

HOUSE OF ASSEMBLY

Tuesday 24 June 2003

ESTIMATES COMMITTEE B**Chairman:**

Ms G.B. Thompson

Members:

Ms F.E. Bedford
 Ms L.R. Breuer
 The Hon. W.A. Matthew
 Dr D. McFetridge
 Mrs E.M. Penfold
 Mr J.J. Snelling

The Committee met at 11 a.m.

Department of Primary Industries and Resources,
 \$112 043 000
 Administered Items for the Department of Primary
 Industries and Resources, \$88 619 000
 Department of Treasury and Finance, \$38 639 000
 Administered Items for the Department of Treasury and
 Finance, \$954 498 000

Witness:

The Hon. P.F. Conlon, Minister for Infrastructure,
 Minister for Energy, Minister for Emergency Services.

Departmental Advisers:

Mr J. Hallion, Chief Executive, PIRSA.
 Mr G. Knight, Executive Director, Corporate.
 Mr S. Archer, Director, Finance and Business Services.
 Dr D. Blight, Executive Director, Minerals and Energy.
 Mr B. King, Manager, Sustainable Energy Programs.
 Mr R. Faunt, Technical Regulator.
 Mr M. Bruno, Manager, Programs and Administration.

The CHAIRMAN: 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 changeover of departmental advisers. 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 committee secretary by no later than Friday 25 July. I propose to allow 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 through the chair, not to the minister's advisers. The minister may refer questions to advisers for a response. I declare the proposed payments open for examination and refer members to Appendix D (page 2) in the Budget Statement, and part 5, Volume 2, of the Portfolio Statements (pages 5.21 to 5.28). I also refer members to Appendix D (page 2) in the Budget Statement, and part 3, Volume 1, of the portfolio statements (page 3.14). Does the minister wish to make an opening statement?

The Hon. P.F. CONLON: It has not been my practice in the past to make an opening statement, so I will not do that today.

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

The Hon. W.A. MATTHEW: I will make a brief opening statement. On 28 May 2001, as the then minister for energy, I announced the formation of Energy SA as part of the state budget for the 2001-02 financial year. Energy SA was created from the old office of energy policy, and the name alone would suggest an organisation in need of change. The change that occurred, while being significant, was intended to be only the start. The budget for Energy SA commenced at \$1.29 million higher than that for the old office of energy policy and was intended to be a budget that would continue to increase in subsequent financial years. The extra money at that time was made possible through seven years of sound economic management by a Liberal government which had been forced to rectify Labor's tragedy of the State Bank collapse and a \$9.4 billion debt.

To coincide with the announcement of the formation of Energy SA, I also announced the introduction of rebates of up to \$700 for the installation of solar hot water systems. On that point, I give credit to the current government for at least allocating further moneys to the solar hot water program to meet the high demand that has resulted. Regrettably, however, that is where the current government's positive input ends. This government, while inheriting a vastly improved economy and financial situation compared to the mess it left us, instead of continuing to increase the budget for Energy SA, has set about slashing it. Further, it has thrust Energy SA under the management of another group I also created, the Office for Minerals and Energy Resources. The purpose of that office was to provide a focus to driving expansion of the minerals and petroleum sectors in this state. The reason for creating a dedicated office was to ensure that the industry received the attention it deserved rather than being lost in the larger organisation of primary industries and resources.

In the past, under successive Labor and Liberal governments, mining has been a separate government department. Both offices were created and managers appointed during my time as minister, and I am satisfied the management—which continues to this day—is comprised of competent, dedicated officers. However, regardless of their skill, I contend that it is inappropriate to place Energy SA under the management of the minerals and petroleum group, for it takes a dedicated focus away from both groups. There are certainly times when the amalgamation of management is a sensible way of ensuring that taxpayers receive better value for the dollar.

However, in this case, it can serve only to reduce the focus in both areas, and that cannot be a good thing for the state. Indeed, it has resulted in the budgets of both organisations being savaged.

During the budget estimates hearing of Friday 20 June this year, I detailed the extent of budget cuts and other atrocious happenings to the Office of Minerals and Energy Resources. Therefore, I do not need to repeat those concerns today. However, I have noted that the Energy SA budget appears to have been equally savage, with cuts to a vast array of programs about which the minister will be questioned as a part of this hearing. That concludes my opening statement.

My first question relates to page 2.18 of Budget Paper 3, and I refer to Energy SA and the touted administrative cost reduction. I note that savings of \$213 000 are claimed to be achievable in the 2003-04 financial year, and a further \$466 000 of savings in 2004-05 and beyond from cuts to Energy SA. This is referred to in the budget papers as 'Energy SA administrative cost reduction resulting from the review of Energy SA' but no details are given. I ask the minister specifically: where have those moneys been saved from?

The Hon. P.F. CONLON: Before answering the detail of the question, I thank the opposition for noting that we increased the solar hot water rebate. This rebate might have been started by them, but it was funded for three years only and was due to end after three years even though there was a four-year forward estimate program. We have not only maintained this rebate but doubled the funding for it. I want to be absolutely clear about that and put that on the record.

In terms of the savings from Energy SA, this is something for which we do not apologise. This has happened as a result of two fundamental things. As I have detailed to the house before, one is the transfer of policy from Energy SA to the Department of Treasury and Finance's Microeconomic Reform and Infrastructure Unit (MERI). You will see that there have been some increases in the budget in that area. As a consequence of losing that responsibility, the amalgamation of Energy SA with the Office of Minerals and Energy Resources (at least at management level) has created savings involving five staff, most of whom were in quite senior executive positions.

The truth is that it is difficult to manage priorities in the budget. Throughout, we have identified our priorities as the government—superior priorities to those of the previous government, because they have involved not wine centres and football stadia but health and education and supporting the police in the way they should be supported, and looking after South Australians. If I have a choice between cutting a government service and making efficiencies in senior executive positions, with the greatest respect to senior executives, that is the path I will go down every time.

We came to government with a clear set of priorities, and it is our intention to meet them. I contrast the five positions lost with the several thousand positions that disappeared under the previous government in Engineering and Water Supply (now known as SA Water). Sorry, I am told that only one of the five positions was that of a senior executive. I had better make sure that I get that right. The other four were administrative positions. However, as I said, if faced with a choice in where to make savings, that would be my preferred option rather than cutting services.

It is never easy to balance the budget. We believe we are now delivering a very good service through MERI and Energy SA, and we have had to make tough decisions to do

that. These decisions came about not through axe-wielding by the minister but via a task force appointed out of MERI and Primary Industries, which had the task of rationalising the services within those two groups. That is why we have seen the transfer of policy-making to MERI, with the savings that are set out there. In short, those savings come from the changes that we have made. Essentially, one senior executive and four administrative staff will not be required as a result of the new arrangements.

The Hon. W.A. MATTHEW: Are those the only areas from which savings have occurred?

The Hon. P.F. CONLON: You asked for administrative cost reductions; that is what those are. Other savings are set out in the budget papers in program areas, and there has been some extra money put into some of those program areas. The savings you asked about are those associated with the administrative changes.

The Hon. W.A. MATTHEW: I refer again to page 2.18 and, in this case, to the line that refers to the State Energy Research and Advisory Committee. Further cuts of \$65 000 are to be made to this committee or the SENRAC budget in 2003-04 and beyond through the comment in the budget 'State Energy Research and Advisory Committee reduction in the level of grant provided through the committee'. On 7 August last year you admitted to this committee that the budget of the same organisation had been cut by \$100 000. In fact, documents obtained by the opposition under FOI reveal that the cut was \$1.1 million. So, that \$1.1 million added to the \$65 000 in this budget reveals a total cut to this program of \$176 000 over two financial years. When one considers that this is a budget of only \$433 000 in 2001-02, effectively this is a cut of more than 40 per cent to research funds in just two years. In view of the fact that this budget clearly was never a large one and it has sustained such a significant cut, what do you expect to be the consequences of these cuts to research into sustainable energy for our state?

The Hon. P.F. CONLON: Setting a budget is about setting priorities. We had some priorities that we simply had to meet. We were faced with the fact that, despite a doubling in demand, the funding for the solar hot water rebate was destined (by your government) to run out after three years. We had to address that and, as I said, we increased the payment to that program from \$700 000 to \$2 million. That is way in excess of the \$65 000 saving in the programs at SENRAC.

The truth is that you always have to meet the priorities of government. There was enormous pent-up demand for the solar hot water rebate. I recognise that this was a good initiative, but it was a shame that it was destined to run out after three years. However, we fixed that. You simply have to make some priorities as a government. I understand that the honourable member agrees that was a good priority to fund but, as you well know, taxpayers' money is not endless and we had to make some decisions.

The SENRAC scheme still exists. The reason for the reduction in the program this year is that it reflects the pent-up demand for this program. Just as we increased the funding for the solar hot water scheme, we budgeted for, I think, \$319 000 for 2002-03, and we received applications for grants that were successful totalling about \$254 000. That appeared to be a reflection of the demand. We are not hiding the fact that it is \$65 000 less than what was budgeted last year, but that was not spent. A decision was made about priorities because of the demand in one scheme and the overwhelming demand in the other.

The Hon. W.A. MATTHEW: This is amazing. It is poor form to cut such important funds. My next question relates again to page 2.18 of the same document. I refer to the Remote Area Energy Supply Scheme (RAES). I note that further cuts of \$187 000 are to be made to this scheme in 2003-04 and \$375 000 per annum in 2004-05 and beyond. In last year's budget estimates, the minister admitted to a cut of \$400 000 to the remote areas scheme. Therefore, the cuts detailed for 2003-04 and beyond are additional. Specifically, what now remains of the RAES budget after it has been savaged by such big cuts over two financial years?

The Hon. P.F. CONLON: I am not sure about it being savaged by big cuts. The opposition spokesperson has not gone all the way down the columns, obviously, and has not seen the injection of \$300 000 a year into the first planned capital program there has ever been in the scheme. The scheme under the previous government was simply not operated on a rational basis.

The Hon. W.A. MATTHEW: It was better run.

The Hon. P.F. CONLON: If you want to talk about it being better run, I will tell you what happened at Coober Pedy. What happened there is that they went out and spent their money in a way that they should not have. Do you know when the former minister signed off the letter of comfort? I think it was about 10 February 2002, when he should not have been signed anything, when he was in caretaker mode and when he knew he was not going to be in the government anymore. He signed a letter of comfort on a loan by the Coober Pedy council, for generators that subsequently did not work, and we have had to do an enormous amount of work bailing them out since then. He has not said anything about the work that we had to do.

The Hon. W.A. Matthew interjecting:

The Hon. P.F. CONLON: Yes, and we have done a very good job. We have done a very good job for Coober Pedy, after the disastrous approach of the previous government. But do not talk to me about how well the program was run when now for the first time ever we actually have a planned capital program on it which will allow us to make some savings in the way it is run.

The Hon. W.A. MATTHEW: You might try to talk over me now, but you know that is rubbish.

The Hon. P.F. CONLON: Well, I am not actually talking over you; you asked a question and I answered it.

The Hon. W.A. Matthew interjecting:

The CHAIRMAN: Order! Member for Bright, the minister has the call.

The Hon. P.F. CONLON: The capital upgrade means that we can now do the following works, when there was never money planned to do it: for Kingoonya, to do a fuel storage upgrade; for Marree, to replace a generator; for Marla, to replace a gas engine; for Oodnadatta, to replace a gas engine; and for Parachilna, to replace a generator. But I stress that we have never had a planned capital program in the RAES scheme before. It staggered on from year to year, often having to be propped up by extra government money because of the extremely unplanned way in which it was run.

When you talk about cuts, you should be frank with the committee and talk about the \$300 000 ongoing capital program for the first time ever in this scheme. There have been cuts, but you have to understand that they are cuts based on the underlying principle that we keep those schemes within a certain percentage of the on-grid costs. If you add it up, you find that the capital program actually directly offsets the cuts.

But the underlying principle of the scheme has actually been preserved. We are now able, in a planned way, to make sure that people in remote areas, heavily subsidised by the government, have electricity costs that are somewhat approximate to the grid, which bear a constant relationship to the grid and which are no more than 10 or 11 per cent higher than the costs of the grid. So, it must be understood that there is not a cut to those people out there. What it has done is take money out of a very poorly and haphazardly run program and put it into a planned capital program. It has preserved the benefit that people have there, and is simply just running better.

The Hon. W.A. MATTHEW: There is still less money. Look at the figures.

The Hon. P.F. CONLON: I have tried to explain it to you; I cannot do better than that.

The Hon. W.A. MATTHEW: The minister made the comment that it is simply the same money going into the capital program. The capital program on page 2.19 of Budget Paper 3 shows an amount of \$300 000; and for this financial year an amount of \$375 000—\$75 000 more than the \$300 000—has been cut from that program. Last financial year we also saw cuts of \$400 000. So, in effect, there is less money going into the program.

The Hon. P.F. CONLON: Let me explain it again. You can focus on the money in one column and not in the other if you wish, but the truth is that the \$300 000 is an initiative of this government, an ongoing capital program for the first time ever in this scheme. What it means is that the equipment that supplies electricity is now more efficient, and we will continue to make it more efficient through having a planned capital program.

We believe that that is a very sensible approach. Certainly, it does allow savings in the other column. That is why we did it. We did it because it is a better way to run the scheme. What it does not mean is any reduction of service or any increase in the cost to the people in the remote areas. The underlying purpose of the remote areas energy scheme is to make sure that people's tariffs are within 10 per cent of grid prices. That involves us in a very high degree of subsidy. We inherited a scheme which limped along from year to year and which, on occasions, as we have seen, overdraw the funding set aside for it because of equipment problems. The rational thing to do was to address that by having a capital program to upgrade equipment. I am quite happy for Mr Knight to explain to you where money has gone from one column and turned up in another.

Mr KNIGHT: The explanation lies in Program 8, which is set out on page 5.27 of Budget Paper 4, Volume 2 and a line in that table on page 5.27 which is titled 'Grants and subsidies'. That line indicates that grants and subsidies in 2001-02 was a figure of \$4.563 million and variations in 2003, but in 2003-04 that line has grown to \$6.067 million. That line contains two items: the RAES program and the solar hot water rebate. The minister outlined earlier that there is a \$1.3 million increase for 2003-04 for an increase in the solar hot water rebate scheme. If you adjust that \$1.3 million out there it is evident that what is left in that line, which is the RAES scheme, is a slight increase on the actual expenditure in 2001-02.

Ms BREUER: My question refers to Budget Paper 4, Volume 2, Portfolio Statements Program 8, pages 5.27 and 5.28. What is the government doing to achieve its target of 5 per cent of its electricity purchases from renewable sources?

The Hon. P.F. CONLON: I thank the member for Giles for her question. She would be well aware of the government's commitment to green energy, not simply through the program she refers to but also through the Premier's very clear commitment with the establishment of, as he likes to refer to it, the 'power station' on North Terrace—the solar panels on the museum and art galleries. Specifically, the government set a target of 5 per cent of its own electricity purchases from renewable sources. It is a way we lead by example in the reduction of greenhouse emissions. In June 2002 the government announced it would purchase 32 000 megawatt hours of renewable energy from the Starfish Hill wind farm through its existing agreement with AGL for the supply of electricity to the government, which involved a premium paid to the government over and above which black power would cost us, but we believe it is something the public would support. This represents 6.4 per cent of government electricity purchases and exceeds the policy of purchasing a minimum of 5 per cent from renewable sources. The purchase has the added benefit of saving some 35 500 tonnes of greenhouse gas emissions per annum. It is a reflection of this government's commitment to addressing the issues.

I might add at this point that it would be very pleasing if we could see the same level of commitment from the federal government. I am very concerned about the federal government's mixed signals on the mandatory renewable energy target legislation. I know that the review team of former Senator Warwick Parer recommended the abolition of the MRETS scheme. We are on the record as having opposed that. We believe it is very dangerous. I recently returned from a conference on renewable energy, particularly wind farms, in Europe. The question on everyone's lips there was what Australia was doing about the MRETS scheme. I assured them that the position of this government and other state governments and what I firmly believe would be the outcome of the national government would be the preservation of the MRETS scheme, but it would be very useful if we could see the same level of commitment on greenhouse emissions abatement from the federal government as we are displaying in this state.

Ms BEDFORD: My question relates to the same area as the member for Giles, which is Program 8, pages 5.27 and 5.28. What is the government doing to assist low income households with the recent increases in electricity tariffs?

The Hon. P.F. CONLON: Recently, we announced a scheme which not only addresses increasing tariffs but is also about ongoing costs of electricity and, in particular, ongoing issues about demand management. Cabinet approved that in June 2003. It does not appear in the outcomes because it was too late for the budget papers which took a lot of work to put together and for which I thank Jim Hallion for the work he did in conjunction with minerals and energy. We approved \$200.05 million funding over two years for an energy efficient program for low income households. It will be administered by Energy SA and delivered through welfare agencies, and we are in the process of discussions with welfare agencies. It will deliver around 10 000 home energy audits to low income households. These audits include the installation of starter retrofit kits, including two compact fluorescent globes and an efficient showerhead.

Our estimates are that participating households will save around \$60 annually from the retrofits alone. By adopting the recommendations of the audit, participating households have the potential to save, on average, a further \$100 per year. We

have done a number of pilot programs with local councils and a number of these energy programs before, and we have experienced savings of up to \$500 per annum in extreme cases by adjusting the way in which electricity is used. The scheme also involves incentives to low income households to buy back an estimated 2 000 old, inefficient fridges and freezers, taking the electricity guzzlers out of circulation.

In conjunction with this scheme, we have had initial meetings with the private sector. Given that it is a privatised industry, we really do want the private sector to play its role in these schemes. We are seeking corporate support for a six-year no interest loan scheme, offering (we estimate) around 1 150 loans to low income households for the purchase of energy efficient appliances, products and services. The benefit of such an approach is measured in terms of the outcomes received for dollars spent. For dollars spent on things such as concessions, the impact felt by those actually paying their bills is much less per dollar than it is on these programs.

Given that we no longer own the energy assets and that we do not have income streams from them, there is a limit to how much the government can cross subsidise in terms of electricity, and, of course, national rules mitigate against cross subsidy in energy prices these days. We believe that this is the wisest approach. What we hope is that some time in the future we will see this sort of program perhaps become commercially available at a reasonable cost to people other than low income households, because it offers very significant demand management assistance. Members have to remember that every 10 per cent we take off electricity consumption not only cuts people's bills but it also cuts greenhouse emissions and delays any necessity for massive new investment in generation.

It is fair to say that, in the past, by world standards Australia has not been a good user of energy. We have had fairly low energy prices by world standards. In the world in which we live now, it is very hard to be cushioned forever from world prices. We certainly hope that we will continue to enjoy cheaper fuels than most of the rest of the world, but the truth is that it is not simply a matter of benefits to low income households; it is about using energy better into the future. This is one part of a multi-pronged approach by the government to do something about demand management.

Mr SNELLING: What benefits are expected to flow from the recently opened hybrid power station at Parachilna?

The Hon. P.F. CONLON: I like this question because I opened the power station at Parachilna earlier this year. I give credit to the previous government. It was an initiative commenced under the previous government for a new hybrid diesel and solar photovoltaic station, which I think I opened in March 2003. Parachilna is one of the nicest places on earth, but I can say that at the opening, which occurred after the recent rains, there were about 17 people and about 300 million flies, as far as I could ascertain. Lyn Breuer has probably visited after the rains on occasions and I think that she can testify to that. The total cost of the new power station was approximately \$850 000, including GST. A subsidy of \$283 600 will be received from the commonwealth funded renewable remote power generation program. The South Australian government paid the remaining costs, which totalled \$566 400. It is an excellent new facility.

Parachilna is not only the gateway to the Flinders Ranges (which is one of my favourite spots) but, believe it or not—and it may not be well-known to people—it is also a very unlikely centre for a thriving film making industry. We have

been very happy to ensure that what is a growing tourist spot for South Australia will have reliable power for its visiting film stars.

The Hon. W.A. MATTHEW: I cannot resist saying that I am pleased the minister enjoyed opening part of our apparently unplanned capital program. My next question follows on from the questions I was asking earlier. I remind the minister of an answer that he gave to this committee on 7 August last year when explaining the cut of \$400 000 at that time to the remote areas energy scheme budget. He told the committee:

The remote areas energy supply scheme, as people would know, is essentially the cost of subsidising some remote area energy supply. The subsidies attempt to bring the cost of energy in remote areas . . . more into line with the normal cost of energy. . . Unfortunately, one of the consequences of a likely increase in retail electricity prices is that that margin is not likely to need as much subsidy in the coming year to keep the comparison.

The minister's point was quite clear, that is, he expected that as electricity prices would increase—as the electricity prices would increase for people in metropolitan Adelaide and other grid connected areas—the amount of subsidy could be less. Equally, of course, the reverse is true. If electricity prices come down, then the raised subsidy will need to increase to subsidise people off grid.

I put to the minister that, as his Essential Services Commissioner, Mr Lew Owens, has been widely and publicly touting the possibility of electricity price reductions in the next round of consideration, in fact he has spoken of figures of around 20 per cent, and therefore is it not logical that provision would need to be made in the raised budget in increased terms to provide for that expected drop in electricity prices to grid connected customers and, if so, how much money has been set aside?

The Hon. P.F. CONLON: It certainly would be the case if we saw a significant drop in electricity prices. We would need to maintain the scheme and ensure that those subsidies keep people within, as we said, the basic principle of the scheme. I can say that it is the intention of this government to maintain the basic principle of the scheme. Therefore, if it were necessary to find that extra money, I am confident that that is what would occur. Can I simply tell the opposition that that is a problem that I look forward to having, because, if it does become a problem, it will mean that there will be significant reductions in the cost of electricity. That is something we are working very hard to bring about. We believe that the reduction in the cost of electricity will occur as a result of getting for the first time some competition into the South Australian retail market.

I can say that I have been deeply frustrated at the slowness of essentially what are systems development in the private sector, but I am confident that, despite that slowness, we will see significant competition in electricity retail and we will see downward pressure on prices. That has been our fond ambition since coming to government. The opposition is correct, that is, a reduction in prices for electricity on grid would mean an increase in the level of subsidy. However, as the honourable member well knows, there are other issues at stake in remote area schemes as well. The cost of diesel is a central part of that, and, if there are changes in the cost of diesel upwards or downwards, there are changes to what it would need for us to maintain the price relationship between off grid and on grid schemes.

What we do not do is attempt to forecast where diesel is going and fund it on that basis. I am confident that the sudden

changes will be met by the government. We are able to take account of those sorts of things and I am very confident that we will be able to do it in the future. I simply say that there is a capital program now for the first time that will help us better plan the cost of energy in remote areas, and there will be a better ability to plan than the state has had in the past at any time.

The Hon. W.A. MATTHEW: I refer to Budget Paper 3, page 8.8. On the day the budget was handed down, the minister revealed a 5.6 per cent gas price increase that will occur from 1 January. The previous increase was 6 per cent from 11 July 2002, effectively an 11.6 per cent increase in 12 months. How does the minister justify increasing the price of gas by 11.6 per cent over a period of just 12 months when, in the preceding four years under a Liberal government, the price was no greater than 3.3 per cent and as low as 2 per cent? What extra factors brought about this massive increase compared to previous years?

The Hon. P.F. CONLON: I am more than pleased to answer this, because it is time that the member for Bright told the truth about the gas price increase that occurred from 1 July this year. He has been running around telling everyone that there was a 5.6 per cent increase in gas prices. There was, unfortunately, a 5.6 per cent increase for a certain type of customer. The overall increase, as he well knows—or, if he does not, then he should learn a little about his shadow portfolio—was 3.46 per cent. Again, if the honourable member does not know why there was an increase in one area and a decrease in other prices, then he probably needs to get into another portfolio area. The truth is that we are moving to full retail competition in gas, and I will make a few points about that.

We have been obligated to go to full retail competition in gas for some time. It has been a matter of enormous puzzlement to me and to many people as to how we could conceive going to full retail competition in electricity without doing the same in gas. But that was a decision of the previous government. What it meant was that it placed South Australians in a second best position in terms of competition in electricity because, of course, retail competition, anyone in energy around the world will tell you, is far more likely to be driven by the ability to offer dual fuels to customers than it is by simply being restricted to single fuel.

I cannot begin to explain to this committee why the previous government could not manage to organise gas FRC together with electricity FRC. I am sure that the former minister will have some explanation, although I am not sure it will hold water. I do take the opportunity to say that it is dishonest to claim that a 3.46 per cent increase is actually a 5.6 per cent one. If the honourable member wants to talk only about that, then—

The Hon. W.A. MATTHEW: Now hang on a minute.

The Hon. P.F. CONLON: No, I am not going to hang on a minute. The honourable member asked a question and I am going to answer it. I told him it was a 5.7 per cent reduction in prices for small businesses. If the honourable member is going to go out and bag that reduction for prices in small businesses, I suggest that he goes and does it with his constituency.

The Hon. W.A. Matthew interjecting:

The CHAIRMAN: Order!

The Hon. P.F. CONLON: Let me explain to the committee why the price went up by 6 per cent in the first year of this government: it is because the opposition had made such a dreadful mess of electricity prices. I remind people that in the

second-last round of contestability in electricity prices the average price increase for business was 45 per cent. Because they had taken so much heat on that, because it was a ministerial decision making process on setting gas prices, they artificially set low increases on gas prices. When we came to government—

The Hon. W.A. MATTHEW: That is not true.

The Hon. P.F. CONLON: You'd be an expert on what's true and untrue on electricity, wouldn't you?

The Hon. W.A. MATTHEW: Your briefing notes prove that it's untrue. I can quote your briefing notes back to you.

The Hon. P.F. CONLON: You can, if you like, and then I'll quote some things back to you, fellow!

The Hon. W.A. MATTHEW: You are misleading this committee.

The CHAIRMAN: Order, member for Bright! I ask you to withdraw that.

The Hon. P.F. CONLON: I will move a substantive motion.

The Hon. W.A. MATTHEW: Madam Chair, the minister accuses me of being dishonest and you don't ask him to withdraw that: I protest and accuse him of saying something that is untrue and you then require me to withdraw. I would have thought that an impartial approach would be a far better way to go.

The CHAIRMAN: Member for Bright, the debate so far has been generalised statements. You have now made a specific accusation about a specific event and I ask you to withdraw.

The Hon. W.A. MATTHEW: Madam Chair, I ask you to read the *Hansard* record and reflect on your current ruling after this event, and you will see that the minister made a very specific, not a generalised, statement. I ask you, Madam Chair, to be impartial in your directions from the chair. To keep the proceedings of the committee going, I will withdraw and simply refer to the minister's briefing note to clarify afterwards.

The CHAIRMAN: Thank you, member for Bright. Minister, please proceed.

The Hon. P.F. CONLON: I will say it this way. It is my opinion that the previous government artificially deflated prices in gas. There was an opportunity to do that, though, for the final two increases. To be fair to the opposition, it was not until the 2002-03 tariff setting that, for the first time, we could see actual cost flowthroughs. I think they disentangled some access arrangements or pipeline costs that had not been able to be determined and, as had been planned for some time, the tariff setting went to a costs approach. The costs approach that was put up to us at the time suggested an increase I cannot remember off the top of my head, but it was a staggering increase sought by Origin, which put forward figures to support it. I can tell the honourable member the process.

First, we had Energy SA and then the MERI unit look at it. They gave me advice and we set the tariff according to their costs at a much lower level than that sought by Origin. But let us be absolutely plain: that was the first time that the cost flowthrough approach could have been taken, as a result of the ability to disentangle some costs that I cannot remember off the top of my head, and 6 per cent seemed about the best we could get out of it at the time. Returning to the current approach, a 5.6 per cent increase for small customers and a 5.7 per cent decrease for businesses, the truth of that is that we do have to move to retail competition in gas. It should have occurred some time ago under the previous government

and it did not. If the position of the opposition is that we should not be moving to retail competition in gas, the opposition should put that on the record.

The Hon. W.A. Matthew interjecting:

The Hon. P.F. CONLON: In terms of moving to retail competition in gas, the truth is that there is a heavy subsidy at the moment from small business towards small customers. It is impossible to maintain those cross-subsidies in a competitive retail system. Again, if the opposition thinks that it is possible to maintain those cross-subsidies in a competitive environment, I am willing to listen. I will be very pleased. I am not only willing to listen but willing to implement the solution they can come up with. I have been examining other approaches I would like to take and it is very hard to put them together. The simple truth is that, when you go to competition for customers, if you have cross-subsidies then retailers entering the market will cherry pick. They will pick the customers that are beneficial to them; they will not pick up the ones they have to subsidise. That is an inevitable outcome of gas retail competition.

It is a longstanding obligation to go to gas retail competition. It should have occurred at the same time as electricity competition. The truth is that something has to be done about that subsidy. This increase does not wash out all that subsidy, but full retail competition inevitably will. That is not something that I am pleased about, but it is not something that I have created. The truth is that that cross-subsidy between small business and small customers has been there for a long time.

As I say, if the opposition has an idea, I can tell you I will be bipartisan about it. If they have an idea about how we avoid removing the cross-subsidy, I will be more than happy to listen to it, because I have racked my brains about it. That explains why there was a 3.4 per cent increase this year in the tariff set by me. It has been this government that has actually moved to take the powers to set tariffs away from the minister and give them to an independent regulator where, in my view, they really should belong. As soon as we can achieve competition in gas that is where they will be.

The Hon. W.A. MATTHEW: I assume you have got a sunset clause there?

The Hon. P.F. CONLON: We have a sunset clause because we cannot be absolutely sure. We learn from experience with the private sector—their systems do not always come on line as fast as they say they can do them. So, it is a question of trusting everyone, but tying up your camel as far as the date of going live on gas competition goes. That explains the increases—I cannot be more frank and honest about it than that. If I had my way I would not have any increase in gas prices while I am setting them, because that would be a much better outcome for the government. I want to make the point that we do not get any of this money: it is not a government income stream—it is an income stream to the private sector. There is no benefit in a minister increasing the gas prices. The truth is that the first increase was the first time costs had been disentangled, and we have been committed to a cost flow-through approach plus the margin.

The Hon. W.A. MATTHEW: So now you are saying we did not artificially hold them down?

The Hon. P.F. CONLON: I am saying I think you did. I believe you hid behind the fact that they could not disentangle their costs to keep them artificially low. The figures that we were shown when we first came to government, when costs could be disentangled, showed that they had taken a fair hiding in the previous two increases (as much as you can trust

the figures provided). We took the figures they provided us with, and allocated some cost savings that we think they should have made. So we did not give them all of their costs. We told them that we thought there were some efficiencies that they should go out and find, but there was a case for an increase. Having set out a process for setting an increase and getting advice on it, one simply cannot ignore it.

The Hon. W.A. MATTHEW: Just a clarifying point on that question before I defer to the third question from the member for Morphet: the minister keeps harping on (he has done it in this committee and in the House of Assembly) and claiming that the Liberal government artificially held the price down before the election. The increase to which he is referring was 3.3 per cent, which occurred from 3 August 2001. I put on the record that that was the highest increase over a four year period—in fact, the increases were 2 per cent from 31 July 1998; 3 per cent from 8 October 1999; and 3.2 per cent from 1 September 2000.

On coming into office the minister was prepared with a series of briefing notes, and (as the minister knows) the opposition has obtained some of those through freedom of information. Briefing Note 3.15 that was prepared for him by the Office of Energy Policy (in fact by its then Executive Director, Dr Cliff Fong) says in part:

Gas prices to prescribed consumers and non-business customers increased by 3.2% as at 3 August 2001. This increase was approved by the Pricing Regulator after a rigorous assessment of Origin Energy's 2001 tariff increase application.

I stress 'after a rigorous assessment.' It was not artificially held down for an election—it was the highest increase for four years! But your increase was almost double.

The Hon. P.F. CONLON: A rigorous assessment of what? What did you rigorously assess as the Pricing Regulator? I would be most interested to hear.

The Hon. W.A. MATTHEW: The minister would be well aware because he has pored over the documents—he has seen them. I am simply asking that he is truthful with the committee.

The Hon. P.F. CONLON: Tell me what you rigorously assessed, because I do not believe that you rigorously assessed anything except what you thought was politically sustainable?

The Hon. W.A. MATTHEW: Madam Chair, there is no point continuing this line. I defer to the member for Morphet.

Dr McFETRIDGE: I have a point of clarification in respect of the minister's answer to an earlier question regarding the remote area electricity supplies. I was talking to one of the tour operators at Innamincka two weeks ago, and he said that he was paying \$86 000 per year, I believe, for diesel. Do they receive any rebates at all there?

The Hon. P.F. CONLON: As I understand it, the commonwealth has a rebate for them. We do not have subsidies operating at Innamincka. I cannot speak about what the commonwealth does in terms of diesel, but they could be receiving some subsidy under the commonwealth. I cannot remember the name of the scheme, but there is a renewable energy scheme for those areas. They certainly are not on our list.

Dr McFETRIDGE: Further to that, and regarding the geothermal drilling project that is going on up there (and I do not expect you to answer this now), is there any possibility of Innamincka linking into some trial plants there, because according to the tourist operators this is the worst year for tourism in 20 years?

The Hon. P.F. CONLON: Is this the hot rocks project?

Dr McFETRIDGE: Yes. It sounds like a pretty exciting project.

The Hon. W.A. MATTHEW: It is a very good initiative.

Dr McFETRIDGE: It is a terrific project. I do not expect the minister to answer now. Four weeks ago I was at the Glenelg Waste Water Treatment Plant looking at the upgrade there, and as part of the tour they showed me generators which are being fuelled by methane. I asked whether they had any spare capacity and they said they did. I then asked whether this went back into the grid and they said that it did not. When I asked why not, this particular chap was not really sure—whether it needs to be purified, or something like that. But the size of the generators and the load—

The Hon. P.F. CONLON: I would be very surprised if it had excess capacity, because my experience of those schemes (and I was the minister for water for a while) is that they usually use all of the capacity. We are great supporters of co-generation, and if there was a reasonable capacity from methane we would like to see it go back into the grid. These things are established in a number of places, and I remember visiting the very large Sydney plant, which also generates from methane. However, it does not cover all of their energy requirements; they also buy off the grid. I am happy to check that for the member and bring back an answer.

The Hon. W.A. MATTHEW: My next question relates to pages 5.07 of Budget Paper 4 and also page 5.21—that is Budget Paper 4, Volume 2. Minister, I note that while expenditure has been fairly stable against the line of Information Services (Energy) for two financial years, in fact \$897 000 in 2001-02 and \$894 000 in 2002-03, the budget has been reduced to \$345 000. I ask the minister: is that reduction due to monies being transferred to Treasury and Finance for the staff who have been put into that agency or is this reduction for another reason?

The Hon. P.F. CONLON: I will let the fellow that does the books tell you.

Mr KNIGHT: On pages 5.21 and 5.22, it is evident that that program—program 5, called Information Services—is split into two sub-programs, and the reduction in the 2003-04 expenditure is in sub-program 5.2 which is titled Research and Scientific Services. The reduction in that line in 2003-04 is brought about by two separate impacts on the SENRAC program. As discussed earlier, there is a budget saving of \$265 000 in 2003-04. The other thing that is leading to a reduction in the 2003-04 budget estimate is the fact that both the budget and estimated result for 2002-03 had a very significant carryover of funds from the 2001-02 year. You can see that the number in those two years was substantially higher than what it has now settled down to be. So the \$334 000 which is the movement between the two years is mainly a carryover impact.

The Hon. W.A. MATTHEW: In SENRAC?

Mr KNIGHT: In SENRAC, that is right.

The Hon. P.F. CONLON: I have never understood government carryovers. I always spend all of my money as soon as I get it.

The Hon. W.A. MATTHEW: Just to clarify that, if I can, these, I take it, were funds that were allocated to research programs and the research is underway but has not yet completed particular milestones for payments that have been made, or were these unallocated funds?

Mr KNIGHT: It is a combination of the two.

The Hon. P.F. CONLON: It is a combination of both. What the proportion is, we would have to check for you.

Mr KNIGHT: Quite often, research projects are approved in a particular year but the project does not reach a milestone that requires payment until future years. So it is a combination of the two factors you mentioned.

The Hon. W.A. MATTHEW: I am happy for the detail to be taken on notice and provided whenever you can afterwards. My next question relates to page 5.25 of Budget Paper 4, Volume 2. I am looking in particular at program 7 and the Performance Commentary in the Photovoltaic Rebate Program funding, where I note the following comment:

Expenditure in 2002-03 included the carryover of funds from 2001-02 relating to the Photovoltaic Rebate Program. There is no carryover from 2002-03 into 2003-04 for this program.

However, this comment, minister, does not explain the reduction in the program since 2001-02, when the budget was \$381 000, to 2003-04 where the budget is \$161 000. Effectively, it is a reduction of \$220 000 or 58 per cent. I ask the minister, why have these reductions occurred, or is it only the Photovoltaic Rebate Program that is affected and, if so, what will be the effect of the cuts on this program?

The Hon. P.F. CONLON: As you would be aware, these are commonwealth programs, and you would also be aware, I would think, of a couple of other things. One of these is that the uptake of these programs in South Australia is higher per capita by a long way than it is in other states, and that we administer commonwealth funds. Despite a slow uptake early on, I can guarantee that there would have been no carryovers from last year, because the demand on the program greatly exceeds the funding at present. On both the Photovoltaic Rebate and the Renewable Remote Power Generation programs, I wrote to the federal minister at the end of last year urging that more money be allocated to South Australia.

I stress that we in this state have done our bit with a very significant increase from what you know is quite a small budget in the solar hot water scheme. We were unable to get much joy with that scheme. We also had some problems. You would be aware that the commonwealth had indicated that the money was running out for the Photovoltaic Rebate Program and had initially intended to cap the program at two per month, I think, was the original proposal. This left us with an enormous difficulty because we had a backlog of something like 70 applicants—a very significant backlog.

In terms of the actual figures in front of you, I will get Mr Knight again to give that to you. I will make the general comment that there is a great distinction to be made between the approach of the state and the approach of the commonwealth in these schemes: we have a scheme on solar hot water that is very successful, so we increase the funding for it; the commonwealth has a scheme that is very successful in South Australia, so they get frightened of the success and cap it. That has been, I think, very disappointing. It is something that we will continue to pursue the commonwealth about. We have had a slightly better outcome on the Photovoltaic Rebate Program but, still, there is nowhere near the sort of funding needed to satisfy the demand in South Australia.

I also say that as a side effect of that we have had Origin Energy put on hold proposals to develop a photovoltaic cell factory. The announcement last year of the commonwealth's decision to cap the rebate put it on hold—and that is very disappointing. I think the commonwealth has taken some shortsighted decisions in terms of the future of the photovoltaic cell industry in Australia, as we shrink as a proportion of world demand. In terms of the actual numbers, I am happy

for Mr Knight to tell you how each one occurs, and which column for why.

Mr KNIGHT: It is important to point out, first, that subprogram 7.1, which is titled, 'Policy advice and support services' is not solely the photovoltaic rebate program. When I said earlier that the reason for the movement between the 2002-03 estimated result and the 2003-04 budget was carryovers, the question was whether it explains the 2001-02 number of \$381 000. I need to point out for the committee's information that the abnormally high figure in 2001-02 of \$381 000 is attributable to a line in the table above, titled 'other'. There was \$199 000 expenditure in 2001-02, which is set out in the table for program 7 on page 5.25. That expenditure of \$199 000 was a one-off expenditure, which related to the installation of solar panels on the museum at North Terrace. In fact, that caused that very high figure in 2001-02. In fact, it was not related to the other movement in that line.

The Hon. P.F. CONLON: I will give you the detail that I mentioned before. The commonwealth's initial approach was to cap the rebate for photovoltaics at \$20 000 per month, which would allow only two or three applications. The number of waiting applications grew to around 164, so members will see the very difficult position in which it put us. The better outcome that I mentioned, though not one that we would like, is that the commonwealth committed a further \$5.8 million in funding. The new rate from 14 May will be \$14 per peak watt rather than \$5; the maximum rebate for eligible private dwellings has decreased from \$7 500 to \$4 000; and for eligible community buildings it has decreased from \$10 000 to \$8 000. I guess we should be thankful for small mercies because it is better than the first approach. I stress that I think it is extremely shortsighted.

Mrs PENFOLD: My question relates to wind power, and I refer to Budget Paper 4, Volume 2, page 5.28, 'Facilitation planning services (energy)'. There is no mention of the encouragement of wind power in this section, although, in the past, this has been a lead agency responsible for Energy SA. Which agency or group within government presently has lead responsibility for assisting the establishment of new wind power opportunities? Who is the lead minister? Who do industries contact for advice in establishing their new ventures?

The Hon. P.F. CONLON: You raise a good question. Let us be plain at the outset: the greatest impetus to wind farm development in Australia has been the MRET scheme. I urge the opposition to take a bipartisan approach to encourage the commonwealth to maintain—

The Hon. W.A. MATTHEW: I agree with this, and I am happy to put it on the record.

The Hon. P.F. CONLON: I stress that the greatest assistance to the establishment of wind farms is the MRET scheme. A number of other issues follow from the establishment of wind farms. The member for Flinders would be well aware of transmission issues associated with it. I do not think anyone would be more aware of transmission issues associated with the establishment of wind farms than someone seeking to establish them in her electorate. They are a long way from a strong enough grid.

A second issue about the establishment of wind farms in South Australia is the percentage of wind energy, and to put it with current technology into the overall average base demand. We believe that, as long as the MRET scheme is maintained, there is substantial opportunity to put in wind farms to meet that second factor about which I talked, that is,

the component that can be put into the average base demand. We have seen the success of Starfish Hill, which is facilitated not only by MRET but also the ability to plug into and bring ahead an upgrade of the distribution system at Cape Jervis. Lake Bonney, which recently announced its deal to the Denmark Stock Exchange, is very close to a transmission system, which allows it to overcome those problems. I know that a number of other proposals are running around the state, which are close enough either to the distribution system or grid to overcome those transmission problems.

Of course, the other issue in this matter is planning. Planning is always an issue when it comes to wind farms. The government has given significant support in terms of planning through a range of agencies. It has just been pointed out to me that in relation to Starfish Hill, it was a great support to have an off-take agreement with AGL, which was made very much easier by the government's agreeing to purchase the energy to which I referred earlier. What we have in the pipeline in South Australia, as long as we can get a decent outcome in MRETS—and I am very confident about that; I sincerely hope we will see an improvement in the MRET scheme—is that there are more planning approval applications or initial applications at present than our base capacity could withstand. There is something like 700 or 800 megawatts in applications. The nature of wind farms is that not all applications become wind farms. There are sufficient applications there to believe that we will get that component of the base demand that is tolerable in our system.

I think an important issue for the future growth is the level of interconnection of South Australia with the eastern states. We have got a reasonable level of interconnection with Victoria. I think that will allow the Lake Bonney wind farm to produce into the combined pools of South Australia and Victoria; and, therefore, increase the amount of wind power we can put into the combined pools. I would like to see the completion of SNI, or the interconnector with New South Wales, in order to allow us to feed into those coal-burning states. As the pressure grows on emissions from the coal burners, South Australia is well placed with a wind resource, but strong levels of interconnection are necessary to get beyond making the contribution of component to our base demand, and, rather, a contribution of component to the combined demands of New South Wales, Victoria and South Australia. That will allow us to make full use of the wind resource we have in South Australia. I was interested to talk to a number of people about how they have overcome some of the shortcomings—as members would know—in the irregular nature of generation through electricity, as compared with conventional generation, and there are some technological improvements, which we are keen to monitor.

That is a long answer on wind, but there is a large set of complex issues that will allow us to go beyond the 150 or 200 megawatts wind power to what I would really like to see our developing for full wind resources, including those on the West Coast. They also involve a different regulatory approach to transmission. What we have seen in a number of jurisdictions in Europe is the ability to smear the transmission costs across all the national electricity market, and not simply to South Australian consumers. That would require a significant regulatory change. I do not think it would be a good regulatory change; I think we need to pick up on the component of renewables in the national electricity market, not just South Australia, but they are all issues which occupy our mind and on which we are working.

The Hon. W.A. MATTHEW: My last question relates to security of petroleum supplies and is probably more relevant to the PIRSA energy staff in light of reference to 'Incident Response Services (Energy),' Budget Paper 4, Volume 2 (page 5.24). Following the announcement of the closure of the Port Stanvac Oil Refinery, what will be the effect on the state's total fuel storage capacity, and what will this mean in terms of fuel stored in the event of any disruption to the state's fuel supplies?

The Hon. P.F. CONLON: Obviously, our demand for transport fuels will be met in future through marine imports at the oil terminal at Birkenhead, which will require, on average, a ship every five days. In terms of storage capacity, I will have to get that detail for the honourable member. I do not want to venture an answer and get it wrong. I will take the rest of that on notice and get the answer for the honourable member. I will have to bring back the storage issues on that, as well. A lot of private enterprise information is involved.

The Hon. W.A. MATTHEW: I appreciate that the minister has to bring back the detail. Broadly speaking, does the minister see the state's storage capacity as having been reduced by Mobil's decision or is it able to be maintained?

The Hon. P.F. CONLON: I find it hard to believe that it has not been reduced to some degree, because there are significant storage tanks at Stanvac. I will have to get the detail for the honourable member on that. The Treasurer has largely been dealing with it.

The Hon. W.A. MATTHEW: On Friday, during questioning in relation to the primary industries budget lines, I mentioned that I would seek the opportunity to have some information clarified. It is important that I do that before Mr Knight, one of the minister's advisers, departs. The minister's colleague, the Minister for Mineral Resources, has been asked questions in relation to his department by one of my colleagues in this committee, and they are loosely referred to as omnibus questions. The omnibus question was asked in such a way that the answer that will be given will relate to the whole of PIRSA in one lump. We ask that the components be flagged separately—in other words, that the mineral resources and also the energy components be flagged separately—so that we are able to identify which answers refer to Energy SA and which answers refer to the Office of Minerals and Energy Resources.

The Hon. P.F. CONLON: We will check the *Hansard* for the honourable member's requirements and provide the necessary information.

The CHAIRMAN: There being no further questions, I declare the examination of the lines for the Department of Primary Industries and Resources and Administered Items for Department of Primary Industries and Resources completed.

Additional Departmental Advisers:

Mr K. Jervois, Director, Gas, Microeconomic Reform and Infrastructure.

Ms V. Pring, Director, Infrastructure, Microeconomic Reform.

Mr V. Duffy, Acting Director, Electricity, Microeconomic Reform and Infrastructure.

The CHAIRMAN: Does the minister have an opening statement?

The Hon. P.F. CONLON: I do not think so. I always think it is the opposition's time.

The CHAIRMAN: Does the member for Bright have an opening statement?

The Hon. W.A. MATTHEW: During my brief opening statement to last year's budget estimates, I stated that few issues during my then 13 years of parliament had been as controversial, hotly debated or, for that matter, as mischievously manipulated as matters pertaining to electricity supply. I highlighted the fact that, in the lead up to the last state election, many reckless statements were made by the then Labor opposition and that now those reckless statements have come home to roost, as the government must continue the program that was commenced by the Liberal government.

The Hon. P.F. CONLON: You would not find that many of them are mine.

The Hon. W.A. MATTHEW: I will concede that, as he was not the shadow minister (that was the now Treasurer), a greater portion of those statements were attributable to other members. That is true. I will give the minister at least that much. My statements are now being progressively proven to be correct. I detailed last year the state's electricity situation as it stood and the importance of ensuring the state's gas supply was secured, that it was important that work undertaken by the Liberal government to build a gas pipeline from Victoria to Adelaide was completed, and I am pleased that that work is at least on track.

However, since last year's budget estimates, electricity prices have gone up by 32 per cent to South Australian householders during the summer peak period. There was never any reason for this increase to have occurred. This increase was approved by Labor, with claims that the increase was due, in its words, to the 'dreadful Liberals having privatised electricity'. The minister and I might occasionally enjoy a joust with each. However, taking that out of this, no matter which way you look at it, those statements are absolute rubbish. The electricity prices have increased because Labor let them increase by 32 per cent. It was Labor that permitted AGL to claim a wholesale electricity purchase price of \$72 per megawatt hour as part of AGL's justification to the Essential Services Commissioner and, therefore, the government for the 32 per cent increase it received. This is despite the fact that wholesale electricity prices were reducing at that time and have continued to reduce.

AGL's excuse for their high wholesale purchase price was that they contracted for their electricity purchase 18 months earlier and that, therefore, the drop in wholesale price would not be of benefit to them. Of course, that suited the Labor government just fine. They could see the approval of electricity prices to householders by up to 32 per cent at the start of their term in office and they could blame the Liberals in the full knowledge that wholesale prices were markedly reducing, which meant that a big drop in electricity retail prices would follow.

The Essential Services Commissioner, Lew Owens, is touting price reductions for households in the vicinity of 20 per cent. Labor was fairly secure in the knowledge that they could do that and then of course claim that the prices had come down through their good management. The committee should not forget the fact that people such as respected energy consultants, Bardak Consulting, through their Director, Dr Robert Booth—

The Hon. P.F. Conlon interjecting:

The Hon. W.A. MATTHEW: Dr Robert Booth is a man whom this minister likes to quote, as does the now Deputy Premier. In response to Labor's 32 per cent increase, Dr Booth said:

There is no fundamental reason why electricity tariffs in South Australia should be increasing above the inflation rate, let alone by over 10 times that rate in one step!

In my view, this highlights a particularly hideous and cynical political process: push the price of electricity up, blame the dreadful Liberals, reduce the price, take credit for that, say that it has happened through Labor's good management, and then say, 'Don't vote for the Liberals; remember what they did to your electricity prices.' That is the game that is being played by this government. There is an old saying: you can fool some of the people some of the time, but you can't fool all of the people all the time—as this government will find out.

We have seen a series of appalling attempts by this government to rewrite history. We have seen Labor repeatedly attack the former Liberal government's fiscal management claiming that we left them with a dreadful budget situation. Of course, that terminology is often used by this minister: 'We were left with a dreadful budget situation; the Liberals left us with a big black hole.' These claims by Labor have been proven untrue by the audited budget statement for 2001-02. The indisputable fact is that Labor inherited an economy and a budget in good shape, far better than the appalling mess that the economy and the Treasury bench were left in when Labor was unceremoniously dumped out of office by South Australians following the collapse of the State Bank and a range of other areas of Labor government maladministration.

Members interjecting:

The Hon. W.A. MATTHEW: Members opposite might interject, but they should not forget the \$9.4 billion debt that they left us. That was the extent of the mess that they left the Treasury bench in—an enormous debt. This minister likes to champion this cause and to ride on the political bandwagon. I hope that today we get some pretty straight comments—not just the jousting that the minister likes to be involved in—in response to the questions that are asked. The fact is that this minister knows full well that the price of electricity is coming down because wholesale prices are dropping significantly. He knows full well that the retail price that AGL has been allowed to set is a wholesale price well above the rate that any future prices are likely to be. He knows full well that this price will come down provided no spanner is thrown in the works in the meantime. I cannot see this minister doing that, so one thing is certain: South Australians can expect a big reduction in electricity prices because they should never have gone up by as much as they did in the first place.

The Hon. P.F. CONLON: That's because we've got a Labor government.

The Hon. W.A. MATTHEW: It's not because we've got a Labor government that they're going down.

The CHAIRMAN: Order! Has the member for Bright concluded his remarks?

The Hon. W.A. MATTHEW: I have, Madam Chair. Following on from that, AGL's electricity price last summer was based on a wholesale price of \$72 per megawatt hour, and that allowed them a 32 per cent increase, despite the fact that the wholesale price had dropped considerably. The minister is aware that, at one time, AGL had a protection mechanism in place before market deregulation. That protection mechanism set AGL's wholesale price at \$40 per megawatt hour. They came to the previous Liberal government and said, 'We don't want that price, because we can buy our electricity cheaper.' So that protection was taken away.

They then claimed to this government that, before the start of summer, they had actually contracted for \$72 per megawatt hour. Therefore, they needed a 32 per cent increase in their electricity price. In view of the fact that wholesale prices have now reduced significantly below \$72 per megawatt hour, will the minister indicate to the committee—even if only approximately—what wholesale price he expects dominant electricity retailer AGL will be allowed by the Essential Services Commissioner for the 2003-04 summer, as part of his calculation in the setting of the next electricity price for AGL.

The Hon. P.F. CONLON: The member for Bright labours under an absolute welter of misapprehensions.

The Hon. W.A. MATTHEW: We're all labouring under a Labor government; we know that.

The Hon. P.F. CONLON: Well, call an election; we'd love that. I will not make forecasts about the electricity price because this is just like the member for Bright's question on gas: he refers to a 32 per cent increase, when he knows it is a 24.7 per cent average increase. This was certainly an increase that we did not like—

The Hon. W.A. Matthew interjecting:

The Hon. P.F. CONLON: No you didn't; go and read *Hansard*.

The Hon. W.A. MATTHEW: I referred to a summer increase.

The CHAIRMAN: Order!

The Hon. P.F. CONLON: I'm not going to argue with you. The truth is that the member for Bright simply overlooks a number of issues that militate enormously against the proposition that he puts. The member for Bright with his fervid imagination put forward the proposition that I attempted to achieve electoral popularity by putting up the price of electricity by 32 per cent. That strategy might live in the mind of the member for Bright, but it would not be my first choice for achieving political popularity. The notion that we got into government and said, 'You beauty, we're going to put prices up,' is the sort of reasoning that concludes, I suggest, by clicking one's heels together three times and going back to Kansas.

A number of facts are simply inescapable for the member for Bright. The Essential Services Commission, which he supported in his bipartisan fashion, set the price according to certain criteria; and he said it was unjustified. The member for Bright has never been able to explain why, when he was in government, in the second last tranche of contestability, for larger customers the average price increase was 45 per cent. I do not remember the member for Bright when he was the responsible minister running around saying, 'You can't put the price up 45 per cent; it's not justifiable.'

The Hon. W.A. Matthew interjecting:

The Hon. P.F. CONLON: Oh, it wasn't his fault; it was poor old Robert Lucas's fault. He wasn't the minister, is his response. The inescapable truth is that those electricity prices went up by an average of 45 per cent. Those are the sorts of outcomes locked into by the completely daft process of privatisation just before full retail competition came on board. I will not go over this again and again, but I will say that a number of the factors that were put in place by the previous government which drove big price increases we have attempted to address. Of course, a number of them, such as distribution and transmission costs, can only be addressed over time.

The high contract prices paid by AGL is a matter that can be addressed more quickly. One of the things that we have been addressing was the decision—and it was plainly a

conscious decision—of the previous government to sell to a monopoly retailer. I do not have one with me, but I refer to the packs that the previous government put together for its backbenchers to explain electricity privatisation which initially forecast breaking up the retail side and selling it to a number of retailers. The then government shied away from that idea, just as it shied away from the New South Wales interconnector, because it knew that it would not give it the maximum price on sale. We have said all along that we are paying the price because coming up to FRC the previous Liberal government decided to maximise the sale price. We have worked extremely hard to make sure there would be retail competition for the first time in South Australia since the privatisation.

There are some other things. I do not want to spend too much time answering everything suggested by the member for Bright in his opening comment but, as for the notion that we are building on the Liberal success in securing gas flow, when we came to government there were two gas pipelines competing for South Australia.

The Hon. W.A. MATTHEW: There was always going to be one; you know that.

The Hon. P.F. CONLON: I am told there was always going to be one. I can tell you that that is simply so far from the truth and that absolutely no work was done by the previous government to try to bring those two pipelines from roughly the same place and going to roughly the same place. Absolutely nothing had been done; I can guarantee it. If you want, we can have an argument, call witnesses and get the private sector in. I am quite happy to have the private sector tell the truth about this.

The Hon. W.A. MATTHEW: So am I!

The Hon. P.F. CONLON: He says he is, but I am sure he is not. The truth is that it was an enormous amount of work helped by the goodwill of many of the proponents at the end to get two gas pipelines into one bigger pipeline. We did this because I assure people that at the end of the day it is the customer who pays for the doubling up of infrastructure. The private sector will always be out there to make a margin, and it will be the customer who pays. It is a substantial achievement of the Labor government to bring those two pipelines into one pipeline that in essence doubles the gas capacity into this state.

The Hon. W.A. Matthew interjecting:

The Hon. P.F. CONLON: Ed Metcalf did a great job. Of course, TXU and Origin had to guide their economic interest towards an agreement. It was not a simple thing to achieve, and I am the first to say that my role as the minister was to offer encouragement, but to take all the credit when a large number of proponents in the private sector should take a great deal of credit for it would not be fair. As I have done on a number of occasions, I am happy to give credit where it is due to those proponents in the private sector who were able to act in the best interests of the state—and, I think, ultimately in their own best interests—because those things are very hard to achieve sometimes.

Let me sum up by saying that the notion that this government has sought electoral popularity by putting up electricity prices would be insulting if it were not so plain daft. If it has been some cunning plan by the government to make itself popular by making everyone pay more for electricity, it does not explain for a moment why the Liberals saw big business tolerate a 45 per cent increase, on average. I stress this. The member for Giles would be very concerned about OneSteel, which has been a very good corporate citizen, which has

invested a great deal in the future of this state and which has a number of investments on stream in the city of Whyalla. She would be concerned about why it, a great energy user, had to pay an extra 65 per cent for electricity. When all those facts are out there, it makes it a bit hard for me to understand why the member for Bright can keep this line going, but I assume he will until—

The Hon. W.A. MATTHEW: Until it's proven true.

The Hon. P.F. CONLON: Until it's proven true. If he does it until it is proven true he will be here for a very long time; he had better live for a very long time, because the proposition simply does not hold water.

The Hon. W.A. MATTHEW: My next question relates to the same issue. The minister has graciously acknowledged in his answer that the high contract price paid by AGL can be addressed in the short term, so we are at least in agreement on one part of this issue, and that is that AGL paid that high contract price. As the minister and I are aware, it paid that high contract price in a climate where wholesale prices for electricity were reducing. I ask the minister why he believes that AGL found itself in a situation where it was paying \$72 per megawatt hour for electricity at a time when prices were dropping. Could it perhaps be to ensure that it purchased all available electricity for retail from 1 January 2003 to lock out competition?

The Hon. P.F. CONLON: I can certainly tell you why I think they were buying expensive electricity: it was because of the mismanagement of the previous government—

The Hon. W.A. Matthew interjecting:

The Hon. P.F. CONLON: Just listen to this—in particular, because you chose a monopoly retailer. You put AGL in a position where, if it did what you said, you created the opportunity for it to do it. When the previous government went back on its original plan and decided to provide for a single monopoly retailer, if it did what you suggest, it was you who created the opportunity for it to do it.

The Hon. W.A. Matthew interjecting:

The Hon. P.F. CONLON: No, I am not saying that it did it at all; it put forward another explanation. If your criticism is that the price was so high because it went out and bought all the electricity because it was the only retailer and could keep out all competition, there is only one reason why it was the only retailer: it is that in your privatisation that is what you decided to do. I understand that the position that AGL was in was that it would also be the only retailer who would not have a choice about supplying electricity, and that was Lew Owen's decision, not mine. His suggestion was that, it being in that position, it was prudent to buy all the electricity that would be needed to meet what might be a peak demand over summer.

As the member for Bright should know, the demand for electricity in summer in Adelaide is usually unpredictable and volatile. Let us not get away from the fundamental issue I raised earlier. If part of the reason the cost was so high is that a single retailer was buying all the electricity to keep out competition (I am not saying that is the case; I do not think that is what Lew Owens determined), it was because the previous government decided to sell to a monopoly retailer and get more for the business. I have told you all along: it was your sale; those decisions in your sale drove the prices, and I am very pleased now to have you quoting the evidence to me.

The Hon. W.A. MATTHEW: My third question continues down the same line. It seems that the minister and I agree that AGL has paid a very high price for wholesale

electricity at \$72 per megawatt hour and that that has significantly contributed to the increases in electricity prices that we have seen. The difference in opinion so far is that the minister is saying that that was possible because the Liberal government provided a monopoly retailer situation.

The Hon. P.F. CONLON: It is only one of the things I disagree with you on, believe me.

The Hon. W.A. MATTHEW: I put this to the minister. The minister introduced the legislation to the house to provide for the rules for the deregulated market from 1 January 2003. The minister was well aware that that legislation needed to be through the house at least six months in advance of that date to provide for the market to have the opportunity to have new entrants. The minister was aware that TXU and Origin Energy needed that legislation in place by 30 June. How can the minister sit here and say that we have a monopoly retailer situation because it was set up by the Liberals, when his government did not introduce the legislation into the parliament until two to three months after it was needed to provide for those market entrants? There was never going to be competition on 1 January 2003 when the legislation was introduced so late.

The Hon. P.F. CONLON: If the honourable member believes that some delays in legislation were the reason for a lack of competition on 1 January, then he is probably the only person in Australia who does. I will just run through some of the mistakes that the previous government made, since the honourable member insists on proceeding along these lines. Perhaps the honourable member can explain to me why anyone in their right mind would want to introduce FRC on 1 January, a day when most businesses are not operating? Perhaps it was the fault of poor old Rob Lucas—the honourable member has already lagged him in once today; maybe he can lag him in again. I do not want to say this, but, Wayne, you are simply wrong. The delays in the introduction of competition, firstly, I would say, were no greater than anywhere else where they had to develop software systems, but the problem on 1 January was that there was only one retailer.

The former Liberal government initially went out with its documentation to sell the privatisation—which, of course, we all know was one of the great lies of Australian politics. Members will remember the full stop, full stop, full stop denials by the Deputy Premier and the never ever sell ETSA promises. They put out a handbook for their MPs, which said that competition would exist and it would also bring prices down; and that it would exist by selling what they then called the distribution companies. They put the distribution and retail companies together for a number of operators. That is what they told their MPs, but, unfortunately, they then brought in a bunch of consultants to whom we paid \$100 million to get the legislation wrong. We all remember that \$100 million being paid to the ETSA consultants who could not get the legislation right. They had to keep bringing it back to parliament to fix it up. However, those consultants did one thing for them—I assume it was their advice. They said, 'Hang on, if you sell a number of retail companies, you will not get as much. What you need to do is sell a monopoly because you will get much more for business.'

One of the things with people in business is that, when they pay a lot of money for something, they want to make a return on it. That is what happened with transmission and distribution, and that is what happened with the monopoly retailer. Let us be absolutely plain, there was one reason why there was only one retailer for small businesses as at

1 January and that was that it was the result of the conscious decision on the sale by the previous government.

Membership:

Mrs Geraghty substituted for Mr Snelling.

Mrs PENFOLD: This question is about pensioners and carers. I refer to Budget Paper 4, Volume 1, page 3.14, energy infrastructure policy. Pensioners receive an annual concession of \$70 on their electricity bills. As these concessions have not been increased, pensioners have been hit with a proportionately higher increase in their electricity bills than the general community. Will the minister now agree that pensioners, many of whom are also cared for or are carers of others, have received disproportionately higher increases in their electricity bills than the general community; and has the minister argued around the cabinet table for higher concessions for these pensioners and their carers?

The Hon. P.F. CONLON: I have made my position plain on this on a number of occasions. In the past, we were able to offer concessions and do a number of cross subsidies in the electricity business. That ability was largely taken away from us when the previous government decided to sell the businesses lock, stock and barrel. We have been very concerned about the effect on low income earners. The recently announced energy audits for low income earners—and I stress this—were in response to a select committee on poverty which addressed this aspect. From memory, they responded positively to almost every single recommendation of that committee. They told us that this was the best way to go. Of course, that committee contained Liberal members, from memory, the Hon. Terry Stevens, and certainly Joe Scalzi, the member for Hartley.

Our response to the needs of low income earners has not only been dictated to by the position that we inherited in terms of the sale of utilities but it is exactly in accord with the recommendations of the select committee into poverty. I will say this, though, that in relation to the constant questioning of this government by the opposition, it would be more helpful if they would take up the level of support given by the commonwealth government, the people who provide the payments to these people, that is, to pensioners and to carers. It is my very strong view that the commonwealth government rides free on the back of carers in our community while pocketing a \$2.4 billion surplus this year, after \$2 billion worth of tax cuts. I am quite happy to take these questions, it is our responsibility for government, but I really would like it if the Liberal opposition questioned their own people federally about whether they are doing enough.

They are the people with the \$2.4 billion surplus; they are the people with all the money. We have to work our brains out to get a balanced budget in this state, yet we have a commonwealth government which rakes in the money and which is simply not doing enough for the pensioners and the carers in this country. I am happy to accept my responsibilities and live up to them. We have responded to the select committee on poverty and we have done what that committee asked. I really would like it if someone in the Liberal Party could knock on the door of their federal colleagues and say, 'How about sharing some of that big surplus with the needy in the land?'

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 1, page 3.14, energy and infrastructure policy. Does the minister now concede that Labor's pre-election policy to build an electricity interconnector between South Australia and New

South Wales by September 2003 is now unachievable; and, further, if it is eventually built, that the interconnector cannot deliver the cheaper power to South Australians which Labor claimed?

The Hon. P.F. CONLON: I will take the second part first. Interconnection with New South Wales not only makes sense but it fundamentally underpins the whole rationale behind the electricity market. The truth is that fuels in South Australia are expensive, more expensive than in the eastern states, which burn coal. I would be very confident in saying that the cheapest electricity generation of fuel in the world—check those figures—certainly in the modern world, would exist in New South Wales, Victoria and Queensland—the coal burners. They generate the cheapest electricity in the world. Why on earth would you not want to be connected to that, especially when members consider that South Australia has—and, until someone invents a new form of air-conditioner, is likely to continue to have—the most volatile summer demands of any jurisdiction. I think the average base demand was about 1 480 megawatts over the last 12 months. We can crack 3 500 megawatts after a heat wave. Is that right, Vince?

Mr DUFFY: A bit lower.

The Hon. P.F. CONLON: A bit lower than 3 500. There are a number of ways in which you can deliver it. You certainly cannot deliver it by building base generators in South Australia. That would be an enormously expensive thing. So, you build a very expensive peaking plant, which we have done, but you also draw on interconnection. The truth is that the interconnection with Victoria has been a major influence on prices in South Australia in the long run over the last 10 years. It makes absolute sense to have strong interconnection with New South Wales as well, because we often share other peak demand days with Victoria and we are far more likely to share peak summer demand with Victoria than share it with New South Wales. All these answers jump off the page at you.

The second benefit is the one which I mentioned earlier. If we are to develop wind resources in South Australia beyond fundamentally feeding into our pool, or feeding into the combined South Australian-Victorian pool to a degree, we would like strong interconnection with New South Wales. I believe that I will have continuing pressure on emissions: I do not think that will go away. In relation to the benefit of getting it built, everyone would know that the current regulatory system—which, I can indicate, the ministerial conference on energy a little over a week ago finally recognised as inadequate (and suggested a new way forward)—has been a farce in terms of delivering transmission interconnection.

I would have thought that the fundamental reason for having a national electricity market is a well planned transmission system. The ability for the SNI interconnector to be held up by two appeals, now, has been deeply frustrating. We have participated in those appeals as a jurisdiction and I am confident that we will win the second case as well, but we cannot make it go any faster. The indication of a decision by the ACCC that the Murraylink interconnector (which, if members recall, was touted by the former government as being the best interconnector because it did not cost consumers a cent) might be made a regulated interconnector with an indication that they might support some sort of optimised SNI, has made it extremely difficult to get what I would have thought a simple project up.

My proposition to the national ministers and the commonwealth has been that these matters of interconnection should be a decision for jurisdictions, not the captive of some bizarre economic test written by economists who can only ever make things work on a blackboard. I think it was Churchill who said that democracy is the worst system, except that it is better than all the others. I think the only thing worse, in Churchill's mind, than letting politicians run the place would be letting economists run them. I have said before that we used to say at law school that one of the benefits of teaching economics was that every year in the exams you did not have to change the questions, just the answers.

The Hon. W.A. MATTHEW: This is a Treasury budget line, too. It's just as well the Treasury boffins aren't behind you!

The Hon. P.F. CONLON: Give me a decent accountant over an economist any day! The truth is that the economic test for interconnectors is one that seems a little bit like Alice in Wonderland: that words mean what the ACCC says they mean. There is no doubt that we need a better regulatory system and better policy making for transmission development in Australia. That is something that all governments, including the commonwealth government, have come to recognise. It is no comfort to South Australians that the reason they cannot have a rational decision on an interconnector is because some people drew a regulatory system that, frankly, is inadequate. But that is the long answer to what was a very short question.

[Sitting suspended from 12.59 to 2 p.m.]

Dr McFETRIDGE: What are the likely costs for 2002-03 of the government's court action in relation to the SNI project, and what moneys have been allocated for 2003-04 to continue this court action?

The Hon. P.F. CONLON: I will obtain those details for the honourable member—I do not have them here.

Members interjecting:

The Hon. W.A. MATTHEW: We certainly do not want you to make them up! Again, I refer to the SNI project and ask: will the minister advise the committee why his government is continuing taxpayer-funded support for the project when industry experts, such as Frontier Economics and Professor Steven Littlechild, have raised several concerns? I am sure the minister is familiar with these concerns but, for the benefit of other committee members, I will relay some of them.

For almost four years Frontier Economics has been contracted by the New South Wales Labor government to provide advice on electricity assets in the national market. Frontier Economics recently said:

Currently there are two proponents of interconnection between New South Wales and South Australia. . . it is not possible, nor sensible, to connect both projects.

That reference was made to Murraylink versus SNI. Similarly, Professor Steven Littlechild (a principal research fellow at Cambridge University and a former UK Director-General of Electricity Supply who now works as an adviser to a number of Australian companies and government organisations—a man with a lot of experience in the industry) recently said:

It surely cannot be sensible to waste—literally waste—no less than \$144 million dollars on building and operating a duplicate interconnector. . . My considered opinion is that to do so would be irresponsible, not to say scandalous.

That comment was made with the knowledge that Murraylink has been completed and that SNI is yet to go. How can the minister justify continuing to spend taxpayers' money on this court pursuit with that sort of advice in the public arena?

The Hon. P.F. CONLON: It raises a couple of interesting points. One is (and correct me if I am wrong) that I believe Frontier Economics is the company that has Danny Price as a principal. It was amusing earlier to hear Robert Booth from Bardac quoted, because some months after those comments were made he went on the record and said that I was doing a good job as energy minister. So, you can quote Robert Booth as long as you like—I think he has very sound judgment. Quoting Danny Price is very interesting, because Frontier Economics was the subject of a vitriolic attack by the former treasurer, Rob Lucas, in the Legislative Council. I am glad to see that Danny has been rehabilitated in the eyes of the Liberal opposition, because I do not think he deserved those attacks in the first place. I am glad to see that he is now held in higher regard.

I refer to the issue of the two interconnectors and again place on the record that I have never been a supporter of entrepreneurial interconnectors as a concept. My personal opinion is that they have not worked in the national electricity market. The Murraylink interconnector, of itself, does not offer the connection to New South Wales that I spoke about earlier as being very important for the state, and as underlying the whole concept of a national electricity market. The truth is that these two projects went out competing one against the other. One was built sooner because it did not have to face regulatory tests, as it chose to be a market network service provider.

As I said earlier, my opinion is that the notion of entrepreneurial interconnects does not work, and this is largely borne out by the events. Murraylink has not been able to deliver on its investment as an entrepreneurial interconnect. I think it is fair for me to say that—in fact, it would be hard to contest it. The ACCC has suggested that Murraylink, if it made an application to become a regulated interconnector and surrendered its market network service provider status (the first step, I believe, in making the application), might become a regulated interconnector at a certain value. I have a lot of trouble with the value attributed by the ACCC, in that it is not, in fact, a determination but an indication of what it might determine and the way it might determine it because, frankly, I think it is so much more expensive than an overhead transmission system (which is the system that we normally use in regulated transmission systems).

I think a regulatory system that allows SNI to put in an application at the same time that an entrepreneurial interconnector is being built, and then have a system of appeals which lead us to the position we are in, is a very poor regulatory system. That is one of the issues that desperately needs to be addressed in a far better fashion by a national regulatory system. I am very hopeful that the approach taken by the ministers and myself a little over a week ago will lead to a better system, but it has left us with a dog's dinner in what should be a very simple proposition—that is, that South Australia should be strongly interconnected with New South Wales for all the reasons I went through before. In short, I can understand why people would say that, since there is a part of an interconnector to New South Wales built, you must incorporate it.

I wish that things were that simple in the national electricity market. We have a market network service provider. We do not even know if that market network service provider

wants to become part of a regulated link. It raises a whole range of issues about whether or not you could have an optimised or unbundled SNI with a newly regulated Murraylink. I have to tell you, we would have some concerns as a jurisdiction, as you would expect us to have, about what value would be placed on that as a regulated asset, because it reflects on prices. I guess another option is an unbundled optimised SNI with a market network service provider that is Murraylink, or another option is SNI on the route as it stands at present, subject to winning appeals.

I wish it were a far simpler process to achieve interconnection with New South Wales than the process we have been through. That is not entirely within our control and I think we have taken some first steps in improving that process. But the principle remains that it is in the best interests of South Australia to be strongly interconnected with New South Wales and that that remains a firm objective of this government and we are going to do everything we can to achieve it within that mess that has been created for us.

I would not say further than that at present, but I can tell you that we continue to be in discussion with the New South Wales government and we are determined to achieve a national electricity grid that will act in the best interests of South Australia. I just wish that national regulators would stop putting so many hurdles in the way of it.

The Hon. W.A. MATTHEW: If I could just clarify to make sure that I am not misinterpreting the minister, can I take it that the minister now is indicating to the committee that all options are open and that he would not rule out the possibility of further optimisation to Murraylink, if indeed it does become a regulated asset, to ensure that it delivers a better deal for the taxpayer than having SNI also approved and sitting side by side with some duplication—not all, but some duplication—of path.

The Hon. P.F. CONLON: What I have said is we are going to have to deal with it. If the ACCC comes down finally with the decision that makes Murraylink a regulated asset and we are paying for it, we are going to have to work out how we are going to use it. You can understand what I have said before—you can read it in *Hansard*. We are still parties to an appeal. We are respondents, I should say, to a continuing appeal on the SNI status. Frankly, above all, Murraylink is useless, I would not say entirely useless, but it does not have a great deal of use to this jurisdiction unless it is part of an interconnection with New South Wales. I am not going to—

The Hon. W.A. MATTHEW: It is connected with New South Wales. It benefits us there.

The Hon. P.F. CONLON: It is, but it is not strongly enough connected. We can go through all those details if you want. What I am saying is, I am not going to say things in here today that prejudice our position—we are putting in an appeal in a federal court. What I can say is, and I have said it before, if we are faced with the proposition of the market network service providers, instead of regulated assets we are paying for, then we have to work out the best use. But I can also signal that I am not happy with the indications of the value attributed to it by the ACCC at present. That would be a major issue for us.

The Hon. W.A. MATTHEW: My next question relates to electricity retail competition and the minister indicated to the committee earlier today that he, as we do, eagerly awaits true competition for electricity purchase for South Australian householders. I ask the minister, is he able to provide an estimate as to what proportion of South Australian residential

electricity customers are purchasing electricity from a company other than AGL, as at this time, and by when does he expect purchases from alternative retailers to be more widely available than at present?

The Hon. P.F. CONLON: I would have to get details. I understand Lew Owens keeps track of some of those things and we will get some of that detail for you. I can say that I have been frustrated with the slowness in the private sector. I think it largely goes to their systems rather than anything that the government needs to put in place. Everything that needs to be in place is there. It seems the experience with retail competition has been that the software systems are complex and difficult and people have had difficulty with them, but all that needs to be in place is there. There is electricity available for people to sell. There is a capacity, under the rules that we have set up, to compete. I am frustrated by the speed in the private sector.

I repeat: I have no doubt that competition would be stronger now if we had moved to retail competition of electricity and gas at the same time. It is a second best system to be competing only for electricity customers while not being able to compete in the gas area—as I said before, ‘dual fuel’. So, there is no doubt that that is a second best situation to be in terms of encouraging competition. As to who is getting offers and who is not, I will get that information from Lew Owens.

The Hon. W.A. MATTHEW: I have a supplementary question. Can I ask the minister if at this stage he is aware if there are any retailers other than Origin Energy and TXU who have contacted householders with offers, or are they the only two companies he is aware of?

The Hon. P.F. CONLON: They are the only two I am aware of at this time. I know there are licence applications, but I am not aware of those being developed to the point of making offers. I have to say, if Origin and TXU were in there offering hard, that would be competition as good as most people see in any other state anyway, but we are confident that we are going to see far more activity in the second half of the year than we saw in the first half.

The Hon. W.A. MATTHEW: My next question relates to the Energy Consumers Council. The minister is familiar with the fact that before the last election his party announced the formation of an Energy Consumers Council, to be chaired by Professor Richard Blandy. After questioning in parliament as to why the council had not even met, and after a fair bit of media publicity, the minister finally intervened and the Energy Consumers Council, as I understand it, had its first meeting in late November 2002.

That was about nine months after the change in government. Now that the government has been in place for 15 months, how many times has the Energy Consumers’ Council met? How many reports has it produced? What is the budget allocation to support the council’s activities for the 2003-04 financial year?

The Hon. P.F. CONLON: I cannot give the exact number of meetings, but I will get that figure for you. I can tell you that the council is very active. I stress that the matters the honourable member has detailed and the preamble to his question simply are not correct, but I will not go through it all again. Consumer advisory bodies are already established under the Electricity Act. We were setting up a high level policy team, which has been very active. Recently, it had the very highly regarded—as you describe him—Rob Booth doing some work for it, as well as David Headberry. It has been very active, and it has been meeting regularly. People

from my office attend its meetings so that we can keep in touch with the work that it is doing. I am expecting a report soon.

I have tried to explain before that this is a senior policy group, which will help to guide long-term policy. We do not expect to get regular missives from it, but, rather, a very detailed and studied report. We expect to get that. The person who attends the meetings is not here today. I think there have been about 10 meetings. It has been extremely active. Dick Blandy is doing a terrific job. The group is independent. As the honourable member well knows, Dick Blandy is not a person to trumpet any government's line. We look forward, with a mixture of excitement and trepidation, to seeing the final report, because it is a ferociously independent group that we have established. In the budget line, the additional funding for the Energy Consumers' Council is \$150 000, I think. It shows that the ongoing cost should not be that high.

The Hon. W.A. MATTHEW: Is a permanent staff member included in that?

The Hon. P.F. CONLON: One research officer is included, but we also draw heavily on existing resources. We try to do things as cheaply as possible in my area—it is just my nature.

The Hon. W.A. MATTHEW: Is the minister aware of the Energy Consumers' Council calling for any direct input from the people of South Australia and energy users as to their view about the present energy situation and suggestions for change and improvement?

The Hon. P.F. CONLON: I have not told the council how to go about its job. We saw its independence as being an important part of the value of the council. I assume that it has made its determination about how it does that. I assure the honourable member that the council has been extremely active. Its representation is broad, including very big users to very small users and representatives from welfare agencies. I have every confidence that it is doing the job that it is supposed to be doing. I do not tell it how to go about its work. I provide the resources and it determines how it goes about it.

The Hon. W.A. MATTHEW: My next question relates to the Energy Consumers' Council. I accept that the minister might not have told it how to go about its job and that it has met a lot, but it would seem that the Energy Consumers' Council is not operating in accord with the government's policy. In a press release in February 2002, Premier Mike Rann (as the then leader of the opposition) issued a media release which states, in part:

The Energy Consumers' Council will report on a quarterly basis and allow the users of energy direct access to the government and the ability to have a practical input.

Unless I have misunderstood the minister's answer, the council has been meeting but there have been no quarterly reports, even though it has been meeting, by my calculations, for the best part of eight months. It should be getting ready for a third quarterly report—yet we have not had one. It has not provided users of energy any direct access to the government, nor an ability to have practical input. Has the way in which this council is being used totally changed? Is it no longer the beast it was intended to be? What is it?

The Hon. P.F. CONLON: It is not a beast. It is an extremely well represented and respected body. The announcement by the then leader of the opposition in February 2002—

The Hon. W.A. MATTHEW: During the election campaign period.

The Hon. P.F. CONLON: Again, I stress that we set up a body to give policy advice at the highest level possible. It may have been our initial view that the council report quarterly. If the body has decided—and it appears that it has—that it wants to do substantially more work before providing the first report, I will not argue with it. I will not tell the council how to do its job. That is how we may have foreseen it originally working—

The Hon. W.A. MATTHEW: This was a big media announcement by the then want-to-be premier.

The Hon. P.F. CONLON: What do you want here? Do you want some sort of shallow point scoring, or do you want a consumer council, which is ably led and well resourced and which does the job in the best way it thinks it can do the job? I have said I that will not dictate to the council how it goes about doing the job. Shortly, I am having dinner with Professor Blandy and we will have further discussions about what the council is doing. I understand that it will present an annual report in September. If it believes that is the best way in which to do the job, I will not dictate to it how we thought in the first place it might best be done. If the council thinks that it knows better, in terms of doing it, I am prepared to accept that. That is the sort of humility the government brings, as opposed to the allegations of the member for Unley. That is the sort of humility we in the new government bring to the position.

The Hon. W.A. MATTHEW: I am stunned by the minister's statements here today. This was a key undertaking by the then leader of the opposition. The Energy Consumers' Council was going to be the public's way of putting its viewpoint to government.

The Hon. P.F. CONLON: Are you saying he is not doing the job properly because he is not giving quarterly reports? Is that your proposition?

The Hon. W.A. MATTHEW: The minister is choosing to ignore my question. The statement was that energy users would be allowed direct access to government and the ability to have practical input through this council. There has not been that opportunity. That opportunity has not been there. South Australia has been sold another pup by your government. They have been sold quite a few—and this is just another one.

The Hon. P.F. CONLON: Would the honourable member indicate to me which energy user has been denied access to the government?

The Hon. W.A. MATTHEW: I am asking the question.

The Hon. P.F. CONLON: After 18 months, this is the best that you have in your kitbag!

The Hon. W.A. MATTHEW: I have asked how they have invited South Australian energy users to provide input. The answer is that they have not done so. What have they been doing? You have been in government now for 15 months.

The Hon. P.F. CONLON: I do not appreciate being verbally by the member for Bright. I have said how they take information—

The Hon. W.A. Matthew interjecting:

The Hon. P.F. CONLON: Occasionally, you should listen and learn some of the humility that I exercise so well.

The Hon. W.A. MATTHEW: You would not know the meaning of the word!

The Hon. P.F. CONLON: I told you that the way that the council makes itself available to energy users is up to Professor Blandy and the team itself. What you are doing today is seeking to undermine the work of a team of people

who are not only highly regarded, each and every one of them, in their field but also giving a great deal of their time for the people of South Australia. Dick Blandy is doing a very good job. He has thrown himself into it with considerable enthusiasm. The honourable member wants to pick out a word or two here and there and extrapolate a position from it. All I can say is: if the best you can do, after 18 months in opposition, is to allege that the consumer council is not speaking to enough South Australian energy users, without any further evidence than that, you have more time in opposition in front of you.

The Hon. W.A. MATTHEW: Minister, you may choose to be churlish with the committee, but the record stands: the consumer council is not undertaking the work that your election policy said it would. It is just not doing it.

The Hon. P.F. CONLON: Member for Bright, would you be happier if I dictated to the consumer council that it should report quarterly and do all those sorts of things set out there? Would you prefer that rather than allowing it to go about its work independently in the way it sees best? Is that your proposition?

The Hon. W.A. MATTHEW: I am simply seeking an admission from you that your policy has been changed, if that is what has happened. That is all I am seeking. No admissions are forthcoming. My next question relates to an issue about which the minister is well aware, that is, the zonal tariffs for demand customers. As the minister, representing a southern electorate—and I also represent a southern electorate—is aware, the placement of zonal tariffs for gas could have an effect on businesses in his electorate as they will in mine. What progress has been achieved in resolving industry concerns over zonal tariffs for demand gas customers, particularly those based in southern metropolitan Adelaide, including customers such as Mitsubishi?

Membership:

Mr Snelling substituted for Mrs Geraghty.

The Hon. P.F. CONLON: I am not quite sure I understand the question. Does the question relate to what I have done about zonal tariffs?

The Hon. W.A. MATTHEW: My question is: what progress has been made to effectively resolve the industry concerned? As the minister is aware, zonal tariffs have been touted for some time. The move to those has been delayed for a considerable time. There was the opportunity for the industry to have input during the time of our government. That input was being progressively received and would have been assessed by his government.

The Hon. P.F. CONLON: It would have been assessed by SAIPAR. We do sub-10 terajoules and there are no zonal tariffs for sub-10 terajoule customers.

The Hon. W.A. MATTHEW: Effectively, I am asking: has progress been made?

The Hon. P.F. CONLON: On 17 April 2003 it made a decision on there being four zonal tariffs. That is not something in which I am directly involved, frankly. I know that significant public comment was forthcoming from companies, and Mitsubishi Motors and Mobil would be the two in which the honourable member would be most interested. As I understand it, the ability to understand the issue has been to a degree made more difficult by the absence of information provided as to the tariffs being paid by those customers as a matter of commercial-in-confidence considerations. It is not a matter for which I have direct responsibility.

I understand that the matter will go to the Essential Services Commission in due course. I confirm that four zonal tariffs exist.

Mr JERVOIS: The four zones are the north-west, the north, central and southern.

The Hon. P.F. CONLON: If you are asking me what we have to do with it, obviously we are concerned about the competitiveness of business. However, we do not have a direct relationship in those determinations. What has been SAIPAR will be the Essential Services Commission into the future.

The Hon. W.A. MATTHEW: However, minister, you have the ability to intervene to make recommendations and submissions on behalf of government. My concern is simply now that we have the Southern Expressway going to the southern area, and that provides a greater incentive for industry to relocate into the south, and that is of advantage to the residents of those areas. The big dilemma has been the gas pricing issue, particularly if we finish up with it costing considerably more for an industry to purchase its gas if it locates in the south than if it locates in the north. I know that the City of Onkaparinga has put forward this as being one of the most significant issues in relation to industry attraction to the southern area. As the minister knows, being familiar with that area, there is still a relative abundance of industrial land and, therefore, the location for industry. However, gas tariffs could finish up being an impediment to those areas being industrially developed.

The Hon. P.F. CONLON: I will not argue with what you say. To the best of my knowledge I have never been approached by an industry participant directly on the question. I will check all correspondence. I cannot recall ever being approached by an industry participant. I certainly know that they have raised the matter with SAIPAR. I can get the honourable member the detail of the determination of SAIPAR on the issue of zonal tariffs. I have no doubt that it is an important issue for many businesses, including Mitsubishi. As I said earlier, as I understand it, SAIPAR's job has not been made easy by the inability to have access to commercial information. However, I can honestly say—and I will certainly come back and correct it—I cannot ever recall having been approached, by letter or otherwise, by any of the major companies on the issue. I get a welter of letters from them, but I have never been approached. As a matter of principle, it would be very unusual for me to make an approach to the regulators on such matters.

The Hon. W.A. MATTHEW: Unless that approach is yourself.

The Hon. P.F. CONLON: I certainly would not attempt to second-guess the regulator unless I had lost faith in them, in any event. That has not been my approach, to interfere with the matters of regulators.

The Hon. W.A. MATTHEW: I am just surprised that you have not been approached, because I certainly was—numerous times.

The Hon. P.F. CONLON: The only approach I have had is from industry wondering when SAIPAR was going to make its resolution of the investor access arrangements. I will check the record for the honourable member.

The Hon. W.A. MATTHEW: My next question relates to the Electricity Supply Industry Planning Council. I note from Budget Paper 4, Volume 1 (page 3.23) that an amount of \$1.829 million has been allocated to that council for 2003-04. The minister would be aware that this group was criticised in the government report that was entitled 'Investi-

gation into the incidents into the electricity market' on Saturday 25 January 2003 in relation to the way in which it provided its advice to government and the work it did during the Moomba gas plant problem that occurred on that day. In view of the criticism made following that investigation and the importance of concise advice being given by the Planning Council to the government, what action has the minister taken to require the council to improve its performance of 25 January and the aftermath?

The Hon. P.F. CONLON: Are you talking about the Lew Owen report?

The Hon. W.A. MATTHEW: Yes.

The Hon. P.F. CONLON: I do not know why you fail to understand the difference between an independent regulator and the government. According to you, the independent regulator is something like a Cadbury's selection box: you pick out the bits of the report that you like. Earlier today, you told me that Lew got it all wrong in terms of setting the electricity price; now you are saying why am I not acting on Lew's criticisms of the Planning Council? I understand that further discussions took place after that.

The Hon. W.A. Matthew interjecting:

The Hon. P.F. CONLON: No, they discussed it between themselves. There has been a subsequent report. I know there was an updated report from Lew Owens as a result of submissions and answers from a wide range of people following the first report. I do not have that with me, but I will check it for you. There were further discussions following the matters raised in Lew's report. If you are asking me whether I have lost confidence in the Planning Council, I certainly have not. We did not establish it, you did. If you are telling me now that you think you made a mistake and that you did not establish the right body, I will take that on board. I have not lost confidence in the Planning Council, but I will certainly take your criticisms to them for discussion.

I understand that NECA made some comment about 'easy-peasy' too. Not only do I think they overstepped their brief, but in regard to NECA's making comments about state government agencies, if I might be biblical, perhaps they should have regard to the beam in their own eye before they see the mote in their neighbour's.

The Hon. W.A. MATTHEW: To clarify that, do I understand that the minister has considerable concerns about NECA?

The Hon. P.F. CONLON: Anyone with a little knowledge of the Bible would understand what I have just said.

The Hon. W.A. MATTHEW: I would just like the minister to put on the record that maybe he and I agree. I am interested to know his full answer, but he does not wish to state anything further. Regarding the policy in relation to the Electricity Supply Planning Council, on page 13 of the capital program expenditure there is an amount of \$66 000 allocated to that organisation. On that same page, there is an amount of \$110 000 for the Essential Services Commission. Will the minister advise the committee what the capital expenditure is being used for in respect of each of those organisations?

The Hon. P.F. CONLON: I do not have that with me. I will have to take that on notice and get back to you.

The Hon. W.A. MATTHEW: If the minister prefers, I am happy to provide him with my copy.

The Hon. P.F. CONLON: I can only assume it is for IT. I do not think we are building any buildings; and we are certainly not building any generators. I will bring the answer back to you. I assume that at that price it is probably for

computers or software. It is extremely software driven, as you well know.

The Hon. W.A. MATTHEW: It is just that there is no detail in the document, but I am happy to wait patiently for the minister's answer. I refer the minister to page 3.2 of Budget Paper 4, Volume 1—Work Force Summary, which details the number of staff in Treasury and Finance. How many of the staff in Treasury and Finance are allocated to energy policy matters?

The Hon. P.F. CONLON: That begs the question: how many in the work force summary are devoted to policy.

The Hon. W.A. MATTHEW: How many are devoted to your portfolio and how many to energy? If I am correct, Treasury recently gained staff from your infrastructure portfolio as at the last reshuffle as well as energy staff.

The Hon. P.F. CONLON: You certainly will not see any indication in these figures of staff reallocation from infrastructure.

The Hon. W.A. MATTHEW: What about the Energy and Infrastructure Policy Group? Is that infrastructure and energy staff or just energy staff?

The Hon. P.F. CONLON: We have 18 full-time equivalents for 2003-04. We are a very lean, efficient organisation.

The Hon. W.A. MATTHEW: How many were added to those transferred from Energy SA when that organisation was absorbed into minerals and petroleum?

The Hon. P.F. CONLON: Three.

The Hon. W.A. MATTHEW: My next question relates to the Essential Services Commission. There are various references to that in Volume 1 of Budget Paper 4. What is the budget allocation to the Essential Services Commission for 2003-04?

The Hon. P.F. CONLON: I think you are in the wrong estimates. That is a matter for the Treasurer. The Essential Services Commission covers more than energy; there is transport regulation and then there is a matter of principle. I have never been a great devotee of this perception, but there has always been a belief that the regulator should be separated from policy. That occurs in a number of states where the responsibility for the act is assigned to the treasurer. So, if you are going to us those questions, you had best get someone to ask the Treasurer. If it is within our purview to bring it back for you, we will, but it is a matter for the Treasurer.

The Hon. W.A. MATTHEW: If I can clarify that matter, when the Essential Services Commission Bill was introduced into the house you were the lead minister; it was your responsibility. Has the last reshuffle moved that responsibility to the Treasurer?

The Hon. P.F. CONLON: I do not think any proceeding of parliament dictates that the minister to whom the bill is assigned should introduce it into the house, but the truth is that the budget for the Essential Services Commission from its inception has been reported to and approved by the Treasurer. I do not think it has ever been any different. I am happy to correct that if I am wrong. The independent regulator's budget is in the same position; that budget is reported to and set by the Treasurer.

The Hon. W.A. MATTHEW: I do not have any problem with that concept; I just wanted to be sure—

The Hon. P.F. CONLON: Some things have to be somebody else's problem.

The Hon. W.A. MATTHEW: In relation to the Energy and Infrastructure Policy Group (page 3.6 of Volume 1 of Budget Paper 4), there is mention of a \$2.706 million budget.

Is that budget in its entirety attributable to the energy portion of the minister's portfolio?

The Hon. P.F. CONLON: I do not think there is a clean answer. It will also occasionally give advice to the Treasurer, especially with infrastructure matters being situated within Treasury and Finance. I do not begrudge my colleague a little assistance from my agency. They all like to think they are with Treasury anyway; you know what they are like.

The Hon. W.A. MATTHEW: I would like to be able to claim that our two are different, but regrettably I can't. I must say that the minister has become a lot calmer about the situation than he was in last year's estimates. I distinctly recall that he thought it was a dreadful situation to have some of his people in Treasury and not directly responsible to him. Obviously, he has become more comfortable with that.

The Hon. P.F. CONLON: We are all very happy people in this government; we all get along very well.

The Hon. W.A. MATTHEW: In relation to that same budget line, I note that there has been a \$400 000 increase on this occasion above the 2002-03 estimate and ask the minister for the reason for this increase.

The Hon. P.F. CONLON: I do have some costs with additional people from Energy SA, but we also have additional funding for the gas FRC project, as you would understand. Similar things occurred with electricity, where an additional \$150 000 is in the budget for gas FRC. We have had to pick up three extra people from Energy SA and we have the funding I mentioned earlier for the Energy Advisory Council.

The Hon. W.A. MATTHEW: Were those funds actually transferred across from Energy SA or were they additional funds?

The Hon. P.F. CONLON: It certainly would not have occurred that way for this budget; there would have been a bilateral bid from one agency and a smaller bilateral bid from the other agency where cost savings had occurred through the transfer of people. I would not have understood it to happen in any other way, because the papers you are looking at are a result of a lengthy bilateral process. I will correct this if we are wrong, but I suggest that we brought bilateral bids for what we would need to run the energy and infrastructure group and bilateral bids for what we needed to run the energy portion of the minerals and energy group and got them allocated. There has been some transfer of funds from the previous year, and that may show up this year as well.

The Hon. W.A. MATTHEW: How much was that?

Mr KNIGHT: We had a transfer of salaries of \$228 000, and administration had \$5 000 and \$120 000 for the support of inter-jurisdictional bodies.

The Hon. P.F. CONLON: That is the council; the ministerial—

Mr KNIGHT: That is the ministerial council and NGPAC.

The Hon. W.A. MATTHEW: I wish to focus further on the gas full retail contestability. The minister mentioned that some additional moneys have been allocated. From his answer, and correct me if I am wrong, I understand that it is \$150 000 extra for gas full retail contestability for this financial year. How much was allocated for 2002-03 for that purpose?

The Hon. P.F. CONLON: Do you mean this coming financial year?

The Hon. W.A. MATTHEW: It is \$150 000 for 2003-04—

The Hon. P.F. CONLON: That is right.

The Hon. W.A. MATTHEW: How much has been utilised in 2002-03, if anything, for gas FRC at this stage?

The Hon. P.F. CONLON: We will tell you in a few more days. We are still working on it.

The Hon. W.A. MATTHEW: Can the minister provide an estimate? I sense that an estimate may be available.

The Hon. P.F. CONLON: We will tell you in a few more days; a few more sleeps and we will let you know.

The Hon. W.A. MATTHEW: I am a very patient man; I am happy to wait a few more sleeps.

The Hon. P.F. CONLON: The financial year ends in seven days. You do not know what bills might roll in, do you?

The Hon. W.A. MATTHEW: You never know. How much of the money has been spent to date, and how much is expected to be expended in 2003-04 on consultants for gas retail contestability?

The Hon. P.F. CONLON: There is no doubt that we will be employing consultants, because it is a very specialist field. I will probably have to come back to that rather than make a guess, but we certainly have and will be employing consultants. Our government has never said not to employ them at all; we have asked that agencies try to be a little more prudent in respect of their use. I am advised that the bulk of that money will be for consultants.

The Hon. W.A. MATTHEW: The bulk of that money will be for consultants?

The Hon. P.F. CONLON: Yes. As you would be well aware, it is an extremely complex area—not quite as complex as electricity, thankfully.

The Hon. W.A. MATTHEW: I sense that the minister is almost waiting for me to joust with him. I am not disagreeing that it is a specialist area; I would have been using consultants as well, so he will have no criticism from me for employing consultants. I am always interested in the detail and the amount.

The Hon. P.F. CONLON: We do wish that they cost less, but they don't.

The Hon. W.A. MATTHEW: Don't we all? I ask whether in bringing back that detail to the committee the minister can detail the names of the companies and consultants engaged and the costs paid.

The Hon. P.F. CONLON: I do not see why not; I do not think any of it is a secret. Probably some of it is already known. There is not a wide range.

The Hon. W.A. MATTHEW: My next question is in relation to one of my favourite committees of government, the PLEC or Power Line Environment Committee.

The Hon. P.F. CONLON: Why do you want to ask me about PLEC? All I do is sign it off every now and then.

The Hon. W.A. MATTHEW: The minister is equally passionate about this committee, and I know my colleague the member for Morphett has been pushing very hard for the undergrounding of powerlines along the Esplanade at Somerton Park for his constituents. He is very pleased that he has won that battle, because I am aware that two stages of work have been done through the City of Holdfast Bay in my colleague's electorate. How much does he expect will be allocated by ETSA Utilities in the 2003-04 financial year for PLEC projects? As the minister knows, that is in accordance with regulation 8 of the electricity general regulations 1997. How does the amount he expects to be allocated compare with what was actually expended in 2002-03?

The Hon. P.F. CONLON: I know I can give you that information, because I am pretty sure I signed off a note on

the 2003-04 allocation. I honestly did not expect a question on PLEC, so I will have to dig that up for you. I do not think there will be anything that will cause comment one way or the other.

The Hon. W.A. MATTHEW: I put to the minister that certainly \$4.576 million was expended in 2001-02 and in the 2002-03 budget about \$4.8 million, I believe, and I want to ensure that the amount continues to move positively upwards. As the minister would be aware, many areas would like underground power. I am sure that like me the minister would like to see underground power in every street in the Adelaide metropolitan area, but we know that it is not realistic.

The Hon. P.F. CONLON: No, not at that cost, I wouldn't.

The Hon. W.A. MATTHEW: We know that is not realistic. Because this program exists, there is clearly an opportunity to have a lot more work done, so I ask whether the minister has been keeping that watching brief to ensure that the moneys keep rattling their way through.

The Hon. P.F. CONLON: From memory, the regulation itself determines or prescribes an increase for inflation or has some inflator in it, because it seems to creep up by about the expected amount each year. I will check that for you, but my understanding is that, whether or not I liked it, it would creep up each year as a result of some inflator set by regulation.

The CHAIRMAN: According to my timetable, we are due to transfer to infrastructure at 3 p.m. We have dealt with the omnibus questions in relation to primary industries, and for that area you have asked for them to be separated. Is it your intention to ask any further omnibus questions?

The Hon. W.A. MATTHEW: I am not aware of how many committees the minister has sat on before; if this is the minister's first committee of the day, I will use this time to put on the record the omnibus questions.

The Hon. P.F. CONLON: They would relate to Treasury, wouldn't they?

The Hon. W.A. MATTHEW: As the minister would appreciate, the questions are the same for all portfolios.

The Hon. P.F. CONLON: I am happy to take them as asked, if it will save the honourable member a lot of reading. I am happy to take them as asked of me in the same way they were asked of the Treasurer, and I understand that the honourable member would like the information separated out. I am happy to take that as if that were all asked.

The CHAIRMAN: Minister, thank you for your generosity, but, unfortunately, the procedures require that they be read in, or there can be a request for the Treasury information to be separated.

The Hon. P.F. CONLON: That is the answer I have been given every year for five or six years now, so I am not surprised.

The CHAIRMAN: Sorry, the honourable member has to ask his questions of this minister, so we will all wait with bated breath.

The Hon. W.A. MATTHEW: I ask the minister in advance that each of the questions be divided by the segments of his portfolio so that separate detail be provided for emergency services, energy, infrastructure and so on. The first question relates to non-receipt of federal funding. For all departments and agencies reporting to the minister, are there any examples since March 2002 where federal funds have not been received in South Australia, or will not be received during the forward estimates period, because the state government has not been prepared to provide state funds for a federal-state agreement?

The Hon. P.F. CONLON: It will not take me long to answer that one. I can do it now, if you like.

The Hon. W.A. MATTHEW: We may run out of time, minister. If the answer is yes, what issues and what level of federal funds have been lost or will be lost? The second question relates to budget savings targets. Did all departments and agencies reporting to the minister meet all required budget savings targets for 2002-03 set for them in last year's budget and, if not, what specific proposed project and program cuts were not implemented? The next question is in relation to consultant expenditure. Will the minister provide a detailed breakdown of expenditure on consultants in 2002-03 for all departments and agencies reporting to the minister, listing the name of the consultant, cost and work undertaken? The next question is in relation to surplus employees. For each department or agency reporting to the minister, how many surplus employees are there; and for each surplus employee what is the title or classification of the employee and the TEC of the employee?

My next question relates to the level of underexpenditure. For all departments and agencies reporting to the minister, what is the estimated level of underexpenditure for 2002-03, and has cabinet approved any carryover expenditure into 2003-04?

Membership:

The Hon. D.C. Kotz substituted for the Hon. W.A. Matthew.

Additional Departmental Advisers:

Mr R. Hook, Director, Office of Infrastructure.

Mr S. Page, Director, Public-Private Partnerships Unit, Treasury and Finance.

Mr J. Robertson, Public-Private Partnerships Unit, Treasury and Finance.

The CHAIRMAN: We will now move to infrastructure. I understand that we are looking at infrastructure from 3 p.m. to 3.30 p.m. and then the Land Management Corporation from 3.30 p.m. to 4 p.m. Is that as you see it, minister?

The Hon. P.F. CONLON: Certainly, if that is what the opposition is happy with. If they want more time with one or less time with another, I am always accommodating.

The CHAIRMAN: Both areas are open for examination until 4 p.m. Minister, do you wish to make a statement?

The Hon. P.F. CONLON: I do not normally and I do not know that we do not have a lot of time for this examination, but I will say that, since the budget papers were printed, we have moved to establish the Office of Infrastructure as a very high level policy group, a coordinating authority for government infrastructure and an authority to assist the development of infrastructure in the private sector. Mr Hook has been given the responsibility of pulling together, in the first instance, a small, and I might say, select team of people to staff the office. We will be seconding staff from other agencies on individual projects. The office is designed to build on the work of the major projects and infrastructure committee which had sought to play that coordinating role and the overarching policy role. It will build on the work of the Economic Development Board—and it is certainly a result of a clear recommendation on infrastructure development from that board—and will play at the highest level the policy and strategic role that we believe has been missing.

I will not say more than that at this stage. I have no doubt that we will have lots of questions about the new office. I

indicate that, because of timing, they do not have budget lines, but it is certainly my view that I am available to answer questions on the establishment of the new office if the opposition has any.

The CHAIRMAN: Member for Newland, do you wish to make a statement?

The Hon. D.C. KOTZ: No, I think I would prefer just to ask the minister direct questions. I thank the minister for his few comments because what he is establishing in the new Office of Infrastructure is something about which we struggle to gain sufficient information from the budget papers. Perhaps the minister will indulge me if the questions are reasonably basic in the first instance. Will the minister outline the responsibilities now attached to the new Office of Infrastructure and detail what current classes of infrastructure would have reporting responsibilities to the minister?

The Hon. P.F. CONLON: I will not do it all from memory: I have some dot points. There are a number of key responsibilities. Firstly, it is a shared responsibility with the development of the state strategic plan (which was another recommendation of the Economic Development Board), that is, a strategic plan for the future of the state. One of the key policy issues for the new office will be the development of a more strategic infrastructure plan for the state in terms of the development of government infrastructure, and by that we mean significant government bills and pieces of infrastructure of some significant size. However, there is no proscription about projects of a certain size, simply those, which, in our view, have a sufficient weight or sufficient strategic importance to warrant being the subject of policy consideration.

So, it is to get the strategy right. Ultimately, we hope, over quite a long way out, it is to get a strategy for government infrastructure and also to get a strategy for the development in the private sector of infrastructure necessary for the growth of the state. The obvious examples, of course, are things like electricity infrastructure. The agency will attempt to avoid the duplication of such tasks with other agencies and have better coordination of those tasks where it is necessary for them to overlap. It will also be the major policy decision-maker in the more immediate short term for infrastructure priorities, and it will be the major policy decision-maker on project delivery. What it will not be is the project deliverer. In most cases the individual agencies will be required to do what you expect agencies to do where the infrastructure is relevant to that agency.

It should also be a port of call for liaison with the private sector in regard to their infrastructure projects, where a private sector infrastructure project may find it necessary to deal with a number of government agencies, and we see our agency as playing a role again as an umbrella organisation, the first point of contact, a problem solver or, at least, a place where you know where to go next if you are dealing with the government. I guess the last role, which I have talked about before and which we would like to see achieved, is the ability to coordinate to an extent the delivery of government infrastructure on a timetable that coordinates well with the delivery of known major projects in the private sector.

What I mean by that is that we would also like to be able to liaise well enough with the private sector to know when major builds are occurring so that, if we can, we can time major builds in government so they do not compete for scarce resources like contractors at the top of a boom in building but, instead, perhaps fit our projects into a time when building is tapering off in the private sector, which we see as being very important, sustaining levels of activity in what is

a very important sector of the economy for keeping the economy ticking along. It is those very big picture policy-level decisions that we think are very important. But a crucial role will be the coordination of agencies across government in terms of infrastructure delivery.

The Hon. D.C. KOTZ: There are elements of the new portfolio as it is starting to develop that appear to me to be coming from what industry and trade might have taken on in terms of its facilitation management. Could I make that a parallel to some of the aspects of the position that the minister is developing as Minister for Infrastructure?

The Hon. P.F. CONLON: I think the honourable member's question is: are some of the things that we seek to do in the new office similar to roles played in business, manufacturing and trade? There certainly will be an overlap between some of the roles of business, manufacturing and trade and the Office of Infrastructure. The very notion of development of infrastructure is very similar to the notion of development of business, if we are talking about the private sector. Business, manufacturing and trade obviously take an interest in things such as new electricity generation in the private sector, as of course would the Office of Infrastructure. What we would be seeking to do is make sure that any overlap is a healthy thing and not a duplication.

There is a significant difference between overlap that is unavoidable and duplication that is. It certainly would be our view, as the office progresses, to ensure that there is no unnecessary duplication of roles; that everyone has a very clear brief about what they need to do or should be doing. Business, manufacturing and trade certainly has a brief for the development of trade and manufacturing and for the development of business. We have a brief for the development of infrastructure. There will be overlap, but we will not have two groups doing the same thing and arriving at different conclusions. That is something we will be working very hard to overcome. That has not been a new thing in government, to have agencies doing the same thing and sometimes arriving at different conclusions. It is one of the things that we have observed in the past and one of the things that we would like to improve.

The Hon. D.C. KOTZ: My other question asked about detailing current infrastructure that had reporting responsibilities to the minister. The minister will need to help me out with this, because this is one of the basic questions of trying to determine exactly what the infrastructure portfolio will do. I could be confusing the role that the minister had as government enterprise minister and the businesses that were attached to that area. Am I using the term in the correct way in relation to the minister's portfolio in asking for current infrastructure under the minister's responsibility that would have reporting responsibilities to him?

The Hon. P.F. CONLON: A number of major projects are in varying stages of development. The simplest examples would be a lot of the major developments likely to occur round the port of Adelaide and the development of infrastructure necessary for the development of the deep sea grain terminal. That is, there will need to be improved rail transport infrastructure. There is a need, and we have discussed this publicly, for additional crossings of the Port River by both road and rail bridges. There is the land release through the LMC (which I now take under this office instead of government enterprises, which does not exist any more) down at the inner harbour.

All those projects report directly to the Office of Infrastructure now, but it is a very good example to give because,

whilst they report at a higher policy making level, when it comes to delivering a railroad we expect the relevant authorities to deliver the railroad, but the policy responsibility at senior level will rest with the Office of Infrastructure, which will be the overarching body dealing with the issues that arise from those projects, and agencies such as planning, transport, environment and all the government agencies that find themselves involved in such major infrastructure projects.

At the policy level, the development of PPPs that we have seen would come from the office; the delivery would come through the PPP unit in Treasury. The honourable member would be aware of the current PPP proposals: regional police stations, the women's prison, the Youth Detention Centre, and work is still being done on the Aquatic Centre. So all of those projects at a senior policy level answer to the Office of Infrastructure and are driven out of there. Again, when they are being delivered they will be delivered by the relevant agencies.

The Hon. D.C. KOTZ: The second question relates to Budget Paper 4, Volume 1, page 4.10.

An honourable member interjecting:

The Hon. D.C. KOTZ: Yes, after clarifying the first one for me, which I thoroughly appreciated. On page 4.10 there was an allocation that shows your ministerial office resources of \$1.213 million with 13 FTEs. I know the budget papers may have been printed before the move to the Infrastructure portfolio, but I ask the minister to advise whether there are any other funding blocs that are allocated to the new Infrastructure portfolio; if so, where are they shown in the budget papers?

The Hon. P.F. CONLON: I believe your question refers to the ministerial office budget line?

The Hon. D.C. KOTZ: The budget line that is showing in the budget papers is the ministerial office, Budget Paper 4, Volume 1, page 4.10. There is a small graph in there that shows an allocation of \$1.213 million with 13 FTEs.

The Hon. P.F. CONLON: You want to know whether there is going to be any change to that budget line?

The Hon. D.C. KOTZ: No, I would like to know if that is the composite for the minister in terms of his Infrastructure portfolio, and whether other funding blocs may be allocated to the minister under the Infrastructure portfolio; if so, in what other areas of the budget papers may they be found?

The CHAIRMAN: I believe it is under the Justice portfolio.

The Hon. P.F. CONLON: What has happened in the ministerial office is that, in order for it to be able to take on the new role, a number of responsibilities went to other places: police went to the Deputy Premier; forestry to the Minister for Business, Trade and Manufacturing; and there was the formal transfer of SA Water to the Minister for Administrative Services. There have already been one or two changes in personnel, but the number of my staff remains the same, and I do not expect enormous change or additions along that line. There may well be a need for an MLO (or some such person) with some expertise from some of the agencies, but I do not contemplate any major bloc changes to that funding.

In terms of staffing, I consider that the shedding of some responsibilities and the taking on of some new ones will give us enough resources to do it. In terms of broader budget lines, the permanent staff will be made up of transfers from the major projects unit within Administrative Services, and there should not be any change in budget figures there. The

additional staff will be secondees. There will be one or two other permanent staff transfers from some agencies—that is still in the process of being finalised. It will not mean any budget line changes. I assume that ultimately the agency's staff will be under one department rather than the range of departments from which people are currently drawn, so there will be some internal transfers of resources, but we will not be establishing new budget lines until the next bilateral process. Does that answer your question?

The Hon. D.C. KOTZ: To a degree. As the minister knows, that is the only graph of actual direct funding related to your portfolio area. Most other areas of the budget prescribe certain programs that are allocated cost to programs. At this stage, yours does not have that information, so there are different pieces of information throughout the budget papers, but they are not drawn together in a concise area. So at this stage I suppose it is difficult to answer that.

The Hon. P.F. CONLON: It is a matter of timing. The Economic Development Board report was delivered to cabinet well into the budget process, and we wanted to act quickly in response to that report. What it meant, however, was that we simply could not have established a clear budget line for the agency at that late date. I can assure you that there is no intention for additional funding from consolidated revenue for the agency; over the next year it will simply be transfers from other agencies. The agency itself will not be a big budget item—it will be quite small. The bulk of people will be secondees from agencies for specific projects.

The Hon. D.C. KOTZ: I refer to Budget Paper 4, Volume 1, page 3.14—Program Information. The other graph there is program 3, which is Energy and Infrastructure Policy, which you identified in your opening statement as the role of your agency. It advises that the operating statement provides the net cost of this year's budget program of \$2.706 million. My question is: if that is related to both energy and infrastructure policy, could the minister provide the amount of funding that is actually allocated to reviewing infrastructure?

The Hon. P.F. CONLON: The bulk of that funding you see there relates to what is known as the Microeconomic Reform and Infrastructure (MERI) unit. The bulk of it is provision of energy advice. They do have some infrastructure advice, which actually is to the Treasurer. While we will be seeking infrastructure policy advice, not all infrastructure policy advice will come from the infrastructure unit. What I would indicate as Minister for Energy is that that is by far the smaller role in the Microeconomic Reform and Infrastructure unit. The bulk of that allocation is towards energy policy.

The Hon. D.C. KOTZ: We are doing infrastructure and that is why I asked what proportion would be allocated to conducting some reviews to provide information on the infrastructure.

The Hon. P.F. CONLON: I do not think you can run energy policy without having a view to things like transmission systems and generators. In terms of infrastructure that you talk about there, it may well be infrastructure that is provided in a number of states through the national regulatory system for the national electricity market, a classic example being interconnectors. So, there is always going to be a need for policy advice in those sorts of units on infrastructure.

The Hon. D.C. KOTZ: So there is no separation of funds?

The Hon. P.F. CONLON: No. It is unlikely that anyone giving infrastructure advice there would come into the new infrastructure agency. You cannot understand energy policy without having an understanding of infrastructure—the

infrastructure that delivers energy. That is what that is, and it is a completely separate proposition from the new agency. I have to say, and put this on record for those people, that they do an awful lot of work for the money we spend on them, the Energy and Infrastructure Unit in Treasury. It is energy policy and it is very complex.

The Hon. D.C. KOTZ: Very energetic.

The Hon. P.F. CONLON: That's right.

The Hon. D.C. KOTZ: Again on Budget Paper 4, on page 3.22, it shows under Commonwealth Specific Grants that Infrastructure SA has an allocation of \$3.5 million. I was interested in the nature and the conditions of that particular grant allocation.

The Hon. P.F. CONLON: Infrastructure SA is not the agency: that is the public non-financial corporation, described in the budget papers. It is going to be, if you will, the corporate vehicle for delivering the infrastructure projects around, in particular, the river crossings. Those are major transport projects, therefore there is a degree of commonwealth funding, and I think that is the allocation. I have not actually put my hand on it, but I would understand that to be the allocation that you are talking about. I will check that, but I am pretty sure that is what you are talking about. And also, there may well be more than that forthcoming in further years. We certainly hope there will be.

The Hon. D.C. KOTZ: Under Operating Expenses, employee entitlements have increased from the 2002-03 estimated result of \$1.458 million to some \$1.884 million, which is an increase of \$426 000. Can the minister say whether these increases are due to staff increases and, if so, can the minister identify the number of FTEs—we talked about this previously, and I acknowledge that this may be difficult as well—that would be employed under Infrastructure. But, specifically, I refer to the increase of \$426 000, to the \$1.884 million figure this year. This is referred to on page 3.14 of Budget Paper 4, Volume 1.

The Hon. P.F. CONLON: You are still referring to the MERI group and that something has increased by—

The Hon. D.C. KOTZ: It shows under Operating Expenses that the estimated result for employee entitlements for 2002-03 was \$1.458 million and that it has increased to a current \$1.884 million, which is an increase of \$426 000. I was wondering about the reason for that increase.

The Hon. P.F. CONLON: There are a number of reasons and none of them has anything to do with infrastructure, unfortunately. There has been some transfer of staff from Energy SA. They are all Energy staff. There was an underspend in 2002-03. I can get the details for that. One of them was a failure to appoint the head for a long time. However, I can tell the honourable member that it is not anything you would be interested in. It is something we have talked about with the Energy shadow. They are all Energy people.

The Hon. D.C. KOTZ: Well, we will go for another large amount that we found in the budget papers and hope that we have a hit on this one. At page 3.24 under Consolidated Account administered items we see an amount of \$13.016 million against Infrastructure SA. Can the minister advise me what this amount is for?

The Hon. P.F. CONLON: Again, I think you will find that it is the PNFC and that it is the allocation to build the bridges. It is the allocation to enable them to commence going about building the bridges. I think you will find that is the answer. It will be much easier when we are able to put these things in an agency format. Again, Infrastructure SA is the PNFC that will be the vehicle for delivering the bridges.

The 3.5 is the commonwealth's contribution. This is the initial state contribution, as I understand it. If there is anything wrong in what I say, I will correct it, but I am fairly sure that is the state contribution to the river crossing.

Additional Departmental Advisers:

Mr B. Harper, CEO, Land Management Corporation.

Mr S. Bignell, General Manager, Land Management Corporation.

Mrs PENFOLD: The minister, in his answer to the question relating to the new office of the Minister for Infrastructure, indicated that the PPPs would be run out of a special unit in Treasury, and he provided a list, which included police stations, the women's prison and a youth detention centre. Will the minister reassure me that it will also be handling the desalination plant for Eyre Peninsula?

The Hon. P.F. CONLON: In fact, the honourable member touches on a very good point. People have been treating PPPs as some new thing. The truth is that SA Water has been delivering infrastructure with PPPs for some time. I understand that it is well advanced in the delivery of the Tod River desalination plant. It would not be my intention to play a role there, unless there was some strong reason for it. My understanding is that the project is well advanced and there is no reason why we would need to be involved.

It comes down to this distinction about delivery and policy decisions. The decisions about that plant were taken some time ago. At this stage, we do not see any reason for a role for our unit, other than considering, in a strategic sense, where that fits into our overall infrastructure needs. We are not interested in taking SA Water's desalination plant away from it.

Mr HOOK: If it is okay, we will run with that.

The Hon. P.F. CONLON: We are not going to fix something that is not broken.

Mrs PENFOLD: At some stage I was told that we were waiting for some guidelines on PPPs. I assumed they were going to come with this new group.

The Hon. P.F. CONLON: Guidelines on PPPs were completed and released months ago.

Mrs PENFOLD: Will they apply to the desalination plant? Are they the same guidelines?

The Hon. P.F. CONLON: The member should understand that the way in which SA Water has been operating PPPs in the past is unlikely to have offended any of the guidelines released, anyway. The truth is that SA Water has a long history of delivering such projects. I am quite confident that it will deliver this very excellent Labor initiative on Eyre Peninsula.

Dr McFETRIDGE: As I understand it, there were 70 expressions of interest in PPPs for the Glenelg tramway under the previous Liberal government. Why was that not a PPP? I do not mind how we get it, as long as we get it. Why was a PPP not entered into or considered?

The Hon. P.F. CONLON: The procurement methods for the Glenelg trams were the subject of much discussion in what was the predecessor to the new agency, that is, the major projects and infrastructure committee. Policy decisions were taken as to the best form of procurement. That has been done. I am comfortable that the right decision has been taken. We do not do everything with a PPP just because we like it. We sit down to work out the best value for the taxpayer. Our central interest in that sort of procurement decision is how we spend the taxpayers' money and get maximum value for the

taxpayer. We may not always get it right—I think we do—but that is our objective.

Dr McFETRIDGE: I understood that under the previous Liberal government there were 70 expressions of interest in a PPP for the Glenelg tram. If there were that many before—

The Hon. P.F. CONLON: I will not argue the figures, but I would be astonished if there were 70 proponents for a PPP. My experience is that a limited number of people would put together such a project. I am happy to check that and get back to the honourable member. PPPs are complex vehicles for the delivery of infrastructure. I would be very surprised if 70 different groups were seeking to do one. It is not the customary experience.

Dr McFETRIDGE: I am interested in more money for the tramway, that is all.

The Hon. P.F. CONLON: The honourable member should probably declare an interest! I know what your interests are. I think we have made the right decision about procurement. A wide range of technical considerations are involved, and I am confident we have the right policy decision.

Mrs PENFOLD: My question relates to grants that may or may not be for infrastructure. I have been told that more than \$100 million in grant funding has recently been allocated to Babcock & Brown, presumably for infrastructure. If this is the case, was any of that funding from the state government? If so, what proportion and which infrastructure projects are expected to benefit; and over what period of time?

The Hon. P.F. CONLON: It is news to me that Babcock & Brown has any grant funding. I can tell you that it has not received any from us. It is a private sector venture and we do not give grants to private sector infrastructure development. Are you talking about the Lake Bonney wind farm—

Mrs PENFOLD: Yes, that is why I am curious.

The Hon. P.F. CONLON: I would be absolutely amazed if someone gave it \$100 million to establish a wind farm. None of it came from us. My understanding of the project is that it is an entirely financed project, which relies on the MRET (Mandatory Renewable Energy Target) national legislation. I understand that recently it announced that it has an off-take agreement with, I think, a New South Wales retailer, but my understanding is that it is an entirely privately financed proposal. We are not in the business of giving grants for private infrastructure development.

Mrs PENFOLD: That was my understanding, but I thought that there might have been a bucket of money that I had not found.

The Hon. P.F. CONLON: If someone is dishing out \$100 million for projects, I myself would be in line.

Members interjecting:

The Hon. D.C. KOTZ: In the Budget Statement (page 6.3) there is a table 6.1(a) entitled 'Financial flows between major government business and the general government sector'. Under Public Finance Corporation (PFC), the South Australian Asset Management Corporation shows a dividend estimate for 2002-03 of some \$230 million and an expected dividend of some \$58.5 million for the current year 2003-04. What is the reason for the previous and the current dividends and how—

The Hon. P.F. CONLON: You should be asking the Treasurer this. The Public Finance Corporation is a responsibility of the Treasurer. I would not venture an answer on the Treasurer's responsibility.

The Hon. D.C. KOTZ: Which accounting area are they administered under? Are they directly under Treasury and Finance or infrastructure?

The Hon. P.F. CONLON: I am struggling to follow. Under the PFC we have HomeStart finance, Motor Accident Commission, Asset Management Authority, South Australian Community Housing, South Australian Government Finance Authority and FundsSA. Some are housing; the rest are in Treasury. I am not trying to be obtuse.

The Hon. D.C. KOTZ: Because they are administered accounts, it is often difficult to tell who is administering them.

The Hon. P.F. CONLON: You will have to talk to the Treasurer about the broad issues set out there in relation to the flows of money. It is his budget—and a good one, too!

The Hon. D.C. KOTZ: I thought so. Can I ask you questions on Infrastructure SA?

The Hon. P.F. CONLON: Absolutely. The PNFC is specifically set up to deliver infrastructure.

The Hon. D.C. KOTZ: Infrastructure SA—and we are still looking at around the same pages—advises of a \$9.5 million subsidy community service obligation (CSO). What areas within the portfolios of government will receive that \$9.5 million and where will it be utilised? Are you about to tell me that it is not in your jurisdiction?

The Hon. P.F. CONLON: It is in my jurisdiction. The only projects to be delivered by Infrastructure SA at present are the river crossings. I will bring back detail on this. However, I suspect that refers to the level of subsidy required, short of tolling incomes for the operation of the bridges. That would be my only guess. I cannot imagine what else could be described as a CSO in that.

The Hon. D.C. KOTZ: The sum of \$9.5 million is in the current budget; it is not identified in the outgoing or forward years.

The Hon. P.F. CONLON: Page 6.8 under Infrastructure SA gives a rundown of how the PNFC has tended to operate in terms of the bridges. They are its sole parameters. I assume the figures the honourable member is talking about are the subsidies towards the construction costs. You will find all the answers you want in that short column. That is the sum total of what Infrastructure SA is doing at present.

The Hon. D.C. KOTZ: That is a holding pattern of \$9.5 million for a possible toll?

The Hon. P.F. CONLON: It is a PNFC design to deliver, and it is at Treasury at present. It is designed to deliver bridges that take some time to build and then operate. It breaks up the level of funding required from the government. It includes the funding from the commonwealth and a level of subsidy from the state government to have the bridges built and operated. It breaks that down on an annual basis.

The Hon. D.C. KOTZ: I am not sure why it is showing in this budget. Will it be utilised throughout this coming year?

The Hon. P.F. CONLON: That is the intention. That is why it appears in the 2003-04 budget. That is a component of the cost of delivering the bridges attributable to that year. As I understand it, the corporation finances the arrangement, and the equity is built up from the contributions from the commonwealth and the state.

Mr HOOK: The corporation is set up this year, and an initial allocation of funds comes from Treasury to the corporation, including funds that would then come from the commonwealth. It is then also financed by moneys it will collect through toll revenue, and it then becomes the contract-

ing agency with Transport SA to deliver the bridges over the next period of time.

The Hon. P.F. CONLON: There are no projects other than that one in that company at present.

The Hon. D.C. KOTZ: On page 6.8 we are advised that Infrastructure SA will receive a subsidy towards the construction costs of the road and rail bridges over the Port River. The subsidy for the purposes of the budget is estimated at \$51.7 million. I note that that is almost the same amount expected as a dividend in this budget of \$51.5 million from the Land Management Corporation. Of course, I am quite sure that my cynicism would not allow me to interrelate the two. Is this budget subsidy shown anywhere else in a budget line of proposed expenditure for infrastructure in these budget papers?

The Hon. P.F. CONLON: You will find that the figures will add up. You referred to \$9 million earlier as the first instalment of that.

The Hon. D.C. KOTZ: I referred to the sum of \$51.7 million.

The Hon. P.F. CONLON: You referred earlier to a \$9 million subsidy. That \$51 million is broken up over the construction period of the project. It will be broken up in the years and called upon as required as the project continues. I would assume that we have somewhere in the forward estimates that that \$51.7 million is broken into over the next four year. It has absolutely no relation to the \$50 million coming from the LMC, because \$50 million will all come in the 2003-04 year, whereas this money is to be broken up in the construction time of the project. Page 2.28 shows the break-up of the subsidy there, which is the PNFC subsidy of \$4.1 million in 2003-04; \$22.9 million in 2004-05; and \$18.7 million in 2005-06. So it is all there in the budget papers—another victory for Kevin Foley!

The Hon. D.C. KOTZ: I am glad that we have expertise here to show us exactly where to look. With regard to the basic changeover of the government enterprise portfolio to the infrastructure one, under what portfolio are any previous government enterprises that have been removed from the minister's responsibility now located?

The Hon. P.F. CONLON: I will do this from memory: SA Water is with the Minister for Administration Services; Forestry SA, with the Minister for Business, Manufacture, Trade and Regional Development; ICPC remains with the infrastructure, along with LMC; and lotteries is with the Treasurer.

The CHAIRMAN: There being no further questions, I declare the examination of the votes completed.

Department of Human Services, \$1 584 149 000
Administered Items for the Department of Human
Services, \$107 680 000

Witness:

The Hon. S.W. Key, Minister for Social Justice, Minister for Housing, Minister for Youth, Minister for the Status of Women.

Departmental Advisers:

Mr J. Birch, Chief Executive, Department of Human Services.

Ms C. O'Loughlin, Director, Office of the Status of Women.

Ms L. McAdam, Manager, Office of the Status of Women.
Mr R. Michael, Executive Director, Corporate Services.
Mr G. Tattersall, Director, Financial Services.
Mr A. Story, Chief of Staff.
Ms S. Macdonald, Ministerial Adviser.
Ms I. Haythorpe, Manager, Parliamentary and Legal Unit.
Ms K. Jefford, Parliamentary Officer.

Membership:

Mrs Hall substituted for Dr McFetridge.

Ms Chapman substituted for the Hon. D.C. Kotz.

The CHAIRMAN: I declare the proposed payments open for examination and refer members to appendix D, page 2 in the Budget Statement and part 7, Volume 2 of the Portfolio Statements. Does the minister wish to make an opening statement?

The Hon. S.W. KEY: Yes, Madam Chair. I am pleased to be here in my second estimates hearing as the Minister for the Status of Women. The government has a strong commitment to involving the status of women in South Australia and ensuring that women are consulted and involved in decisions that affect their lives. The budget allocated to the Office of the Status of Women for 2003-04 is \$1.778 million, which includes \$520 000 for the Women's Information Service and \$205 000 for the newly established Premier's Council for Women.

The women's portfolio has the smallest budget in government. It is a credit to the staff and the team who work together in that office that they continue to produce large volumes of work of a consistently high standard. I would like to spend a few minutes highlighting some of the activities undertaken across this portfolio over the past 12 months and to draw attention to some of the specific activities planned for 2003-04. Whilst it is not appropriate to display materials, there are some publications from the office available for members in the chamber.

Next month, the Women's Information Service celebrates its 25th birthday. This is a significant milestone, and to recognise this a two-page editorial spread will appear in the Messenger newspapers to mark this event. In the area of rural outreach, during last year the Women's Information Service worked in conjunction with the Flinders and Far North Division of General Practice to coordinate a women's day in Port Augusta. This day provided an opportunity for women in the surrounding area to find out more about the services available to them and to extend awareness of the role of the Women's Information Service in the Flinders and Far North regions. The Women's Information Service has continued to be involved in rural women's gatherings and is currently planning a joint workshop with other women's services for a gathering in August.

In the area of services for women from a diverse cultural and linguistic background, a cultural booklet has been launched and widely distributed through multicultural services networks, celebrations, conferences, public libraries and council offices. This booklet provides information about the Women's Information Service in 19 community languages, and I have tabled copies of this booklet as part of today's hearing.

Regarding computer access, the Intranet Access Program has been successfully redesigned to cater for older women who use this service. This is an important development to address the issue of older women not being disadvantaged by not being able to use technology. The Premier announced the

establishment of the Premier's Council for Women in December last year. Fourteen leading South Australian women make up the council, which is chaired by Dr Ingrid Day from the University of South Australia. The council is charged with the task of measuring the progress being made in our legislation and other achievements and to shape and influence government policies for women.

The council is working hard on a range of matters, and I look forward to continued advice and input from the council, as I know the Premier does. I refer to the Women's Policy Office. The Office for the Status of Women continues to work collaboratively with government agencies to ensure that women's issues and concerns are appropriately considered in the ongoing development of government policy. The Office for the Status of Women is also working on the establishment of a joint project with leading Adelaide academics to trial the introduction of gender based analysis in target areas of government. This project will involve a parallel exercise in Western Australia. The outcomes of the trials will be evaluated with a view to establishing a whole of government approach to integration of gender based analysis into policy processes through department action plans.

The office worked to encourage the participation of women in the forthcoming Constitutional Convention. A successful forum attended by over 100 women was held in January. This was followed by a think tank conducted in collaboration with the Hawke Institute of the University of South Australia. A submission about constitutional issues affecting women was submitted to the Constitutional Convention secretariat reflecting the outcomes of the think tank. The office has also offered input and advice on a number of important areas, including work towards the development of a state housing plan, the review of equal opportunity legislation, the review of legislation concerning discrimination against same sex couples, reviews of our industrial relations system and our occupational health, safety and welfare and workers compensation systems and the state transport plan.

Another important initiative over the past 12 months has involved comprehensive consultations with Aboriginal women across South Australia and the development of a draft action plan to address issues for Aboriginal women in this state. Work on issues related to women's safety and well-being continues, particularly through the national partnerships against domestic violence program. I look forward to the continuing work of the Office for the Status of Women, other government agencies, the Premier's Council for Women and my parliamentary colleagues to ensure real change for the position of women in South Australia.

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

Ms CHAPMAN: Yes, Madam Chair. I first record my congratulations to the minister for the announcement; as I understand it, the Office for the Status of Women will hereafter be known as the Office for Women. The transfer of this division from the Department of Transport to the Department of Human Services is welcomed across the board and certainly has my endorsement. I record my appreciation to Ms Carmel O'Loughlin as the Chief Executive of this division and her staff for their continued commitment to the advancement of South Australian women. I particularly recognise the published work to date of the Women's Information Service and the vacation care program which have been fine initiatives and which I note have continued. I record however my distress as indicated last year that it took

until 19 December 2002, some 10 months after the election, before Premier Rann announced his Premier's Women's Council which was to replace the Women's Advisory Council and, even more concerning, that the commencement of their meetings was not to take place until April this year. For a committee, council or advisory body which was to acquire the status of providing regular consultation and advice to the Premier on a quarterly basis, this delay is disappointing. I note an increase in the budget from last year's estimated result of \$163 000, \$113 000 of which is absorbed in employee entitlements.

I will proceed to questions now. I refer to Budget Paper 4, Volume 2, pages 2.20 and 2.21, which you indicated in your opening comments to the committee, Madam Chair. The vacation care program was a work and family initiative for government employees of Roma Mitchell House and in July 1999 it was extended to all government employees. Last year you explained that the cut in funding to this project would be met by other government departments as part of their work family initiative and they would be asked to contribute to the costs of the vacation care program. How much has been contributed in the 2002-03 period, will this be continued in 2003-04 and by which other departments in this program?

The Hon. S.W. KEY: I thank the member for Bragg for that question. I have just consulted Carmel O'Loughlin, who will answer that in detail.

Ms O'LOUGHLIN: We had a shortfall this year of \$8 000 that we could not meet, so the Commissioner for Public Employment gave us an additional \$8 000 towards that. We will be asking the other government departments to meet some of those costs. There is as yet a bit of doubt about whether the room on the second floor will be available into the new year, but the last thing we heard is that it possibly will be. If it is not, we will have to find somewhere else, because this is an invaluable service that meets the needs of parents across the whole public sector in the CBD.

Ms CHAPMAN: As a supplementary question: which departments will be asked?

Ms O'LOUGHLIN: We will be asking the departments whose employees utilise the service, so if we still have the room we will work out how much it costs and ask them to contribute, but we expect that we will get similar support from the public sector—the Office of the Commissioner for Public Employment.

Ms CHAPMAN: I appreciate that but I am asking which government departments will be asked.

Ms O'LOUGHLIN: I will take that on notice and get back to you with the answer.

The Hon. S.W. KEY: Just adding to what Carmel O'Loughlin said, one of the challenges is to have a whole of government approach. Some fabulous work has been done already, but we need to make sure that this program is advertised across the public sector. We also need to get more resources to make it even more successful than it has been. So, I will be looking at all areas to make sure we get support.

Ms CHAPMAN: When did the Premier's Council for Women first meet; how many times has it met in the 2002-03 year; how often has it met with you; how often has it met with the Premier; and did it provide a written report to either?

The Hon. S.W. KEY: The Premier's Council for Women has held a number of meetings. I am advised that there have been five meetings and that the council is about to report again to the Premier. The report is made to me as the Minister for the Status of Women and then I pass on comments to the Premier. Obviously, he has access, as I do, to the minutes of

the whole meeting, but those main points and issues that the council wishes both me, as the Minister for the Status of Women, and the Premier to take up are highlighted and passed through to him. I have met with the council twice, and I think the Premier has as well, from memory. I think that as soon as the Premier is available another meeting is scheduled for July or August this year. Have I covered all the member's points?

Ms CHAPMAN: Did the council provide a written report to you or the Premier?

The Hon. S.W. KEY: Yes; as I explained, through the Office of the Status of Women and the executive officer who has been appointed to work with the Premier's council, I receive the minutes, the highlights of the meeting and the particular recommendations that the council wishes me and then also the Premier to know.

Ms CHAPMAN: What recommendations has it put to the Premier?

The Hon. S.W. KEY: I am not sure if I have them handy. I will ask Carmel O'Loughlin to clarify what they are.

Ms O'LOUGHLIN: At the Premier's second meeting with the council, he asked them to address issues such as the number of women on boards and committees—and they have organised a sub-group to work on that issue—and to look at the Layton report into child protection and the generational health review. They have prepared their response to the Layton report. They are still working on strategies to increase women's participation on government boards and committees, and they are about to address the issue of the generational health review as it impacts on women.

Ms BREUER: I suppose my question follows on from the question asked by the member for Bragg, but it might give the minister an opportunity to summarise. In December 2002, the Premier's Council for Women was established. I note that in Budget Paper 4, Volume 2, page 7.21, under 'Performance Commentary' the council contributed to the Economic Growth Summit. Ms O'Loughlin has covered a couple of areas, but will the minister give details of other areas the council has contributed to since its formation, and what plans the council has for the coming 12 months?

The Hon. S.W. KEY: I will not repeat some of the information that I have already given regarding the Premier's council, but as has been identified, the council has been very busy. One of the areas at which they have been looking and on which they have already reported is the consolidated profile of the current status of women in South Australia. As far as the South Australian Economic Growth Summit is concerned, the final participation of women was 29 per cent. While we would have liked 52 per cent of course, we were very pleased that gradually our visibility levels are increasing. The council contributed a response to the recommendations of the Economic Development Board and, as I understand it, were very active and vocal in that summit. As I mentioned earlier, the Premier and I have asked the council to prepare comments on the child protection report.

Again as has already been mentioned, there is an ongoing strategy to increase the representation of women on boards and committees. There has also been a budget increase because of the work that is seen to be in the pipeline as far as the council is concerned. We are hoping that those resources will help the council get to women across South Australia, particularly in the regional and rural areas. The aim of both the women's councils that we have had, as well as the Office for the Status of Women is to ensure that we involve as many different women as possible, so that we do not have one

group of women benefiting from what I think is a fairly small budget, and to ensure that we have feedback from women around South Australia. I think that is working very well at the moment. To clarify a question from the member for Bragg, I am reminded that the Premier's council first met in March, not April.

Ms BEDFORD: My question is about Aboriginal women and I refer to Budget Paper 4, Volume 2, page 7.21, sub-program K3.1, which refers to the COAG reconciliation agenda and, in particular, Aboriginal women's leadership. How has the government consulted and communicated with Aboriginal women over the last 12 months to ensure that their needs are being addressed?

The Hon. S.W. KEY: As I mentioned earlier, and I think Carmel O'Loughlin also mentioned it, this is a very important part of the work of the Office for the Status of Women. Over the last year, the office engaged an aboriginal project officer to do two things in particular: firstly, to take consultations across South Australia; and, secondly, to develop an action plan. The consultation outcomes and proposed action plan was tabled at the 2002 ministerial conference for the status of women held in Darwin. As I reported last year in estimates, a delegation of five Aboriginal women, including two young observers, attended the national gathering of Aboriginal women as part of the minister's meeting. The young women particularly enjoyed the experience of attending the gathering, despite the fact that I made them wear their school uniforms throughout their visit. The rest of the delegation certainly enjoyed the opportunity to meet with young Aboriginal women and also with each other.

Eight state government agencies, the Minister for Aboriginal Affairs and Reconciliation, the office for the Minister for Transport and the office for the Minister for Education and Children's Services have provided comment to the draft action plan, and obviously the Office for the Status of Women through the Department of Human Services has provided an opportunity for human services to contribute to that plan. It is proposed that there will be another gathering of Aboriginal women again to coincide with the minister's council meeting for the status of women which is planned in August. There is great activity and organisation in place to ensure that we again have an Aboriginal women's gathering, as I said, to coincide with the minister's council meeting. To communicate the outcomes of the consultations, the Office for the Status of Women has produced a newsletter, and members of the committee have been provided copies.

One of the comments that I have had from Aboriginal women around the state is that they want a newsletter. Many of the particularly older Aboriginal women said that, despite the fact that a newsletter was an old-fashioned concept in many ways, they did not have access and did not want access to computers or the internet and they wanted an old-fashioned newsletter as a form of communication, and that is precisely what has been done. I have been surprised but also overwhelmed by the number of older Aboriginal women who have said, 'Thank you, and we hope that this will not be the first and last.' I guess the message is to get the resources together to ensure that we try to keep that contact, particularly for the non-metropolitan older Aboriginal women. I compliment all the staff at the Office for the Status of Women who have been involved in producing the newsletter because producing it has not been an easy task.

The other three projects that come under the umbrella of this action plan are: establishing a supported accommodation pilot project for Aboriginal girls from the Gepps Cross High

School with an aim to improve school retention rates and for them to complete the South Australian Certificate of Education; establishing an on-site child facility at the Gepps Cross High School to support young mothers to complete their schooling; and also negotiating the establishment of a bridging course to assist Aboriginal education workers to enter into full teacher training. All these projects have a practical base and we believe that they will have a direct and positive impact on the lives of the women who are participating. I am told that the first of these projects is well under way.

Another exciting project is the collaboration between the Aboriginal Services Division of the Department of Human Services, the Office for the Status of Women and the Department of Aboriginal Affairs and Reconciliation to investigate an appropriate advisory structure for Aboriginal women. The project has been running for just over six months now and the consultation process, as I understand it, has been well received, and again a number of Aboriginal women have said that they have been really pleased to be consulted about what their input will be on a state level in relation to issues particularly concerning Aboriginal women. I am looking forward to getting advice, as is the Minister for Aboriginal Affairs and Reconciliation and the Premier on this particular project. Although most of our projects are operating on a fairly modest scale, I think the results so far have been and into the future will be worth the great work that has been put into them.

Mr SNELLING: I am interested in the issue of women being represented on government boards and committees. Sub-program K3.1 on page 7.21 of Budget Paper 4, Volume 2, makes mention of women's leadership as part of the performance commentary. What is being done to increase the numbers of women represented on boards and committees?

The Hon. S.W. KEY: Although we have discussed some of these issues already today, it is an important area. I must say that following this question, particularly when my predecessor the Hon. Diana Laidlaw was the minister, this was an area of interest and occupation, but we still continue to have unsatisfactory results in this area. Again, this is a major area that the Office of the Status of Women and I as minister are looking at. I think we do a little better than other states and territories, but I do not think that is good enough. I can report that as at July 2002 33.18 per cent of people on government boards and committees were women, and the figure has risen—by very little—to 33.24 per cent by the end of April 2003.

So, despite my own best efforts in the six portfolios that I have, next to education, social justice does not do very well. Of course, the Premier's women's council helps his statistics considerably, as the only all-women's council. There is still a long way to go, so we are looking at different ways of not only trying to encourage women to identify themselves as being interested in being on committees and boards but also making sure that the Women's Register is actually used. I have had some negative feedback in the past that the Women's Register is a great idea—and I think it is one of South Australia's ideas from quite some time ago—but if people put their name on the register and then never hear anything again, it is a little disheartening as to whether there is any use in doing that.

I am pleased to say that, through the Office of the Status of Women and also personally, I am getting approaches about making names available. But this is still an area of concern. I know that the Premier's Council for Women is very keen to look at some other ways in which we can encourage

women not only to be identified but also actually to get them nominated for consideration on boards. So, the member for Playford has raised a very important issue, one that is probably a bit of a thorn in my side and that of a number of other people in this chamber. We aim to do better in that area.

Ms CHAPMAN: I have a supplementary to that question. Given that the minister will have advised all her ministers of their obligations in regard to the appointment of women (and she has referred to the Minister for Education and to the Premier), has the minister given that advice to the Hon. Rory McEwen and, if so, has he appointed any women? If so, when?

The Hon. S.W. KEY: I cannot answer that specifically.

Ms CHAPMAN: I am happy to take it on notice.

The Hon. S.W. KEY: Work is being done at the moment. Because the Premier's Council for Women is very interested in this area, as am I, some more recent work has been collated. I think it was actually last night that I was looking at the statistics and seeking some further information. From memory, I think the honourable member is correct in that local government might be a little more positive, but that would probably be the only area in which Minister McEwen could hold his head high. But I think he is in company with a number of other ministers who have not done very well in that area.

Interestingly, the Minister for Gambling has a very high percentage, and I was wondering whether he was taking glory for the Gamblers Rehabilitation Fund, for which I have responsibility. That was one of the questions I was asking. Certainly, the Minister for Education, the Minister for Health and I are way ahead as far as those appointments are concerned.

The CHAIRMAN: I do recall that the then minister for labour's figures were improved greatly when the minister, Bob Gregory, appointed me as chair of the Construction Industry Long Service Leave Board, much to everyone's surprise!

Mrs HALL: Continuing on a subject that is dear to the hearts of most of us, is the minister or the government continuing to supplement the Women's Register via the Executive Search that was instituted several years ago?

Ms O'LOUGHLIN: The Executive Search is still our primary source of names. That was augmented quite a lot when we went out of our way to find women to go along to the Economic Development Summit. I would like to say as an opinion that it is really hard for any state, or anywhere, to get more than about 33 per cent. It seems that the critical mass everywhere is about 33 per cent. Once it gets to there it seems like something happens, and we have never been able to get the number of women above that figure, except on women's councils, of course.

Ms CHAPMAN: The minister noted the participation by women in the April 2003 summit. That is pleasing to hear and I note that it has been reported on. The report also indicates that the Premier's Council for Women had also provided a submission to the Economic Development Board in relation to its State of the State report. What did it recommend to the EDB and what funds, if any, have been provided in the 2003-04 budget to implement any of those recommendations?

The Hon. S.W. KEY: I do not have that information, but I am sure we can provide the specific details for the member for Bragg. Again, I will ask Carmel O'Loughlin to respond so that the honourable member has some information.

Ms O'LOUGHLIN: I would like to prepare that in writing if I could, but it was really inviting the Economic

Summit to think about the triple bottom line and about the social implications of economic development and economic reform. We will give the honourable member more information about that in writing.

Ms CHAPMAN: It is also noted that the Premier's Council for Women 'has developed a positive and active policy agenda for SA women.' For what, and is it in writing or minuted? To assist, that is in K3.3, page 7.21.

Ms O'LOUGHLIN: The Premier's Council for Women is actually developing a statistical snapshot of where women are in this state.

Ms CHAPMAN: That is item 2; I am referring to item 3.

Ms O'LOUGHLIN: That will come out of this. Once they have a feeling of where it is, the plans will be developed from that analysis of the statistical snapshot.

Ms CHAPMAN: As a point of clarification, where it says 'Premier's Council for Women has developed', you are saying that it will develop it but has not actually done so?

Ms O'LOUGHLIN: That is correct.

Ms CHAPMAN: On the Women's Information Service, the budget papers (K3.2, page 7.21) disclose a reduction of funds of \$49 000. Why is that and how can this be achieved when the number of inquiries is expected (on these records) to increase from 2 100 to 2 310 in this next financial year?

The Hon. S.W. KEY: I understand the point that the member for Bragg has raised, but I will just explain some background to that. There has been a series of staffing changes within the Women's Information Service over the past year. When the Women's Information Service budget went into the Department of Human Services system, an additional \$49 000, which would have gone to the policy office, was allocated to the Women's Information Service. This brought the budget from \$520 000 in 2001-02 to \$569 000 in 2002-03. When this error was discovered—

Ms CHAPMAN: Spend it while you have it!

The Hon. S.W. KEY: Of course!—rather than redirecting the funding it was decided that it would be used for advertising and publicity to promote the Women's Information Service. So we have learnt a lesson from that: if there is any misallocation, as opposed to anything else, that will be used. But I think that because of the sort of service that the Women's Information Service is, promotion is important because we want people to remember that the Women's Information Service is there. That is where the problem of not being able to level up the Women's Information Service budget lies. It has also been decided that, because it is the 25th birthday of the service, it is important that we have a celebration, but more important that we continue to advertise and publicise the Women's Information Service.

There are a number of us, probably, in this chamber who would remember the Women's Information Service from 25 years ago, and we know that it is there. But there are new potential consumers out there, so I am very happy that there is going to be some concerted publicity and promotion of the service, even though it is probably a bit of a windfall for them under the circumstances. However, over the 2003-04 budget the money will be redirected back to the policy office budget and used to support a research program and a tactical trial of the gender based analysis in government. We are hoping to have (certainly from the Office for the Status of Women area, notwithstanding what activities the Premier's council decide to do) this policy focus in the next year.

I believe I mentioned in my opening statement that in the area of policy I am also very pleased to continue to support and contribute to the equal opportunity legislation program

that we have, and the same sex couples legislation that we are looking at. The Office for the Status of Women holds its own against some of the bigger departments because it has made a major contribution to and had influence in those two areas in particular, but also in other legislation areas.

The member for Bragg is correct when she says that there is an increasing number of women using the Women's Information Service. I am told that in 2002-03 there were 31 000 people who used the service, (women in particular, but there are also some men who use the service) and at least 23 000 have contacted the service by walking into the Station Arcade or the outreach services in country areas. Telephone contact has been logged at 7 854 contacts and e-mail, 146 contacts. In addition, 1 500 rural women have been identified as contacting the service during 2002-03. That is a very good record.

The volunteer training program received accreditation through a registered training provider at Certificate III in Community Services, and I believe that that is another important connection between the service provided and the experience and expertise being put into accreditation. We now have 10 women who have completed this accredited training. As mentioned earlier, the service has also launched the community languages booklet, and this is being used quite widely in the multicultural community. In my own visits to different functions, I have seen the booklet in a number of different multicultural services. It is very nice to launch such things but it is even better when you see them out in the community being used by workers.

I mentioned the outreach program, and I am advised that this program has reached women in Whyalla, Port Pirie, Port Augusta, Peterborough and Roxby Downs and was advertised extensively throughout the Riverland area. That is a good start—but I am waiting for the member for Flinders to ask me about her areas! There has also been the outreach program, both through the Aboriginal Women's Service and the Women's Information Service outreach services: the Flinders Ranges; Outback; Eyre Peninsula; Riverland; Mid North; South East; and Outer Metropolitan. There is also going to be a roll-out of an extended program which will involve the telephone service across rural South Australia both through the advertising I mentioned earlier and face-to-face visits, and support for existing rural services. One of the areas that we are looking at (which was particularly obvious in the seat of Giles—when we went to a community cabinet there—and also I believe, Frome) was that there are other services such as the administration and information services area where there is an opportunity to try to link the Women's Information Service into existing state or local government services. That is something being looked at by the office to ensure that we use as many existing contacts and networks as possible to extend the Women's Information Service throughout South Australia.

Mr SNELLING: My question is about the activities of the policy office within the Office of the Status of Women. Budget Paper 4, Volume 2, sub-program area K.31 provides some brief information in relation to the activities of the Women's Policy Office. Will you please provide some more detailed information regarding the activities of this part of the portfolio?

The Hon. S.W. KEY: I have mentioned this in some of the areas in which we have already worked in the policy area, and, as I said, I am very pleased that there has been a focus, but certainly there is now more of an emphasis. One of the areas that is particularly important that builds on previous

work is the collaboration with other government agencies. I am hoping to make an announcement soon about one of the programs we are looking at across the public sector for women, and the director and I have some plans for making sure that we do that.

It has been really important to work through the Women's Action Plan and, as I said, this is the framework for women that we developed across the whole of government. I would just like to acknowledge the work that has been done throughout the public sector by different people, particularly women, in different departments. This includes groups that have been making sure that not only their own department is acknowledging the issues and views of women in that department but also the fact that they have put this work through to the Office of the Status of Women. So, as I said, in the next few weeks I am looking forward to making quite an exciting announcement about where we are going with this.

There have been targeted consultations with women across the state to make sure that the policy and the work that is being done is not just what we or the women in the office think is a good idea but that we actually do have input from women across the state. There has been a number of key issues for women, and I have mentioned some of the research work, but issues have been exposed by the statistical analysis that is being done, including issues for specific equity groups; the views of different service providers and community groups; the analysis of women's policy best practice; and detailed benchmarking exercises to promote a greater commitment to improving the status of women.

There have also been, as I said, other specific initiatives that are linking into other departments, for example, the state housing plan, the state transport plan, and the metropolitan planning strategy. I mentioned earlier, but I think it is worth identifying again, the work that is being done with regard to the state industrial relations system. I think that I have mentioned the occupational health, safety and welfare and worker's compensation aspect of that IR umbrella. But, particularly in the Steven's review, which is the review of the state industrial relations legislation, a lot of work has been done with regard to work and family issues. This has been seen as a major area of work for our policy unit.

I mentioned earlier the participation in the national partnerships against domestic violence program, and a lot of work has been done by the unit with regard to domestic violence issues. Again, this links in with the Department of Human Services and the work that is done in that area. There has been a link-up with small business women in South Australia and, as everyone in this chamber would know, women make up the majority—I think it is something like 70 per cent—of people heading up small businesses. This has been an ongoing theme in the Office of the Status of Women, because women have again identified this as an area where they believe the government needs to do more work. I have mentioned some of the issues relating to Aboriginal women in the member for Florey's question, but this has been a theme that we have been following in our policy work.

I should also mention the tremendous amount of work that needs to be done and has been done on the Equal Opportunity Act. As people would know, South Australia has gone from being a leader in equal opportunity legislation to definitely a follower with regard to anti-discrimination legislation. So, I am very keen, as is the office, to make sure that we turn that around. With the Attorney-General's staff, in particular, and of course the Attorney-General himself, there have been two

working parties on the same-sex couples area providing advice on that and making sure that we come up with legislation that does not treat same-sex couples less favourably than opposite-sex couples. As I said, they are also looking, through our review process, at equal opportunity legislation.

I should reiterate my opening statement about the portfolio having the smallest budget in government, yet the contribution the office makes to ensuring that women's interests are considered and also making sure women are not overlooked is significant. I am very proud of the work that this office does and I am also very proud to be the minister in this area.

Ms BREUER: I am very pleased to hear the minister talk about the amount of work that is happening in consultation with rural women and regional women. I am sure that the member for Flinders would join me on that. I was going to ask a question about the information services in rural areas, but you have certainly answered that. In program K3.1, it notes a number of ways that the policy office supports women. At last year's estimates you talked about proposed women's action plans. Can you give us an update on that area?

The Hon. S.W. KEY: As I said, one of the ways in which we have tried to maximise the influence of the office is by using whole of government action plans for women. These have been underpinned by women's action plans applicable across the various public sector agencies. There has been concentration on developing a sound baseline of data on the status of women and, also, the situation of women in the public sector. There has been documentation with regard to suitable performance measures and outcomes, because part of the whole issue, I think, is that we have needed to set up the framework for analysis, as much as doing the analysis itself. There has been a real emphasis, particularly in the past few months, on setting up that framework.

The work undertaken in this portfolio area over the past year has been focused on gathering baseline data necessary to underpin this work. The Premier's Council for Women has almost completed the first stage of a comprehensive research project which is aimed at developing a consolidated profile of the current status of women across South Australia. There are two tiers to what we are talking about, namely, within the state public sector itself and also the overall consolidated profile. Over the next few months, this statistical profile will be published. The work includes targeted consultations with women across the state to obtain community input on key issues for women. There are also the areas I mentioned earlier, that is, looking at statistical analysis, consulting with specific equity groups, views in the community and service providers; and then putting together that information so that we can ensure that issues to do with gender analysis end up being part of the government's way of looking at itself and how it delivers services.

Also, we are setting up partnerships and collaborating with some of our leading Adelaide academics—because South Australia is the home of many leaders, as far as research and analysis is concerned, particularly in the women's studies area, but, more recently, in the whole anti-discrimination/equal opportunity area—to ensure we can introduce gender based analysis into the state public sector. A number of trials are happening at present. Once these are evaluated and put together with the work that is being done through the Premier's council, we should have a comprehensive approach to ensure that the women's action plans are then implemented. I suspect that the implementation stage will not be very

easy, but, certainly, all the arguments and the approach that has been suggested by both the Premier's council and the Office for the Status of Women give us a good background for a good argument, if not a good fight.

Ms CHAPMAN: Have you received any recommendation from the Office of the Status of Women, the Premier's council, or any body within it, to support an extension of the equal opportunity bill, which is currently before the parliament to include adoptions and accessibility for same sex couples? If so, do you propose to act on it?

The Hon. S.W. KEY: I could ask the member where that is in the budget papers, but I won't.

Ms CHAPMAN: I will add to the question by asking: if so, what budget allocation has been made to cover that in the 2003-04 year?

The Hon. S.W. KEY: I think the honourable member must refer to it in the budget estimates—I don't want you to do so, though. I am happy to try to answer your question. I have received some information, but I do not know whether it is directly from the Office for the Status of Women. As a result of the portfolios for which I have responsibility, the issue of adoptions is one of the areas for which I am responsible under the community services part of the Social Justice portfolio. That matter has been discussed in the context of the responsibility I have for the adoption regulations. That is one area. Through the Office for the Status of Women, the portfolios for which I have responsibility have membership on the working party with respect to same sex couples and the 54 pieces of legislation that are seen to be discriminating against same sex couples. That is one of the pieces of legislation that has been identified. As far as specific advice from the Office for the Status of Women, I do not recall its coming from the Office for the Status of Women. I will clarify that with Carmel O'Loughlin, because she may have a different memory of that.

Ms O'LOUGHLIN: We have recommended that it would be a good thing, but that has not yet been accepted by the minister.

The Hon. S.W. KEY: There is a discussion paper on the same sex couples question and, also, the equal opportunity legislation. I am waiting to hear the results of submissions to both those reviews. I cannot recall the deadline dates for those discussion papers at present but, certainly, indirectly, I have received advice on that question. I am yet to receive a direct piece of advice from the Office for the Status of Women on that particular part of the same sex couple legislation issue.

Ms CHAPMAN: For the purposes of identifying that relevance, it is description and objective K3, program 7.2. The previous government's Women's Advisory Council had been working on a number of projects up until the end of 2001, including a recommendation, which was adopted by the Labor Party prior to the election, to review the sexual assault legislation in consultation with the Attorney-General's Department; and also to review domestic violence penalty legislation in consultation with the Attorney-General's Department. Has either of these been progressed; if so, how; and what funds have been allocated in the 2003-04 budget year to finance these? If not, why not?

The Hon. S.W. KEY: I can only answer this in general terms. Through the portfolios for which I have responsibility, some work is being done by the Department of Human Services under the community services umbrella and, I think, the strategic policy and planning area of the whole Department of Human Services. The Department of Human Services

is the umbrella for health and mental health, and then social justice, housing, status of women and youth. The work that is being done is not specific to the Office for the Status of Women: work is being done in the community services and the strategic policy and planning areas. This work is being done in conjunction with the Attorney-General's Department. At this stage, I have not got a written report I could give you—certainly not through OSW. Work is being done, and I am happy to make it available—and we have not yet made a decision on this—either when it gets to the stage of being a discussion paper or when we consult outside the department on future directions. I do not know whether that answers the honourable member's question, but I am more than happy to make it available when it is available.

Ms CHAPMAN: Are you saying there is ongoing discussion about these issues, but there has not yet been any action on them, and that it may also come under the umbrella of some of your other responsibilities?

The Hon. S.W. KEY: Obviously, issues to do with the Office for the Status of Women have been identified. As the honourable member rightly points out, the previous Women's Advisory Council saw this as an important area—as does the government in general. We have been working through community services and the strategic policy and planning part of DHS, with the Attorney-General, to work through some of those things. When we have some public information available—because it has been our method of operation to consult—I will certainly make that information available to the honourable member. That is not to say that no work is being done. It is to say that it is not available at present.

Ms CHAPMAN: Madam Chair, as we near the conclusion of the allocated time, I indicate that I have five omnibus questions, which I am sure the minister has heard repeatedly in her other portfolios in estimates to date. I am happy to obtain those and put them on the notice to the minister.

The CHAIRMAN: Member for Bragg, that is not possible. The omnibus questions must be read into the record if you want them answered by 25 July.

Ms CHAPMAN: That is all right. As I do not have them in front of me, I will arrange to have them placed in the parliament tomorrow, and they will simply be questions on notice to the minister in that portfolio, and she will understand what they are. I have one other question, which I am happy to read on notice, in relation to Aboriginal family violence, which the minister might want to get some information on or, alternatively, if she declines that, I am happy to put it on notice in the parliament tomorrow.

The CHAIRMAN: The procedures require that the minister either attempts to answer it now if she chooses, or it is put on notice in the House of Assembly.

The Hon. S.W. KEY: I need to clarify this. Whilst I am sure that this question is of interest to the Office of the Status of Women, it is not necessarily the portfolio that would answer that area.

Ms CHAPMAN: Yes, it is. It is in relation to the minister's reference to measures that address Aboriginal family violence in last year's budget, in this portfolio area.

The Hon. S.W. KEY: Yes. All I am saying is that, if you put the question on notice, I can answer the question through the other portfolios that have responsibility in this area as well. All I am trying to do is expand the answer you might seek, rather than deal with it just through the Office of the Status of Women. If I receive it on notice I can give you a more considered answer.

Ms CHAPMAN: I am happy to just read it so that the minister can take it on notice.

The CHAIRMAN: No, member for Bragg, the minister has indicated a wider answer is possible if it goes on the House of Assembly *Notice Paper* as a question on notice. That is the appropriate direction. The time agreed for examination of matters relating to the status of women has expired.

Additional Departmental Advisers:

Mr P. Willey, Manager, Housing Secretariat, Housing Management Council.

Mr M. Downie, General Manager, SAHT.

Mr B. Moran, General Manager, SACHA.

Mr J. Comely, Acting General Manager, HomeStart Finance.

Mr C. Larkin, General Manager, Aboriginal Housing Authority.

Ms K. Harrison, Parliamentary and Legal Unit.

Mr A. Fairley, Ministerial Adviser.

Ms T. Lloyd, Ministerial Liaison Officer.

Membership:

The Hon. Dean Brown substituted for Ms Chapman.

Dr McFetridge substituted for Mrs Penfold.

The CHAIRMAN: Minister, do you have an opening statement?

The Hon. S.W. KEY: I have an extended opening statement which I had hoped to table, but I believe I would have to seek leave to do that.

The CHAIRMAN: There is no provision for tabling a statement. You can distribute a paper, but it will not be incorporated into *Hansard*.

The Hon. S.W. KEY: In that case, I would like to give a brief opening statement. If members are interested, I am happy to distribute the larger paper. The Labor government believes that all South Australians should have access to safe, secure, appropriate and affordable housing, and is committed to a positive future for housing in this state. We aim to reverse the decline in the past decade and return the capacity for innovation and broader responsiveness to the state's housing services. To this end, a draft state housing plan should be finalised in September. It will provide the basis for consideration of options for a future of framework for the state's housing system. I have asked participants in the plan process to be bold in their thinking. Our responses must be imaginative as well as prudent, soundly based and sustainably funded.

The state's housing activities extend well beyond the social housing sector, however. I am pleased that the state housing plan process has engaged a wide range of interests—the private sector community organisations, trade unions, individuals and diverse government agencies that have contributed to the process. I thank them all for their work to date.

The housing plan should assist us to make the best use of the state's resources to meet the housing needs of low income and disadvantaged households. It will assist the public and private sectors to respond to changing community needs, for example, by better responding to the needs of smaller and ageing households. Housing is an important part of the overall strategy to improve environmental and community sustainability and address key issues of social disadvantage, and it plays a critical role within the economy.

Direction within the overall housing portfolio is provided through the Housing Management Council, which comprises the chairpersons and general managers of the four housing agencies. We will ensure that it has an ongoing capacity to take on this role. The state's housing programs are delivered through four agencies: the South Australian Housing Trust, the Aboriginal Housing Authority, the SA Community Housing Authority and HomeStart; with policy, financial and administrative functions undertaken through the Housing Management Council and various parts of the Department of Human Services.

I will now note some particular issues. HomeStart is an important part of the state's housing services. As at 31 March this year, it managed 16 761 HomeStart advantage, seniors and home program loans. The operating surplus for 2002-03 was \$5.5 million, which is 8.2 per cent above the budgeted profit of \$5.1 million. I now turn to the Housing Trust. Considerable effort is going into shaping a viable future, especially given the declining Commonwealth-State Housing Agreement funding, low rental income due to increased allocations to tenants on a reduced rate, and an ageing asset base. As at 30 June 2003, the South Australian Housing Trust will manage 48 410 dwellings, and grant funding for 2003-04 will be \$140.5 million. It seems that the funds receivable under the Commonwealth-State Housing Agreement will be \$9.8 million less than budgeted. This will require some revision of the estimates figures.

The capital program for 2003-04 is set at \$122.1 million for new construction, urban regeneration, capital upgrades and purchases; 517 new homes will be built at a cost of \$59.8 million; \$22.2 million will be spent on eight urban renewal project areas; \$27.2 million is budgeted for the Better Neighbourhoods Program; and \$27.1 million will go to the Home Renovation Program. Some 4 300 house allocations will be made in 2002-03. The waiting list as at the end of April 2003 included 892 category 1 and 4 853 category 2 applicants. The private rental assistance expenditure target for 2003-04 is \$14.7 million to assist 31 800 people. Environmental sustainability remains a priority.

Aboriginal Housing Authority programs are funded by both the Commonwealth-State Housing Agreement and ATSIIC. The total budgeted grant funding for 2003-04 is \$19.5 million. The AHA rental housing program should increase by 92 new homes from 1 850 at 30 June 2003. The AHA community housing program continues with targets for 2003-04: 70 upgrades and 16 new-builds. The Home Ownership Program operates with HomeStart. In respect of the South Australian Community Housing Authority, currently some 125 cooperatives and associations provide rental housing for 4 006 dwellings, housing some 6 100 people. Grants to SACHA for 2003-04 are budgeted at \$31.2 million.

I also need to include the whole framework around homelessness. A full response will be developed through the release of the Social Inclusion Board's major report. However, some things can be noted. A large number of CAP projects are under way. An estimated \$13.9 million was spent in 2002-03, and 16 projects should be completed in the coming financial year. Urgent attention is also being given to the situation of supported residential facilities and boarding houses.

Housing contributes to the well-being of people and communities. It allows us to make best use of educational and employment opportunities and enjoy the benefits of family and carer support. It is also fundamental to a healthy and

sustainable economy. We believe that housing is a basic right. The private market cannot provide for many low income or disadvantaged households. The government's role continues to be critical to achieving adequate housing for all. I look forward to bringing forward the outcomes from the State Housing Plan process, including directions for achieving the best possible housing future for all South Australians.

The Hon. DEAN BROWN: I would certainly appreciate a copy of the minister's full statement. Will the minister outline to the committee where we are with the re-signing of the Commonwealth-State Housing Agreement and, in particular, what extra funds are being put in by the state government? The federal government figures are shown in the budget papers but not the state government figures. In addition, the minister has just indicated that there are 515 new homes this year. Does that figure include new-builds and purchases; and how are the 515 new homes split up between agencies? In particular, I want to know the number of new-builds as opposed to purchases.

The Hon. S.W. KEY: As far as the commonwealth, state and territory's housing agreement is concerned, an offer has been made by the commonwealth and there has been some negotiation over a number of months about the form of that housing agreement. At the most recent Housing Minister's Council, which I attended in Queensland, there was a specific debate about the form of that agreement. Drafting issues were raised, and eventually a form of wording, I will not say was agreed on, but at least around the table people were prepared to take that back to their respective cabinets for consideration.

In the past couple of weeks I have taken the agreement to cabinet. Again, as the honourable member would imagine, having been the minister, there was a lot of debate about that agreement. It has been decided by cabinet to indicate our willingness to sign the agreement. Yesterday, I wrote a letter to Senator Amanda Vanstone saying that we would be prepared to do that. In addition, there have been some positive, as I understand it, officer level discussions between the federal government and the state government about this agreement. So, despite the fact that we are very unhappy with the offer that has been made, it looks as though that agreement will be signed shortly. I am not entirely sure when that will be, but it will be shortly.

The problem for South Australia is that we will be particularly disadvantaged. There is no GST compensation in this area, and there will also be a continuation of the annual efficiency dividend of about 1 per cent. So, that is another disadvantage for South Australia. There is also a 5 per cent of base funding sanction—and this is part of the debate that we had at the minister's council—to do with work force disincentives and increasing private sector involvement. So, there is a lot of debate about what that actually means.

The Hon. DEAN BROWN: What does it mean?

The Hon. S.W. KEY: We all have a different view about what it means, and that is one of the reasons why so much time was spent on the actual wording of the proposed agreement. South Australia has made a decision, mainly through me, to try to look at how we can not end up with a 5 per cent loss to the agreement, and I have tried to take a very positive role in determining our own interpretation of what we think those key performance measures might be, particularly with regard to work force disincentives. This is despite the fact that I think it would be fair to say that the states and territories do not think this is an indicator that should be in a housing agreement.

It has been very difficult, and that is one of the reasons why it has taken so long to get to the stage where we are now. There are different interpretations of what that means, and in the fullness of time I will be more than happy to talk about that in more detail with the shadow minister and in parliament. We have managed to negotiate another five-year agreement, and there are still some question marks about whether we should sign the agreement and what that will mean with regard to the state's contribution. At this stage that has not been finalised; that has certainly been up for debate and I can again clarify that a bit later on. I do not have that information right at the moment, but I am certainly happy again to clarify that.

The Hon. DEAN BROWN: Will you clarify that point you were just making? You were saying you do not know exactly what the state government contribution will be.

The Hon. S.W. KEY: No.

The Hon. DEAN BROWN: Even though the federal government contribution is shown in the budget documents?

The Hon. S.W. KEY: As the shadow minister would know, this is an agreement that we are negotiating with the commonwealth, so that is one challenge that we have, but the other challenge will be to determine where the state goes with the housing portfolio. At this stage I have not been to a meeting to clarify that, but I will shortly. I signed the letter in principle to the federal minister only last night, so the next stage will be going into negotiation on a state level as well. We have not done that as yet.

It has just been suggested to me that to answer your question more directly I need to identify that the funding offer to South Australia for 2003-04 in the portfolio statements is \$82.8 million. However, the offer—and this has been an ongoing discussion that has been continuing even after the budget papers were printed—is expected to be \$71.4 million. As I mentioned earlier in my answer, there is also the issue of there being no GST compensation, so at this very point it is very difficult for me to directly answer your question about amounts. I am happy to do so once I have been through the next round the negotiations that I have to go through.

The Hon. DEAN BROWN: There is also the 517.

The Hon. S.W. KEY: There is also the other part of the question. I will see whether Malcolm Downie or the CEO might like to answer the first part of your question.

Mr BIRCH: We will get the specific amount for the shadow minister, but the state's contribution is the forward estimates. I think the minister is referring to the fact that because of the timing of the signing it has not been possible to revise the forward estimates, including the state contribution. It is possible but it is not by any means certain that cabinet may revise that down in conjunction with the commonwealth's contribution going down, but as I understand it that decision has not yet been taken. We will be able to get the specific amount to you through the minister.

The Hon. S.W. KEY: I understand that the second part of the question was with regard to the new builds and also the capital area. I will ask Malcolm Downie to answer that part of your question.

Mr DOWNIE: The 517 refers to the total construction program and the purchase program, but it relates to the forward estimates as they are shown in the portfolio statements. Given the loss of GST funding through the commonwealth-state housing agreement, we would expect that that would come down and ultimately have an impact on

the program and what we can actually put on the ground for the \$10 million less that we will get from the commonwealth.

The Hon. DEAN BROWN: I appreciate that; my question was really how the 517 is broken up between the trust—

Mr DOWNIE: It is all the Housing Trust.

The Hon. DEAN BROWN: It is only the trust?

Mr DOWNIE: Yes.

The Hon. DEAN BROWN: I see. What about the—

Mr DOWNIE: That is coming around to you. When the minister read out the figures it shows the breakdown in terms of acquisitions and new purchases for AHA and SACHA, and they are on top of the 517.

The CHAIRMAN: Anything further, minister?

The Hon. S.W. KEY: No, unless I have not answered any part of the shadow minister's question.

The Hon. DEAN BROWN: No; thank you. At the end of June of this year—in a few days—what do you anticipate the unspent money will be sitting in the commonwealth-state housing agreement area?

The Hon. S.W. KEY: I may need to get some advice on this. I think that, so we can answer this question appropriately, it might be something I need to take on notice. It would be better if we took that on notice, because there are different agencies here and I need to get the answer with regard to their contribution under that umbrella.

The Hon. DEAN BROWN: In April the minister released the needs analysis for supported residential facilities. The report was called 'Somewhere to call home' and was prepared by the Department of Human Services. At the same time they did the financial viability assessment of the supported residential facilities but it was not released. The two appear to me to sit absolutely together. There was considerable criticism of the standards that applied within the supported residential facilities. The other clear factor there is whether they get enough revenue to provide an adequate service. Therefore, I would like to know why the financial viability study or analysis has not been released. When will it be released and will the minister release it now?

The Hon. S.W. KEY: In relation to the first part of the question, yes, considerable work—in fact, a research paper—has been done on the supported residential facility area. Work was also done on getting a snapshot of what is happening in the boarding house area as well as financial viability for the supported residential facility area. One of the reasons why work was commissioned on the financial viability for the supported residential facility area is because, as the shadow minister would know, most of the supported residential facilities in South Australia are pension funded facilities, and most of them are in the private for-profit sector.

The Hon. Dean Brown interjecting:

The Hon. S.W. KEY: I acknowledge not only the shadow minister's interest but also the fact that this was an area that he identified in the last estimates; he was also involved in initiating some of the initial work and research that was done in the SRF area by DHS. As he would know, this is an area that has caused considerable concern because, as we have the details in about people who live in boarding houses but particularly in supported residential facilities, we have identified a group of very vulnerable and in many cases older people who quite often have very poor health and in some cases have very poor mental health. So, it is a very serious group of very vulnerable people whom we have identified.

With regard to the financial viability area, we thought that the best way to deal with this issue and, in particular, the SRF

issue is to use the ministerial advisory committee (which is part of the Supported Residential Facilities Act) to provide advice to me as the minister about issues relating to SRFs and the people who live in them, as well as the people who run SRFs. The committee has had a day workshop to look at how to deal with the recommendations from the first SRF report. It has also had a subsequent meeting to look at the financial viability report (which was available a little later than the first report) in an effort to give me not only recommendations but also some ways of dealing with the recommendations.

As I understand it, the SRF advisory committee meets tomorrow to finalise the recommendations of both reports. I will then receive those recommendations and they will go to cabinet's social development committee and then to cabinet. Once we have been through that process, I am more than happy to release the reports and make them public. Not only do I want to know about the problems in the SRF area but I also want to come up with some suggestions about what we can do to remedy the situation.

As the shadow minister would know, this is not a new issue but it is becoming more and more concerning in that a number of SRFs are telling me that they are having difficulty surviving and there are many reasons why they may get out of the SRF business. We need to look at not only how we can improve the life of people in SRFs—if that is what they call home—but also, if a number of SRFs are about to close down, that we have arrangements in place to ensure that people are not left homeless. We are trying to work through that. I must say that the SRF advisory committee has been very diligent in ensuring that a balanced view will go to cabinet's social development committee and then also to cabinet.

The Hon. DEAN BROWN: As a supplementary question, when the rent subsidy scheme was abolished—and that took a couple of years to phase out—an amount of \$3.5 million a year was still allocated, and it was proposed that it be used as part of the financial support for supported residential facilities. What has happened to the unused money from the rent subsidy scheme?

The CHAIRMAN: I find it difficult to regard that as a supplementary question. Does the minister want to respond?

The Hon. DEAN BROWN: It is directly related to the SRFs and financial support for the SRFs.

The CHAIRMAN: It was not related to the question. Does the minister wish to answer that question?

The Hon. S.W. KEY: Yes, I am happy to answer that question. The previous government made a decision to wind down the rent subsidy scheme. I understand that the money that was left in that scheme is still being used, particularly by country students who were one of the foci of that particular scheme. I also understand that there is a grandparenting of people who have used that scheme so that it actually winds down without people being disadvantaged completely by its just stopping. It still exists, but we certainly would not be looking for any new starters. I am told that it is down to \$2.4 million.

The Hon. DEAN BROWN: Yes, but it was about \$10 million or \$11 million.

The Hon. S.W. KEY: It was \$11 million, yes.

The Hon. DEAN BROWN: It was always envisaged that it would be used to fund supported residential facilities. For what is the money now being used, if it is not being used in this area?

The Hon. S.W. KEY: I will ask Malcolm Downie to supplement what I am saying.

Mr DOWNIE: The answer to the question is that the loss of grant revenues and revenues for rents has meant that the money is not there any more.

The Hon. Dean Brown interjecting:

Mr DOWNIE: The loss of grant revenues through the commonwealth-state housing agreement and the loss in rent revenues from the changing client group means that we no longer have the recurrent dollars in the budget. The money is not sitting there being used for other purposes; it is just a loss of funding.

Ms BEDFORD: This question relates to the commonwealth-state housing agreement and GST compensation and follows on from one of the plethora of questions asked by the member for Finnis earlier. I refer to Budget Paper 3, page 4.6. What is the likely impact of the withdrawal of GST compensation funding by the commonwealth government under the commonwealth-state housing agreement?

The Hon. S.W. KEY: Under the commonwealth-state housing agreement, which is about to expire, this state received an annual allocation of some \$9.5 million GST compensation from the commonwealth. The current agreement expires on 30 June 2003 and the commonwealth intends to withdraw this compensation in the next agreement. I mentioned this in my answer to the shadow minister. Obviously, this is a very serious situation for South Australia. As I also said earlier, all state and territory ministers have raised concerns about the deleterious impact this will have. The state budget papers assumed receipt of \$9.5 million annually to 2005-06 from the commonwealth GST compensation, and this was what we thought when the budget papers were being printed.

The removal of this funding by the commonwealth should the situation not change will mean a shortfall of \$28.5 million over the forward estimates period. This amount is partially offset by the expected increases in other components of the commonwealth-state housing agreement due to the introduction of funding indexation for the first time. Therefore, the expected net variance of the forward estimates for the new commonwealth-state housing agreement should be a total reduction in the order of \$21.3 million over the forward estimates period. Consideration is being given to how the state could deal with this reduction in commonwealth funding. One scenario is that the cut will have to be offset by reduced expenditure on housing programs. This is not good news for South Australia, which is in need of affordable social housing.

For example, a reduction for the South Australian Housing Trust new build program of 172 properties over the forward estimates period would be necessary to balance the reduction. However, as I have said, further work needs to be undertaken to determine how a reduction in the expenditure could be achieved should that be necessary. I ask members to note that the state government will continue to provide GST compensation of some \$3.4 million annually. I think that we are at the stage now where we are realising the impact of this next five year agreement, and it is not looking very pretty at all. Much of the information that is being made available today was not available until recently due to the fact that we had to work through the offer from the commonwealth because, as I said, there is a timing mismatch between the state budget and the commonwealth-state housing agreement. Over the next few weeks, we will have to discuss how we will cope with a very much reduced housing budget.

Mrs HALL: I want to turn to Housing Trust policy and a couple of specific areas of questioning. As the minister

would be well aware, in the 1970s the South Australian Housing Trust embarked on a deliberate program of purchasing properties from the open market in order to disperse its stock throughout the community. Some of these properties were then allocated to reputable community organisations that provide housing and related support services to their client base. The community organisation, as I understand it, is then responsible for tenant allocation and day-to-day property maintenance issues.

Since 1997 I have specifically been involved in a case with one such property out in my general area. Over a six-year period this particular property and constituent have had to endure a rather constant change of what are classified as 'undesirable neighbours', with the most extraordinary activities involving abuse, extraordinary language, damage to his property and damage to the trust property. I have to say that I compliment 1000 per cent the Modbury office of the South Australian Housing Trust for the very professional and courteous level of assistance, way beyond the call of duty on a number of occasions, that they have given both my office and the constituent involved.

Because of this involvement and partly as a result of many identified continuing problems, the Housing Trust property was subsequently put up for sale but passed in at auction recently because it did not reach the trust's reserve price. I understand that the future of this property is still being investigated, so I do not want to give too many details to identify it. Will the minister give some consideration to the trust's policy on its purchase of attached properties, particularly where half of the attached property is then allocated to a community service organisation? In this particular case, the Housing Trust owns half of the attached property but has on-leased it to a couple of organisations that perhaps the Housing Trust would not have rented to particular tenants. What is the minister's view on that general question?

The Hon. S.W. KEY: I think we are looking at having a different way of dealing with these issues, and there has been an ongoing view within the trust about how we deal with these issues. I understand that the property that the honourable member was discussing was bought under the crisis accommodation program and let to a domestic violence service.

Mrs HALL: Not just that: it has actually been let over the years to a number of individual community based organisations, but the trust itself has not been responsible for the tenants. As I say, I can only speak very highly of the way the trust has tried to manage it.

The Hon. S.W. KEY: Although it would not be identifiable in parliament, I think that we have actually identified the property that the honourable member is talking about, and we can check the address after estimates because, like the honourable member, I do not particularly want to discuss the specific case. I am advised that there have been ongoing neighbour problems. In early 2003 the trust agreed to take this house back and it was then put on the market. At the auction last week it was passed in at \$170 000 with the reserve being \$185 000. With that particular issue and complaint, I would invite the honourable member to speak to me after estimates and we will follow that up. As far as the general policy is concerned, perhaps the Housing Trust's General Manager can comment.

Mr DOWNIE: Generally, I would say that some of the spot purchase properties were bought like this many years ago when we had a different client group, and we now have a significantly different client group coming off the top of the

waiting list and these sorts of properties are no longer appropriate. We have to be very careful about the allocation but, in this case, it has obviously been an ongoing issue for a number of years. It does not sound to me as though it is the sort of property we would be buying now under our spot purchase program, so you inherit these things and do the best you can with your allocations but, obviously, at times these things happen. It was decided to resolve this particular case by selling it.

Mrs HALL: In terms of the policy question—and the minister may care to take this on notice—I wonder how many properties the Housing Trust currently holds that are half of an attached property and how many are the two sides of the attached property? It seems to me that it is a genuine concern as a policy issue, and perhaps later the minister could provide the figures—and I do not want to identify this property because I know that the trust is trying to sell it at the best possible price, and I thoroughly agree with all that. It seems to me that, depending on the information the minister provides, perhaps the trust could adopt a policy of purchasing both attached properties rather than just half of one and causing ongoing difficulties.

Mr DOWNIE: That is quite a complex issue. At times we buy into unit complexes where we might buy one unit in a small group, and we have similar situations. I suppose it is worth noting that more than 40 per cent of the trust's existing stock are double units and they are all in two halves, and many of the halves of those have been sold over the years for different reasons under different programs, and again you have issues ongoing. It is certainly not a small number, whatever that number is. We would have a large number of properties in this situation.

Mrs HALL: Is it a general policy of the trust to allocate a property to another community based organisation which then has responsibility for it? Does the trust have any involvement or capacity to make a decision on the tenants who are then allocated from the community based organisation?

The Hon. S.W. KEY: What has been highlighted by the honourable member's question is that there seems to have been a different policy or view at different times; the policy has not been uniform over the history of the trust. The second thing is that it really depends on the service that we are talking about. Again, local arrangements have been made if, for example, part of the provision of accommodation would be for domestic violence support. I know that the managers in the different regions, despite what constituents and some members may say, do try to coordinate as best they can the tenants who are put next to each other, but there are also the same issues for the other parts of the portfolio, the Aboriginal Housing Authority and for the community housing area, which is where I thought the honourable member was going at the start of the question by her reference to the fact that tenants in a group sometimes manage their own properties.

Obviously, the community housing and co-op housing area is an example of that, and also some parts of the trust and some parts of Aboriginal housing. So, it is a general issue and I am happy, once there is some clarity about what particularly the trust thinks is the appropriate way to handle this issue, to provide a briefing to the honourable member.

Dr McFETRIDGE: I refer to Budget Paper 3, page 8.10: Housing Sector, which talks about changes in the growth in the housing sector, both public and private. I am concerned about the new levy that may be put on the construction of new homes: the affordable housing levy. Housing is the most

taxed of all commodities—there is the GST, stamp duty, land tax, local government charges, infrastructure levies, and the open space levy (which I think is a good levy)—and I am concerned that the affordable housing levy may reduce opportunities for young people getting into homes, forcing them into rentals and excluding others.

The Hon. S.W. KEY: I will respond in general terms. As I mentioned in my opening statement (and members can look through the extended statement that I have circulated), this is one of the issues we are looking at. There is not only the issue of homelessness, which is a feature of the work that the Social Inclusion Unit and the social justice and housing areas—in fact, all the portfolios that I have responsibility for—are doing. There is also the issue of accessibility to affordable housing, and we are very keen to progress this area. I stress that because that may be rental housing, but it also may be accessibility of housing; in other words, people accessing their own mortgages. People always talk about accessing their own home, but what we are talking about in most cases (unless you are very rich) is having affordable housing access to loans and finance to start on that mortgage round, but at the same time own one's own home. I will ask Paul Willey, who is coordinating the state housing plan with a whole group of others, to address that question more directly.

Mr WILLEY: The affordable housing levy is one of, I believe, 126 different policy and program options that are outlined in the six issues and options papers, and there is no commitment at this stage. It is just one of a number of options, and we have had advice from the industry of the kind that you have just mentioned concerning the imposition of another tax. At the moment, it is just one of 126 options.

Dr McFETRIDGE: Was there a level that this levy was going to be set at: 5, 10, 15 per cent?

The Hon. S.W. KEY: I want to emphasise the fact that this is just one of the options that is being debated. I think it would be appropriate for Mr Willey to expand on some of the discussions that have been taking place through the framework of the housing plan. I emphasise this because we have the most amazing, wide cross-section of people sitting together talking about how we can improve the issues not only with regard to homelessness but also affordable housing in South Australia, and that could be across all sectors.

Mr WILLEY: As an indication of the fact that we have not developed the proposal in detail at this stage there has not been discussion about what level of percentage it might be. The other options that are being looked at are things like inclusionary zoning, where you might be able get a measure of affordable housing through your planning and zoning regulations, and a range of options of that kind that would probably be more viable alternatives.

The Hon. DEAN BROWN: On 30 May there was to be an auction of four blocks of land at Branksome Terrace, Dover Gardens. They were withdrawn from sale. I am sure you know of the issue. Why were they withdrawn from sale at the last moment?

The Hon. S.W. KEY: I have to say that I cannot answer this question; but I am advised by the ministerial liaison officer that the general manager has been chosen to answer the question.

Mr DOWNIE: There were, I understand, issues about trying to get a higher yield on the site. However, I do not know a lot more about it than that. If you would like more information I can get that and provide it to you.

The Hon. DEAN BROWN: You said if you wanted to get 'a higher yield' for the site'?

Mr DOWNIE: That is what I understand; I don't know.

The Hon. DEAN BROWN: Well, what I will tell you is that individuals have gone to enormous lengths and bother—because these were advertised right up until the day of the auction. They were withdrawn very much at the last moment, literally at the last moment. Someone who has been put to enormous inconvenience has raised the matter as to why they were withdrawn at the last moment, and this person has gone to considerable lengths to find out. The person has had one set of excuses from the agent and a quite separate set of excuses from the Housing Trust. This has gone higher and higher up in both authorities.

The excuses have changed each time. This person had in fact put in place the loan application, had had a bank cheque made out for the deposit to bid and, something like less than 48 hours before the auction, they were withdrawn from sale. On behalf of this individual, I would like a full explanation, because there is a very detailed story sitting behind this. If something is advertised for auction in good faith, I think there needs to be a pretty good explanation if the auction does not proceed.

The Hon. S.W. KEY: I would like to take up this issue and provide the member for Finnis with an answer. I do not know the details, as I said earlier, and it is obvious that we need to find out what information you have and how we can expand on that.

The Hon. DEAN BROWN: A letter with all the details has been sent to your office.

The Hon. S.W. KEY: Thank you. We will certainly follow it through.

The Hon. DEAN BROWN: How many Housing Trust homes will there be, estimated, at 30 June this year and how many will there be as at 30 June next year?

The Hon. S.W. KEY: I am just checking my speech. I think I mentioned that in my opening remarks. I understand that there are 48 410 as at 30 June this year. We cannot give you an estimate at this stage. Noting all the comments I have made about the commonwealth, states and territories housing agreement and things that will unfold in the next few weeks, including the fact that we have had no compensation for GST, it is very hard for me to predict how many we will have as at 30 June next year.

The CHAIRMAN: The agreed time for examination of this topic has expired.

[Sitting suspended from 6.15 to 7.30 p.m.]

Membership:

Mr Brindal substituted for the Hon. Dean Brown.

Mrs Penfold substituted for Dr McFetridge.

Additional Departmental Advisers:

Mr S. Blight, Director, Office for Youth.

Mr T. Easling, Manager, Office for Youth.

The CHAIRMAN: We move now to the Office for Youth. Minister, do you wish to make an opening statement?

The Hon. S.W. KEY: Yes. In its first 15 months of office, this government has strongly demonstrated its commitment to empowering young people and building communities, in which the active participation, health and wellbeing of young people are a strong priority. There are several significant achievements and initiatives to which I

will refer briefly. One of the most important initiatives is the development of the South Australian Youth Action Plan. This was a government election commitment to young people, and it will be the first time South Australia has a youth action plan. Its development is being led by the reestablished Office for Youth—another initiative of this government.

The significance of this plan is that it will not simply focus on young people from the youth portfolio's perspective but, instead, will be a whole of government response. It will emphasise the government's thrust to respond holistically to issues in a coordinated and collaborative way. Clearly, this is an exciting initiative. Subject to the outcomes of the consultation process, the South Australian Youth Action Plan will have three main areas: first, critical youth issues; secondly, good communities in which to live; and, thirdly, youth transitions. It is necessary for the government to focus on responding to critical youth issues, such as suicide, school retention, road safety and youth homelessness. These areas demand attention and it is vital that the cross-government responses are coordinated.

Another focus will be on building communities which acknowledge young people as an integral part of thriving communities, and also recognise the importance of local action on youth issues, such as employment, safety, recreation, transport and racial harmony. If we do this, we will make South Australian communities more attractive for young people to live in and, we hope, ultimately, stop the youth population drift to the eastern states. The third focus area will be youth transitions, including responses to assist young people to move from education into training and employment.

It is my intention to launch the Youth Action Plan in early 2004. The development of a plan of this magnitude, necessarily requires the involvement of numerous government agencies, young people, community organisations and other interested parties. At this time submissions are being received from anyone interested in issues which impact upon young people in South Australia. I am looking forward to seeing the final product, and I encourage members to take an interest in the development of the plan. The government is especially keen to progress the empowerment of young people in this state, and continues to make significant advances in this regard. Youth empowerment is about increasing young people's ability to influence what is happening in their own lives and their communities. The government supports the empowerment of young people by involving young people in the planning and delivery of services that impact upon them, equipping them with skills so they can become increasingly more involved in the community, and creating opportunities for young people to become more involved in the community.

For example, the government, through the Office of Youth, now funds 67 youth advisory committees across South Australia. These youth advisory committees are actively providing information and advice to their local council and other community groups on local youth issues. It has proved an outstanding way in which young people's voices can be incorporated into decision making in their local community. It is important to recognise that youth advisory committees form one key part of a range of youth participation strategies. The government also funds youth specific civics for over 100 young people each year through the South Australian Youth Parliament Program. In the past year, I have strengthened other youth participation initiatives, including the government's youth register, and in the near future I will be

launching a new youth participation handbook, specifically designed and written by young people.

The active8 Premier's Youth Challenge is now entering its final year as a pilot program. It has been an impressive program, and I am confident that the many links it has developed between young people and the communities will continue into the future. The Duke of Edinburgh Awards scheme in South Australia, which now comes under the Office for Youth, will assist in sustaining these types of outcomes for young people and the community. Young people in South Australia, because of their age, will have the most to gain from their involvement in the state's future. The government recognises this and is committed to ensuring young people are provided with the skills and opportunities to make a tangible difference. As the Minister for Youth, I am well placed to witness young people's passion for the future and their creativity, decision making capacity, positive outlook and willingness to be involved for the present and future. I look forward to the future with great optimism.

The CHAIRMAN: Member for Unley, do you wish to make an opening statement? Member for Unley, that is not a coffee cup, is it? Clearly, I am having optical illusions: I thought I saw a coffee cup.

Mr BRINDAL: No, it is a cup of tea because I cannot be held responsible for some antiquated practices in this place. Nevertheless, it is now finished, so you are a bit late to chastise me for it, Madam Chair.

Ms Breuer interjecting:

Mr BRINDAL: Yes, it is about time a few points were made in this place. I do not want to make an opening statement; otherwise, I would take up the whole half hour with a tirade against the minister—and I cannot see that being profitable.

Mr SNELLING: Are you retiring?

Mr BRINDAL: When I feel like it. Madam Chair, you might caution the member opposite for wearing a lap rug in here. That really does betrays her age!

Ms Breuer interjecting:

Mr BRINDAL: Good, I agree with you.

The CHAIRMAN: I thought the member opposite was simply indulging in multicultural clothing. Member for Unley, am I to understand you are not making an opening statement and you would like to ask a question?

Mr BRINDAL: I certainly will. The minister mentioned in her opening remarks that active8 was in its last year as a pilot program. In fact, that can be found on page 7.19. The minister described the pilot program as 'impressive'. According to the portfolio statement for youth programs, the funding allocation for the pilot active8 program will conclude in 2003-04. There is no mention in the forward budget estimates, anywhere at all, of any money put aside for future programs. Will the minister clearly advise the house whether that means that program will cease to exist after this year's budget? If not, how much money has been budgeted for future years?

The Hon. S.W. KEY: I thank the shadow minister for his question, and I acknowledge that there are at least two former ministers for youth in the chamber—the member for Morialta was also a youth minister. The program has not been cut. As a result of the very successful active8 program, we are progressing in accordance with the funding levels provided over the four-year period. The local programs will continue until December 2004. As with other pilot programs—and I know the honourable member has had this experience—we need to assess how we can look to the future with a possible

active8 program. Active8 has worked as a successful model. Now that we have the Duke of Edinburgh Award scheme under the umbrella of the Office for Youth, we are sitting down and looking at how we can change and build on the achievements of both of those programs. It is really a matter of evaluation at the moment.

Mr BRINDAL: Has the minister informed active8, schools, parents and participants of the uncertainty of the future, and what advice has she taken from her Youth Ministerial Advisory Council on this matter?

The Hon. S.W. KEY: I am advised that we have sent out a fax today to the participant organisations.

Mr BRINDAL: Today?

The Hon. S.W. KEY: Yes.

Mr BRINDAL: Just before you came into estimates?

The Hon. S.W. KEY: The fax went out today, as I understand it. We would like to look at a number of ideas for the future. I will ask the newly constituted ministerial advisory committee to take this on as one of the areas it looks at in the future.

Mr BRINDAL: This is a supplementary question. Minister, are you saying that you have made a decision, and post that decision you will ask them what they think about what we can do for the future? You did not consult the outgoing council. Probably your officers have made certain decisions.

Ms Breuer interjecting:

Mr BRINDAL: I ask that the member withdraw that, and I ask the minister to refute that claim. I will name all the Labor people on it that I appointed, if you like.

Ms BREUER: You did it once before in the parliament.

Mr BRINDAL: I will do it again if you like—every one of them.

The Hon. S.W. KEY: Two points need to be made about this. First, in December 2004, the local programs under this pilot scheme will run out. The funding we have had allocated over those four years will run out. I have written to the active8 youth challenge service providers and host organisations to seek discussions with them to look into the future. The letter states:

A number of active8 Premier's Youth Challenge Service Providers and Host Organisations have been in touch with me regarding the recently delivered State Budget.

I am pleased to advise that the fourth year of the active8 Premier's Youth Challenge pilot program will proceed as planned, and that the budget allocation for 2003-04 will enable all existing programs to run for their scheduled time. As anticipated the remaining pilot programs will conclude by December 2004.

The active8 Taskforce will continue to work with Service Providers and Host Organisations to ensure that the gains made in youth development over the past 3 years through active8 are built upon.

Should you have any specific inquires regarding your local program please contact your active8 task force liaison person or call . . .

It then gives the phone number. That is the message that has gone out. There have been a couple of changes, the first of which is that we now have the Duke of Edinburgh Award scheme under the Office for Youth, as I mentioned earlier. It is important that we look at the youth development program in the context of that very important program. Secondly, the honourable member would be aware that, under the social inclusion unit initiatives, one of the big initiatives—and it is a whole of government exercise but involves particularly the Ministers for Education, Employment and Training, Health, Aboriginal Affairs, and me, as well as, to some extent, the Attorney-General's Department and the justice area—is

looking at the whole area of programs to encourage young people to stay at school or to get into a training program.

So, within that context, the active8 model is one on which we can build. They are the assessments we are having at the moment. So, it is not appropriate to say that a four year program that the previous minister would be well acquainted with is being cut. It is more that we are now at a stage when the funding for the four years is about to finish to reevaluate where we go.

Mr BRINDAL: I accept what you say, minister. However, I understand your letter said that existing programs were to run their scheduled term. You also said that you did not indicate that anything other than the number of participants during this year will wind back. There is no ongoing funding yet in place. If there is to be ongoing funding, it will have to be placed in the next budget year. The minister knows well that active8 works on a calendar year allocation. So, that means your officers and you have allowed a situation to develop where there will be a six month hiatus at best, unless you bring in a supplementary budget.

I am pleased that the Duke of Edinburgh Award scheme has at last come under the Office for Youth. That was something that was very difficult to prise out of the Minister for Health under the Liberal government. I would like the minister to take on notice the question of how many participants in the Duke of Edinburgh scheme (and the minister has the residential addresses) have ever come from the northern and southern suburbs, and at what levels. I believe that the Duke of Edinburgh scheme is an enormously good scheme. If a general criticism of it is made, it is that it is elitist and it has tended to benefit certain schools in the eastern suburbs than schools for which your colleague, the minister, is responsible. That is a matter easily settled statistically by the provision to this committee of some facts and figures. I find it strange that the Labor government is putting up a program which heretofore has been considered somewhat elitist—

Ms BREUER: On a point of order, Madam Chairman, is this a point of order or a valedictory parting farewell speech?

Mr BRINDAL: You can look at the standing orders. You can make a statement for three minutes. The Chairman will tell you that.

The CHAIRMAN: Member for Unley, I will have to correct you. I was very generous with you yesterday. There is no provision for statements. You were offered the opportunity to make an opening statement, and that is it.

Mr BRINDAL: I am asking a long question, then.

The CHAIRMAN: In that case, I ask the honourable member to wind up urgently.

Mr BRINDAL: I will ask a long question if I like, or you can report to the Speaker if you wish, because I will move dissent in the ruling of the chair. I will not play these games.

An honourable member interjecting:

Mr BRINDAL: I know. Tough luck! Nine o'clock you will sit. I do not mind.

The CHAIRMAN: Member for Unley, would you mind asking a question?

Mr BRINDAL: No, not at all. I have asked the minister whether she will provide on notice details of the participants in active8 this year, and also the participants by district in terms of the Duke of Edinburgh Award scheme, because she should have that. If the government wound up next year, what programs would the government be putting in place to ensure that youth services provided by that program continue, other than the dressed up Work for the Dole program which the

Premier has dubbed his conservation corps and recycled from somewhere out of the 1980s. That was a question.

The Hon. S.W. KEY: It is hard to know where to start to answer that question. We should cover a few areas in this. It may be heartening for the member for Unley, the shadow minister, to know that in the active8 Premier's Youth Challenge in June 2003 there were 2 240 participants; in September 2003—this year—obviously we will be expecting 2 000 participants; in December this year, we would be expecting 1 955 participants; in March 2004 we are expecting 1 540 participants; and in June 2004, 1 290 participants.

The shadow minister can say what he likes about whether he thinks this is successful. There seems to be a number of participants under the active8 Premier's Youth Challenge. That is why we will go through a process of seeing whether we can extend this model to address specifically the issue of school retention and, where people do not want to stay at school, their getting into some training, retraining or whatever. We basically want to engage young people so that we do not continue to have the high levels of young people leaving school without any qualifications or proper education background behind them.

The shadow minister would also know that there is a real issue in South Australia concerning literacy and numeracy rates. A number of young people do not have a very good level of literacy or numeracy, so this needs to be addressed. I think we are at a stage where we need to look at a whole range of models. I am very impressed with a model in Victoria called the Whittlesea Project, which I have asked the Office of Youth to look at, and we will also ask the Ministerial Advisory Committee to look at this model.

The Minister for Education and Children's Services has a number of programs that she is looking at under the umbrella of school retention, which involves a number of ministers. With regard to the Duke of Edinburgh scheme, I am a Republican, but I have some sympathy for these awards. I am very impressed with the participants in this scheme, particularly a severely intellectually disabled person who won an award for being able to make a cup of tea. In the light of that achievement, the shadow minister might like to think about some of the comments he made about the participants. To some people, this may seem trivial and not worthy of a Duke of Edinburgh award, but this person won an award in the last round of awards for doing this, and it made me think again about the personal achievements of some people.

The shadow minister may be correct about where the participants in the Duke of Edinburgh award come from, but during the time I have been minister there have been some very worthy recipients. I think he is being a trifle harsh about the whole system. There are a number of categories and different groups such as schools and active8 involved in this scheme. I doubt whether the shadow minister would be critical of them because he was involved in encouraging some of those organisations to be involved in active8. There are a number of youth groups, disability organisations and community organisations working with disadvantaged young people. Business, industry, local government—just about every sector has some involvement with the Duke of Edinburgh award.

So, whilst I understand why some people would have a problem with an award called the Duke of Edinburgh award, I think the positives far outweigh the negatives. If we have an opportunity to expand the Office of Youth and can also provide a variety of programs for young people in our community, that is all the better. If the shadow minister wants

the names of participants and where they come from—there are a number from country regions as well as the metropolitan area—I am happy to get that information for him, but I do not have it on me at the moment.

The last point I make about this is that \$279 000 in revenue was raised through fees, charges, grants, sponsorships and fundraising during the last financial year. There is a lot of community and business import in raising funds for the Duke of Edinburgh award which, as the honourable member would know, is a national award. Apparently there are 3 500 South Australians actively participating in this award with 150 organisations involved in South Australia. Perhaps the shadow minister might rethink his criticism of this award, but as I say I am happy to provide extra information for him.

Mr BRINDAL: Madam Chair, I claim to have been misrepresented and I seek leave to make a personal explanation. If the members of the committee and the minister read the record, they will see that I made no reflection on individual participants in the Duke of Edinburgh award. I merely made the observation that I would like to see the statistics, because it has always struck me that the preponderance of these people come from the eastern and inner southern suburbs, not the northern, southern or western suburbs. Therefore, the Duke of Edinburgh scheme is not an adequate substitute for active8. I did not—and I do not—reflect on any individual participants. I have been involved with these awards, and I have nothing but admiration for anyone who receives a Duke of Edinburgh award, wherever they come from. This government has elected to serve all the youth of South Australia no matter where they live, and I simply point out that, statistically, the participants in this award do not necessarily come from across the state, as does active8, because active8 is at Christies, the northern suburbs, the western suburbs and right across the state.

Ms BEDFORD: My question relates to page 7.19 where it is mentioned that there are 67 Youth Advisory Committees. Will the minister tell us about the functions of each of these committees and whether there are any specific indigenous groups amongst them?

The Hon. S.W. KEY: I compliment the member for Florey for the number of times that she has supported Office of Youth functions. As members would be aware, Youth Advisory Committees are linked to local government, enabling young people to provide direct advice on a range of issues. Youth Advisory Committees undertake a variety of roles and functions, some of which include: representing issues that affect young people locally; providing advice to elected members; consulting with young people in their local area; lobbying community decision makers; and promoting a positive image of young people in their local communities.

There are 67 Youth Advisory Committees, including six indigenous specific committees that have been funded to date. I am particularly pleased that there are six indigenous specific Youth Advisory Committees. The cities of West Torrens, Port Adelaide, Enfield and Marion are the three areas in the metropolitan area that have recognised the unique needs of indigenous young people and established specific committees. I might say, Madam Chair, that they are in the western area; the shadow minister might find that of interest. The other three committees are located in Nepabunna, Ceduna and Yalata. These 67 committees provide up to 1 200 young people across South Australia with an opportunity to be involved in direct decision-making roles in their local communities.

At the end of May I had the pleasure of attending part of a one-day forum for representatives of Youth Advisory Committees. The forum, called YACfest03, involved 180 YAC members across the state. Participants travelled from outback areas, the Far North, Eyre Peninsula and Yorke Peninsula, the South-East, the Riverland, the Iron Triangle and the Mid North. When I first heard that the YACfest was being held, I suggested that one of the main features could be a debate regarding whether or not the voting age should be lowered to 16 years. It seemed that this would be a timely debate as we are about to hold the Constitutional Convention.

During the course of the debate participants were given the opportunity to explore the issues relevant to them on this matter. At the conclusion of the debate the Australian Electoral Commission conducted a simulated referendum. The outcome of the referendum was presented to me at the conclusion of the day. Participants were asked two questions in the referendum: one about lowering the voting age in local government elections and the other about lowering the voting age in the state government elections. On both occasions the votes returned a resounding yes. I have undertaken to have the matter debated at the state constitutional convention and will be talking to the Minister for Local Government to explore the issue of lowering the voting age in the local council elections.

Mrs PENFOLD: I am most concerned that the regional statement failed to mention anything about supporting young people from rural and regional South Australia. Is the Rann Labor government committed to ensure the future of young people in country centres and how other than by rhetoric is it committed to this position? My point is the suicide rate, which I understand is once again rising rather significantly in my own electorate. How will the government ensure that regional youth get the support they deserve to assist with this problem?

The Hon. S.W. KEY: Thank you for that question. Again I compliment the member for Flinders on her work, because I know she has a holistic approach to the work she does in her area. I compliment her and thank her for her support. As I mentioned earlier, I think the report on the YACfest and the youth advisory committees in some ways answers the member's question. The Office for Youth is committed to ensuring that young people from rural and regional South Australia can address programs and have access to programs and funding. We have had \$300 000 in grants made available through the youth empowerment grants and the youth in community grants.

Of the 13 successful applicants, five rural and regional organisations received funding totalling \$75 000. The second round of funding through both grant lines will be allocated by 30 June 2003 and \$100 000 provided in grants to local councils statewide. These grants are matched dollar for dollar and/or in kind by councils and are made available to them by funding National Youth Week activities in their local area.

The councils develop events in partnership with young people which target local needs; in 2002-03, \$58 100 or over 50 per cent of the grants were allocated to rural and regional areas. As I mentioned earlier, youth advisory committees are also really important to make sure that youth advice is provided on a whole range of areas. Again, through this process grants of up to \$3 000 per year for three years have been allocated to councils statewide. Of the 67 youth advisory committees that were funded in 2002-03, 45 are from rural and regional areas and, again, grant funds have also been allocated to strengthen youth networks across South Aus-

tralia. Some 23 networks are receiving funding and 13 of those networks were from rural and regional areas.

As you would have heard before, the Premier's Youth Challenge funds organisations statewide, despite what the member for Unley may have said. We make sure that a youth development program extends as far across South Australia as we can. Some 1 539 new participant places have been approved for funding from the 2002-03 funding round and, of these, 492 participants—so about 32 per cent—are based from rural and regional areas.

With the specific issue you raised about youth suicide, I will ask the Chief Executive Officer of the Department of Human Services to talk about the work that we are doing in that area because, as I said in some of my other portfolio areas, we do not run the social justice program just in the youth, status of women area or community services areas: what we have been trying to do is take a whole of government approach. Certainly, the issues of youth suicide are part of a whole of government approach. I think that the member for Flinders would probably like to hear about that. Another thing I should mention is that the issue of suicide, particularly for Aboriginal young people, is one that comes under the umbrella of the Social Inclusion Unit and will be one of the references that we will be seeking to address along with the school retention and homelessness issues and the Drugs Summit recommendations, etc. So, this is a particularly important area.

The only last comment I would like to make before I hand over to the chief executive officer is that we believe it is really important that the health and mental health parts of the DHS portfolio work very closely with the social justice portfolios to try to make sure that we come up with programs that respond to all those issues, from petrol sniffing and drug addiction right through to different forms of mental illness. That is a very thumbnail sketch of what we are trying to do with regard to rural and regional youth but also the whole issue of suicide prevention, particularly for young people.

Mr BIRCH: As the minister indicated, this is not something specific to the Office of Youth: it is also specific to the Department of Human Services portfolio in general. As an opening point I will be very happy to provide you with a more comprehensive response about the department's response to youth suicide and in particular rural youth suicide, as an aside. I could raise a few quick points in relation to Aboriginal issues. In particular, the focus this year will be on the Anangu Pitjantjatjara lands and there is an amount in the budget of, if I recall, \$650 000 for a rehabilitation and disability facility for substance abusers and petrol sniffers on the Anangu Pitjantjatjara lands.

We would all be aware that the rate of suicide amongst that group is quite high, so that is an initiative that will roll out during the coming year. An amount of \$1 million is for the well-being program on the Anangu Pitjantjatjara lands; again, this is to focus on primary health care for all ages but there will be a specific focus on home maker programs. Six youth workers are also to roll out on the lands, one per community, again with the youth coordinator and again designed to try to focus not just on youth suicide issues but also employment and education issues and so on for young people on the Anangu Pitjantjatjara lands.

You would be aware that we have recently appointed a replacement for Dr Margaret Tobin, Dr Jonathan Phillips, who has a special interest in rural mental health issues. We know that Child and Adolescent Mental Health Services get quite a low proportion of the total mental health budget, yet

we also know that most mental health issues that occur in adulthood have their origins in adolescence or young children. We are very keen to see whether we can shift, albeit incrementally, some of the mental health dollars progressively to improve Child and Adolescent Mental Health Services. You would know that the waiting time for Child and Adolescent Mental Health Services is quite long. Indeed, a number of people who attempt suicide do not get immediate access, so we are attempting to remedy that as we speak.

The key initiative, which is partly included within the budget for the next year, is the commencement of what is otherwise known as the mental health reform project. You might recall that before she died Margaret Tobin published a document called 'Strategic reform of mental health'. It was commenced under the previous government, but it was never operationalised. In other words, it was a strategic document which determined where we should go with mental health but which did not actually indicate what that would mean on the ground over a period of five to seven years.

We have now completed, if you like, the operationalisation of that document. There is \$1 million to kick that off on a recurrent basis over and above what we put into mental health at the moment, plus this year there are some capital moneys to start that mental health program. That mental health program covers a whole range of issues, including cottages for people who can be deinstitutionalised and child and adolescent mental health issues as well. I could go on, but I am happy to detail more specifically the rural mental health issues for the member but perhaps provide an overview in writing out of session of the whole mental health program and where we see its going.

Mrs PENFOLD: I would be particularly interested to know about the hidden suicides, that is, suicides resulting from motor cars, drugs and from where we seem to lose people who I suspect are not actually categorised as suicides. I do not know what is happening to them.

Mr Brindal interjecting:

Mrs PENFOLD: I suspect they are not, yet people who know those people would tell you that they believe they are suicides.

Ms BREUER: Can I ask a supplementary question?

The CHAIRMAN: I think the minister would like Mr Birch to answer the supplementary question asked by the member for Flinders. Is that correct, minister?

The Hon. S.W. KEY: Yes, that would be good, and I would like to make a comment before answering the question of the member for Giles.

Mr BIRCH: Very simply, Madam Chair, I think we could organise a briefing with Dr Norman James about that very issue, particularly amphetamine use. We do not know the numbers of people who may suicide through road accidents, but he is quite well versed on that and has recently given a presentation. We could organise a private presentation.

The Hon. S.W. KEY: I am more than happy to provide briefings to members, particularly because we are discussing the Office for Youth and the youth portfolio in particular. As a result of the responsibilities I have under the social justice portfolio, all those areas do link in with each other. As I said to the member for Flinders, I think that it would be helpful if we could perhaps provide an overview of work that we are doing, particularly in the youth suicide prevention area, which is the point of the member's first question.

I am also aware of the fact that minister Stevens and I have the opportunity through the suicide prevention advisory group to receive further details and specific briefings on

issues. In addition to the points that the CEO has made, I would be more than happy to arrange a briefing on that particular issue for members of parliament. I know that the member for Flinders is interested in this area, but I am sure that other members would like to receive that information. That is something that we would be happy to arrange for members who are interested.

Ms BREUER: Can I add to the request from the member for Flinders, that is, perhaps the minister looks at including some figures or information regarding suicides amongst young gay people. In view of the quite outrageous reaction at the moment to the SHARE program in schools, I believe that the number of incidents amongst young gay teenagers is quite high. I would be interested to know the figures or information that the minister has about that.

The Hon. S.W. KEY: I undertake to ensure that we have a briefing on all those issues as soon as can be arranged for members of parliament, probably when we are in session so that it is easier for the country members to attend. I am quite happy to seek some further points that the members would like raised at such a briefing.

Mr BRINDAL: When the minister is doing the briefing, I would also like some details, because the member for Giles is quite right. I did not hear Mr Birch comment at all on emergent sexuality issues, and every bit of the writing says that a huge cause in country areas is kids with problems with emergent sexuality. I did not hear in anything Mr Birch said about any programs, apart from remedial programs, after someone has tried to kill themselves. The issue is not the kids who try; the problem is the kids who try seriously enough to be successful who it is almost impossible to identify before they try. I think we would all like a briefing, but we would like it properly addressed, not just from a response point of view but from what you do about it, because, at present, nothing is being done about it.

My next series of questions is on grants. According to the operating statement, the Office of Youth (Budget Paper 4, Volume 2, page 7.18) grants and subsidies have fallen from \$2.258 million last year to \$1.494 million this year. How does the minister justify these cuts? Is the minister aware that this amounts to a 37.3 per cent cut in her grants? Will the minister cut the youth award showcase, or to which particular programs will the minister take the axe? I cannot see how a government which says it cares about youth can slash a budget by 37.3 per cent.

The Hon. S.W. KEY: The first comments that the shadow minister made related to the issue of emerging sexuality. This is an issue that has been raised through the youth portfolio, so I hope the shadow minister will be pleased to know that this has been taken up, and I believe that it is an issue that has been raised through the ministerial advisory council. I am not sure what work is happening at the moment, but it is certainly one of which we are aware. Across the portfolios, this is an issue on which we can probably provide information.

In relation to youth community grants, I am pleased to say that I am not aware of any cuts to that area. As I said, we are re-evaluating where we are going with that debate. Last financial year two funding rounds were initiated through the youth and community grants. The first round, which was held in November 2002, resulted in eight applications being funded. The amount of \$115 692 was allocated to successful applicants, which included local councils, government funding organisations and incorporated community and youth agencies.

The projects that were funded included a youth development officer for the Coober Pedy Youth Centre network, the establishment of Yorke Careers Centre, a youth resource centre and internet cafe, the Playford youth development strategy, country youth networks assisting student teachers to develop networks for rural students and Aboriginal youth health and drama workshops. The second funding round held in May this year resulted in 11 youth in community grant applications being funded. A total amount of \$144 292 was allocated and the projects included massive art, which is an aerosol art project for young people based in Whyalla; Aboriginal peer education project, which is a project promoting positive mental health for young people living in the Murray Mallee region; young people as change agents in unions; and also the safe party initiative harm minimisation campaign auspiced by Multicultural Youth SA Incorporated.

In the coming financial year, \$300 000 will be available for youth in community grants and youth empowerment grants. These grant lines provide an important source of funding for organisations which work with young people as it allows creative locally based projects to be funded. As I said in my opening statement, our government is about ensuring that young people are valued, encouraged and that their achievements are recognised. This year the South Australian youth award showcase has again been a success. One measure of its success is the growing level of corporate sponsorship that it attracts and is attracting for next year. I am very pleased that the government has been able to assist the showcase in its early years to obtain such a strong level of support from the corporate sector. The youth portfolio strongly promotes the achievements of young people through initiatives such as the youth advisory committees, YACfest, the South Australian Youth Media Awards, the South Australian Youth Parliament and National Youth Week.

The South Australian Youth Awards Showcase has approached me to discuss the government's ongoing involvement in this program, and at the moment I am considering that request. Perhaps the answer is that as a government we support the South Australian Youth Awards Showcase program as a worthy initiative.

Mr BRINDAL: I rest confident in the fact that that is one program that I do not think the government would be very wise to cut.

The Hon. S.W. KEY: Thank you for your advice, member for Unley!

Mr BRINDAL: That is fine. As a supplementary question, the minister herself will know that the Treasurer has managed this year to turn the whole budget process into a lot of meaningless spaghetti that is very hard to decipher. The basis of my question, which the minister did not really answer, was that there has been a drop in grants and subsidies from \$2.258 million to \$1.494 million. I do not need an answer now, but either I am reading the budget papers correctly and that is correct, or it is wrong, but it is the way I read his stupid budget papers. If I am wrong please tell me, and if I am right please tell me.

The Hon. S.W. KEY: I will ask Mr Blight to answer that.

Mr BLIGHT: The Office for Youth budget has been reduced by a sum of \$800 000 purely as a part of the implementation of the pilot of the Activ8 program. The reason that it does not show up as precisely \$800 000 is that there were some budget offsets to allow some hidden costs that were incurred when the office was part of the Department of Education, Training and Employment that had to be picked up when we moved to the Department of Human Services.

So, some adjustment was made by the Department of Human Services. The only reduction is effectively the reduction in the active8 funding, which is in accordance with the pilot. The allocation to other grant programs will be subject to advice being put forward to the minister for her consideration.

Mr BRINDAL: That is on grants and subsidies, but why has there been a \$745 000 drop in net spending for youth programs in the 2003-04 year, and does the minister realise that this equates to a 31.6 per cent cut when adjusted for inflation, vis-a-vis the 2002-03 estimated result (Budget Paper 4, Volume 2, page 7.19)?

The Hon. S.W. KEY: I think we have already answered that question. Mr Blight has explained both the transfer from Education, Employment and Training to the department of Human Services and also the fact that we will be re-evaluating the Activ8 program. I am not sure we can add any more to that.

Mr BRINDAL: I will start reading these omnibus questions. How many full-time equivalent Public Service positions will be either lost or gained in this portfolio in the 2003-04 year? How many reviews took place in the departments and agencies reporting to the minister under these budget lines for the 2002-03 period? Who carried out these reviews? How much did they cost the taxpayer? Has the government budgeted for reviews in any departments or agencies reporting to the minister in respect of these budget lines in the 2003-04 period? If so, who is to conduct these reviews? How much has been budgeted?

How much did any of the agencies examined under these budget lines spend on services that required, either in part of the process or as outcomes, advice or consultation either with those agencies or other bodies or public and/or research services? Who carried out those consultancies and who provided those services? How much did it cost the taxpayer? Has the government budgeted for consultancies and for services, as outlined in my previous question, in any departments or agencies reporting to the minister in the 2003-04 period? If so, who does the minister anticipate will conduct these consultancies or provide these services? How much will they cost the taxpayer?

What percentage of the government's total underspending specifically applied to the departments and agencies reporting to the minister? What is the carryover for the 2003-04 period, with particular reference to any minor or capital works, if the minister has any in the portfolio? Would the minister advise the committee of the number of the positions in all departments and agencies reporting to the minister and examined under these budget lines that attract a salary package of \$100 00 a year or more. Furthermore, would the minister advise the committee how many positions—

The Hon. S.W. KEY: On a point of order, I thought that the question that was being sought to be put on notice was specific to the youth portfolio that is under examination. I now suspect that the honourable member is asking about wider portfolio areas.

Mr BRINDAL: No, I am asking about these budget lines that are now under examination. This is specific to the youth portfolio. Furthermore, would the minister advise the committee by how many positions this has increased with respect to the last financial year? Given the merging of government departments and the resulting changes, what is the dollar value of these changes in all agencies and departments reporting to the minister under these budget lines? Since the Charter of Budget Honesty is still not in place despite government promises at the last election, will the

minister outline how the Charter of Budget Honesty will affect the youth portfolio in respect of the financial year 2003-04?

Will the minister reveal to the committee what percentage of the government's new taxes and increased charges, if any, will be spent in the youth portfolio? Have any efficiency savings taken place within departments or agencies reporting to the minister? Will the minister inform the committee how these changes of efficiency will deliver better government outcomes for youth? Can the minister please advise the committee which programs, if any, have been slashed? Does the minister have any commercial entities within the youth portfolio?

The CHAIRMAN: Order! I understood the member for Unley to be reading the omnibus questions. You appear to be reading questions that are beyond what everyone else has given us as the omnibus questions.

Mr BRINDAL: I can do whatever omnibus questions I like! I didn't know that there was an agreed list of questions.

The CHAIRMAN: Yes, there is an agreed list of questions.

Mr BRINDAL: Who agreed it? Because I didn't, and these are the questions I'm reading.

The CHAIRMAN: The issue is, member for Unley, since you so badly want to follow procedures, that you can put questions on notice.

Mr BRINDAL: I am also now asking the omnibus questions that I have listed here. I am sorry, I have not been to the other budget things. I do not know what anyone else asked. I know the list I have. I quite frankly don't: this is the list I've got, and they're the same questions I've asked as omnibus questions to four other ministers. And in front of you, Madam Chair, to two, as well. It's the same questions.

The CHAIRMAN: I gather from the minister's body language that she is a little concerned about the resources that would be involved in answering these questions before 25 July, as they do extend beyond. Can we come to some arrangement whereby the minister will undertake to answer the additional questions but as she would if they were on notice, and that she will answer the standard omnibus questions within the time that has been agreed?

Mr BRINDAL: With absolute respect to the chair, as the ministry last year still has not answered half the budget questions that the parliament required them to do by a certain date, my capacity and this parliament's capacity to require the minister to answer by a certain date appears somewhat limited. I am just asking the questions. When the minister answers them is up to her and to her good grace.

The Hon. S.W. KEY: On a point of order, I am happy to answer questions to do with the portfolio under examination, and I take great exception to the fact that the shadow minister for youth claims that I have not answered the questions from last year in my portfolio areas because, particularly in the youth area, I understand that not to be the case.

Mr BRINDAL: The minister misunderstood: I was not suggesting that. There are other ministers who still haven't answered budget questions from last year.

The Hon. S.W. KEY: Just poetic licence, then?

Mr BRINDAL: No, I didn't imply you: you can answer the questions as you like. What am I going to do: come up to your office and stand there till you answer? I don't think so!

The Hon. S.W. KEY: I would like to seek clarification through the chair.

Mr BRINDAL: I am not asking you any questions except on what we are examining. All of those questions *Hansard* can put in for these budget lines under consideration.

The CHAIRMAN: Minister, the arrangement is (and the member for Unley may not have been privy to arrangements that have been made at leadership level) that there are six omnibus questions. The other arrangement is that questions can be put on notice. The other option is for you to answer the questions that the member for Unley asks as briefly or in as much depth as you like.

The Hon. S.W. KEY: We are happy to answer the omnibus questions relevant to the portfolio.

Mr BRINDAL: Does the minister have any commercial entities within the youth portfolio? I think you can answer that—it is no, is it not?

The Hon. S.W. KEY: No, as far as I know.

Mr BRINDAL: For all departments and agencies reporting to the minister under this budget line, are there any examples since March 2002 where federal funds have not been received in South Australia, or will not be received during the forward estimates period, because the government has not been prepared to provide the state with matching funds under state-federal agreements?

The Hon. S.W. KEY: No.

Mr BRINDAL: See—quick answers before the date! Did all departments and agencies reporting to the minister meet the required budget savings targets for 2003 set out for them under last year's budget, that is, under this budget line; if not, what specific proposed projects and program cuts were not implemented?

The Hon. S.W. KEY: Yes.

Mr BRINDAL: For each department and agency reporting to the minister, how many surplus employees are there under this budget line, and for each surplus employee what is the title, classification and TEC of the employee?

The Hon. S.W. KEY: None.

Members interjecting:

Mr BRINDAL: You had better take that up with the Speaker. In the financial year 2001-02, for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carry-over expenditure in 2002-03?

The Hon. S.W. KEY: We will take that on notice.

Mr BRINDAL: For all departments and agencies reporting to the minister, what is the estimated level of under-

expenditure for 2002-03, and has cabinet approved any carry-over expenditure for 2003-04?

The Hon. S.W. KEY: We will also take that on notice.

Mr BRINDAL: My final question (which I would like the minister to take on notice) is: will the portfolio continue, as part of the portfolio statement, to celebrate the achievements of middle stream youth, or will the portfolio lurch towards a supplementation of the Department of Human Resources portfolio and become more an adjunct to your social justice portfolio rather than a portfolio for youth?

The Hon. S.W. KEY: I think I made it clear in the last budget estimates that, first, one of the important things to remember about the Office for Youth under the Rann Labor government is that it is its own portfolio and, secondly, that a decision has been made to separate the Office for Youth from Employment, Training and Education in the different guises that it has had, because it was felt that it was important in the Office for Youth and under the youth portfolio to look at the empowerment and celebration of young people in South Australia. That works alongside all the different social justice programs and community services programs that are available under the wider social justice portfolio.

So, in answering the member for Flinders' question, for example, I was able to answer as the Minister for Youth but also as the Minister for Community Services, the Minister for Disability, the Minister for Housing and also the Minister for the Status of Women. I think that the main point that the shadow minister is making is that it is important to have the balance of celebrating and acknowledging the contribution of young people in the community. He has said that himself a number of times in the house, and he may have said it when he was the minister—I am not sure. There is also a need to ensure that we have access to services, equity and support for young people. That is a balance that our government is seeking to achieve by having a separate youth portfolio.

Mr BRINDAL: I thank the minister for her answers tonight, and I assure her that, once the Kerin Liberal government is re-elected, the youth portfolio will again radically lurch to the right.

The Hon. S.W. KEY: Lurch to the right—what has that got to do with it? I take this opportunity to thank members and the staff for an excellent estimates session, and particularly you as the Chairperson.

The CHAIRMAN: Thank you. I declare the examination of the votes completed.

At 8.36 p.m. the committee concluded.