and government agencies; inform Aboriginal community members about the city council and local government and how to gain access to these organisations; and establish positive relationships between council, Aboriginal people and the general community. Many of these initiatives were also worked through by the previous government in the lead-up to the preparation of the recommendations being shaped.

The advisory committee and the City of Port Augusta have discussed a broad range of issues in the 2001-02 period, including local government administration, crime prevention, education and training, dry areas review, reconciliation, recreation and special events. All of these issues are important for raising the expectations and the standards of living of people in the Port Augusta area and providing the choice that most other community members see as a right. I met with the Mayor of Port Augusta recently to discuss the progress of some of the initiatives that have been put in place under the previous government and how we can build on that to relieve the workload of a lot of people in the Davenport community, particularly, who have been struggling to keep their communities in shape, so that young people, indeed, all the people in the community, have the choice and opportunities that we all desire.

The partnership agreement between the City of Port Augusta and the committee, which was financially supported by the Local Government Research and Development Scheme, City of Port Augusta and DOSAA, is currently in the final stages of preparation. The document shall incorporate the following:

- a background on diversity of Aboriginal culture in Port Augusta;
- defining aims and objectives of the partnership agreement;
- identifying strategies to increase participation of Aboriginal people in the decision-making process;
- recognition of the contribution of Aboriginal people to the community;
- statement of reconciliation;
- identifying strategies that aim to increase opportunities for Aboriginal people in employment, social services and regional partnerships;
- identifying key first steps within strategies; and
- other key issues identified through consultation.

The first election of the Aboriginal Advisory Committee candidates has occurred and the 12 elected members will focus on developing improved relationships between the Aboriginal community and Port Augusta City Council, and implementing the relevant recommendations from the Social Vision and Action Plan.

The second meeting of the elected committee occurred on 24 June 2002 and the outcomes from this meeting included: confirmation for the display of the Aboriginal flag at Gladstone Square during NAIDOC week; confirmation for the installation of a plaque acknowledging Aboriginal occupation of the Port Augusta area at Gladstone Square, which was unveiled during NAIDOC Week; the signing of a partnership agreement between the AAC and the City of Port Augusta, which occurred during NAIDOC Week, as well as motions carried for direct reference to and for consideration by the Port Augusta Council.

From development through to implementation and monitoring, DOSAA has continued to provide regular support

and advice to the Aboriginal Advisory Committee and the City of Port Augusta; and, as I understand it, the formation of this advisory committee could lead to broader participation and at least end-feeding into the city council itself and certainly provide the confidence that is required by leadership—that the voice that they have is being listened to and that the recommendations that are being put forward are being implemented.

Recommendation 3.6 refers to the employment by the City of Port Augusta of an Aboriginal community development officer. During 2001-02 the City of Port Augusta and the state government, through DOSAA, have worked closely on the development and implementation of recommendation 3.6, which pertains to the employment of an Aboriginal community development officer. That officer will be required to contribute to the preparation and development of plans, programs and services which address the needs of Aboriginal people; implement, coordinate and monitor a range of services and facilities in response to the plans and program initiatives; and act as an executive officer between the Aboriginal Advisory Committee and the city council.

With initial funding of \$10 000 provided by the state government through DOSAA, additional contributions from ATSIC, Pika Wiya Health Service and the Department of Education, Training and Employment, have been secured to implement recommendation 3.6. It is anticipated that the successful incumbent will commence in the Aboriginal Community Development Officer position in August 2002. The City of Port Augusta will finance the position for a further two years.

DOSAA has provided support and assistance to the City of Port Augusta in the implementation of this recommendation, including the development of a position description and advertising and conducting interviews. DOSAA is also represented on the selection panel with interviews for the position tentatively scheduled for 2 August 2002.

In view of the time, Mr Acting Chairman, I will conclude that part of the questions. I will speak to the honourable member after the conclusion of deliberations and explain the rest of the programming. I congratulate all people in the Port Augusta area who have been, and are still, working to put forward social vision programming within a community that has had a lot of difficulties in relation to the breakdown of communities broadly.

In the communities that have high unemployment—and it is not only restricted to the Aboriginal communities, it is a problem throughout the community—I hope that the results that we get from the programs will benefit all sections of the Port Augusta community and that we continue to get the cooperation that we have been getting across agencies and through local government.

We can only hope that eventually that will lead to members of the community in Davenport and in Port Augusta generally participating in local government. The Office of Local Government has drawn up a plan for participation in local government and I hope that we will get broader participation in that in the future.

**Ms BEDFORD:** My question relates to the same area, that is, Aboriginal Development Land and Heritage, which outlines the government's intention to improve living standards in major rural and remote Aboriginal communities by providing essential services and implementation of reforms that will increase the level of regulatory advice in the areas of electricity and water supplies and sewage disposal. Can the minister provide details on what the government is



doing to implement this target to improve provision of power supply in rural and remote communities? I am prepared to sit here until the minister has finished the answer.

**The Hon. T.G. ROBERTS:** The member could put it on notice if she wants to. I can supply the member with a detailed answer or I can give her an abridged version.

**Ms BEDFORD:** Abridged.

**The Hon. T.G. ROBERTS:** The government is committed to ensuring that water, power and sewerage systems in the 18 Aboriginal communities in South Australia identified in the joint state government-ATSIC bilateral agreements are maintained. The state government will provide \$240 000 towards the implementation of regulatory framework, ensuring cost-effective and reliable electricity supplies to rural and remote Aboriginal communities throughout the state. The circumstances in which many people in the remote communities live and work have been difficult to manage by governments over time because of the small numbers of people and the large cost for infrastructure, which takes up a whole swag of budgeting.

Most of the budgets—certainly those with which DOSAA deals at a state level—get soaked up in infrastructure support programs, but they are of vital importance. We hope to be able to maintain our contribution. In 2002, it is \$292 000, and that will be matched by ATSIC. This will ensure that the systems comply with current standards and apply with the licensed electrical distributor operations which are due to commence in January 2003. DOSAA has also advised the land-holding authorities of AP and the Aboriginal Lands Trust that, for safety reasons, the electricity protection additions to the community distribution centres are required to provide protection to individual consumers.

Compliance protection measures will apply in the same way as they do for the rest of the community. The expectations are that, if it is a remote, regional or out of the way area, those services may not have to be serviced or applied in the same way. Those considerations no longer apply. The remote and regional communities have the same rights as all other members of the community, and we have to apply the same standards in remote and regional areas as we do for metropolitan dwellers. Metropolitan dwellers would not put up with some of these unsafe practices, such as the deterioration in the quality of sewerage and electricity delivery which occurs from time to time and with which people have to contend in remote regions. This sometimes occurs as a result of weather conditions or low maintenance budgets—and certainly DOSAA would like to have more money to spend from time to time. However, this is all being addressed at the moment.

**The ACTING CHAIRMAN:** I thank the minister and his advisers for appearing today and members of the committee for their questions.

*[Sitting suspended from 5.33 to 7.30 p.m.]*

#### **Membership:**

Mr Scalzi substituted for Dr McFetridge.

Mr Goldsworthy substituted for Mrs Hall.

#### **Departmental Advisers:**

Mr G. Foreman, Chief Executive, DAIS.

Mr B. Miller, Executive Director, State Procurement and Business Development, DAIS.

Ms M. Marsland, Executive Director, Building Management, DAIS.

Mr M. Grillo, Executive Director, Government Information and Communications Services, DAIS.

Ms J. Ferguson, Executive Director, Policy Planning and Community Service, DAIS.

Mr P. Fowler, Director, Telecommunications Services, DAIS.

**The ACTING CHAIRMAN:** Does the minister wish to start with a brief opening statement?

**The Hon. J.W. WEATHERILL:** Yes. As Minister for Administrative Services, a key priority is to ensure the continued provision of reliable government infrastructure services that support not only the activities of state government but their interface with local government, business and the broader community. I am particularly keen to encourage measures that enable greater transparency of our processes and easier access to government services. The Department for Administrative and Information Services brings a wide range of expertise to the development and implementation of policies and service delivery strategies across a very broad range of activities in government, and I am keen to continue to support DAIS's role as a central coordinating agency.

The work of DAIS is crucial to a key objective of the new government, that is, restoring faith in the political process. I have identified four particular themes that I would like to guide and direct the work of the department over the coming year: open, accountable and accessible government; a consistent and coordinated government; a productive and efficient government; and government as a fair and just employer. I will just develop some of those themes, which will guide the work and the expenditure of the department over the coming months.

Significantly first is the Premier's announcement of the open, accountable and accessible measures. As part of my responsibilities I have been asked to review the Freedom of Information Act and to undertake administrative changes that will enable and encourage the active release of information to the community. I anticipate that an amendment bill will be introduced to parliament during this sitting that will pave the way for all agencies to adopt this new regime. Part of that process will be to encourage the quicker processing of requests for information, but the broader objective is to encourage a change in culture about the way in which public sector agencies deal with the community.

Another aspect of that agenda is drawing on the advice and input of the Auditor-General. We are undertaking a review to modernise the State Supply Act. This will ensure the independence and authority of the Auditor-General in that process. We want to be in a position where we are no longer forced to suffer the embarrassment associated with the release of an Auditor-General's Report that reveals conflicts of interest such as have plagued the previous government. That draft bill, which is likely to be known as the State Procurement Act, should also be introduced in this sitting.

The state and local government interface is another important area of work for the new government. There are opportunities to create closer working relationships between these two sectors of government. That process is well under way. We are looking at considering joint procurement opportunities. The government's tenders and contracts web site has been made available to councils and one council has taken up that opportunity, and we would like to further develop that collaboration with local government. Further, there is in a broad sense a need to make government services more accessible, and the Service SA initiative, which I

acknowledge was initiated by the former government (including the work of the former minister who is with us today), will be further developed.

At least 10 rural agent centres have opened since we have formed government. This, together with the three Service SA customer service centres at Gawler, Whyalla and Port Lincoln, will provide a one stop shop for accessing government services, which is a crucial way of opening up government. In fact, tomorrow we will be announcing that in the Service SA network Rural Agent Program we will include Rural Transaction Centres, Ruralink Offices, Telecentres and state government offices in a range of regional areas.

There is a further sense in which government needs to establish its role as a consistent and coordinated government, and that is in the area of procurement. There are many opportunities through this agency to adopt a strategic approach to procurement that will ensure value for money in anything from the way in which we procure our IT services all the way through to the way in which we procure our electricity.

The government could then promote a range of its other policy priorities, such as the purchasing of renewable energy credits, through the way in which it engages in that procurement process. Further initiatives, such as the way we procure motor vehicles, and, indeed, the policies we apply to the use of government motor vehicles, can make additional contributions to the protection of our environment. So strategic procurement is another important way we can advance the efficiency objective that I outlined earlier as well as some of the government's other endeavours.

Access to records is another aspect of open and honest government. State Records has put a lot of effort into making accessible records which can be accessed by indigenous communities so that they can explore their family history, and that process will continue. In May, I announced the launch of a video and booklet which sets out ways that people can carry out that analysis and which will be a guide to those documents that are available to people in those communities.

The Department of Administrative and Information Services also plays a crucial role in risk management on behalf of the whole of government. We are presently undertaking a strategy to look at the removal of underground fuel storage tanks located on government land across the state to minimise the risk of environmental degradation and also to ensure better procurement outcomes.

DAIS continues to play a key role in reviewing IT needs and the provision and management of IT infrastructure for the whole of government. Of course, an important body of work will be necessary to review the EDS contract, and that is a continuing process which will engage many of the resources of the department over the coming 12 months. They are just some aspects of the work of this incredibly broad department that stretches from everything from the City Morgue through to the State Records Department. So it is an incredibly diverse range of services, and I have just touched on some of the initiatives that we will be pursuing in the next 12 months.

**The CHAIRPERSON:** Does the member for Newland wish to make an opening statement?

**The Hon. D.C. KOTZ:** No, Madam Chair, I think that the previous government's record of achievements in this area will be recognised as such.

**The CHAIRPERSON:** Would the member for Newland like to begin the questioning?

**The Hon. D.C. KOTZ:** Thank you, Madam Chair. I refer to Budget Paper 4, volume 2, Output Class 5.2, Services to

Government, in relation to the Media Monitoring Unit. Will the minister advise when and on whose advice and for what reason the Media Monitoring Unit was transferred to DAIS? How many people are currently employed in the unit? How many full-time positions have been budgeted for over the next 12 months, and are the employees employed under ministerial contracts? What is the projected total cost of the unit for a 12 month period?

**The Hon. J.W. WEATHERILL:** As a transitional arrangement, the Media Monitoring Unit has been transferred to the Department of Administrative and Information Services. It has been the subject of a review and a cabinet submission that will lead to a decision in the near future, but I am not at liberty to disclose that. The circumstances are that it was essentially housed there pending a review of its future operation. That review has been completed and a proposition is before cabinet and will be considered in due course. When it is finalised, it will be reported to the shadow minister or to the house.

I could choose to answer the detail of the member's questions by inviting her either to ask the question once we have made that decision, or I could undertake to supply the member with the answer once those deliberations are complete. But it is, essentially, at that decision making stage. So, a number of the matters that the member raises will be contingent on the decision that will be taken by cabinet.

**The Hon. D.C. KOTZ:** I appreciate the minister's cooperation. I am prepared, obviously, to await the outcome of cabinet submissions. But I guess, in terms of the question asked, it would probably still relate to where the budgeted amounts are held at the present time. Obviously, any submission may take some considerable time to process. I wonder whether the—

**The Hon. J.W. WEATHERILL:** I can answer that question. The budget is contained within my ministerial budget for my office, as things presently stand.

**The Hon. D.C. KOTZ:** Regarding that present arrangement, if the minister does not have the details now, I would like to get on the record at the moment what the budget situation is on that series of questions that relate to the make-up of the media unit and all other arrangements with the people who are there.

**The Hon. J.W. WEATHERILL:** I will supply the member with a more detailed answer but, in the broad, the present situation is the status quo. So, it is operating in almost precisely the same fashion in which it operated under the previous government. It is not yet being changed and reformed. There has been a review and a decision is pending, and there may well be changes after that decision is made.

**The Hon. D.C. KOTZ:** I do not have a budget line to know exactly at this precise moment the costs related to the media monitoring unit.

**The Hon. J.W. WEATHERILL:** If I can take that question on notice, I will supply an answer.

**The Hon. D.C. KOTZ:** In terms of the unit, as the minister has said, obviously, there are decisions that have to be made. There is a series of questions which I would like to put to the minister and which, if they are placed on the record now, could perhaps be included as part of the information that the minister would provide to me once those decisions are made. Can the minister obtain for me an itemised list of the services that the unit provides to the Premier, government ministers, Labor members of parliament, Labor Legislative Councillors and their ministerial parliamentary and electorate staff?

**The Hon. J.W. WEATHERILL:** I will take that question on notice.

**The Hon. D.C. KOTZ:** Still referring to the same subject, is the minister aware of the undertaking that was made by the Hon. Mike Rann on 13 February 2002 in a letter to the Hon. Peter Lewis MP, wherein Mr Rann undertook that the media monitoring unit of government would service all parliamentarians and ‘not just the government of the day’? Will the Speaker of the house be provided with the same level of services as government ministers, and will the minister obtain for me a comparative itemised list of the services provided by the media monitoring unit to opposition and all other non-Labor MPs?

**The Hon. J.W. WEATHERILL:** With respect to the first part of the question, the answer is yes, I am aware of that commitment. With respect to the second part, because the unit operates in the way in which it did in the past, there is no difference.

**The Hon. D.C. KOTZ:** I understand that.

**The Hon. J.W. WEATHERILL:** The member’s question seems to be more relevant to the circumstances that may pertain after any decision is made on the future disposition of the unit. I am in the member’s hands about how she would like me to answer that question.

**The Hon. D.C. KOTZ:** I am quite prepared for the minister to take that question on notice on the basis that, once he has made his decisions, he will advise me of the outcomes.

**The Hon. J.W. WEATHERILL:** Mr Acting Chairman, I do not know whether, as a matter of form, the appropriate course is for me to supply an answer to the estimates question in this format or whether it is appropriate for me to report in another context. I will abide whatever your ruling is about that.

**The ACTING CHAIRMAN (Mr Caica):** It would seem to me to be very difficult to provide an answer now, because one does not exist, given the fact that things are as they were. The minister knows the context of the question. Perhaps it can be taken on notice and, when things change, he will advise the member for Newland accordingly.

**The Hon. J.W. WEATHERILL:** I am conscious that it is contingent on future events that, theoretically, may not change. I will endeavour to communicate with the member, possibly through the estimates process, or it may be more appropriate to report to the house. It is a matter for the person who asked the question and for you as to how I deal with it.

**The Hon. D.C. KOTZ:** By way of clarification, on the basis that the minister advised that a cabinet submission would be looking at the means by which the media unit would operate in future, I am quite happy to have that taken on notice on the basis of the question asked. At this point, there is a media monitoring unit somewhere. We have been unable to get the details now because it is about to change. So, although it is, in a sense, hypothetical, it is still an answer that I cannot get about a unit of government at the present time. On that basis, I think it quite proper that the minister agree to an announcement either to the house or to me. I am quite happy with that.

**The ACTING CHAIRMAN:** Bearing in mind, too, the time constraints on estimates responses, and whether or not there will be changes. I heard the minister undertake to give the member a response, depending on what happens in the future. The response may well be, ‘Far be it from me to say that there has been no change,’ or, indeed, he may detail whatever changes might be made.

**The Hon. J.W. WEATHERILL:** I am not certain of the time frame available for answering these questions. I cannot foresee the time through which they will be communicated. I think probably a practical solution is for me to undertake that I will communicate broadly with the member for Newland, whether it be within or outside this process, as the time frame permits. I cannot imagine the member for Newland will forget about this issue, and I am sure she will remind me. I will undertake to report by one means or another. I suspect that if the proposition is advanced in the way in which I understand it will be, there will be a need to communicate that to all members of parliament.

**Ms CICCARELLO:** I refer the minister to Budget Paper 5, page 44. Can the minister provide an update on the status of the Riverbank project?

**The Hon. J.W. WEATHERILL:** The Riverbank is an area that has a number of Adelaide’s best-known buildings, including the Adelaide Festival Centre, the railway station and the Adelaide Convention Centre. The proximity of these buildings to Elder Park and the Torrens Lake makes it a highly desirable location. It is true that in recent years planning and development in the precinct have failed to enhance access and amenity. In 1999, that led to the creation of the Riverbank Master Plan.

The Riverbank Master Plan provided a practical blueprint for the future development of the area and was supported by the Adelaide City Council, which was an important partner in the exercise. In 2000, further refinement of the detail was undertaken with an external spaces study. This work identified a series of discrete and integrated works which could be presented as concepts for potential funding.

A total of 12 projects were identified, ranging from the Riverbank Promenade to the development of an arts court, and this is where things became a little complex. In June 2000, a Riverbank Cabinet Committee was held, chaired by the then treasurer (Hon. Rob Lucas), and it confirmed its in-principle decision to proceed with the promenade as stage 1 of Riverbank.

In November 2000, Minister Laidlaw wrote to the Treasurer and advised that, as provision had not been made to fund the development of the arts space, she intended to provide \$3 million from the Planning and Development Fund to undertake the demolition. So, the minister intended to use money collected by Planning SA in its Planning and Development Fund, which is by and large raised through an open space levy, for an arts project. It has a familiar ring to it. The other important factor to consider is that the Riverbank Cabinet Committee had not yet determined the final design, let alone funded the future of this area which former minister Laidlaw proposed to demolish—the arts plaza area. So, there are two issues: first, the funding arrangements and, secondly, the timing of this exercise.

It was not until the following February that the Riverbank Cabinet Committee approved the commencement of concept development of the next stage which would include the arts court. In fact, Woods Bagot, the consultant that was appointed to undertake the concept planning for Riverbank Stage 2, presented its concept options for the arts court and Station Road in December 2001. The problem is that the plaza was demolished in September, so we have a situation where demolition of the plaza was undertaken without their having an answer to how, in a detailed sense, they were going to connect the plaza—or one part of North Terrace—to the rest of the Riverbank area. Of course, what we have at the moment is an inability to move in that particular area.

Serious questions were raised about using the Planning and Development Fund for this purpose. The former minister knew that there were serious questions about that because she sought Crown Law advice. Crown Law advice was that she could not use the Planning and Development Fund for that purpose and that she had to amend the law. A regulation was passed without much ceremony to enable the rules for the fund to be changed so that it could be used for this purpose. So, we had a rather odd situation where part of the structure was knocked down without anyone knowing (in detail) how people were going to get from one side to the other and without having clarified the funding arrangements, something which at the very least we find unusual. We have a canyon there at the moment, and we will have to grapple with how we will bridge it. Options are being examined for that purpose, and I intend to work closely with my ministerial colleagues to achieve a workable solution to this problem.

**Ms CICCARELLO:** I refer to Budget Paper 4, volume 2, page 10.24. How is the government supporting the renewable electricity industry in relation to its purchases?

**The Hon. J.W. WEATHERILL:** This is a very important question. I referred earlier to the fact that procurement can be used to drive environmental objectives. The government recently approved the purchase of 32 000 megawatts per annum, which is 6.4 per cent of its total consumption of renewable electricity under the current whole-of-government retail electricity contract. In the near future, we will approach the market again for further electricity requirements, and opportunities exist for us to buy further aspects of renewable energy. This will assist us in driving the renewable energy industry, including the possibility of supporting developments such as wind farm technology and other renewable energy sources.

**Ms CICCARELLO:** I refer again to Budget Paper 4, volume 2, page 10.15. What decisions have been taken by government to protect the privacy rights of individuals?

**The Hon. J.W. WEATHERILL:** In a range of areas we are considering this important principle, particularly in the land services group area, where the protection of the privacy rights of individuals has come to the fore. The first decision that has been taken is to remove the names of people involved in property sales from data sets sold to the private sector. Real estate agents are still able to determine trends from this information, but they will not be able to use it for direct marketing.

The second decision has been to cease production of the annual valuation listing on CD-ROM. This CD-ROM contains the valuation records of properties throughout South Australia and a name is linked to each record. This information is still available through LOTS (the system which contains those records) to bona fide land administration professionals.

It is important to note that before the decision was taken consultation had occurred with industry and peak bodies and are continuing. It is fair to say that some in the industry are concerned about that decision because it does mean the previous use to which they put that data is not available to them, but we are working through the issue with them. In this area we had to grapple with two particular issues: one is to maintain an open register which is central to our system of land dealings but, at the same time, we do not want that information appropriated in a way that can be used to invade people's privacy. So, we have to get a balance between them. Technological changes mean information is now available in a format which potentially can erode people's privacy, so we

have to balance those things as well as making sure that industry has the information in a useable fashion.

**The Hon. D.C. KOTZ:** I refer to the financial summary in Budget Paper 4, volume 2, page 10.5 and to Portfolio Expenditure by Output Class. The six portfolio expenditure areas other than Aboriginal Development, Recreation, Sport and Racing and Industry Support Services, which are under other ministerial portfolios, show by comparison to the financial summary on pages 10.28 and 10.29, the estimated expenditure of 2001-02, and that this portfolio allocation has been reduced by \$4.923 million for the 2002-03 year. Could the minister give me an explanation for the \$4.923 million reduction?

**The Hon. J.W. WEATHERILL:** As you would be aware, when we came to government we were faced with a parlous budget position. As I think has been pointed out on a number of occasions we had to take some difficult decisions to find budget savings so that we could, across a period of time, try to restore some fiscal discipline to the budgetary position. Each agency has been asked to make significant contributions and, of course, DAIS is no different from any other agency. The savings that have been identified to contribute to that budget process were 3.25 per cent, which contributes to the almost overwhelming share of the change that you mentioned. I think you cited a figure of \$106 million. So it is essentially a 3.25 per cent saving which was a saving which will be made across the agency and borne in all areas, as a consequence of the budget cuts that need to be made.

**The Hon. D.C. KOTZ:** In the six output class areas there is some staggering rearrangement of funds. You have Output Class 3, 5, 6, 7, 8 and 9 in the budget papers. In Output Class 3 there is a \$433 000 cut. In Output Class 5 there is a \$12.796 million cut. In Output Class 6 there is a \$2.753 million cut. In Output Class 7 there is a \$254 000 cut. In Output Class 9 there is a \$3.812 million cut. Overall, those reductions in five out of the six output classes total \$20.048 million. Only Output Class 8 has received an increase, which amounts to \$15.125 million. That is the area of whole-of-government contract and management, so I can possibly understand why that huge increase could have appeared in that area. In terms of the \$20 million slashing from each of those output classes, would the minister explain how each of the areas will be able to continue to supply the services usually guaranteed by government?

**The Hon. J.W. WEATHERILL:** I am afraid that there are very different answers to each of those categories. They reflect different levels of business. I will take the question on notice and provide a detailed answer.

**The Hon. D.C. KOTZ:** In Output Class 3.2, Land Services, it shows that in the budget papers for 2000-01 and 2001-02 the cost per land parcel was some \$16 for administering land titling and survey. These budget papers show the 2001-02 cost at \$15.50, with a target amount of \$16.50 for 2002-03. I am somewhat confused at the figures. I would like to know the correct cost of last year's land parcel administration. Is it \$15.50 or \$16, which would mean that the government is paying a 50¢ increase or a \$1 increase? That could equate to over \$1 million, depending on the cost parcels.

**The Hon. J.W. WEATHERILL:** There is a fascinating answer to the question. It is a question of amortising the costs of administering that section of the department across that activity. Last year there was particularly strong activity. The projections are based on the likely level of activity this year. In fact, we achieved \$15.50 per title because of the level of activity and, factoring in assumptions about the level of

activity this year, the target has been set at \$16.50. Because it is an average across a range of activity and because many costs are fixed and unlikely to alter, that is regarded as the most sensible target to set.

**Ms BEDFORD:** I refer to Budget Paper 4, volume 2, page 10.24. In his 2001 annual report the Auditor-General identified a need for better guidelines for government agencies undertaking procurement, citing the Victorian model as a possible template. What progress has been made in the development of these procurement guides?

**The Hon. J.W. WEATHERILL:** As I have discovered after attending a recent procurement conference, South Australia is relatively advanced in terms of its procurement activities. Credit needs to be paid to the previous government where a lot of good work was undertaken in procuring strategically. The concept of the Victorian model is a good one but, like many interstate and international guidelines, it focuses in large measure on process-driven rather than value-driven strategies. The State Supply Board has developed its guidelines with a key focus being on achieving value for money rather than documenting process. That value can be achieved in a range of ways. The four broad initiatives are:

- thinking tactically in preparing for an acquisition;
- considering the total cost of the transition and acquisition rather than just the price of the product and service;
- in negotiation not always accepting the first bid or proposal, but trying to achieve improved value through applying negotiation; and
- in terms of contract management, not only ensuring that the deal is delivered as agreed but ensuring that there is an environment to enable it to be improved upon.

An intranet web site has been developed to make guidelines available to government agencies. Most of the initial guides have been completed, and the web site is operational with more guides being added each week. The first stage of the web site is in a basic format, primarily to experience procurement practitioners, and agencies will be able to provide feedback on the guides and web features and the usability prior to redeveloping that site.

One of the key things we have identified in achieving better procurement outcomes is to ensure that the skill levels of those making the procurement decisions in the various agencies are at a high level. A lot of our activity will be directed to that end.

**Ms BEDFORD:** I refer to Budget Paper 5, page 45. What is the Torrens Parade Ground going to be used for, and who will get the tenancies in the drill hall?

**The Hon. J.W. WEATHERILL:** The Torrens Parade Ground has a longstanding military association, as you could imagine—

**Ms BEDFORD:** Hence the name!

**The Hon. J.W. WEATHERILL:** —hence the name— dating back to the early colony, and has been used as a mustering point for troops leaving for wars and a base for Army regiments.

**Ms BEDFORD:** And for unions.

**The Hon. J.W. WEATHERILL:** Yes, and the odd protest, and the spill-over from Writers' Week every other year. The property is also heritage listed, on both state and national registers. On 5 October 2001 the commonwealth transferred the property to the state at no cost—a rare act of generosity. The overall structural condition of the 1936 building or Torrens Depot is sound. However, the building does not comply with appropriate statutory and building codes, disability or occupational health standards. The state

budget includes an expenditure of \$3.593 million in 2002-03 for the upgrade of the parade ground to allow the building to meet the required codes and standards. The total estimated cost is \$3.8 million.

As the Premier announced on 25 April 2002, part of the building will be leased at reduced rents to the Returned & Services League, the Royal Australian Air Force Association and the Vietnam Veterans Association. The use of the Torrens Parade Ground by these three ex-service groups will maintain the direct association with the site's military history. The ex-service groups will use the space on the first floor mainly for office accommodation.

The space will also offer accommodation for members to discuss pension issues and two large meeting rooms which will also serve as function areas for the members' social activities. The ground floor will be upgraded to include five multipurpose spaces suitable for performances, displays, administration and meetings. One of these spaces includes the RSL's Memorial Hall and will be used for military-related and social functions.

Also on the ground floor is the large drill hall. This space will be made available for use by arts, cultural and community groups. On specific occasions such as Anzac Day and Remembrance Day, ex-service groups will be able to use the drill hall. The parade ground will continue to be made available for restricted casual parking by community groups and as a venue for major events such as the Fringe, the solar car race and the Festival of Arts. The work to upgrade the building is scheduled to start in October this year with most of the work to be completed by April next year, hopefully in time for Anzac Day.

**Ms BEDFORD:** So, Remembrance Day would be a bit doubtful then?

**The Hon. J.W. WEATHERILL:** Yes, a bit tricky.

**Ms BEDFORD:** My last question concerns volume 2 of Budget Paper 4, page 10.20. What works are included in the 2002-3 budget line for the historic buildings conservation program?

**The Hon. J.W. WEATHERILL:** The historic buildings conservation program is responsible for implementing a program of works that will conserve a number of the state's historical buildings. Projects included in the 2002-03 historic buildings conservation budget include those currently under way, namely: Government House, miscellaneous conservation works; Dingley Dell conservation—don't ask; do you know where it is?

**Ms BEDFORD:** Of course I do!

**The Hon. J.W. WEATHERILL:** —West Terrace Cemetery, Kingston Gravesites conservation; Women's Health Statewide, Pennington Terrace restoration; the Supreme Court, facade conservation; the State Library Institute building, facade conservation; the Mount Barker Police Station, minor works; and the South Australian Museum, Pacific Cultures Gallery restoration. Approximately 380 government owned assets are listed on the State Heritage Register, and a number of strategies are in place to guide the repair, conservation and maintenance of those assets.

Conservation plans and dilapidation surveys commissioned for the 2002-03 budget line include: Botanic Gardens, Cleland Conservation Park, Glenside Hospital complex, Thebarton Mounted Police Barracks, Kapunda High School, Model Schools (Kapunda, Burra, Norwood, Wallaroo Mines & Bay Primary Schools), Port Lincoln police station and courthouse, and the Hindmarsh churches complex. Further, some condition surveys of individual assets are taken to

identify, prioritise and cost required conservation works. They will be undertaken in this year for: Clare Primary School; Glenside Hospital administration building and chapel; Turretfield, Holland House; Migration Museum; and Tallisker Mine. Asset inspection reports of individual assets are undertaken in order to allow the informed prioritisation of projects funded by that program. An inspection of all government owned listed assets is included in the 2002-03 budget line in order to capture current condition information and aid in forward planning of projects and to inform partnership funding negotiations with government agencies.

**Ms BEDFORD:** I am tempted to ask whether the Para Hills police station is part of the heritage list yet.

**The ACTING CHAIRMAN:** I will not permit that question; you will have to wait until your next line.

**The Hon. D.C. KOTZ:** This question is based on Output 5.1, which is agency building asset services. This is one of the areas that had a decrease in the budget line of \$6.923 million. The reasons for variance noted on the paper state that the variance reflects the expected greater number of permanent placements in regional centres rather than short term placements. Could I have an explanation of what that actually means?

**The Hon. J. W. WEATHERILL:** I will take that question on notice and supply a detailed answer.

**The Hon. D.C. KOTZ:** I would appreciate that, thank you. I refer to Output 5, 'Services to Government', under the target area for 2002-03. I would like to commend the government on continuing the Liberal government's initiative to place cars in the government fleet on alternative fuels as part of the program to reduce greenhouse gases.

I note that the government's target for 2002-03 is to have 13 per cent of vehicles in the government fleet powered by alternative fuels. The only disappointment would be that the government does not appear to have gone far enough, and I would like to know why. Last year the Liberal government exceeded its target of having 10 per cent of vehicles in the government fleet running on alternative fuels. By targeting a rather measly 2 per cent, it does not appear that the government is serious about this.

**The Hon. J. W. WEATHERILL:** I did not understand. Is that a question or a statement?

**The ACTING CHAIRMAN:** I had that trouble earlier this afternoon. The minister should answer the question as best he can and that will constitute a second question. If he would like, the minister can take the question on notice and read the *Hansard* so that he has a greater understanding of what it meant. The minister is entitled to do that.

**The Hon. D.C. KOTZ:** Perhaps if the minister had not been listening to his officer he would have heard that it was a question.

**The ACTING CHAIRMAN:** One second, please. I am having a degree of difficulty, not so much understanding but hearing. It would be useful to the committee if the honourable member could lean a little closer to the microphone; that may help.

**The Hon. D.C. KOTZ:** These microphones are not meant for the chamber: they are for *Hansard*. That is why I am sitting here: so that the minister can hear me speak. They are not microphones.

**The ACTING CHAIRMAN:** It would be useful if the chair could also hear the honourable member.

**The Hon. J. WEATHERILL:** The bit that I could broadly discern as a question is somehow an inference that an additional 2 per cent of the fleet is some sort of miserable

increase in the number of vehicles that are to be transferred to this more environmental form of use. It is 2 per cent of an extremely large fleet of vehicles, so it is a highly significant number. As for the balance of the question, frankly, I did not discern it as a question.

**The Hon. D.C. KOTZ:** That was the question, minister; I thank you for your answer. Ten per cent must be a hell of a number, then, if 2 per cent is 5 000. That is why I suggest that it is not a particularly good comparison, but thank you for your answer. In 'Services to Government', Output 5.2, the number of new vehicle requests shows a decrease of 185 from the previous year. An explanation is given for the variance. However, other than the reason given for that variance, is there any other reason, such as a change in government policy to the purchasing of government vehicles or a change in the change-over policy of government vehicles? This is another area that has a 6.09 decrease in budget.

**The Hon. J.W. WEATHERILL:** There are two factors at play in relation to the purchase of vehicles, which I understand represents something in the order of 150 fewer purchases over the relevant period. The first factor is that there are fewer vehicles in the fleet, which reflects the need to purchase vehicles. The other factor is, given market conditions, there is a longer lead time between the making of a decision to purchase and the supply of a vehicle. They are the two factors that bear on the 150 unit reduction which throws up the number that the member refers to.

**Mrs GERAGHTY:** What policy has been adopted to ensure regional support in allocating building maintenance work?

**The Hon. J.W. WEATHERILL:** I must say that it was a great pleasure to attend Netley Building Maintenance services on the day that the Premier issued a memorandum to say that there will be no further outsourcing—privatisation—of government services, and there were some very happy employees in that area who were wondering what their future was. They perform an enormously valuable job in maintaining government buildings.

Building Maintenance has a policy of using local contractors and suppliers in regional areas for the delivery of building maintenance and minor works to other government agencies. Building Maintenance has nine regional offices based at Mount Gambier, Berri, Murray Bridge, Nuriootpa, Clare, Port Pirie, Port Augusta, Whyalla and Port Lincoln. As we move around with community cabinets, I take the opportunity to meet the employees in this area and thank them for their work.

Port Augusta and Port Lincoln have also provided services to the Aboriginal schools in the Anangu Pitjantjatjara lands, Oak Valley and Yalata. Building Maintenance regional area officers, in collaboration with other agencies, have generated building maintenance work to the value of \$27 million in the 2001-02 financial year for regional contractors and suppliers. Building Maintenance services are provided through a group of local preferred contractors appointed within these geographical areas in regional South Australia. The local preferred contractors were engaged through a registration of interest published throughout every regional newspaper in June 2001. The selection criteria included qualifications, compliance with occupational health, safety and welfare, quality, reporting, prices, resources, customer satisfaction and response time. Response time is seen as a critical factor in the selection criteria, with contractors having to demonstrate they have the ability to attend emergency maintenance situations

within the scheduled time of one hour for a priority one call-out.

**Ms CICCARELLO:** I refer the minister to Budget Paper 4, volume 2, page 10.13. What action has the minister taken to improve the freedom of information regime in South Australia?

**The Hon. J.W. WEATHERILL:** Since the day we took government we have been working on this issue. We have reviewed the current system relating to the freedom of information regime and we are now finalising changes to the legislation with a view to taking it to cabinet. We are also looking at the administrative system that supports it and we are on track to introduce these legislative changes during the current session of parliament.

We will attempt to change the whole culture of the way in which government deals with business. Crucial in all of these matters is seeing the government's role in relation to the people it deals with as one where it provides rather than hides information. We believe that it is crucial that we address that cultural issue; that is as important as the legislative issues. However, also some important legislative changes will be necessary, and we will be outlining those in due course.

One thing we are keen to identify is that, if a government decision is made and people do not feel as though proper reasons were given for the decision, it is likely that they will remain dissatisfied, and they will seek and search for documents or any other method to try to understand the decision that has been given to them. In some ways, if we can achieve the cultural change which is necessary, it should and could lead to a reduction in the requests for documents from government agencies. That would be a happy and ultimate end if we were able to introduce that new regime.

**Ms CICCARELLO:** As a supplementary question, how much cost is recovered by the government charging an application fee for freedom of information requests?

**The Hon. J.W. WEATHERILL:** The vast majority of FIO applications attracts only a standard fee of approximately \$20. Many agencies do not charge for the many hours taken to prepare complex FOI responses, even though they are able to under the act. In general, it is usually only legal matters that attract these charges. The government is keen to reduce the impact of these applications on agencies by adopting a policy of making more information available rather than people having to chase it up through the FOI process. So, the proactive disclosure measures that we hope to announce soon as part of this package of measures should affect the way in which people may need to go delving through wads of material to try to find answers to their questions. So there is a way in which we can reduce the burden on government by getting an appropriate attitude to requests for information.

**Ms CICCARELLO:** I refer the minister to Budget Paper 5 (page 44). What processes has the minister put in place to improve access to the records of the government?

**The Hon. J.W. WEATHERILL:** There are a number of ways in which we are doing that. We have spoken about the FOI regime. That is one aspect of doing that. We are also improving accessibility to government records electronically and via our reading room. We have purchased a new software package that is specifically designed to manage our collection of the records of government. This will improve our ability to locate records in the collection and manage their ongoing preservation; it will enable viewing of indexes initially; and eventually the records will be accessible from remote locations via the internet. We are also moving forward to relocate the State Records reading room in the central

business district so that accessing these records occurs where the majority of business takes place, that is, in the city. This will make accessing the records easier for South Australians, and it will deliver significant operational efficiencies in the dealings between state record staff and clients across government.

**The Hon. D.C. KOTZ:** I refer to Output Class 5.3, which is forensic services. The minister, like all of us here, would understand that forensic science is certainly regarded as an essential component of the South Australian justice system. In September 1999, a major initiative of the Liberal government was to introduce a DNA database. Since then, I am told that the number of databases and the cases in particular that they deal with increased sharply during 1999-2000. That is attributed to an increased awareness by crime scene officers and investigators to the potential of DNA intelligence. The number of criminal cases involving DNA analysis has now risen considerably over those years. Cases such as the one at Snowtown involved an examination of some 400 items, and they were counted as a single case.

I was given advice some months ago that the demand for this work doubled between 1996-97 and 2000-01 and, as I have no reason to believe that the demand has lessened, it is extremely important that funding is directed into this area. Output 5.3, Forensic Services, provides for an increase of some \$217 000, but I am also aware that some of the equipment, because of its technological nature, can be extremely expensive. Given the \$217 000 increase, is the minister aware of the necessity to ensure that this area is well and truly covered in forward estimates, otherwise the government will be seriously depleting an area for which demand will obviously increase rather than decrease? Can the minister give the committee an idea of the type of budgets that forensic scientists can expect, particularly in light of this current budget?

**The Hon. J.W. WEATHERILL:** DNA testing is a serious commitment of the new government. Indeed, the Premier has ambitions to further extend the DNA database. We are particularly committed to this form of technology. It is seen in the popular press as a way of catching criminals but it is also a way of excluding innocent people, so it provides a crucial contribution to the justice system. It has been properly noted that in September 1999 Forensic Science established a DNA database, and a 48 per cent increase in DNA database cases was reported over the 2001-02 financial year.

The Forensic Science Centre has allocated and trained three technical officers and a graduate scientist to form that database team within the molecular biology group, and it has also developed automated match reports for South Australia Police. We responded to the fact that there is an increased demand, generated by the effectiveness of this database as an investigative tool for the police, and as part of the 2002-03 state budget Forensic Science Services has received additional funding of \$543 000, which includes two additional DNA staff and additional DNA consumables.

**The Hon. D.C. KOTZ:** The management of state assets, which is Output Class 6.1, is another area showing a reduction of \$2.753 million. One of the policies of the previous government was to look at improving the building stock of employee housing through a housing replacement program. I know that surveys were undertaken to look at this area and they found that better quality housing was required if qualified staff were to be attracted to regional areas of the state in order to supply the services required by government.

The proposal was to initially replace some 25 lower standard, smaller houses in country South Australia and to upgrade kitchen and wet areas in houses that would be retained, recognising that these buildings and fittings were somewhere between 25 and 30 years old.

I also recall that the program would require some \$4 million, I believe it was, to replace some 20 homes and a further \$500 000 for upgrades. The total program was envisaged to cost some \$21 million over five years. Has the minister had an opportunity to look at this, at whether it is actually one of the programs that might come out of this particular portfolio area, seeing as it deals with employee housing?

**The Hon. J.W. WEATHERILL:** The figure to which the member refers actually includes both commercial premises and employee housing. If the suggestion is that there has been a reduction on the basis that that figure demonstrates a reduction, then it cannot be concluded that the number of employee houses managed has decreased. In fact, if I can refer you to Output Class 6, which is on page 10.22 of the documents, you will see that the estimated result for the number of owned employee houses managed for 2001-02 is 1 712, and the target for 2002-03 is 1 730. So, the other figure confounds the fact that employee housing is projected to increase over the relevant period.

**The Hon. D.C. KOTZ:** Although I mentioned the fact that this was another output class that had a reduction in overall figures, the main thrust of the question was my interest in rebuilding that stock and whether in this area of the budget you have looked at that program. Obviously, surveys had been conducted, there is material there that would have brought this to the minister's attention. Is it part of the program that the minister will undertake in this area?

**The Hon. J.W. WEATHERILL:** Within the available resources of the department, we are looking at making strategic additions to the employee housing stock because we are well aware of the pressures that exist for regional housing.

**Ms BEDFORD:** I refer to Budget Paper 5, page 45. Could you please outline the progress of the Strategic Asset Management Information System Project?

**The Hon. J.W. WEATHERILL:** The Strategic Asset Management System Project is currently completing its design stage of the system. This is targeted for completion by the end of August this year. This stage follows the procurement of services by a request for proposal in 2001, which resulted in the selection of Aspect Computing as the key provider of skilled resources. Contracts for these services were signed in December 2001 and work on the design stage commenced in mid-February of this year. At the conclusion of the design phase there will be a formal review of the system designed, as well as a review of Aspect Computing's performance in compliance with the terms of the contract.

The benefits of the system will be to improve strategic planning of the state's built assets to sustain economic development and delivery of services to the community, and minimise the full life cycle costs of providing, maintaining and operating assets to support program delivery to agreed service levels, and match asset investments to levels commensurate with changing service delivery requirements and business service objectives.

It will also encourage consideration of the adoption of non-asset based alternatives to delivery of services and apply sound business principles and effective decision making to public sector asset management practices. It is important to recognise that the Department of Education, Children's

Services and the Department of Human Services are significant participants and beneficiaries of this system as well as being suitable for all agencies that have fixed built assets.

**Mr CAICA:** I refer to Budget Paper 4, volume 2, page 10.13. What outcomes have been achieved by the Service SA initiatives since February 2002?

**The Hon. J.W. WEATHERILL:** As I mentioned before, this is an important initiative which I must acknowledge was commenced under the previous government, but we have been very busy spreading it to a range of regional areas. The Port Lincoln Customer Service Centre was opened on 25 February 2002 providing residents on the far west coast with both face-to-face and on-line access to state government services and information at a single location. Ten rural agents are now operational in rural South Australia. This means that residents in small rural communities have local access to a wide range of state government products and services. All this is happening at a time when bank branches are being closed, so it is a welcome addition to local service provision.

Currently there are Service SA rural agents in Port Broughton, Port MacDonnell, Wudinna, Kimba, Yorketown, Peterborough, Keith, Streaky Bay, Jamestown and Cleve. The Service SA web site launched on 27 May connects all South Australians to over 1 500 services, and allows people to access a wide range of government information, pay their bills, fines and taxes, apply for permits and licences and buy goods from online shops. It also has a useful facility where, if you are changing your address, you can enter it once and everyone gets told about it, and, for those of us who receive unpleasant letters in the mail when we forget to tell someone we have moved, that is a welcome initiative.

The number of financial transactions completed by visitors to the Gawler customer centre increased by 73 per cent between 29 January and mid July this year. Since 26 March 2002, a range of SA Water services and payments can be accessed through local Service SA customer service centres. State government agencies are using Service SA to facilitate their service delivery to local communities. For instance, the Women's Information Service regularly offers opportunities for local community members to access its services through Service SA in Whyalla, and the Office of Consumer and Business Affairs is delivering services through Port Lincoln.

**Mr CAICA:** Again referring to the same line, I note the Service SA web site was launched on 27 May 2002. What other advantages does this web site present for South Australians?

**The Hon. J.W. WEATHERILL:** As I said, it provides services of 1 500 different types online and it improves service delivery, especially to people in regional and remote locations. It provides South Australians with a point of access to a range of government services without their having to know which government agency is responsible. Once you contact the web site, you can then, through the design of the web site, be sent to the area that you need. It is very well organised into things called 'life events', such as settling in South Australia, having a baby, learning to drive and all those things—

*An honourable member interjecting:*

**The Hon. J.W. WEATHERILL:** That is right: all life's crucial events. It provides instantaneous translation of the content of the web site (including printable pamphlets) into eight languages, enabling people from non-English speaking backgrounds to access information for a range of government services. It allows South Australian residents to notify participating commercial organisations of their change of



address, as I mentioned previously, and provides South Australians with an alternative method of completing transactions such as bill payments, applications and lodgment of forms. It is carefully designed in a way that all you need to know is that you want to engage with government. If you then put in the subject matter, it will send you off in the right direction. It is an incredibly valuable contribution to making government more accessible.

**The Hon. D.C. KOTZ:** We are dealing with Output Class 8.2, whole-of-government contract management, which shows about a \$50 million increase. The reason for the variance in the value of the contracts, according to the budget papers, is due to the introduction of the PC peripheral and renewable energy contracts and an expected increase across the board of contract volumes.

Will the minister identify the nature of the PC peripheral and renewable energy contracts and their cost to government? How many contracts are we talking about? What are the benefits to government? And is the minister going to table the contracts in the parliament?

**The Hon. J.W. WEATHERILL:** The explanation for the increase is fundamentally because of something that I outlined in the opening statement, that is, that we are looking as far as possible to procure in a way that provides value for money across the whole of government. That means in certain circumstances procuring on a whole of government basis. So, for PCs and for other associated equipment, such as printers, we are looking to engage in a whole of government contract, which will increase the value of the contractual price for DAIS but will obviously need to be charged back to other agencies.

Similarly, with the renewable energy contract, that once again is a whole of government proposition, whereas previously it would have been located in separate agencies. Those two factors will tend to bulk up the contractual value to a level higher than occurred under the previous budgeted period. In relation to the contracts and whether they will be disclosed, a contract disclosure policy existed under the previous government and we are presently reviewing it. Depending on the nature of the contract and subject to those terms, the contracts would be disclosed in accordance with those policies.

**The Hon. D.C. KOTZ:** If the minister will allow me, I will place some omnibus questions on the record for him to take on notice, as follows:

1. Will the minister advise the committee how many reviews have been undertaken or are scheduled to take place within the portfolio since the government was elected? In particular, to which matters do these reviews pertain? Which consultants or consultancy organisations have been hired to undertake the work and what is the total cost of these contracts? What is the total amount of money paid or allocated to be paid in the financial year ended 30 June 2002? What are the commencement and completion dates of those reviews?

2. Will the minister advise the committee how many of the 600 jobs to be cut from the Public Service will be lost from within his portfolio? Will the minister advise the committee of the number of positions attracting a total employment cost of \$100 000 within the portfolio, its departments and agencies reporting to the minister as at 30 June 2002 and the estimates for 30 June 2003?

3. For each year 2002-03, 2003-04, 2004-05 and 2005-06, for all departments and agencies within the office of the minister's responsibilities reporting to the minister, what is the share of the total \$967 million savings strategy announced by the government and what is the detail of each savings strategy?

4. For all departments and agencies within the minister's responsibility, what is the share of the \$322 million underspend in 2001-02 claimed by the government? What is the detail of each proposal and each project underspent, and what is the detail of any carryover expenditure for 2002-03 that has been approved?

**The Hon. J.W. WEATHERILL:** I will take those questions on notice.

**The CHAIRPERSON:** There being no further questions, I declare the examination completed.

#### ADJOURNMENT

At 8.51 p.m. the committee adjourned until Tuesday 6 August at 11 a.m.