

**HOUSE OF ASSEMBLY**

Tuesday 21 June 2005

**ESTIMATES COMMITTEE B****Chair:**

Ms M.G. Thompson

**Members:**

Ms V. Ciccarello  
 Ms R.K. Geraghty  
 Mr T. Koutsantonis  
 Dr D. McFetridge  
 Ms E.M. Penfold  
 Ms I.M. Redmond

*The Committee met at 11 a.m.*


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Department for Administrative and Information Services,  
 \$153 425 000  
 Administered Items for the Department for Administrative  
 and Information Services, \$2 743 000

**Witness:**

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

**Departmental Advisers:**

Mr. P. Case, Chief Executive, Department for Administrative and Information Services.

Mr B. Miller, Executive Director, Department for Administrative and Information Services.

Mr. R. Ruse, Director, Business Development, Department for Administrative and Information Services.

Mr D. Harvey, Director, Office for Racing.

Mr T. Arbon, Principal Policy and Planning Manager, Office for Racing.

Mr G. Baynes, Chief of Staff.

**The CHAIR:** The estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. The committee will determine an approximate time for the consideration of proposed payments to facilitate the changeover of departmental advisers. Have the minister and the lead speaker for the opposition agreed on today's timetable?

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

**The CHAIR:** 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 no later than Friday 29 July. I propose to allow both the minister and the lead speaker for the opposition to make opening statements of about 10 minutes each. There will be a flexible approach to giving the call for asking questions, based on about three questions per member, alternating each side. Supplementary questions will be the exception rather than the rule.

A member who is not part of the committee may at the discretion of the chair ask a question. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the House of 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, not 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 the Budget Statement, in particular Appendix C, page C2, and the Portfolio Statements, Volume 3, Part 11. Minister, do you have an opening statement?

**The Hon. M.J. WRIGHT:** Yes, Madam Chair. Members would be aware that the Office for Racing works closely with the key industry stakeholders and looks at a whole range of issues, notwithstanding the strategic position within which the racing industry seeks to place itself. Members may also be aware that I have spoken previously about the Racing Industry Advisory Council. That was an election commitment. It was established in 2002 and ran for the next 2½ years. That council worked well, but we found that, as a result of ongoing discussions at council and with the various corporate entities, whether it be thoroughbred, harness or greyhound, there was certainly a preference for me to meet with those racing authorities on an individual basis, rather than the Racing Industry Advisory Council, which brought all those corporate authorities together under the one umbrella. So, we were happy to accept that advice. I place on record my thanks to all members of the council. The council worked well. The advice was well given and well received and that is now being pursued. I meet on a regular basis individually with the different codes, and that includes meeting with the grassroots representatives, which we were very mindful of when we established the Racing Industry Advisory Council.

The industry is performing well. It is not without its problems, and, not the least, problems of a national and international flavour—betting exchanges is the one I bring to the attention of the committee. The government continues to work closely through the Office for Racing with the racing industry to maintain its ongoing viability and to look for growth. It would be fair to say that over the past year or two the racing industry has really explored and is finding new areas of growth, and that is something we should all welcome.

**Dr McFETRIDGE:** Sport and racing is important to everyone in South Australia, and we appreciate the bipartisan approach the minister's department has had with the opposition in the vast majority of cases. I am glad he said that he looks at a whole range of issues, because this issue is one of those. I refer to Budget Paper 4, Volume 3, page 11.16, sub-program 3.2, with regard to the long-term viability of racing and giving strategic policy advice. The SAJC has resolved to sell the land at Cheltenham, subject to certain conditions. In addition, Stockland purchased the old Actil site neighbouring the Cheltenham racecourse. The opposition has been told that Stockland and other developers looking at Cheltenham have become extremely frustrated about the progress of development in the area, so much so that Stockland is threatening to

leave, it being an \$8 billion company wanting to invest in South Australia. What is the government doing about the development process, and when can Stockland and the SAJC expect to know whether their proposals will be approved?

**The Hon. M.J. WRIGHT:** The position in regard to the sale of Cheltenham is one that the government is aware of, and it has been involved in meetings and briefings, both with the SAJC primarily (as it owns the land) and with the corporate authority, Thoroughbred Racing SA. Obviously a lot of issues need to be explored. It is my understanding that the SAJC and the TRSA (perhaps to a lesser extent as it would work through its corporate authority) are working through some of the issues. In the early days the SAJC was providing information with regard to the sale of Cheltenham. As the member would be aware, it is linked to the redevelopment of Victoria Park.

Some months ago I had a very good briefing with Mr Ploubidis and Mr Lewis (the Chairman of the SAJC). I am talking of four to six months ago. The information was very well presented. Further work was acknowledged by the SAJC, but the proposal they were working up seemed to be quite advanced. We are interested in those ongoing discussions and we will continue to have discussions with the SAJC as it works up its proposals. It is well known that they have to go through a number of planning approvals. Where they are at with that I am not 100 per cent certain. I understand that there is still considerable work to be done by the SAJC and others with regard to the planning approvals required, and obviously the government will work closely as that work is progressed.

**Dr McFETRIDGE:** Do you support the proposal?

**The Hon. M.J. WRIGHT:** We are certainly interested in looking at the proposal. It has an interesting history. From memory, Cheltenham was redeveloped in about 1991. It is probably the best all weather track in South Australia. It was an \$11 million project. The facilities at Cheltenham are very good. The racing industry needs to come to us with a proposal that can demonstrate that this is a benefit to racing. We have sought information on a blueprint for the future. All members and taxpayers would be interested in what the racing industry can come forward with as its blueprint for the future.

We would be hopeful that, if ultimately the SAJC decides to sell Cheltenham and move to Victoria Park, it can demonstrate that it is a win/win situation—a win for the racing industry and a win for the taxpayers. There is still a fair bit of work to be done. The jury is still out on this one. We have told the SAJC that we are interested in this proposal and are keen to be briefed on the ongoing developments. We look to the future in terms of what it can offer for racing and for the taxpayers of South Australia.

**Dr McFETRIDGE:** The South Australian Jockey Club is proposing to develop Victoria Park—and the minister mentioned that in his opening statement. Any development proposal is dependent upon the SAJC's securing a long-term lease of the area or a long-term licence. The opposition understands that Adelaide City Council is sympathetic to the SAJC's securing a long-term arrangement of up to 99 years. Does the minister support a longer term arrangement; and what strategic advice has the minister been given regarding a longer term arrangement?

**The Hon. M.J. WRIGHT:** I will come from the back end first. From a strategic point of view, we would certainly support a long-term lease. I think that would make good sense all round. I think, at the moment, it is a month by month

arrangement, which, to say the least, is probably not ideal. Whether it be this form of business or any other business, generally speaking, a lease arrangement month by month does not provide the certainty that one would expect. At the moment, in relation to the negotiations, as I understand it, obviously a number of players are involved. I will not go through them all, but key players are Adelaide City Council, the Motor Sport Board and the SAJC. I would be hopeful that these players and, in fairness, the other players as well, can work towards a satisfactory conclusion that would provide greater certainty. Therefore, from a strategic point of view, providing those parties can reach some sort of agreement, it would be in their best interest to have a long-term lease in place.

I think that would be a commonsense approach. It would be better for business and it would provide greater certainty. That has to be a good thing for the racing industry and therefore a good thing for taxpayers. I would hope that the discussions and negotiations between the SAJC, Adelaide City Council, the Motor Sport Board, the Parkland Preservation Group and other players as well can achieve a satisfactory resolution.

**Ms CICCARELLO:** I refer to Budget Paper 4, Volume 3, subprogram 3.2, page 11.16. Will the minister advise whether the government has provided any financial assistance to the racing industry?

**The Hon. M.J. WRIGHT:** Discussions have been occurring for quite some time. In June 2004, I wrote to Racing SA and the South Australian Bookmakers League seeking their comments on a package of reforms to simplify financial and administrative arrangements between the government and the racing industry. This package is intended to reduce administrative complexity while providing a net financial gain to the racing industry. I am pleased to say that the South Australian Bookmakers League has advised that it supports the package. Racing SA looked at further negotiating the package. However, I did confirm with Racing SA that the package stood as it was proposed: that being the abolition of on-course totalisator turnover tax and GST refunds, the abolition of interest rate subsidy payments to racing clubs in South Australia, the removal of the obligation of the government to guarantee loans to racing clubs in South Australia, and the cessation of the government provision of the bookmaker betting information service.

This is a net financial benefit to the racing industry in a full year of approximately \$333 000. I guess one could define this as perhaps the ongoing development of the corporatisation of the racing industry. That legislation was passed by the former government. It makes good commonsense in that particular environment—with corporatisation having been introduced and now being entrenched—that these types of things would flow from that. The good news is that Racing SA has now advised the government that it has accepted the terms of the package. It is anticipated that the effective date of implementation of the package will be 1 July 2005. This is a win-win situation because not only is it a win for the racing industry, which will receive a net financial benefit of \$333 000, but it is also a win for the taxpayers of South Australia because, as I said, that reform package is really a flow-on of what one would expect as a result of corporatisation of the racing industry.

**Ms CICCARELLO:** I refer to the same Budget Paper. Will the minister advise whether the government will be providing financial assistance towards the promotion and marketing of the 2006 Magic Millions Carnival?

**The Hon. M.J. WRIGHT:** This is another good news story not only for the racing industry but for all South Australians. Just as a brief backdrop, the Magic Millions company began selling thoroughbred yearlings in South Australia in February 2000. An economic impact study undertaken by independent consultants in 2002 indicated that the 2002 Magic Millions sales generated a total economic impact of approximately \$13.7 million. The theme of the Magic Millions Carnival changed in 2004 to include not only a yearling sale but also a racing carnival with associated social events. The Magic Millions race day sales and social events provide another significant opportunity for South Australian racing. It showcases South Australian racing within the state and also nationally.

It demonstrates racing's capability to attract interstate and overseas visitors to Adelaide, provides a strong promotional vehicle for thoroughbred horse breeders to sell their stock and has shown signs of growth over the past few years. The sales included buyers from Victoria, New South Wales, Queensland, Western Australia, the ACT, Hong Kong, Malaysia, New Zealand, South Africa and the United Kingdom.

The 2005 Magic Millions race day attendance was reported to be in excess of 9 000, which is a very good number and really makes it one of the big days on our racing calendar. The Adelaide Cup public holiday will move to Monday 13 March next year as part of the creation of a week-long South Australian racing festival that will include both the traditional running of the Adelaide Cup and the Magic Millions Carnival. This move should generate increased economic activity for the state; in fact, I think we can be confident that it will do so. TRSA together with the Magic Millions company has sought financial assistance totalling \$513 000 from the government towards the fulfilment of a shared vision of creating world-class festival activities in South Australia in March each year. The financial assistance is principally for local, interstate and international marketing. Cabinet has approved the proposal from TRSA and Magic Millions. TRSA and Magic Millions have undertaken to work together to coordinate the efforts of the SAJC and other racing clubs to conduct events during the period with an all-inclusive approach and to seek and develop partnerships and alliances with the other major festivals during the corresponding period.

**Ms CICCARELLO:** I again refer to the same budget paper, page 11.16. Can the minister provide an update of the status of the operation of betting exchanges in Australia?

**The Hon. M.J. WRIGHT:** I have previously touched on the matter of betting exchanges. It is certainly a major issue for racing right around Australia. Members may be aware that betting exchanges do not legally exist in Australia, although there is anecdotal evidence that there is some betting on betting exchanges throughout Australia. It does, of course, exist overseas. Both here in South Australia (and I thank the opposition for its support on this issue) and in other states around Australia we have been very strong in our opposition to betting exchanges. South Australia possibly has led the push, particularly at racing ministers' conferences. It would be fair to say that there has been some speculation that Tasmania is dabbling in betting exchanges. I hope that does not turn out to be the case.

What we have said is that betting exchanges are a bad thing, and we base that on at least three levels. We think that it would impact upon the integrity of the racing product, because someone is able to back something to lose rather than to back something to win. We also think it would impact

upon revenue streams because, as members would be aware, as a result of the Australian system of racing, with most of the gambling via the Totalisator Agency Board, that income stream is there for the racing industry. It would also be bad from a problem gambling component.

I have foreshadowed that South Australia will introduce legislation to ban betting exchanges. We have also pushed hard for the commonwealth to play a more proactive role in this matter. To date it has said no, but we will continue that push. We think it would be best if the federal government used its legislative powers to ban betting exchanges. If that is not possible, hopefully, all the states can come to an agreement. We need to stop betting exchanges in Australia to protect the racing product.

**Mr KOUTSANTONIS:** I have a supplementary question. What would happen if a state such as Tasmania were to legislate to legalise this? What would happen with the rest of the country?

**The Hon. M.J. WRIGHT:** With respect to Tasmania, I said before there is some evidence at an anecdotal level that there is some betting on betting exchanges. We would predict that, if it is licensed, that really gives the operator a stake in the ground and it would increase dramatically. What would happen as a result is that, as money increases into one particular pool, in all probability a great percentage of it will come out of another pool, and that will be the TAB. That will reduce the amount of betting in the TAB, and that of course provides the income stream for the racing industry in the main. If money has left the TAB and gambling concourses legally, with bookmakers, and goes into a betting exchange where there is no deliberate income stream to the racing industry, that would have a negative impact upon the racing industry.

**Dr McFETRIDGE:** I refer to Budget Paper 4, Volume 3, page 11.16, subprogram 3.2. What is the government's position in relation to the shifting or sharing of facilities at the Gawler racecourse?

**The Hon. M.J. WRIGHT:** The position that we took in regard to this issue is that, first and foremost, we wanted to be made aware of the views of the local Gawler club and also the local Gawler community. It is our understanding (to the best of my knowledge this has not changed, but I have not heard in recent times) that it does not appear that the club or the local community were in favour of a shift from the current racing club. We support the views of the local club and the local community. I think the proposal was to shift a few kilometres south to Kudla. If that is a realistic option, it really needs to have the support of the local Gawler club and the local community. To the best of my knowledge, it does not do so, and we think that their views are paramount to this issue.

**Dr McFETRIDGE:** What is the government doing to ensure that the Interdominion returns to South Australia?

**The Hon. M.J. WRIGHT:** As the member would be aware, Auckland took over our Interdominion this year. We would await any proposal from the local bodies here, principally from Harness Racing SA for a proposal in 2007. We would be hopeful and confident that there would be a proposal for South Australia to host the Interdominion in 2007. It would perhaps not be unfair to say that in the debate that was occurring in the lead-up to 2005 there were mixed views within the harness industry as to whether Adelaide should host an Interdominion. I do not share those views. Some people in the trotting community were of the view that this was an expense that the harness industry could not afford.

As I said, I do not share that view. This is obviously the key event for interdominions held annually each year and South Australia has a proud benefit in hosting it. There are obviously positive benefits and spin-offs as a result of it being hosted in your home state. I should say that those views are not and were not the views of the corporate authority Harness Racing SA but more of other groups around the place. I would be hopeful, and also confident, that Harness Racing SA will come forward with a strong proposal to host the Interdominion in 2007.

They wanted a bit of breathing space and that is why they asked for Auckland to take their place in 2005. I think with that breathing space that will give them a better opportunity to work up a business proposal, and when they do so the government will certainly work with them to see what can be done to make sure we host a very strong event. I think it is an important event. It has always been a great event and certainly well received here in South Australia. As we know, one of the things we do very well in South Australia is host major events, and this is a major event and I want to see it here in 2007. One of the issues at the time was that they wanted more time to work with and develop their sponsorship, and I am hopeful that they are getting on with that job, because they are going to have to work with the private sector as well. These events are not cheap. They are going to have to work closely with the private sector to make sure that the sponsors are in place to host this very important event.

**Dr McFETRIDGE:** The same reference, Budget Paper 4, Volume 3, 11.16, sub-program 3.2: what is the government doing in relation to enabling the betting auditorium at Morphettville to operate with more certainty in relation to betting and wagering hours?

**The Hon. M.J. WRIGHT:** I thank the shadow minister for his question. I can certainly give him more detail if what I first say is not sufficient. I think the auditorium is working pretty well. Broadly speaking, what is being worked through here is to try to achieve consensus with the three codes. It is never going to operate 24 hours, seven days a week, and I do not suspect that the member is asking or wanting it to do so, because that would obviously impact on the TAB, and others would argue, myself included as Minister for Gambling, that that would have a negative impact as well. As I said, broadly speaking, there needs to be consensus with the three codes.

With the greyhounds, they take a different view to harness, for example. Greyhounds do not mind the auditorium being open while there is a greyhound meeting at Angle Park on Monday and Thursday nights, whereas when the harness is operating at Globe Derby their preference is for the auditorium not to open and, as they would regard it, in competition with the auditorium.

With regard to the thoroughbreds, generally speaking they would support a more lenient approach. So the general tenor that we have taken is for the consensus to be reached with the three codes and, in the main, that is occurring, but I do preface it by perhaps highlighting to the member that there is a different view between the codes, particularly between greyhound and harness, more so than thoroughbred. As the member would be aware, the TAB off-course licence will be impacted upon if there are extended hours. So I guess it is that balance that we are trying to achieve between what the codes want, the auditorium and also the TAB.

**The CHAIR:** We are past the time for concluding the racing section and moving on to recreation and sport. Member for Morphett, would you like to repeat omnibus questions while the advisers change?

**Dr McFETRIDGE:** To save time, I will let one of the future sessions put the omnibus questions on notice, because they refer to all the agencies operated by the minister.

**The CHAIR:** Is that all right with you, minister?

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

**The CHAIR:** Therefore, we will conclude the racing section and move to the recreation and sport section.

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

Dr P. Hamdorf, Executive Director, Office for Recreation and Sport.

Ms J. Hughes, Director of Strategic and Operational Services, Office for Recreation and Sport.

**The Hon. M.J. WRIGHT:** The office provides services, resources and leadership to strengthen the contribution of active sport and recreation in our community. To achieve this, the office works in partnership with clubs, associations and community groups, as well as local government, industry, state agencies and the federal government. The breadth of the work undertaken includes planning and maintaining facilities, funding grassroots organisations and providing training and support for the volunteers who run them, allocating grant funding and providing services and programs for elite athletes.

The provision of funds through four grant streams assists state organisations and community clubs to provide high-quality sport and recreation opportunities to the community. I am happy to report that, in the past 12 months, almost \$12 million dollars was given as grant funding to almost 500 organisations. Of these 500, half were recipients under the Active Club program for local clubs providing services in the local community. I commend all local members. They are working hard and making sure that they get their notional \$50 000 per annum.

One of the highlights of the past year has been the release of the Physical Activity Strategy, which will be the driver for the across government Be Active campaign. This has obviously been one of our major pushes since coming to government. It is progressing well. There is more work to be done but, certainly, we are pleased with the progress that has been made. The government remains committed to promoting sporting excellence through the programs delivered by the South Australian Sports Institute (SASI). Highlights from SASI include 37 able-bodied Olympic team athletes and 15 Paralympic team athletes at the Athens Olympics. These South Australian athletes were rewarded with 13 Olympic medals and eight Paralympic medals. Obviously, we would like to extend our congratulations to all of the athletes who represented our country so well.

With the 2006 Melbourne Commonwealth Games less than a year away, SASI athletes, coaches and staff are involved in intensive preparations for Commonwealth Games selection. In this year's budget, the government will provide further funding support for SASI to continue its capacity to service and support elite National Training Centre programs in partnership with the national and AIS programs located in Adelaide. The \$1.2 million program over four years will enable SASI to expand its capacity and services in the area of sports sciences, strengthening and conditioning and performance analysis. Additional resources will also be provided to enhance work with the National Trampoline Program, recently relocated from New South Wales.

A review of sports programs resulted in new programs in sailing and aerial sports, and the retention of the existing 15

sports programs. Additional funding in this budget will assist SASI to strengthen its international focus, and further develop strategic national and international partnerships in the coming year. The state's international standard facilities figure prominently in our quest to market South Australia to international sporting bodies as an ideal training camp destination during the northern hemisphere off-season.

With the 2006 Commonwealth Games taking place next March, the government has already had success in promoting Adelaide as a training destination. A very successful five-week visit by the Indian hockey team took place in March, and there are strong indications that they will return. It should be noted that these visits are entirely user pays and of significant economic benefit to the state. The work of the Office for Recreation and Sport is varied and comprehensive, touching upon all aspects of recreational and sporting activity.

**Dr McFETRIDGE:** I would just like to congratulate the Office for Recreation and Sport on the job that it is doing. I have always had good cooperation from the department, and I look forward to continuing that cooperation. That goes deeply into my first question, which is a little bit alarming, though, and as close as you are going to get to a dorothy dixer today, minister, if you listened to what I asked the Premier the other day about South Australian soccer.

I refer to Budget Paper 4, Volume 1, page 11.5, sub-program 3.1, which provides a table of strategies and support for specific populations, including high-performance athletes. Is it true that the Office for Recreation and Sport is withholding \$120 000 in grants to the South Australian Soccer Federation and, if so, why? I note that, while the South Australian Soccer Federation is soon to become the Football Federation of South Australia, the Football Federation of Australia currently recognises the Australian Soccer Federation as administering soccer in South Australia. That is backed up by a letter to the Premier dated 9 May. That letter discusses the financial viability of the South Australian Soccer Federation. There is a disturbing comment in a letter to the Premier of 29 April, which specifically refers to the Office for Recreation and Sport, and I am surprised about this comment. It states:

... this office clearly has little empathy with the volunteer nature of the current officers, their desire to conclude a number of issues and in fact we are now faced with a prolonging of the issue which will ultimately be to the absolute detriment of the sport, threatening the very existence of several of our clubs and placing the good name of soccer in the community in jeopardy. . .

Is the minister able to tell me the current situation in relation to soccer in South Australia, particularly the \$120 000 grant?

**The Hon. M.J. WRIGHT:** I thank the member for his question and also for his acknowledgment of the Office for Recreation and Sport. We certainly appreciate not only his comment but also the bipartisan approach in regard to this area. As to the specific question, I have been advised that the grant of \$120 000 is actually \$110 000, and these outstanding moneys will be paid in full by the end of this financial year. I think that payments, and other outstanding money to the FFSA, have already been made to women's soccer and to amateur soccer. My advice is that certainly that money will be paid in full by the end of the financial year. I understand that a meeting was held yesterday, so it is obviously working to a satisfactory conclusion.

From memory (and I will come back to the member with more details at a later stage if required, or should he have subsequent questions), the whole basis on which this was

organised was to recognise the new body and to ensure that the new body was in place. It was never intended that this money would go back into consolidated revenue, or anything of that nature, but it was organised so that the new body (the Football Federation of South Australia) would be established and, once it was established, the moneys would flow to it as the new corporate authority, as you would expect to be the case. Certainly, my advice is that the outstanding amount is \$110, 000, and that will be paid by the end of this financial year, and that is a good thing.

**Dr McFETRIDGE:** Further to the answer, can I conclude that the Office for Recreation and Sport now supports the South Australian Soccer Federation and its stance that it has a valid management agreement and is financially viable? In a letter to the Premier dated 9 May, the South Australian Soccer Federation stated:

The SASF and its financial viability have been subject to audit by three independent auditors in the past 12 months, all respected international accounting firms—Walker Wayland, Ernst & Young and Deloitte. All have come up with the same conclusion, not questioning the SASF's solvency. All reports have been forwarded in their entirety to your minister and his Office for Recreation and Sport. The latest reports have been disputed by these offices to such an extent that they have used their own contrary opinion as a valid reason to withhold grants to the SASF.

Can I assume now that the Office for Recreation and Sport supports the soccer federation, its financial viability and management agreements?

**The Hon. M.J. WRIGHT:** I do not think that the member's interpretation of what I said, or of the view of the Office for Recreation and Sport, is correct. It would be more reliable to say that the payment is for services rendered. It would also be fair to say that the South Australian Soccer Federation is no longer the accredited body. The member would be aware that, in my earlier answer, I spoke of the Football Federation of SA (FFSA), which is now the accredited body through which the government is working. We do not accept the content of the letter of 9 May to which the member referred, nor should any interpretation be put on it in regard to me or the Office for Recreation and Sport as a result of my earlier answer.

I was at pains in my earlier answer to highlight that we are working with the Football Federation of South Australia; that is common knowledge in the football/soccer community, whatever you want to call it. It may well be that, for whatever reason or reasons, there are still elements that continue to talk about the South Australian Soccer Federation, as they did in that correspondence to the Premier on 9 May. What is important here is that we are getting on with the business of supporting soccer, and the payments are for services rendered. That is why payments have already been made to women's and amateur soccer.

It is important that we are all mature enough to realise that we have a changing face in soccer. The South Australian Soccer Federation is no longer the accredited body. The accredited body is now the Football Federation of South Australia. The South Australian Soccer Federation has advised that it will be winding up. If we were not to recognise the accredited body we could, should and would be criticised; in fact—let me be plain—it would be a dereliction of duty. The government is recognising the accredited body, as the opposition is expecting us to do. The accredited body is the Football Federation of South Australia. All payments will be made by the end of this financial year, I am advised, and those payments are for services rendered.

**Dr McFETRIDGE:** I refer to expenditure on the Adelaide Aquatic Centre in Budget Paper 3, page 2.2. Does the \$500 000 allocated in the 2005–06 financial year for the Adelaide Aquatic Centre include funding for taking over the management and operation of the Adelaide Aquatic Centre; and what are the government's plans for the Adelaide Aquatic Centre?

**The Hon. M.J. WRIGHT:** Just to clarify—I am pretty sure I interpreted this correctly—the \$500 000 the shadow minister referred to is the \$500 000 in respect of the contribution to the Adelaide City Council for the Adelaide Aquatic Centre?

**Dr McFETRIDGE:** Yes.

**The Hon. M.J. WRIGHT:** In regard to the first question, the answer is no. In regard to the broader question with respect to what our plans are and what we have in mind, since we came to government we have reintroduced the access fee as a starting point. To the best of my recollection, in 1996 or thereabouts the access fee was not renegotiated. When we came to government, negotiations occurred in regard to whether this government would look to reintroduce the access fee. We put that in place for three years. Initially I think it was \$210 000 plus CPI. That has now been renegotiated, because that three-year period has elapsed, to \$225 000 plus CPI.

Generally speaking, the access fee is to meet the obligations of the aquatic sport and user groups for that particular period. It also covers Swim SA's accommodation. That was the first piece of work we did since coming into government. In more recent times we have also offered the Adelaide City Council \$500 000 for a capital contribution. I do not have the detail in front of me, but that would be for things such as tiling, water quality, some of the surrounding areas in regard to occupational health and safety and areas similar to that.

It is no secret that there have been some mutterings by some people in the Adelaide City Council that they want to gift the Adelaide Aquatic Centre to the government. We will not accept that as a gift. I have communicated that to the Adelaide City Council. I hope they would reflect on their thinking. What they should do is to go back and have a look at what this government has done since coming to government, both in regard to renegotiating the access fee, initially for a three-year period, and now making that available again and increasing it from \$210 000 to \$225 000 per annum, and also making a capital contribution of \$500 000 towards the ongoing capital work that is required at the Adelaide Aquatic Centre.

**Ms CICCARELLO:** I refer to expenditure in Budget Paper 3, Chapter 2, page 2.40. What is the government doing to assist the South Australian Sports Institute remain a competitive force and key strategic partner in Australia's highly successful national elite sports system?

**The Hon. M.J. WRIGHT:** In recent years, SASI's national role and competitiveness have been challenged with an increasing trend of major national sports programs to be east coast based. A range of pressures have contributed to the desire to relocate the Australian Institute of Sport's national track cycling and national beach volleyball programs away from South Australia. SASI has implemented a new strategic and targeted approach to its operations for the new 2005–08 olympiad. This has involved a commitment to focus its energies and resources to consolidate international and national training centres of excellence programs in a range of sports. In order to be competitive, this approach has required an increase in the servicing and support capacities of the

institute to target existing SASI programs, such as rowing, canoeing and aerial sports, as well as national programs, such as the Australian Institute of Sport's cycling and national beach volleyball programs.

This government's commitment of \$1.2 million over the next four years to SASI will enable it to strengthen its support and servicing capacity to host international world centre of excellence standard elite sports programs in Adelaide. The funding will be directed to the area of sports sciences, as well as providing enhanced program operations and support in targeted centre of excellence sports programs. SASI will expand its servicing capacities in the areas of strength and conditioning, and computerised performance analysis, as well as entering into enhanced joint servicing and sports science partnerships with the Australian Institute of Sport.

The funding allocation has played a key role in assisting the retention of the AIS cycling, now secured in Adelaide to 2008, and national beach volleyball programs in Adelaide through SASI's capacity to provide additional services, support and access to these programs. SASI is in the final stages of negotiation with the Australian Sports Commission and is confident of hosting the new national AIS beach volleyball program, commencing early in the new financial year, for the Beijing Olympiad and through until at least 2009. Also, the funding will enable the provision of far greater support for the national Olympic trampoline program, and SASI's centre of excellence programs in rowing and canoeing. The national trampoline program has been attracted to relocate to Adelaide, in partnership with SASI, as part of an innovative aerial sports centre of excellence program, also involving diving and gymnastics. Collectively, these initiatives strengthen SASI's position in the national elite sports system for future years and ensures that this state remains a critical hub in the preparation of our Olympic athletes.

**Ms CICCARELLO:** I refer to Budget Paper 3, Chapter 2, expenditure page 2.49. This is an issue about which, I know, the member for West Torrens has been a passionate advocate because it is in his electorate of West Torrens. What has the state government done to secure the future of ice sports in South Australia?

**The Hon. M.J. WRIGHT:** The honourable member is dead right: the member for West Torrens has been very active on this issue, as he is on all issues, but, certainly, he has played a strong role as the local member to get the best outcome for the future of the ice arena. In mid 2004 the state government began discussions with the South Australian Ice Sports Federation, representing several ice sports, including ice skating and ice hockey, to investigate both the short-term and long-term facility options for the various sports held here in South Australia. The Snowdome is the only facility in South Australia that meets national standards, with the sale of the facility presenting an uncertain future for the various ice sports and its participants. The South Australian Ice Sports Federation put a business case to the government, demonstrating its capacity to run the former Snowdome facility as a revamped ice arena. At this stage I acknowledge the South Australian Ice Sports Federation, because certainly it has been very robust and professional in its negotiations. I think it would be fair to say that its professionalism has been a very important ingredient in reaching a solution.

In 2005, when the former Snowdome site was sold, the state government assisted the South Australian Ice Sports Federation to negotiate a long-term lease of the site with the new owner. As a result, I am pleased to announce that the South Australian Ice Sports Federation has entered into a

long-term lease of the site, with the state government providing a \$100 000 one-off grant for start-up costs and ongoing operational support of \$130 000, if required. The state government's assistance was crucial in securing the facility and has ensured many popular ice sports and recreational activities will be around in years to come.

The facility, to be known as the Ice Arena, will undergo a major facelift and provide improved facilities for sports, such as ice hockey and ice skating. The facility will also ensure events, such as the 2007 World Police and Fire Games, will not be affected. Planning for the future is important, and, accordingly, the government has also committed funds to assist the South Australian Ice Sports Federation plan strategically for the long-term needs of South Australia. This is a great result for all South Australians with the future of the ice arena being assured.

I think it is pertinent that we acknowledge the great work of Marie Shaw. Certainly, she was supported by a number of other people, but Marie Shaw played a very active role in articulating and advocating a strong position. One of the things which most impressed the government was the number of people who use the ice arena. Information provided to me—and I am doing this from memory—suggests that about 300 000 people use the ice arena annually; and the advice I have been given is that it is the second most popular destination to the zoo for the number of visits per annum. The number of young people who use the ice arena is very significant. That is not to say that it is not used by all age groups. It is a facility that is too important to lose. It is very important for our young people, in particular, and our fear was that, if we lost it, we might never get one again. I invite people to the reopening at Thebarton at about 1.30 p.m. this Sunday. I am sure that all members will get there with their skates on.

#### **Membership:**

Ms Breuer substituted for Ms Geraghty.

**Ms CICCARELLO:** I refer to Budget Paper 4, Volume 3, page 11.6. Will the minister advise what activity is occurring to implement the state physical activity strategy?

**The Hon. M.J. WRIGHT:** I highlighted in my opening statement that this has been an important push for the new government. We believe strongly that we need to do things better when it comes to people being active. It is important that we have a common branding message. It is also important that we get all people involved in regular physical activity. One of the areas we concentrate on is young people, but we are going much broader than that. It is important that people start at a young age and continue with regular physical activity right throughout their life. This is largely bipartisan. Whether it be previous Labor or Liberal governments—and in fact Australia wide and world wide—we have not done it as well as we could have, which is why we have been proactive in making sure we come forward with a physical activity strategy. We have been deliberate in ensuring we get key areas across government involved. It is also important that we get the common branding message from government—the 'Be active' message—and engage with local communities.

I thank the Physical Activity Council, which has been doing some outstanding work with people from the broader community in developing the strategy. We want it to reach not only all age groups but all areas. It is such an important issue that it is beyond politics. It is incredibly important that

we get all ages and geographical areas involved. We need to ensure that the 'Be active' message goes right throughout South Australia. We have conducted regional workshops in Port Lincoln, Mount Gambier, Port Augusta, Whyalla and the Riverland. We will continue to spread that message throughout South Australia. We have also conducted local government and two general metropolitan workshops. The reaction we have been getting is very positive. A detailed implementation and action plan reflecting all government and community feedback is expected by the ministerial physical activity forum by the end of July this year. This information will enable government to clearly identify and prioritise issues and resources for the future delivery of the state physical activity strategy.

Members would probably be aware that advertisements are out currently to interested parties—key stakeholder groups and the broader community. There has been a lot of consultation and this is the last phase of that. We do not want to leave any stone unturned in ensuring we have all the positive and good ideas to take us forward with a strategy that will deliver positive outcomes for all age groups throughout South Australia.

**Dr McFETRIDGE:** I congratulate the government on doing something with the ice centre. After meeting Marie Shaw I decided that she would be more than enough for the minister to cope with and that he did not need the opposition agitating as well. I will not be there for the opening at 1.30 p.m. on Saturday as I have another engagement, but I will get down there in the morning as they are doing a great job.

I refer to Budget Paper 4, Volume 3, page 11.15, sub-program 3.1, relating to the development of high performance athletes. Yesterday I had the opportunity to visit the AIS in Canberra and was told by one of the senior officers that 'Tennis Australia is a basket case'. Given Lleyton Hewitt's comments this morning on the ABC on the low numbers of high-performance tennis players, what is the government doing to assist Tennis SA in the talent identification and development programs?

**The Hon. M.J. WRIGHT:** I thank the member for his question, which is interesting and one that I have thought of as a minister and as a parent of two young daughters who play tennis. One of the other things I have noticed (and the shadow minister would also have noticed) is that in recent times, the last 12 months to two years, I have noticed and commented to the new CEO (Alistair MacDonald) that tennis has been getting a lot of grant money coming through. In the latest batch of additional money in the community recreation and sport facilities fund the Somerton Tennis Club in the honourable member's electorate may have got \$20 000. A lot of grants are coming through for the community recreation and sport facilities program for tennis. That tells me a couple of things: it tells me that Tennis SA is probably working fairly well with the various clubs around South Australia to make sure their grants are in and are of a professional standard, and/or that those tennis clubs are doing it of their own initiative. It is probably a combination of both.

The other thing which will arise later this year is the StEP funding and, historically, tennis gets a slice of the action. I mentioned Alistair MacDonald. I met with him recently. He is the new chief executive, as the member would be aware. I had heard good reports, and certainly those reports were right on the mark. I was extremely impressed with Alistair MacDonald. I am confident that tennis can be assured that it has someone who is switched on, young, active, innovative and forward in his thinking. Regarding the broader issue of

whether or not tennis Australia is a basket case, I am not really able to say whether that has any validity. I think we would all have some sympathy for what Lleyton Hewitt has said about not having enough young tennis players, both males and females, coming through the system.

Obviously Lleyton Hewitt stands out, as does Alicia Molik. Unfortunately, she has had to pull out of Wimbledon, as members would be aware. I think only about four Australians are competing in this Wimbledon tournament, whereas, 20 years ago, it was in the high 20s. Maybe there are some issues for Tennis Australia. I am confident that Tennis SA is heading in the right direction. We will certainly be wanting to work closely with Tennis SA in working up partnerships. I know that the board of Tennis SA is looking at a number of issues regarding how it can do things better. Last year, a report on Tennis Australia questioned some of its business acumen and maybe it does have to do things better and differently. Perhaps the splitting of the responsibilities is a step in the right direction.

I am not in a position to know enough about how Tennis Australia performs, but I am confident that Tennis SA is heading in the right direction with its new chief executive officer. I am very pleased that it is very active and winning a lot of grant money. I mentioned previously that, when your own children are involved in a particular sport, it is only natural that you become involved on a week to week basis and you take notice of what is happening. Certainly, it seems to me that young people are being catered for in South Australia, and it seems to be growing all the time. That is a healthy sign. The additional money that the sport is winning in grants is a healthy sign and, with the new chief executive at Tennis SA, I am sure that not only will he be looking at the future of tennis in South Australia but also how Tennis Australia positions itself in the future.

I do not think it would be unfair to say that we have to do better. If we cannot return to the halcyon days of the 1970s, then we want to do better than we are currently doing as a nation. We have a proud history in tennis. It is one of the sports in which we have competed extremely well both at team events and also from an individual tournament perspective. We can and we should do better than we are currently doing. Our beacons are clearly Hewitt and Molik. We need more young people, both males and females, to participate in a sport in which Australia and South Australia has a proud history.

**Dr McFETRIDGE:** Alistair is certainly dedicated. I understand that he delayed his wedding for a few days so that he could attend the men's hardcourt this year. Obviously he has a very understanding wife. I refer to Budget Paper 3, page 2.2, chapter 2, expenditure, Marion swimming pool. Yesterday, I had discussions with Senator Rod Kemp about funding for the Marion pool—and he did acknowledge the minister's input and lobbying for this pool. What future capital works expenditure has been allocated to pursuing a world-class facility at the domain Marion; and has any consideration been given to increasing the state's financial contribution to this project? I understand that about \$15 million is on offer.

**The Hon. M.J. WRIGHT:** Yes, the member is correct. This government has allocated \$15 million capital funding towards a project which we see as very important not just for South Australia but for Australia and international swimming. We very much want a FINA pool, and I am sure the shadow minister does as well. What we have said is that, with a landmark infrastructure project such as this, all tiers of

government must be involved. We cannot let the commonwealth cop out when it comes to a project of this magnitude. If it cops out on this project, it will cop out on other projects. I might say that Senator Kemp has been very supportive, and I thank and acknowledge him for that. He, like all ministers, has Treasury to deal with, but I might say that Treasurer Foley has been very supportive. That is why we have been able to put forward \$15 million as a capital commitment towards the development of a FINA-type pool.

This project is too important to let go. I have met with Senator Kemp on a number of occasions. As I say, he has been supportive. As the honourable member has acknowledged, he also sees the value and importance of South Australia's having a FINA-type pool. This is not only critically important for South Australia but also for Australia, and we will continue to push the commonwealth hard on this issue. I believe I have a meeting with Senator Minchin next week. Obviously, I have communicated my disappointment and frustration at the commonwealth's not allocating money in the federal budget, and I appreciate the acknowledgment of the shadow minister. We were not only disappointed but surprised that there was not a financial commitment from the commonwealth in its federal budget. It has made allocations of this type in other states previously, so there is precedence for this and it must come to the party.

This project is too important for the commonwealth to cop out. All three tiers of government must be involved. I would also like to acknowledge Marion city council. It has been very strong in its commitment and has put its money where its mouth is. It has made the contribution of the land—it has made that available—and that is all the more reason why the commonwealth should come to the party.

The simple answer to the question, 'Are we going to put forward any additional money?' is 'No', because the commonwealth must come to the party here. It has to pay its way. Senator Kemp knows that, and I hope that other members of the commonwealth government will see the validity of having a FINA-type pool here in South Australia. I call upon the federal government ministers—Senator Minchin, Senator Vanstone, Senator Hill and Alexander Downer—to play an important role in making sure that the commonwealth pays its way. I would also like to see Andrew Southcott, as the local federal member, do something to make sure that this happens. This is above politics. It is too important a project for the commonwealth not to come to the party. It is a landmark infrastructure project. The state government has come forward with \$15 million and Marion City Council has come forward with the land. It is now time for the commonwealth government to come forward with its \$15 million to make sure that this project goes ahead.

**Dr McFETRIDGE:** The member for Boothby, Andrew Southcott, was there yesterday and also was lobbying for money for the pool. The South Australian senators and ministers are also very supportive. It is just disappointing, and at this stage we need to get other members of the federal government to lock in. I am sure it will happen, but the question is: when? I appreciate the minister's comments.

It is pleasing to see, with respect to recreation, sport and racing (Budget Paper 4, Volume 3, page 11.14), that there does not seem to be the fiddle factor there has been with respect to other figures. When one compares the figures, not in this year's budget papers but those in previous budget papers, one will see that they match up in most cases (there is one figure about which I will ask). I refer to this year's budget paper, page 11.14. Expenditure for supplies and



services increased by \$2.598 million from the 2004-05 budget to the 2005-06 budget. What factors are responsible for that \$2.5 million increase, will it support sporting bodies and how will it be spent? The figure for last year, according to this budget paper, was \$8.849 million but, if one looks at last year's budget papers, one will see that it is \$5.884 million. I am not apologising when I say that I am not an economist. I am not worried so much about the amount; it is just where it is all going. It is great to have the money there.

**The Hon. M.J. WRIGHT:** I will need to take that question on notice. I am not exactly sure of the answer, so I think it would be better if my officers went away and considered it so that we can provide the precise detail. We will get back to the member very quickly.

**Dr McFETRIDGE:** When one looks at lines such as employees and expenses and supplies and services (and it also happened with volunteers) in a number of the budget papers, one will see that the figures shown in the budget this year do not all match up when one refers to the budget papers from last year (2004-05). I give the example of 'Supplies and services 2004-05' in this year's budget papers, which gives it as \$8.849 million. If one goes to that same budget line in last year's budget papers, one will see that it is \$5.884 million. If I am wrong, I am happy to be educated in this matter, but that happens on a number of occasions and it is making it more and more difficult to get a hold on these budgets. We are happy to celebrate in the case where money is being spent, but if it is not being spent or otherwise disbursed we would like to know why.

I refer to Budget Paper 4, Volume 3, page 11.14, 'Depreciation and amortisation'. Why has only \$1.651 million been budgeted for depreciation and amortisation in the 2005-06 financial year when the 2004-05 estimated result and the 2003-04 actual result were clearly higher? Has any equipment been sold that may contribute to the lower depreciation and amortisation bottom line, or is the lower figure purely an indication of the depreciation method used?

**The Hon. M.J. WRIGHT:** We will get that detail for you. There is no real change in the nature of the assets you referred to, so there is nothing that stands out as to why it will be; but I will get those details for you.

**The CHAIR:** There being no further questions for the Minister for Recreation, Sport and Racing, we now move to questions relating to the Minister for Gambling.

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Independent Gambling Authority, \$1 386 000  
 Department of Treasury and Finance, \$45 050 000  
 Administered Items for the Department of Treasury and Finance, \$1 029 798 000

**Membership:**

Mr Brokenshire substituted for Mr McFetridge.

**Additional Departmental Advisers:**

Mr D. Reynolds, Director, Gambling Policy, Department of Treasury and Finance.

Mr R. Chappell, Director, Office of the Independent Gambling Authority.

Mr B. Pryor, Commissioner, Office of the Liquor and Gambling Commissioner.

Mr D. Hassam, Deputy Commissioner.

Ms J. Dunstan, Adviser.

**The CHAIR:** I declare the proposed payments for the Independent Gambling Authority open for examination and refer members to the Budget Statement, in particular appendix C, page C2, and the Portfolio Statements, Volume 1, pages 3.13 and 3.14. In addition, I declare the proposed payments for Treasury and Finance returned from Estimates Committee A reopened for examination. I refer members to the Budget Statement, in particular appendix C, page C2, and the Portfolio Statements, Volume 1, part 3. Do you have a statement, minister?

**The Hon. M.J. WRIGHT:** Once again, it is very brief, because we have only half an hour. I will go through this very quickly; I know that the shadow minister will probably make a longer opening statement. We obviously recognise the importance of a sustainable industry but, at the same time, the important task of addressing the need for harm minimisation. The Gaming Machines (Miscellaneous) Amendment Act 2004 came into effect, as people would be aware, on 1 February this year, the centrepiece of that being the reduction of 3 000 machines, a reduction of 20 per cent. The legislation, of course, was formulated in line with the recommendations of the Independent Gambling Authority. I can report that there will be a reduction of 2 195 gaming machines from 1 July, and also 12 less gaming machine venues on the same date. There will, of course, be further reductions both in the number of machines and the number of venues as a result of subsequent trading rounds.

The government has also increased its contribution to the Gamblers Rehabilitation Fund, to \$3.845 million per annum, an increase of \$3 million since coming into office. Other activities include the ongoing review of industry codes of practice, important research initiatives, and the government has also commenced a review of the administrative burden and viability of gambling in the charities sector.

**The CHAIR:** Thank you. Member for Mawson.

**Mr BROKENSHERE:** Madam Chair, I will be brief also, because, as I said last year and will continue to say, half an hour is very little time to be able to assess something that has enormous impact on the community. Whilst the opposition, like the minister, realises that there needs to be a viable gambling industry—a huge industry employing thousands of people—I think this particular portfolio needs more than 30 minutes of time.

The only other point that I would make is that the Clayton's cut that we are having, the cut that the Premier has championed as being the first cut in poker machine numbers in the world, clearly does diddly-squat to address problem gambling. The 12 venues that have actually gone out I will watch with interest. They were looking at an opportunity to go out, but just down the road we see a situation where there are plenty of machines available, with numbers up to 32, and I understand some of them will buy back to 40. So let us make no mistake about the fact that the Premier's so-called world-first cut in poker machine numbers does next to nothing to address problem gambling, and we will highlight that during the next 25 minutes.

My first question to you, minister, relates to Budget Paper 4, Volume 1, page 3.23—Statement of Cash Flows, regarding payments. The Gamblers Rehabilitation Fund shows a budget of \$1.850 million for 2004-05. Can you explain why there has been a \$350 000 underspend in that administered item?

**The Hon. M.J. WRIGHT:** I thank the member for his question. I am a bit surprised at his opening comments, but

we may have an opportunity to explore that as we work through some of his other questions. In regard to the specific question on page 3.23, that, of course, is the industry contribution. The Gamblers Rehabilitation Fund comes within the portfolio of the Minister for Families and Communities. It was established by the government during 1994 to provide programs and services for the rehabilitation of addicted gamblers and their families. This line reflects the payment of the industry contribution to the GRF, as I have already said. It is received in the consolidated account and then paid to the GRF.

The hotels and clubs paid a \$1.5 million contribution through the Independent Gaming Corporation in 2004-05. An additional amount of \$350 000 was allocated in 2004-05 for a joint funded initiative with the gaming industry for counsellors in gaming venues. That joint initiative did not proceed, and the industry simply paid its \$1.5 million annual contribution. The Minister for Families and Communities is responsible for the allocation of GRF funding. The former GRF committee, comprising government, non-government and industry representatives, was abolished in early 2005. The contribution from the IGC is initially paid into the Consolidated Account and subsequently appropriated to this line and transferred to the fund. Payments from the fund are reported within administrative items for the Department for Families and Communities.

**Mr BROKENSHIRE:** The GRF is a very important program. I can recall, as you say, in 1994 when it was set up. The \$350 000 was put on the table to assist the GRF. You have indicated that it was not spent. What has happened to that \$350 000?

**The Hon. M.J. WRIGHT:** As I said earlier, the industry funded this initiative by itself. What the government did, as the member would be aware—in fact, I think the member supported this measure; he can correct me if I am wrong—is put in an additional \$2 million to the Gamblers Rehabilitation Fund. When we came to government back in 2002, we found that there was a paltry \$800 000 in the Gamblers Rehabilitation Fund. What the previous government committed—I am sure that it was not the policy of the former minister, the current shadow minister—to the Gamblers Rehabilitation Fund was \$800 000. This government, of course, has taken it to over \$3.8 million—a spectacular increase. We are committed to the Gamblers Rehabilitation Fund. We are committed to harm minimisation. We are committed to problem gambling. That is why we have had the spectacular increase in the Gamblers Rehabilitation Fund.

The line to which the member is referring is the industry contribution. The government contribution increased by \$2 million but, since coming to office, it has increased by more than \$2 million, because I think this is the third increase that we have made to the Gamblers Rehabilitation Fund since coming to office—the third increase. The shadow minister refers to the Clayton's cut. Well, what the Clayton's cut is all about is taking 3 000 machines out of the system. Compare that to Olsen's freeze. Olsen's freeze was about having a policy vacuum—a no policy position. The Rann Labor government has delivered 3 000 machines out of the system and fewer venues. That is the difference between Olsen's freeze, which did nothing, and the Rann Labor government delivering a 3 000 cut out of the system.

**Mr BROKENSHIRE:** Given the grand champion statement given by the Premier—Media Mike, full of spin—can the minister explain then why, in the 2005-06 Budget Papers, and in the estimates for 2006-07 and 2007-08, we see

an increase in gaming tax to the Rann government's coffers from last year of \$297 million to \$307.4 million budgeted for this coming year to \$328.2 million in 2006-07? How can the minister and the Premier have the gall to misrepresent the South Australian community in such an atrocious way when, with the cuts that are occurring, we are seeing significant increases in gaming tax to this government? That is the truth of the matter. Whilst you have further gaming tax revenue to the government, cuts to poker machine numbers are clearly doing nothing.

**The Hon. M.J. WRIGHT:** Sadly, the shadow minister has been let down by his party, because he knows that his party had no position on harm minimisation. His party had no position on problem gambling. What this government has been all about is to put in place a package of measures that will take account of problem gambling. That is why this government has brought in landmark legislation to rip 3 000 machines out of the system. That is why this government has put in place codes of practice. The previous government did not want to know about codes of practice. That is why this government brought in dicey dealings—to make sure that our kids at school get education programs about what is taking place with problem gambling.

**Mr BROKENSHIRE:** My point of order is simply this: I asked a question about why we are seeing \$31 million of increased tax revenue to the Rann government coffers when he—

**The CHAIR:** What is the point of order, member for Mawson?

**Mr BROKENSHIRE:** Relevance, absolute relevance. This has nothing to do with that question. I want an answer as to why this government is getting \$31 million in gaming tax.

**The Hon. M.J. WRIGHT:** I do not blame the shadow minister, because he has been let down by his party. I know that he cares about problem gambling but, when he was minister, his party refused to deliver. This is why we have introduced family protection orders and a range of policies—so that we will have an impact upon problem gambling. We want to see the revenue go down, and that is why we have introduced measures that have never been introduced by any other government around Australia. We are the first state to deliver a cut right across the board, and it is why Treasury has come forward with a budget risk statement. As a result of the broad, wide-reaching range of measures brought forward by a reformist Rann government, we will see a difference in problem gambling.

**Mr BROKENSHIRE:** The short answer is that the minister has totally deflected from the question—

**The CHAIR:** Does the member for Mawson have another question?

**Mr BROKENSHIRE:** I certainly do, Madam Chair—in fact, I have lots. Will the minister tell the committee the increase in gambling tax revenue from 1995 to 2004-05 and relate it as a percentage of the additional money that parliament forced the government to put into programs such as the Gamblers Rehabilitation Fund? In summary, what I want from the minister is the percentage of money going into counselling, other services and funds in 1995, as against the amount of tax revenue to the government, compared with the percentage of money going into problem gambling initiatives now, as against the tax revenue of the government for this year.

**The CHAIR:** I remind the member for Mawson that the 1995 lines are not open for examination. He might like to put

the question on notice in the House of Assembly, if the minister is not able to answer.

**Mr BROKENSHERE:** The minister was quoting 1995 figures to the committee.

**The CHAIR:** If the minister is able to provide an answer, he is welcome to do so.

**The Hon. M.J. WRIGHT:** I need to correct the shadow minister because, to the best of my knowledge, I made no reference to 1995 figures.

**Mr BROKENSHERE:** The minister did; he made reference to when we were in government and the amount of money we put into the GRF compared with now. If the minister cannot give me an answer, I ask that the question be taken on notice and that I receive a detailed response.

**The Hon. M.J. WRIGHT:** I can give some of the information. If the shadow minister wishes me to go back to 1994-95 (which lines, as the chair correctly points out, are not open now), we can certainly undertake to get the information for the shadow minister. However, he also asked me about the contribution to the Gamblers Rehabilitation Fund. I am unsure why he wants to keep asking about the fund, but I am very happy to provide the information.

Since coming to office, the Rann government has increased the government's contribution on three separate occasions. In the most recent increase, the government provided further funding of \$2 million per annum. Effective from 1 February 2005, it takes the government's contribution to \$3.845 million per annum. As the shadow minister was the minister at the time, he would be aware that, when we came to government, the contribution the government was making—that is, the former Liberal government—was \$800 000 per annum.

To highlight the question so kindly asked by the shadow minister, the former Liberal government contributed \$800 000 to the Gamblers Rehabilitation Fund, but the Labor government now contributes \$3.845 million—an increase of over \$3 million as a result of an incoming Labor government. The shadow minister asked for percentages. To put it into context, and in contrast to what some have suggested, government funding to the GRF has grown by 380 per cent between 2001-02 and 2005-06. It is hard to believe, isn't it? That is a 380 per cent increase from a former failed Liberal government to a new Labor government, and it vastly outstrips the growth of 33 per cent in gambling tax revenue over that period.

**The CHAIR:** Does the member for Norwood have a question?

**Ms CICCARELLO:** The shadow minister may get some answers from questions I ask. I refer to Budget Paper 4, Volume 1, pages 3.27 and 4.92 and Budget Paper 4, Volume 3, page 9.55. Will the minister elaborate on how the government is tackling problem gambling?

**The Hon. M.J. WRIGHT:** I thank the member for Norwood for her question. I know that she is vitally interested in problem gamblers, and she has certainly raised a number of issues with me since I have been the Minister for Gambling. We believe it is important that a range of measures are in place to address problem gambling. Obviously, the centrepiece is the legislation resulting in the reduction of 3 000 machines and fewer venues. Of course, there have been other measures, and we believe that they need to be looked at as a package and treated as such. We are confident that, as a package, these measures will eat into and have a significant impact upon problem gambling. I will mention some of them.

The government has provided funding of \$100 000 to the Independent Gambling Authority to produce a gaming machine information booklet, entitled 'The pokies: before you press the button know the facts'. It was distributed in *The Advertiser* in the lead-up to Gambling Awareness Week in March 2005, with a follow-up distribution via the *Sunday Mail* in April 2005 to coincide with a further round of the 'Think of what you are really gambling with' media campaign. The government, of course, continues to enforce the first round of the mandatory advertising and responsible gambling codes of practice which commenced in April 2004. As members would be aware, the IGA is currently finalising its conclusions for a second stage of the codes.

I touched upon the problem gambling family protection order scheme. This allows members who are being adversely financially affected by a problem gambler to seek an order against that person. It has been well received with the authority, which is receiving numerous inquiries about the scheme. So far, about four inquiries have progressed to the formal complaint stage, and the work that is being undertaken there is certainly proving successful. I also briefly mentioned the Dacey Dealings program, which is provided in our schools. Dacey Dealings was trialled in 12 government schools in 2004. An additional 26 schools are using materials from Dacey Dealings in 2005; 18 schools have undertaken professional development sessions; and an additional eight schools are undertaking special projects as part of the innovative local response project.

I have made reference to the Gamblers Rehabilitation Fund and the spectacular increase in funding committed to it by this Labor government. That does not mean to say we have it all right. This is a work in progress, but we are confident that, with that range of measures, we are demonstrating a strong commitment to harm minimisation and problem gambling. It is not simply the legislation—important as that is—but there are also financial commitments to the Gamblers Rehabilitation Fund and the booklet that has been put together by the Independent Gambling Authority—that is, advertising and information. The codes of practice are very important, and we also think it is very significant that we must educate our young people as to the risk of gambling, and that is also proving successful.

**Ms CICCARELLO:** I refer to Budget Paper 4, Volume 1, page 4.92. I stand corrected if I am wrong, but I think the shadow minister supported the legislation to reduce the number of poker machines by 3 000. Will the minister provide an update on the results of the first round of gaming machine entitlements trading held in May?

**The Hon. M.J. WRIGHT:** As was always intended, a round of trading in gaming machine entitlements was to occur prior to the reduction in machines. The first round of trading for gaming machine entitlements was held in May, with 169 gaming machine entitlements from 21 venues offered for sale. In accordance with the regulations, 42 of the entitlements, that is, 25 per cent as specified by the legislation, were withheld from the pool, leaving 127 for distribution to purchasers. All the applicants in priority group 1, that is, those venues that incur a compulsory reduction in gaming machines of greater than 20 per cent, were successful in receiving the entitlements available to them. The remaining entitlements were balloted between all eligible purchasers in priority group 2, that is, all venues that suffered a compulsory reduction in gaming machines. Of the 42 entitlements withheld from the sale pool, 27 are recovered to the Crown and cancelled and the other 15 will be given to the holder of

the special club licence, Club One, for the benefit of the clubs sector.

The decision to sell gaming machine entitlements is obviously voluntary for all venues. South Australia had more venues selling gaming machine entitlements and almost exactly the same number of entitlements offered for sale by licensees than in the first round of trading in Queensland that occurred last year. That comparison is quite significant when you take into account that there are almost 50 entitlements in operation in Queensland. The AHA has indicated that it considers the trading round system a success and is keen to see further trading rounds as soon as practicable. I am informed by the Commissioner for Liquor and Gambling that a further trading round is likely in the next couple of months.

**Ms CICCARELLO:** Following on from that, how will cutbacks in gaming machine numbers assist in reducing the incidence of problem gambling in the community?

**The Hon. M.J. WRIGHT:** The Independent Gambling Authority commissioned a review on the distribution of gaming machines.

*Members interjecting:*

**The CHAIR:** Order! Will the minister proceed? We are about to run out of time.

**The Hon. M.J. WRIGHT:** The Independent Gambling Authority commissioned a review on the distribution of gaming machines and gambling-related harm in metropolitan Adelaide. The research found that there is reasonable evidence to support the existence of a positive association between gambling-related harm and gaming machine numbers. The IGA concluded that there is a causal relationship between accessibility of gaming machines and problem gambling and other consequential harm in the community. Consistent with that, both the total number of gaming machines and the number of places where gaming is available need to be reduced to impact on the level of problem gambling. The recommendations of the authority were structured to achieve that goal, including a reduction of 3 000 gaming machines. All venues with 20 or more machines are subject to a compulsory reduction in gaming machines. Further reductions in gaming machine numbers will be achieved through the trading process, the first of which was completed—

*Mr Brokenshire interjecting:*

**The Hon. M.J. WRIGHT:** I did not criticise the shadow minister when he asked his questions; I took those as legitimate questions. I should think he would at least have the manners to listen to legitimate questions that are asked on the government side. I am happy to wrap up, Madam Chair. We had before us expert advice by the Independent Gambling Authority. The government accepted that advice and acted upon it; it brought forward all the recommendations of the Independent Gambling Authority and allowed the parliament to deal with them. Ultimately, the parliament agreed that we should take 3 000 machines out of the system. The taxpayers support that. It would appear that the only people who do not support that are some members of the opposition, for what reason is beyond me—perhaps because they are still embarrassed by the policy-free position of the Olsen Liberal government, which simply did nothing to help problem gambling.

**The CHAIR:** Any additional questions may be placed on the *Notice Paper* for the House of Assembly.

**Mr BROKENSHIRE:** I move:

That the time for asking questions be extended by 10 minutes.

Motion negatived.

**The CHAIR:** The time for questions having expired, I declare the examination completed.

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

#### **Membership:**

Mr Williams substituted for Mr Brokenshire.

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

Mr M. Grillo, Executive Director, Government ICT Services.

Ms A. Westley, Senior Officer, Department for Administrative and Information Services.

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

Mr B. Griffin, Director, Real Estate Management.

**The CHAIR:** I advise that the proposed payments for the Department for Administrative and Information Services remain open and call the Minister for Administrative Services to the table. Minister, do you have an opening statement for this area?

**The Hon. M.J. WRIGHT:** Yes, I do. The Department for Administrative and Information Services is a diverse organisation with responsibilities that reach across government and into our communities. Its many functions are vital to the smooth running of government and the effective delivery of services to the public. The core work of the department is to provide specialist government and community services, develop and maintain quality infrastructure, and provide information and policy advice. DAIS is responsible for total annual expenditure exceeding \$650 million. This large expenditure is matched, in large part, by significant revenues from other government agencies that purchase a wide range of services from DAIS in such areas as office accommodation, car hire, information technology, building maintenance, accounting and payroll services. Given its throughput nature, as demand for DAIS's services grows so does its expenditure requirements. That means that budgeted and actual expenditures often vary much more than other agencies with full appropriation funding.

A more significant measure of DAIS's financial performance is the net cost of the services it provides. In that regard, it is worth noting that over 2004-05, after adjusting for one-off accounting changes, DAIS is estimated to show a reduction in its net cost of services of \$9.6 million. DAIS has taken a leadership role in delivering and providing services to our communities and in supporting government agencies to fulfil their designated roles. Key components of this role are ensuring that government processes are transparent, that our services are accessible to the public and that the efficiency and effectiveness of government is maximised through a cooperative approach to services and infrastructure, and the reduction of overhead costs.

The outstanding response by staff from my department to the Eyre Peninsula bushfire disaster went beyond all expectations. Their support for members of the local community, who were devastated by loss of life and property, was vital to the rebuilding efforts and certainly appreciated by all involved. Their support for the many people who helped during and after the fires, including the brave firefighters and other volunteers, was also exemplary. On the international stage, DAIS contributed strongly to the government response to the Asian tsunami. Forensic Science SA sent two patholo-

gists and their assistants to help undertake victim identification in Thailand. Supply SA rapidly prepared medical and personal supply kits for the specialist South Australian medical teams that were employed in Banda Aceh. The department's response to these disasters is a good example of how, by undertaking our daily activities, we aim to make positive contributions to the performance of government in our communities and in matters of great interest to the public by providing sustainable social and economic value for all South Australians.

Some highlights for DAIS in 2004-05 include:

- Improved internet security. The state's data network has been continually faced with the threat of internet-borne malicious virus attacks. Due to recent upgrades, the network has been protected from such attacks, and the department will continue to be vigilant in maintaining this vital infrastructure.
- Several large ICT contracts have been successfully renegotiated, which has resulted in significant savings. For example, the mobile telephone services contract resulted in an annual saving in excess of \$1 million each year.
- Telstra has rectified SA Government Radio Network coverage deficiencies in the South-East at Mount Remarkable and Morgan, with the Mannum upgrade expected to be completed this month. Other GRN capacity upgrades have been completed at a number of sites in metropolitan Adelaide and the South-East.
- The future of Naracoorte's historic Struan House is now secured with the government deciding to retain ownership. Heritage and conservation works at the estate over the next two years will ensure the building is preserved for future generations. In addition, DAIS's building management directorate won two awards for heritage conservation projects at the Mount Barker Police Station and Karka Pavilion.

The majority of the government's school pride program, including significant asbestos removal, has been completed. DAIS managed the work of the facilities management contractors in delivering this \$25 million program for DECS. A number of other significant building projects for government agencies were completed. These included the Royal Adelaide Hospital (stage 2/3), Sturt Street Primary Street, Lyell McEwin Hospital (stage A, phase 2), Umuwa power station, State Records Leigh Street, Fregon Anangu School and Amata School (stage 1).

There is now guaranteed stability and equity for government employee housing rents. A new five-year rental agreement has been established between the government and the public sector unions that continues to use a market based rental system. Depending on the isolation and size of location for the housing, government employees can receive a concession on their rent. New government housing has been constructed in the following regional areas of the state: Port Lincoln with six houses, Whyalla with five, Berri and Waikerie with two, and Port Pirie and Murray Bridge have also benefited. Additional housing has been provided in Aboriginal communities. This includes eight units of accommodation provided in the Anangu Pitjantjatjara APY lands and additional housing provided for teachers in the communities of Pipalyatjara, Fregon and Indulkana, as well as housing for police at Umuwa.

During the year I launched the new State Records City Research Centre. By locating this research facility in exhibition space in the heart of Adelaide, we are bringing South Australian history to the people. The completion of this

project strongly supports the state government's commitment to openness and honesty in government and social inclusion initiatives. State Records has completed the across government records strategy for government. This addresses the need for government to manage adequate comprehensive, accurate and evidential records.

I turn now to priority areas and challenges for 2005-06. DAIS plays a key role in helping government respond to the diverse and changing needs of the public through the improvement of infrastructure and business practices to support agency business and service provision. There are many challenges for the coming year and we will be focusing our efforts on a number of priority areas. With technology and infrastructure improvement, DAIS will help government agencies to apply technology and infrastructure solutions in a way that improves their efficiency and effectiveness. To this end we are continuing to work with EDS to ensure business continuity during the disengagement and transition periods for the new ICT arrangements.

The department will also upgrade the government's fixed voice PABX telephone network and StateNet core data network during the next three years. With the building program, remote Aboriginal communities in the APY lands, Maralinga lands and Yalata will benefit from an additional 15 units of accommodation. DAIS will also undertake a demanding program of health building projects for this coming year, including the next stage of the Lyell McEwin Hospital redevelopment, the Queen Elizabeth Hospital and the Royal Adelaide Hospital.

Service SA, the state's one stop contact point for government information and services, is increasing the public access to its services. Service SA will soon operate five existing regional customer service centres located in Mount Gambier, Berri, Kadina, Murray Bridge and Port Pirie. In the metropolitan area, Services SA will have a central business district customer service centre on North Terrace and an additional call centre location. This expanded Services SA network will have significant benefits for South Australians through improved service availability and accessibility for communities, particularly in regional areas. Government agencies will also benefit from the ability to provide cost effective services in regional and remote areas, and subsequently there will be a reduction of service duplication across government. Most importantly, customers will have a greater choice about how they interact with government and easier access when they do.

We are always on the look out for ways to improve our business practice: for example, by providing leadership in implementing the built facilities green building management priority area of the greening of government action plan, which is designed to reduce the environmental impact of government buildings. Further, we are working with the Australian Green Building Council to develop rating tools.

Forensic Science SA recently investigated automation options in DNA analysis and achieved a successful tender outcome for advanced robotics to improve the efficiency of DNA analysis. This will be implemented over the next 12 months. Forensic Science SA also has implemented a specialist pathologist training program, which is expected to result in a newly qualified forensic pathologist by the end of 2005. Forensic Science SA will be preparing in advance instrumentation, procedures and staff to undertake the testing of drugs in drivers in readiness for the proposed changes to the Road Traffic Act, expected to be proclaimed during the 2005-06 financial year.

Land administration reform will continue, particularly electronic land dealings and enhancing the integrity of core land administration data sets. Providing support services to government, DAIS will promote its improved capability in providing bureau services, such as human resources and finance to other government agencies. The Department for Administrative and Information Services has a diverse set of responsibilities and will continue to develop, implement and deliver innovative services to the government and the South Australian public into the future.

**Mr WILLIAMS:** Many of the areas the minister has canvassed will be subject to questions. He mentioned Struan House staying in government ownership. It is an iconic building in the heart of my electorate and I am pleased to see that its future is secure, but I am not sure that the present use is the best use for that magnificent building. It would be better used as tourist accommodation, in my opinion. How does the minister reconcile the increase in the number of employees in his department of 15.5 per cent since the change of government in 2001-02 from 1 835.31 full-time equivalents to 2 118.9, as budgeted for in this budget, with the Premier's and the Deputy Premier's claims that the extra 6 500 public servants being employed are teachers and nurses?

**The Hon. M.J. WRIGHT:** I think the honourable member referred back to 2002-03?

**Mr WILLIAMS:** 2001-02.

**The Hon. M.J. WRIGHT:** Yes, part of that would be related to movements in and out, for example, and we can get the honourable member more detail if it is required. DAARE has gone out and PSWR has come in, which would be a factor, and there may be others in that category. The one which springs to mind and which would perhaps pick up the majority but certainly not all is that, as the shadow minister would be aware, we have also increased the size of the industrial inspectorate. They would account for a portion of the increase. I am doing this from memory, but I think the increase in the occupational health and safety inspectorate was a 50 per cent increase and there was a doubling in the industrial relations inspectorate. They probably had been down in numbers and resources for some time.

Obviously making our workplaces safer is very important and something which we cannot make too high a priority. I think that vision is shared by both employers and employees. With regard to the increase in the industrial relations inspectorate, that has been increased by 19—that is, an increase of 100 per cent. There has also been a deficiency in that area for some time. It is vitally important to provide information and assistance to both employers and employees. Changes to the legislation are relevant and education is part of the requirement of the industrial relations inspectorate. In addition, I have been advised that the state procurement and business development division has been increased by 22, reflecting the bringing of warehouse functions in-house. If I remember correctly, I think that was the one which we opened in the electorate of the member for West Torrens not that long ago and which he and his constituents attended.

The taking over of other agencies' injury management processes and the filling of vacancies in business services previously filled by contractors—I have referred to the Workplace Services area, that is the industrial inspectorate and, of course, the occupational health and safety inspectorate. In round figures, 10 in the government's ICT area, reflecting the additional workloads associated with the implementation of future ICT translations; 20 in building

management, arising from the filling of vacancies currently filled by temporary staff; and the balance of 10 to 15 positions over the rest of DAIS, based on the filling of vacant positions currently occupied by temporary staff. It is really due to a combination of factors. As the shadow minister would be aware, it also reflects the breadth and nature of this portfolio with its range of different business entities.

**Mr WILLIAMS:** I would certainly like to take up the minister's offer of some further figures and breakdown of the changing functions. The opposition has already expressed its concern that the public sector has grown by some 1 800 full-time positions in the past 12 months over and above what was budgeted for in last year's budget, and we are trying to find out why and where that has occurred. My questions for most of this session will refer to Budget Paper 4, Volume 3. The next question specifically refers to some commentary in subprogram 5.2, page 11.22 of that Budget Paper. It refers to performance commentary. Under 'Across-government contract management' the footnote states:

(a) This performance indicator is being removed, therefore no 2005-06 target has been provided. It has been determined that this measure does not adequately indicate the performance of the program as the contract managers are only advised/involved in exceptional circumstances.

Is it intended that a more appropriate performance indicator will be utilised in future years?

**The Hon. M.J. WRIGHT:** The simple answer is 'yes', but I will provide a little more detail. We are reviewing our performance to develop an appropriate measure going forward. There will be an overarching framework and from that work will come some performance indicators. That work is still to be done and, when it is completed, we can provide the member with more detail. But the answer to the question is yes: it will need to be replaced and there will need to be performance indicators for this building management work, and that work is under way.

**Mr WILLIAMS:** I am delighted to hear that because, as the minister is probably aware, the budget is a very dry document, particularly in his portfolio area, and not a lot of detail or information is forthcoming with respect to the way in which the budget is set out. I can assure the minister that that is not unique to his portfolio area, but his is certainly one of the drier areas.

**The Hon. M.J. WRIGHT:** DAIS can be a bit dry—

**Mr WILLIAMS:** The reality is that, for an outsider, it is very hard to understand what goes on within DAIS, and the budget is hardly revealing.

**The Hon. M.J. WRIGHT:** The member is right, and I guess that is part of what I was trying to say in my opening statement. We do not have a huge appropriation. A lot of it is throughput, as the member would understand.

**Mr WILLIAMS:** Absolutely. I have come to appreciate some of the things that appear there, but I suggest that most people do not even bother reading this part of the budget. It is an outrageous statement, I know. The other performance indicator on the same page states that the estimated management costs for 2004-05 are below target because of a large underspend in salary costs due to positions being vacant for an extended period. Is there any explanation for that? Does that indicate that there are positions in excess of requirements, or is there difficulty in obtaining people with suitable skills to fill the positions?

**The Hon. M.J. WRIGHT:** The advice I have received is that the staff have been used to support the future ICT. That is funded by Treasury and largely sits under the Minister for

Infrastructure, as the shadow minister would be aware. We have realigned our staff into the major priorities and, as a consequence, some of the unit costs have decreased.

**Mr WILLIAMS:** Does that indicate that the performance commentary I read out a moment ago is not entirely accurate? It states, 'due to positions being vacant for an extended period'.

**The Hon. M.J. WRIGHT:** The comment is accurate. They are vacant because we have not backfilled those positions.

**The CHAIR:** The member for Norwood, I am sure you have read this section of the budget papers with great attention—

**Ms CICCARELLO:** And I was also on the minister's subcommittee.

**The CHAIR:** —and you possibly even have questions.

**Ms CICCARELLO:** My question relates to intra-agency support services (and some of this may have been covered), and I refer to Budget Paper 4, Volume 3, page 11.30. Why is there such a large variation in expenditure on this program in 2004-05?

**The Hon. M.J. WRIGHT:** Thank you. It has not been covered. You can rest assured that there is still scope for your question and it is not related to the shadow minister's earlier question. The explanation of the large variation is, essentially, a change in the treatment of DAIS corporate overheads. The original 2004-05 budget allocated corporate overheads to individual DAIS programs. However, for the estimated 2004-05 result and the 2005-06 budget, those costs have been allocated to Program 8, Interagency Support, so that is one of our eight programs that sits there in the budget.

This program is also detailed on page 11.30 of this volume of the budget papers. Some \$13.6 million of corporate overheads have therefore not been allocated to individual DAIS programs and subprograms for the 2004-05 estimated results. Those costs remain in Program 8, and this largely explains the variance between the estimated net cost of service results in 2004-05 and the original budget for that program. This also means that other individual DAIS program estimated results in 2004-05 in terms of comparisons with the original budgets have been consistently impacted by the changed treatment of DAIS corporate overheads.

**Ms CICCARELLO:** I refer the minister to Budget Paper 4, Volume 3, page 11.18, subprogram 4.1, Building Management. Minister. Can the minister provide an explanation regarding increased budget to capital costs?

**The Hon. M.J. WRIGHT:** Government agencies planning new building projects obtained project approvals based on initial design and cost data, taking into account all factors that could be reasonably known or anticipated. However, it is not uncommon for unforeseen factors to impact on the cost of a project between the time of initial approval and either final documentation or project completion. These factors may include the amount of activity in the construction market and therefore the competitiveness of tenders and latent conditions which could not be anticipated prior to construction. Every effort is made by project teams to deliver projects within the published project budget and time frame. When these factors impact upon the project delivery overall cost, the project team must decide to either reduce scope or seek additional funding to enable the project to be delivered.

South Australia and Australia generally have been subject to a period of very high activity in the building and construction industry and this, coupled with dramatically increasing

cost of materials such as steel, has led to significant cost escalations in projects. Analysis of DAIS-managed building projects valued at over \$1 million where construction was completed in the 2004-05 financial year shows that the average variance of the final project expenditure from the initial project budget advised to DAIS was 1.23 per cent. For all major projects valued at over \$1 million each, the average variance was less than 5 per cent overall from the initial notional budget allocation for each project, and past studies indicate this is a very creditable performance by national standards.

In the particular cases, such as Sturt Street school, the Flinders Medical Centre and the Margaret Tobin Centre, factors have affected the final financial result. In the case of the Sturt Street Community School, once detailed design and documentation was undertaken, it was apparent that the initial notional estimate of \$2 million would not be sufficient to achieve the required outcome within the time frame sought. At the time of engaging the construction contractor, the latent site conditions were not known. Once work commenced on site, it soon became evident that there were significant unforeseen conditions, including seriously contaminated soil, specialist conservation works associated with the heritage nature of the building, structural issues, the introduction of photovoltaic technology and some minor scope changes.

In the case of the Margaret Tobin Mental Health Centre, the original estimate was \$14 million for the construction of the 40-bed mental health centre. Following final documentation, detailed design, taking account of some additional requirements and tender call, substantial escalation had occurred due to increased contractor costs associated with a very buoyant building industry, and increased complexity involved with requiring access to the main hospital and design changes following stakeholder consultation had significantly impacted on the overall project.

In each case, the projects were reviewed by the project team to ensure that any changes or increased costs were essential to the success of the projects and that changes in scope could not be achieved to contain costs. In each case, valuable community facilities have been or are being delivered, which will be of significant benefit to the community.

**Ms CICCARELLO:** Minister, this is an area which is very much in the news. I refer to Budget Paper 4, Volume 3, page 11.28. Can the minister update the committee on progress with the South Australian DNA database administered within Forensic Science SA and how additional funding will be used to improve forensic science services to the justice system?

**The Hon. M.J. WRIGHT:** I can advise that the South Australian DNA database now contains about 25 000 profiles. In previous estimates committees the member for Newland has been very interested in this area, so we must get her this detail. DNA database reference samples are being turned around within two weeks with no effective backlog. This is a significant achievement, as approximately 7 250 profiles were uploaded to the database in the 10 months to the end of April 2005, and over 19 500 since July 2003. In addition, the database has over 5 500 profiles from crime scenes for comparison with person reference samples, and has reported over 1 700 matched groups to the South Australian police. These matched reports provide information that links suspects with crime scenes or links serial offences, and they are being produced at the rate of approximately 40 per week. I under-

stand that by April this year, more than 400 offenders had been apprehended, clearing 725 crimes.

One of the consequences of police arrest following matched information from the DNA database is an increase in criminal case submissions requiring court reports. The government has moved to address resource shortages in this area by providing Forensic Science SA with \$1.3 million in additional capital and operating funds in the 2004-05 budget.

The additional funding will provide for new staff, operating funds to service additional casework, accommodation modifications and increased security. Members may also be interested to know that DNA analysis will be automated over the coming 12 months using advanced robotics. This will make DNA analysis even more efficient. I have been advised that this will certainly make it quicker. As a result of this advanced technology, we will see the processing reduce things like blood tests so dramatically that we can potentially move from doing something like 40 a day to 200 a day. This really is at the leading edge, and will take those 12 months to develop and foolproof, but once it is in place it will certainly give us a lot of confidence to move forward.

The latest investment in Forensic Science SA is on top of an allocation in last year's budget of \$3.1 million over four years for additional pathology services, and \$1.2 million in the 2003-04 budget to provide for DNA database services. The government places a high priority on the investigation of serious crime, and is supporting the vital role of Forensic Science SA in our justice system. As I mentioned earlier, I do recall (I think certainly last year, but maybe in the last couple of years, probably longer) that the member for Newland has asked a range of questions about DNA testing, and we will certainly get this information to her.

**Mr WILLIAMS:** I have a supplementary question, and I have some question on forensic sciences. The automation of the DNA testing—I think you said something about some teething issues, or hoped that it soon becomes foolproof—

**The Hon. M.J. WRIGHT:** It will take about 12 months to develop.

**Mr WILLIAMS:** Is this automated system being used in other jurisdictions? My question is about the accuracy of it, or how foolproof it is. It is quite interesting.

**The Hon. M.J. WRIGHT:** That is a very good question by the shadow minister. I will come to the other jurisdictions last. In respect to accuracy, he is correct. For this to be put into the system, it has to be 100 per cent accurate. There can be no margin of error with this. That is why we are taking the 12 months to test and validate it and make sure it is right before introducing it, because you are right, there can be no element of error. If it was not ready in 12 months we would not introduce it; we just have to guarantee that.

In regard to the other jurisdictions, we do know that it is being used overseas. I have been advised that this will put us at the leading edge with other places around the world. I am not exactly sure about it state by state, but I know that there have been expressions of interest by Victoria, although I am not sure how far advanced they are. I am not sure about the other states, but we can check that for you. I guess they would be looking at this, if they have not introduced it. We do believe that Victoria, if they have not got it in, is certainly having a good look at it. It may not be as advanced as what we are, but we can check that detail. Certainly, it does exist in overseas countries.

**Mr WILLIAMS:** It is an exciting prospect, and a great piece of technology to apply, but costly to apply. That is one of the downsides. I refer to page 11.23, program 6. Interesting

things happen within this program, and I particularly draw your attention to the lines on fees and charges. As a background, I go back to last year's budget papers, which you probably do not have with you. The line for fees and charges in last year's budget papers was \$66 million. The estimated result came out as \$80 million, and then the actual result, as is recorded in this year's budget paper on page 11.23, is \$96 million. There is a \$30 million turnaround from the budget result to the actual result. In the 2004-05 budget, the figure was \$81 million in revenue from fees and services. The estimated result has fallen to \$7.6 million—a \$73 million negative turnaround, and this year's budget shows the figure at a mere \$10.71 million. What is happening within this area?

**The Hon. M.J. WRIGHT:** My advice is that this is the way it has been technically treated in the budget. The Land Services Group is now an administered item, and the fees go to Treasury. That can be found on page 11.37, line 4.

**Mr WILLIAMS:** As I was saying before, the performance commentary on some of the KPIs does not make the document overly user friendly. Many of these questions compare this year's budget with last year's budget. I refer to page 11.24, Service SA. In last year's budget, the performance commentary stated:

In 2004-05 Service SA is aiming to increase the number of services available through the channels of delivery.

On page 11.6 of this year's budget, under the heading '2004-05 highlights', it states:

Expansion of the Service SA customer service delivery model announced.

What happened? Did we get merely an announcement? I know that the minister mentioned Service SA in his opening comments, and I am very interested in how it is growing. I thought it was a way we would provide a full range of government services to the smallest and most isolated rural and regional communities. Before it began in South Australia, I had the good fortune to see it in operation in Tasmania, where it is working very effectively.

**The Hon. M.J. WRIGHT:** I understand the member's interest, both as shadow minister and as a country member. I think it is worth while going through what will occur in Service SA, as it is a good news story for all South Australians, particularly regional South Australians. In 2005-06, the target for the number of financial transactions per annum is an increase of 916 000, compared with the 2004-05 estimated results. This is due to Service SA's assuming operation of the Transport SA customer service centres on North Terrace in Adelaide, Mount Gambier, Naracoorte, Berri, Kadina, Murray Bridge and Port Pirie, and the Transport SA call centre in Roma Mitchell House.

As to the 2005-06 target for non-financial transactions per annum, and the number of services available via Service SA channels, Service SA has recently conducted a review of performance indicators as part of the Expenditure Review Budget Cabinet Committee (ERBCC) process. It has been decided that both these performance indicators are no longer the best indicators of the performance of the sub-program. The 2005-06 target for the number of inbound calls to customer contact centres per annum is an increase of 812 000, when compared with the 2004-05 estimated results. This is due to Service SA's assuming operation of the Transport SA call centre at Roma Mitchell House from 1 July this year. An additional indicator was identified during 2004-05 for the number of over-the-counter locations. We will see the



benefits of services being rolled out in those additional country locations and in Transport SA in the city as well.

**Mr WILLIAMS:** So, the former Transport SA offices will become the full Service SA offices?

**The Hon. M.J. WRIGHT:** That is correct. Additional locations and services will be offered by Service SA as part of that roll-out.

**Mr WILLIAMS:** There has been some duplication. In South Australia, we have developed the concept of Service SA, and of service delivery through those offices, at a very similar time as the commonwealth government started rolling out what it termed 'rural transaction centres'. Is there any liaison between your department and the commonwealth government to try to integrate those two delivery systems and deliver both commonwealth and state services through all those offices?

**The Hon. M.J. WRIGHT:** The answer is yes. Of course, as the shadow minister is aware, there is a cost associated, so the process has to be robust in order that we get the benefits as a result of those discussions with the commonwealth. However, we are looking to roll out a program in the APY lands and beyond that as well. We have seven centres now, and we can let the shadow minister know where those are.

**Mr WILLIAMS:** I refer to the state archives on page 11.26. Amongst other things, performance indicators show the number of visitations to the Leigh Street and Gepps Cross research centres. Are all these from members of the public, or is a certain percentage of these from other government agencies? In addition, is a charge made for retrieval of archival material?

**The Hon. M.J. WRIGHT:** The advice I have received is that the visitations are from members of the public, and the retrievals may well be agency retrievals. There would be a cost associated with that.

**Ms FERGUSON:** Yes, there is a cost. I do not know that I have the per unit cost here, but there is a cost per unit for that.

**Mr WILLIAMS:** Is that per page of material retrieved?

**Ms FERGUSON:** Per box.

**The Hon. M.J. WRIGHT:** We can get those details for you.

**Mr WILLIAMS:** I return to Program 6.2, regarding land services within the community service program. With the recent upsurge in the property market, a phenomenon which has netted the state's Treasury hundreds of millions of dollars in each of the past few years and which was widely recognised and acknowledged, why has the department not increased resources within the Land Services Group to cope with the increased workload?

I have been receiving a steady stream of complaints over the past 12 to 18 months from constituents of mine and conveyancers from across the state who have complained of delays across the land titles area. Last year I asked a similar question and you answered, 'I am advised that it has been able to be managed within existing resources.' Footnote (c) on page 11.25 indicates that this has not necessarily been the case.

**The Hon. M.J. WRIGHT:** I can provide the following advice to the shadow minister. Lodgement levels at April 2005: division lodgements have increased a further 10 per cent, whilst registration lodgements are slightly above average in comparison with the past five years. A number of significant measures have been undertaken to cope with this demand, including the introduction of a new reform process, the use over time of temporary staff on a short-term basis and

resources pooled from other areas of the Land Services Group. This is always under a watchful eye. There have been reforms to Atlas, so we do keep a close eye on this all the time.

**Mr WILLIAMS:** My next question is based on the complaints I am getting regarding delays in the handling of subdivisions and straight transfer, which delays are impacting on business operators across the state.

**The Hon. M.J. WRIGHT:** I think that is a fair point. If that level of demand continues as it is at the moment, obviously, as the minister I will need to consider our position and may need to go forward with a budget bid to take account of that.

**Mr WILLIAMS:** Is the introduction of the Atlas project causing you to hesitate in putting on more staff in that area? Has that anything to do with it?

**The Hon. M.J. WRIGHT:** No.

**Ms CICCARELLO:** I ask about building security risk management works and refer the minister to Budget Paper 4, Volume 3, page 11.37. In 2002 the Premier established a review of the security of government buildings. Will the minister advise on the funding provided to identify and address security concerns and the types of projects undertaken?

**The Hon. M.J. WRIGHT:** I thank the member for her question and her interest in this area. Once again, this is one of the areas about which the member for Norwood has made representation to me. Additional budget funding of \$4.85 million has been provided to agencies to address security concerns. The amounts of \$1.85 million in 2003-04 and \$500 000 in 2004-05 have been expended on approved initiatives; and further amounts of \$1 million in 2005-06, \$1 million in 2006-07 and \$500 000 in 2007-08 have been provided. The main priorities for expenditure include the following: upgrading door and access security control to office accommodation to limit access to authorised personnel, internal duress alarms or areas directly dealing with the public and clients, and barrier controls to buildings to prevent vehicular access such as ram raids to premises.

In 2003-04 the majority of the funding was expended on facilities for the Department for Families and Communities, regional health services and metropolitan hospitals, with the balance for other government agencies. Of the \$500 000 in 2004-05, approximately \$210 000 was spent on regional hospitals and country health units and some \$80 000 on facilities for education and children's services. Security concerns, which have been addressed, include the installation of electronic access controls, smartcard readers, monitored duress alarm installation, and structural redesign to improve security. In addition to the above amounts, government agencies are meeting the costs of other security priorities from within existing budget provisions.

**Ms CICCARELLO:** My next question relates to an issue in which the Public Works Committee has been very interested—that is, the government's commitment to green buildings—and certainly any time projects come before the committee the proponents are grilled as to what they are doing to ensure that buildings are environmentally friendly. I refer to Budget Paper 4, Volume 3, page 11.18, sub-program 4.1, 'Building management'. We are all aware of the need to reduce the significant impact of buildings on the environment and the need to conserve and manage the consumption of resources. Will the minister advise what action the government is taking to address environmental issues in the built environment?

**The Hon. M.J. WRIGHT:** Under the government's operations framework, DAIS has developed environmental guidelines, including an ecologically sustainable development guide note for the planning, design and delivery of new and refurbished buildings, which is called up by the parliamentary Public Works Committee. Considerable progress has been made developing environmental guidelines and techniques. However, state governments in Australia are at risk of not being able to make significant progress in the implementation of environmental initiatives without a common approach to measuring environmental performance in the building and construction industry. A common approach will provide certainty to industry and consistency for the purpose of establishing performance indicators, associated benchmarks and, subsequently, comparing improvement in performance.

The government of South Australia has taken up this environmental challenge. It has shown national leadership by collaborating with the Green Building Council of Australia in the development of green building rating design and as-built tools for the health and education sectors. The health and education sectors form major components of the total building asset portfolio, as members would be aware. The government has committed to allocate a grant of \$360 000 to sponsor the development of these two tools. The sponsorship will include assistance to develop an approach to measure the environmental performance of existing buildings, consistent with the application of government's recently released strategic asset management information system.

Already the government office accommodation committee has cabinet approval to use the Green Building Council office design tool for application during the design of any new office accommodation. The development of these environmental rating tools will establish South Australia as the first state in Australia to have a system for rating the environmental performance of the majority of its public buildings, including office accommodation, hospitals and schools. It is a welcome initiative, from which we will get benefits.

The Green Building Council of Australia, which is a not-for-profit organisation, was formed in late 2002 to promote the construction and use of buildings and other infrastructure that are environmentally responsible, sustainable, efficient, profitable and healthy places to live and work. The green star design tools will help reduce energy consumption and the associated greenhouse gas emissions, where the health and education sectors are clearly the greatest consumers of energy among government building portfolio holders.

In addition to providing guidance in the reduction of resources, such as energy, water and materials, the tool recognises the importance of addressing environmental considerations that influence the health, comfort and, hence, productivity of building occupants.

**Ms CICCARELLO:** I want to ask a question about the regions. Despite what some of my colleagues think, I am interested in what happens outside the 13.5 square kilometres that constitutes my electorate of Norwood. I refer to Portfolio Statement, Budget Paper 4, Volume 3, pages 11.6 and 11.28, subprogram 7.1. What is the government doing to help regional areas access broadband services in South Australia?

**The Hon. M.J. WRIGHT:** The State Infrastructure Plan includes a strategy for making maximum use of the government's purchasing of broadband services to stimulate investment in broadband infrastructure. By aggregating demand for ICT infrastructure, the government will seek to use its buying power to achieve benefits for both government agencies and the community. Members will recall that the

Department for Administrative and Information Services was successful in gaining commonwealth coordinated communications infrastructure funding of \$1.5 million in April 2005 to establish a new high-speed communications link between Port Lincoln and Adelaide to deliver improved broadband services to the Lower Eyre Peninsula. In a similar approach, DAIS has submitted a bid to the state's broadband development fund for \$500 000 to facilitate improved broadband infrastructure for Mount Gambier and surrounding areas. An outcome of that bid is expected in July 2005. The total project is valued at \$1.7 million, and the project's remaining funds are to be provided by DAIS, Department of Health, Primary Industries and Resources SA and the project's carrier partner.

Members may be aware that the government established the broadband development fund, under the responsibility of the Minister for Science and Information Economy, to facilitate investment in broadband infrastructure. It is aimed at businesses and key industry sectors with flow-on benefits to the general community in both metropolitan and regional South Australia. Some \$7 million will be allocated over four years to assist worthy broadband infrastructure projects.

As a result of first round broadband development fund spending, the state government will fund broadband initiatives for the Yorke Peninsula council (valued at \$250 000) and the Salisbury council (valued up to \$520 000). Initial funding estimates and preliminary connection points have also been prepared to develop broadband services in Port Augusta, Whyalla, Port Pirie, Murray Bridge and Berri. Progress with broadband projects serving each of these townships will depend on the availability of agency consortia funds and favourable supplementary broadband program submission outcomes.

**Mr WILLIAMS:** I refer to page 11.26 relating to the archives. The estimated result for 2004-05 has blown out by 60 per cent from \$3 million to \$5 million. What is the explanation for that? Why was the decision taken to no longer use the performance indicators of annual cost per shelf metre of archives and percentage of response times meeting agreed standards? Why have they been done away with?

**The Hon. M.J. WRIGHT:** I thank the shadow minister for his question, which has two parts. The advice I have received is that this may not be exclusively, but the majority of this relates to the state child abuse inquiry, in particular the photocopying being done for the Mullighan inquiry. That is not taking up all of it. There are also additional costs with the new facilities at Gepps Cross and Leigh Street, but the bulk of the additional moneys is for the first item to which I referred with regard to the photocopying associated with the Mullighan inquiry.

The shadow minister also asked about the performance indicators. This is somewhat similar to an earlier answer which I gave. We are reviewing the performance indicators. It is part of a review that is being done by the ERBCC, and we think that there will be better performance indicators based upon what we do and we are working through that process. We are confident that there will be better performance indicators and those performance indicators will relate more to the type of work we do.

**Mr WILLIAMS:** I have a supplementary question concerning the first part of my question. If a considerable amount of the extra cost is due to work being done by the Mullighan inquiry, is that being charged from your department or is your department carrying the cost of that?

**The Hon. M.J. WRIGHT:** That is still being worked through at this stage. It would be fair to say that, at the moment, we are carrying the cost but obviously still working through some of those issues.

**Mr WILLIAMS:** It relates back to an earlier question, first, about the number of agency requests; and, secondly, the charge.

**The Hon. M.J. WRIGHT:** Our first priority was to meet the needs of the inquiry and then we will sort out the other details.

**Mr WILLIAMS:** I refer to page 11.28, subprogram 7.1, 'Information and communication technology services'. There has been a significant decrease in the budget for subprogram 7.1. What is the explanation for the decrease in the budget? I would have thought that, going through the process of renegotiating or tendering out for new ICT contracts, the exact opposite would have happened.

**The Hon. M.J. WRIGHT:** The advice that I have received is that the costs associated with the EDS main frame disaster recovery have been halved. There is also a reduction in the cost of the GRN terminal equipment purchases and also other net expenditure savings.

**Mr WILLIAMS:** In relation to the main frame, how did the minister achieve a halving of the cost?

**The Hon. M.J. WRIGHT:** The advice I have received is that we will only be providing those savings for approximately two-thirds of the year and, after that, agencies will pay for it under the new arrangements that will flow from the future ICT contract.

**Mr WILLIAMS:** Footnote (b) states that contract management fees will change with the conclusion of the existing contract arrangements. Any future contract management fees will depend on the negotiations by the future ICT service arrangements team. Is that the same thing; that is, as we roll over the ICT contracts the whole management structure will change and the minister's department will cease much of the management work it carries out at the moment?

**The Hon. M.J. WRIGHT:** I might get Mike Grillo to go through it. He is looking after this on behalf of government and he can explain precisely how we are going about it.

**Mr GRILLO:** I will try to summarise it. The contract management arrangements going forward will change. More accountability will be allocated to the government departments. DAIS will still have an overarching contract management role with agencies. It is projected that there will be more contracts to administer as the EDS contract is broken up into individual parts. On one hand, DAIS's work will increase in terms of the number of contracts to manage but, on the other hand, agencies will be given more accountability in terms of the discharge of the services.

**Mr WILLIAMS:** Will the department's role be more akin to establishing the contract going out to tender and then the day-to-day management will fall back to the individual agencies? Is that a fair summation?

**Mr GRILLO:** At the agency level; exactly. We will be involved with the procurement process and the transition to the new arrangements. We will then be required to provide overall governance and management for the contracts, and the agencies will purchase under those contracts and administer them on a daily basis.

**The Hon. M.J. WRIGHT:** So, in answer to the essence of the member's question about the reduced budget figure, it would be fair to say that, where we pay now, agencies will pay in the future.

**Mr WILLIAMS:** Again, the budget and other information sources that I have accessed are fairly scant on this, but it is my understanding that the EDS contracts expire, I think, at the end of this month

**The Hon. M.J. WRIGHT:** Yes. The initial term ends, but there is a provision for the disengagement to occur over 18 months after that.

**Mr WILLIAMS:** Over the next 18 months?

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

**Mr WILLIAMS:** Was it always contemplated that the 18-month period would be utilised to bring new contracts into play, or was it originally envisaged that we would have a clean break, or a cut off?

**The Hon. M.J. WRIGHT:** Yes, I think it was the case that it was always intended that there would be that transitional stage. Whether it would be 18 months or less might have been open to question, but our planning is to take that 18 months. I am not sure how much detail the member wants at this stage, but I will add a few other points and we can later provide some additional information if it is still required. The government has initiated a replacement procurement strategy for a range of ICT services, including the services contracted under ITSSSED, known as future ICT service arrangements. There was recognition of the need for the development of a comprehensive disengagement plan to position the state for disengagement from the ITSSSED arrangements and to ensure business continuity and transitioning to the new ICT arrangements.

The state formally advised EDS on 1 July 2004 of its intention not to renew, replace or extend the current ITSSSED contract with EDS. The state is negotiating with EDS the terms, conditions and price of services that are provided during the disengagement period (that is, as the member said, post July 2005). A dedicated transition team has been formed within DAIS Government ICT Services to assist the government and its agencies in the coordination of planning, preparation and then transition to new service arrangements flowing from the future ICT service arrangements, and that is what Mr Grillo is in charge of.

**Mr WILLIAMS:** I think the minister mentioned that there would be a renegotiation of fees and charges for that transition period. Is there an expectation that the government will pay a penalty; that those fees and charges will be above what we would normally pay if we were able to have a cut-off date? What I am asking is: will there be a cost associated with a slower process to negotiate new contracts, or can we expect that we will receive reasonable value for our money irrespective of the time it takes to negotiate the new contracts?

**The Hon. M.J. WRIGHT:** Yes. I will get Mr Grillo to elaborate. The government does not intend to pay any penalty, but I will ask Mr Grillo to run through the process that is under way, and that will give the member a sense of what is going on.

**Mr GRILLO:** The initial design of the contract provided for a disengagement period. It provided for the parties to negotiate prices for services during the disengagement term. The state has now concluded negotiations with EDS regarding prices during the disengagement period for an initial term. When one is transitioning complex ICT service arrangements from any provider to any other new provider there will probably be a slight increase in costs due to business risk and uncertainty in terms of the volume of services. We have had the benefit of independent commercial advice in the negotiations with EDS as well as a benchmark or check on those prices, and there will be a marginal increase in costs during

that period at this stage, but we anticipate only a marginal increase—on average, it is less than CPI.

**Mr HANNA:** Am I right in thinking that the minister's department handles the wage claim of the teachers union that is being negotiated at present?

**The Hon. M.J. WRIGHT:** That is correct.

**Mr HANNA:** I seek information on the period for which a barrister has been retained to advise the government in relation to that and what the cost of that legal advice is, or any external legal advice that is obtained in relation to the negotiations, and what the minister expects the total legal cost to government to be in relation to the AEU negotiations.

**The Hon. M.J. WRIGHT:** This obviously comes under my responsibility for public sector work force relations, which will be dealt with later tonight. However, I am happy to answer the question now provided that the opposition is happy. We have not employed a barrister for this purpose. If there is speculation that we have done so, I am not too sure why that is, but I can categorically assure the member that we have not done so. So, there is no cost associated with a barrister and, to the best of my knowledge, nor are there costs associated with any legal advice. I have just been told that that is not the case, either. These discussions between public sector work force relations and the teachers union have been robust, as one would expect—and that is no criticism of either side.

I have met on two or three occasions with the teachers union, and I am due to meet with it again. There is probably, in fairness, still a bit of work to be done, but I think the discussions have been fairly good, with some good issues raised on both sides. I can certainly rule out that any barrister has been employed. I am also advised that we will check to see whether there has been any discussion informally with legal advice, but certainly there has been no employment of a barrister for the discussions on the EB negotiations with the teachers and no cost associated with it. To the best of my knowledge, no legal advice has been sought, but my officers will check that for you.

**Ms BREUER:** I refer the minister to the Anangu lands, Budget Paper 5, page 35, and I think I have been given this question because I am the only person in this place who can pronounce it. Can the minister advise of works that the government is currently engaged in to provide government employee housing in the Anangu Pitjantjatjara Yunkunytjatjara lands and regional centres?

**The Hon. M.J. WRIGHT:** I thank the member for her question, and I know that she has a strong interest in this area. Real Estate Management provides housing for government employees, providing essential services to communities in country areas of South Australia. As part of the 2005-06 budget allocation, additional funding has been provided to DAIS to procure housing specifically for the newly created positions providing increased services. The \$2 million allocation will be utilised to provide the required housing in the form of three-bedroom and two-bedroom attached duplex units. An additional three-bedroom house will also be provided for police at Umuwa. Hope Valley, in the Maralinga Tjarutja lands, will gain a new duplex for teachers. Yalata will also be provided with a new duplex to cater for additional police and TAFE employees.

The program for new employee housing will see a total of 15 new units of accommodation being delivered this financial year. Housing delivery is subject to weather conditions, the availability of contractors and materials and access during times of APY lands' business. This is on top of the govern-

ment's proven commitment to this program, which has already seen additional duplex units provided.

**Ms BREUER:** I refer to Freedom of Information Management Systems and Budget Paper 4, Volume 3, page 11.26. How will the new across-government Freedom of Information Management System impact on the processing of FOI applications?

**The Hon. M.J. WRIGHT:** I thank the member for her question. This is another component of the government's push for more open and accountable government. In 2002, the government identified that changes were required to both the FOI administration arrangements and the FOI legislation. The amendments to the FOI Act came into force on 1 January this year, and the implementation of the Freedom of Information Management System (generally referred to as FOIMS) will complete the improvements to the FOI administrative arrangements. FOIMS is a secure web-based system that provides a reliable and efficient recording system for agencies to manage their FOI applications. While agencies will only be able to access their FOI data, State Records will be able to access the across-government view for reporting purposes. FOIMS is an administration tool that will show the number of current FOI applications, their due date for determination and the date they were determined.

Statistics collected do not include information that is the subject of the FOI request. Importantly, the FOIMS database structure mirrors the legislative process by which FOI applications are determined. It guides the FOI officers through the process of responding to an FOI request, ensuring that all steps in the process are considered, and that the application is processed within the prescribed time limit. FOIMS will be fully operational within all agencies by the beginning of the 2005-06 financial year. This is an efficient system to report on the operation of the FOI Act, including data for the FOI annual report. Both the amendments to the FOI Act and the administrative changes are contributing to a restoration of confidence in government. This has seen a significant improvement in FOI, which is continuing through the ongoing support provided by State Records to all FOI officers and the public in general.

**Mr WILLIAMS:** I refer to sub-program 7.2 on page 11.28 with regard to Forensic Science. I think it was probably some six to 12 months ago that there was considerable media interest about our forensic science services. In last year's estimates you indicated that the budget provided for an extra pathologist and extra scientific support staff. I note that the estimated result for the net cost of this sub-program is less than the actual result from the previous financial year. Has that extra pathologist been utilised during the past year or are we still having to find someone else to fill that position?

**The Hon. M.J. WRIGHT:** The advice that I have received is that we have a registrar. That person is a fully qualified medical officer. We have also been using retired staff so we do have the additional resources, but we do not, at this stage, have a fully qualified, full-time person. We are still searching for that person. As the member would be aware, they are fairly rare. We are still attempting to get that fully qualified person in place full time. In the meantime, as I said, we have a registrar in training. That person is a fully qualified medical officer, and we have also put in place retired staff.

The member will also be interested in some of the following information. The high backlog in the biology and chemistry areas is making it difficult for forensic science to meet increasing demands and expectations. There have been

significant increases in criminal case submissions. The major contribution to this increase is the direct result of arrests by SAPOL due to the provision of matched information from the DNA database—something to which we referred before. A successful 2006-06 bilateral submission seeks to address resources shortages in targeted areas and improve services to the justice system. Funding will provide 10 new staff, operating funds to service additional casework, accommodation modifications and increased security.

**Mr WILLIAMS:** I again refer to the same page. The performance commentary for the forensic science subprogram indicates that changes to the Road Traffic Act 1961 are estimated to increase police cases in 2005-06. The additional cases are in relation to testing for drug drivers. What changes to the Road Traffic Act relating to drugs and drivers have been made? What testing for drugs in drivers has been undertaken, and what results does it show or indicate?

**The Hon. M.J. WRIGHT:** I am not in a position to answer that. That would need to come from the Minister for Transport, being his legislation. We can endeavour to get that for you.

**Mr WILLIAMS:** I will come to what is behind the question, but I think you made some comments in your opening statement about this. The member for Schubert has twice introduced a private member's bill over a period of more than two years to try and encourage the government to introduce drug testing of drivers in the belief that drug-related incidents are probably having at least the same impact on our road accident statistics, if not a more significant impact, as drink driving—and we put a huge effort into that.

The government to date has been reluctant to go along with supporting that legislation, notwithstanding that the member for Schubert has invited the government to make any amendments that it so chooses, or even take over his bill. It seems that the budget is acknowledging that the government will be undertaking drug testing of drivers in the next financial year.

**The Hon. M.J. WRIGHT:** Once again, it is not my area of responsibility, but I think it would be fair to say—and I may not have this exactly correct, because it is obviously minister Conlon's responsibility—and I may not have the words exact, but he certainly talked in parliament about wanting to go out for consultation in regard to proposed legislation in this area. I think the government, through the minister, has foreshadowed it. That consultation will be an important step in moving this debate forward. You are correct in what you are saying.

This is obviously an issue that has been raised very passionately on a couple of occasions previously by the member for Schubert. We do not dispute that. The member has certainly spoken on a number of occasions in the parliament about it. I do not think the Minister for Transport disputes that; I am sure that he does not. The point that he has made, as I recall—because I have not necessarily always been in the chamber when he has talked about it—is that the government is in the process of going out to consultation on this important issue. I would have thought that that was a good way of going about your business—to consult with the relevant stakeholders, to consult with the broader public and, certainly, that is what the Minister for Transport has committed to do, and is doing.

**Mr WILLIAMS:** My question is again in regard to DNA. A few years ago, I had the opportunity to inspect the DNA system operating in Great Britain. One of the things that impressed me was the way in which they held the DNA

database and the information on the DNA profile totally separately. They had a very secure system to maintain the integrity of those two sources of information by keeping them completely separate from each other. Can the minister explain to the committee what systems and protocols we have in place to ensure that we have a similar sort of security for the identity of the person whose DNA sample is held on the database?

**The Hon. M.J. WRIGHT:** My advice is that, on the database, the person's identity is kept secret and is removed from the database if they are not convicted. There are also strict controls on who has access to it. Of course, if a match is made, and a person is identified, obviously that information is passed on to the police. The Auditor-General reviews the process and, although he has made some comments, I understand that he is generally happy with it. We can obtain additional information for the member, if this is not enough, and I undertake to do so and perhaps provide him with a briefing.

**Mr WILLIAMS:** As a supplementary question, is the person's identity held on the same database as the DNA information?

**The Hon. M.J. WRIGHT:** Yes; I understand that it is held on the same database but segregated in that database.

**Mr WILLIAMS:** For the minister's information, the system in Great Britain, as it was explained to me four or five years ago, is that the only link between the DNA database and the person is a number on the DNA sample. The person's identity is held against a number in a completely different database, which is isolated not only electronically but also geographically and is managed by a completely different agency so that there can be no risk of crossover of information between one database and the other.

**The Hon. M.J. WRIGHT:** My officers advise that we do something very similar. However, it is best that we check in order to give the member the full information. We can perhaps have another chat and share the information, but the feeling is that we do something if not identical then very similar.

**Mr WILLIAMS:** They were adamant that they keep the databases separate geographically so that the person managing one database could not bump into or be a friend—for example, share a cup of coffee on a Saturday morning—of the person managing the other database. They live in different cities, which is obviously a lot easier to achieve in Great Britain than it is here. However, they are that cautious to keep the information separate.

**Ms CICCARELLO:** I refer to Budget Paper 4, Volume 3, page 11.22. Sub-program 5.2 refers to the management of goods warehouses. What benefits does the Supply SA arrangement provide?

**The Hon. M.J. WRIGHT:** I have touched on some of this before. Members would note that, in May 2003, the Supply SA warehouse was returned to government. This decision was based on the performance under the outsourced arrangement being less than expected and, in particular, costs were significantly greater than those anticipated. The key benefit of Supply SA is significantly lower operating costs which, ultimately, benefits the schools and hospitals that rely on the service. With the in-sourcing of the warehouse, Supply SA has also reduced the number of government redeployees by 17, either via direct employment within the warehouse or alternative arrangements. The committee may be particularly interested to know that all regional customers benefit via

Supply SA's assistance with the selection of products, as well as a reliable to-the-door delivery service.

The Whyalla distribution centre ensures the provision of services to customers of Eyre Peninsula, the Mid North and West Coast regions, including Port Lincoln, Tumbly Bay, Cowell, Cleve, Whyalla, Port Pirie, Port Augusta, Leigh Creek, Roxby Downs, Streaky Bay, Ceduna, Kimba and Wudinna. Like other agencies in the public sector, Supply SA mobilised rapidly to help the communities affected by the tsunami in Asia and bushfires in Eyre Peninsula earlier this year. Supply SA was instrumental in the support process by having the capacity to acquire, store and deliver necessary equipment and supplies to affected areas at short notice.

**Ms CICCARELLO:** I refer to Budget Paper 4, Volume 3, page 11.28, where subprogram 7.1 refers to the communication technology services used by government. How do these compare with other states?

**The Hon. M.J. WRIGHT:** I thank the member for her important question. Since February 2004 the government has been part of a national benchmarking scheme designed to compare telecommunications costs between commonwealth and state governments and with Australian industry in general. The first benchmarking report shows that the South Australian government's telecommunications are generally very well positioned. Our costs are below or in the average range in 32 of a total of 44 categories. For example, in the category of local voice calls, South Australia has the lowest costs compared to other governments and industry costs. Our mobile telephone services and fixed to mobile call costs are also lower than most other governments and lower than the industry average.

These results show that the government has been able to achieve good outcomes from its across-government arrangements and drive significant economies of scale. South Australia is also fortunate to have arguably world class online facilities. BizGate is the government's online secure online transactions and payment gateway. Developed by local IT company, Chimo, BizGate enables 64 South Australian government agencies, including 36 local councils, to offer secure and convenient online access to a range of everyday services. The system processes about 36 000 transactions each month, involving some \$56 million.

Members may be interested to know that BizGate is now on the verge of international recognition. The BizGate model was replicated last year in a bid by the BizGate development team to establish a major e-government infrastructure project in the Maldives. The fact that the consortium is the successful finalist and preferred supplier for the implementation of these services in the Maldives reflects the success of this South Australian technology innovation at an international level. It is a celebration of this state's ability to collaborate across tiers of government and between public and private sectors. The achievements and experience of this project will not only provide benefits to the Maldives government but also bring exciting opportunities back to South Australia in the form of new relationships and further innovation and development opportunities.

**Ms CICCARELLO:** I refer to Budget Paper 4, Volume 3, page 11.19, subprogram 4.13. Will the minister advise this committee whether information has been provided to tenants of government employee housing related to asbestos-containing materials in their rented properties?

**The Hon. M.J. WRIGHT:** The government is aware of its responsibility to its tenants, contractors and all those who could come into contact with asbestos-containing products on

government owned or leased properties, and it is committed to minimising the risk of harm from asbestos products. There are strict policies and guidelines in place regarding detection, assessment, monitoring, maintenance and removal of asbestos. The government has distributed to all 1 700 tenants of government employee housing, including tenants of leased properties, a general information booklet about asbestos. The information includes a diagram and description of the most likely locations for asbestos-containing products to be found, procedures for managing asbestos products, risks involved in dealing with asbestos products, contacts for maintenance and other advice, and answers to frequently asked questions.

The government is committed to a program of inspecting every government employee property managed by DAIS to ensure any asbestos-containing products present are in good condition and do not pose a health risk. In addition, DAIS has identified a number of houses to be demolished by the DAIS Asbestos Management Unit in accordance with the government's asbestos removal policy. The land made available will be redeveloped for new housing that will assist in the attraction and retention of government employees, providing essential services to communities located in regional areas of South Australia.

**Mr WILLIAMS:** As a supplementary question, I think in your opening remarks you talked about the School Pride program and said that \$25 million was spent in removing asbestos from schools across the state.

**The Hon. M.J. WRIGHT:** No; asbestos removal was some of the work, but the \$25 million included painting and other maintenance-type work. Certainly, asbestos was part of that project. About \$10 million was spent on asbestos removal.

**Mr WILLIAMS:** I ask specifically about asbestos, because there are about 30 schools throughout my electorate, some of them clad with asbestos cement sheeting, which has caused problems. As I am sure you would be well aware, that stuff becomes quite brittle with age, and in the school yard with tennis balls, footballs and netballs being thrown and kicked around and the general behaviour of students it does become an issue. In one of those schools in particular it has been an ongoing issue for some years now. Is it envisaged by the government that that program will continue to roll on until all asbestos is removed from our schools?

**The Hon. M.J. WRIGHT:** The advice I have received is that the Asbestos Management Unit, which is funded to undertake an asbestos removal program, has been maintained at \$750 000 per year. In addition, departments fund some of their own work in regard to asbestos removal. The Asbestos Management Committee compiles a program of works for each financial year. I will give some information about some of the major projects. Certainly, the honourable member would be familiar with the first one I am about to read out. Some of the major projects funded for asbestos removal in 2004-05 include the Bordertown Memorial Hospital, \$35 550; REM domestic housing stock, \$116 000; Murray Bridge Soldiers Memorial Hospital, \$48 875; Hamilton Secondary College, \$71 000; Onkaparinga TAFE, \$60 670; and Hackham East Primary School, \$32 979.

A large number of asbestos removal projects have been undertaken for the Department of Education and Children's Services; that is schools, kindergartens and other government building portfolio holders, normally valued at under \$10 000. Also, DAIS provides an asbestos management service under the facilities management contract. The advice I have been given is that, in relation to the School Pride initiative,

approximately \$10 million was spent on asbestos product removal.

**Mr WILLIAMS:** I refer to pages 34 and 35 of Budget Paper 5. Last year's budget under 'New works' listed 'head works infrastructure Outer Harbor development', for which \$2 million was budgeted to be expended in the current financial year; and a total cost was noted of \$10 million. This year's budget does not show this item at all. I expected it to be under 'Works in progress'. Has any of the \$2 million been spent? What has happened to the project?

**The Hon. M.J. WRIGHT:** We are not aware of that detail because that has been transferred to the new Department for Infrastructure, but we can follow that through for you.

**Mr WILLIAMS:** The strategic asset management information system completion has blown out from November 2004 to August this year. Why has the government decided that, unlike the building land asset management system (BLAMS) which the SAMIS system replaces, information about government assets stored on the system will be unavailable to the public? Currently, for instance, community members can assess the maintenance status of their school and compare that with other schools across the state by looking at the web site. The opposition has been informed that the new system will have restricted access. Minister, how does this reconcile with your own comments earlier in your opening remarks about the government's commitment to openness and honesty in government?

**The Hon. M.J. WRIGHT:** In accordance with the government's information and communications technology security management framework, secure access is provided to SAMIS via entry by a user name and password. Access to SAMIS is provided at the discretion of each agency. The data held on SAMIS is the property of each agency, and the degree of access available to individuals needs to be determined by each agency. As the system holds details of floor and building plans, and equipment in some cases, security considerations will determine accessibility. As members would be aware, in no way does this contradict my earlier comments about the openness and accountability of this government.

**Mr WILLIAMS:** I can accept that certain government buildings and institutions would want to maintain security by keeping to themselves the layout and positioning of certain things. I have been in the building that houses a lot of the GRN equipment and I am sure the government does not want all and sundry to know the exact specifications of that building and its layout, but surely in line with the minister's claim of commitment to openness and honesty in government it is a bit rich to say there is a security risk in having this information available to people who want to check out whether or not their local school is up to scratch.

**The Hon. M.J. WRIGHT:** I can provide more information to one of the shadow minister's earlier questions. The Outer Harbor head works infrastructure is now in the new Department of Transport, Infrastructure and Energy. It is on the bottom of page 23 of Budget Paper 5.

**Mr WILLIAMS:** I have not read the whole of the budget and I skipped over that page. Will the minister explain the accounting principle by which the cost of programs throughout the budget are expressed in net cost terms, but the cost of providing state light fleet vehicles is shown as a new capital investment but no allowance is made against that for the proceeds from the sale of the vehicles being replaced? Of the \$118 million cost to purchase new vehicles, I am informed that somewhere between \$90 million and \$100 million is

probably recovered from the sale of vehicles and the balance would be reflected in the depreciation schedule. The net asset value remains largely unchanged. Yet, we see in the budget \$118 million for new investment.

**The Hon. M.J. WRIGHT:** The advice I have received is that the capital investment program is always shown as the gross value of the capital purchase and that is with all capital programs. That is why the fleet is expressed in this way.

**Mr WILLIAMS:** Under the small projects annual programs, the Netley Commercial Park's works and refurbishments have been listed in at least the last three budgets, with no estimated total cost in any of those three budgets, yet the annual costs have been, in order, \$1.76 million, \$2.034 million and \$2.635 million in the current budget. Have these amounts been spent during those previous years, what works are being done and why cannot the required works be identified and thus planned and costed?

**The Hon. M.J. WRIGHT:** The advice is that this is part of DAIS's annual provision and is ongoing. The money is spent every year. There is a program for it each year and we can certainly provide you with additional information in regard to those programs. The annual provision program provides for refurbishing and maintaining the government-owned office facilities at Netley Commercial Park to support government operations and the delivery of services to the community. Essentially the 2005-06 program provides for the following: the refurbishment of office facilities to accommodate the domiciliary care functions; improving accessibility of government office buildings; implementing energy efficiency measures; and upgrading expired plant and equipment.

**Mr WILLIAMS:** Last year's Capital Investment Statement listed the central power station in the Anangu Pitjantjatjara lands, stating that it would be completed in June 2006. I see that it is not listed in the program for this budget. I understand that the power station, including the solar power generator, was completed probably 12 months ago, but the distribution network is yet to be constructed. Am I right and, if so, when is it expected that the distribution network will be completed?

**The Hon. M.J. WRIGHT:** The honourable member may or may not be aware, but this is in Aboriginal affairs, which is a part of DPC. However, I can refer to the Premier's response to this same matter in estimates on Wednesday 15 June. This project, as I said, is the responsibility of the Department for Aboriginal Affairs and Reconciliation. DAIS has been the project risk manager for stages 2 and 3. The development of power infrastructure to several APY lands communities is being implemented in three stages: stage 1 is the solar farm; stage 2 is the central powerhouse; and stage 3 is the power distribution system.

Project services in DAIS building management is providing project risk management services for stages 2 and 3. The solar farm, stage 1, was managed totally by DAARE. Stage 2, at this stage, was split into three contracts as follows: the powerhouse site preparation, which is complete; the construction of the powerhouse, which is complete; and the diesel power generation system is currently under way. It has been delayed from the original program due to contractor performance issues and is now scheduled for completion in August 2005.

As a result of increased scope and a buoyant market resulting in limited contract interest, there has been an increase in cost and delivery of this project. In relation to stage 3, power distribution, the design of the cable distri-

bution network is almost complete and is scheduled to go to tender for construction contractors in July 2005, with completion of construction scheduled for September 2006, subject to the availability of additional funding. The existing Ernabella distribution system will be connected to the central powerhouse in August 2005.

**Mrs REDMOND:** I have a supplementary question. I understand that, at the time this whole project was developed, there were actually considerations about the existing generators in the lands that we are talking about and the need to replace them. Is the minister able to advise whether those generators have had to be replaced and what the cost has been in doing that because of the delay in the project?

**The Hon. M.J. WRIGHT:** I cannot advise the member of that because it is the responsibility of DAARE: the information would have to be sought from it. We can follow up on that for the honourable member.

**Mr WILLIAMS:** I again refer to the investment document. The automated Torrens land title administration system, stage 2, was due to be completed in December last year, but this year's budget shows that the completion date has gone out by 18 months and the cost has gone up slightly. What has caused the delay in implementation of stage 2?

**The Hon. M.J. WRIGHT:** I think we may have provided some of this information last year. Although I cannot be 100 per cent certain, I have a feeling that we did talk about this last year. I think I may have referred to the fact that there was an initial delay. It did take some time to get the appropriate people together and to get the teams in place to undertake the work required. We acknowledge that initial delay, but, beyond that, once those teams and appropriate people were put in place, there have been no delays since that point and it is now moving forward.

**Mr WILLIAMS:** The completion date for the roll-out of the GRN has been moved out by two years. Can the minister give the committee some understanding of what is happening there?

**The Hon. M.J. WRIGHT:** The advice I have received is that the GRN has been substantially completed. The new arrangements for the GRN will be negotiated as a part of tranche 2 of future ICT. Arrangements for an extension of the current GRN arrangements have been agreed with Telstra for two years, with the option of an additional year.

**Mrs REDMOND:** I want to take up the issue of Torrens title electronic lodgement, which the minister answered in the previous question. I recognise that it is not something that is absolutely within the purview of the Public Service but I have always presumed that, once we reach the stage of electronic lodgements, we will not be very far away in reality from electronic settlements, so settlements will no longer take place in the famous 'settlements room'. How long does the department anticipate that we will continue with settlements?

There is a room that is significantly less in size than the floor area of this chamber that packs in probably 150 practitioners of various sorts, particularly on Fridays at about 11 o'clock, in what is clearly an unhealthy occupational health and safety area, to undertake settlements on behalf of banks, conveyancers, purchasers, vendors and so on. I understand that, ultimately, we will not have a settlements room because it will all probably be done electronically (and it is just as well I got out of conveyancing when I did). The room is clearly inadequate, and I am wondering whether there is any indication as to how long that will stay the process and how long we will be stuck with that system.

**The Hon. M.J. WRIGHT:** The advice I have received is that we are the only state that provides this service. We would prefer that it be spread more evenly over the week and, certainly, there have been discussions with industry in that regard. That would still be our preference. At this stage it has not been successful, but it would be our preference to spread it more evenly over the week and to avoid some of the congestion to which the member correctly referred.

**Mr WILLIAMS:** I have a series of omnibus questions that I would like to read on to the record and I ask the minister to take these into consideration with regard to all the agencies on behalf of which he has appeared today.

1. Did all departments and agencies reporting to the minister meet all required budget savings targets for 2003-04 and 2004-05 set for them in the 2002-03, 2003-04 and 2004-05 budgets? If not, what specific proposed project and program cuts were not implemented?

**The Hon. M.J. WRIGHT:** The question was: did we meet all our savings targets? The advice that I have received is yes.

**Mr WILLIAMS:** Is this with respect to all agencies reporting to the minister?

**The Hon. M.J. WRIGHT:** We do not have the SA Water people here, so I can talk about only what is open at the moment.

**Mr WILLIAMS:** I wanted to read these questions on to the record so the minister could take them into consideration for all the agencies, to save us going through this process half a dozen times.

**The Hon. M.J. WRIGHT:** We were going to answer them straight away.

**Mr WILLIAMS:** In that case, I will have to read them out again after we have had a cup of tea.

**The Hon. M.J. WRIGHT:** Read them now. That is the easiest way.

**Mr WILLIAMS:** The questions continue:

2. Will the minister provide a detailed breakdown of expenditure on consultants in 2004-05 for all departments and agencies reporting to the minister, listing the name of the consultant, the cost, the work undertaken and the method of appointment?

3. For each department or agency reporting to the minister, how many surplus employees are there as at 30 June 2005, and for each surplus employee what is the title or classification of the employee and the total employment cost of the employee?

4. In the financial year 2003-04, for all departments and agencies reporting to the minister what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2004-05?

5. For all departments and agencies reporting to the minister what is the estimated level of under expenditure for 2004-05, and has cabinet already approved any carryover expenditure into 2005-06 and, if so, how much?

6. (i) What was the total number of employees with a total employment cost of \$100 000 or more per employee per year, and also as a subcategory of the total number of employees with a total employment cost of \$200 000 or more per employee per year, for all departments and agencies reporting to the minister as at 30 June 2004?

(ii) What is the estimate for 30 June 2005?

(iii) Between 30 June 2004 and 30 June 2005,



will the minister list job title and total employment cost of each position (with a total estimated cost of \$100 000 or more per year)

- (a) which has been abolished; and,
- (b) which has been created?

7. Provide a detailed breakdown for each of the forward estimate years of the specific administration measures which will lead to a reduction in operating costs in the portfolio?

**Additional Departmental Advisers:**

Ms A. Howe, Chief Executive Officer, SA Water.

Mr P. Mendo, Chief Financial Officer.

Mr J. Williams, General Manager, Infrastructure.

Mr P. Prodanovski, Group Financial Controller.

Ms A. Westley, Senior Officer, Department for Administrative and Information Services.

**The CHAIR:** We now proceed to SA Water. Minister, do you have an opening statement?

**The Hon. M.J. WRIGHT:** Yes. I am mindful of the time, so I will just give a very brief statement. With continuing drought in much of Australia the government continues to focus on the efficient and sustainable delivery of water and waste water services in South Australia. A few highlights of SA Water's \$179-million investment program include the following. There is the investigation into upgrading the Christies Beach waste water treatment plant to allow for population growth. The estimated capital cost is \$60.6 million, with \$2 million to be invested in 2005-06 to commence investigations and to consult with the community. The Eyre Peninsula water supply upgrade is soon to be considered by the Public Works Committee. The estimated capital cost is \$48.5 million, with \$31 million to be invested from the 2005-06 budget.

The Milbrook Dam will be upgraded with an estimated capital cost \$8.7 million, with \$1.5 million to be spent in 2005-06. The Torrens aqueduct, which supplies water from the Gorge Weir to the Hope Valley Reservoir, needs upgrading, at an estimated total capital cost of \$22 million. Arising out of community consultation, SA Water is reviewing several options, including refurbishment of the aqueduct and a pipeline through the Linear Park. Finally, during the next financial year SA Water will complete a new waste water treatment plant at Whyalla. Commissioning of the plant will commence in August 2005. The estimated capital cost is \$13 million, with \$2.6 million to be invested in 2005-06.

**The CHAIR:** Thank you, minister. The member for MacKillop.

**Mr WILLIAMS:** Thank you, chair, and I will move straight on to questions. Minister, in last year's estimates I asked you a question as to the relative impacts of the weather and water conservation measures upon the sales of water, and in your answer, amongst other things, you said:

The advice I have been given is that for a single year that is impossible to do.

My question is: why is South Australia Water listed as a highlight of the 2003-04 year in the latest Water Services Association of Australia publication *WSAA Facts 2004* with the following:

The successful slow-the-flow education campaign on water conservation resulted in an 8 per cent decrease in consumption in 2003-04 compared to an average over the last 10 years.

Minister, were you given incorrect advice which was passed on to the committee last year, or is SA Water being extravagant with its self praise?

**The Hon. M.J. WRIGHT:** I can advise the member that metropolitan Adelaide master meter records show water demand for the period of 1 July 2004 to 31 March 2005 (coinciding with the end of the campaign) was 147 gigalitres—2 per cent more than in the same period in the previous year of 144.7 gigalitres, but 7 per cent less than the average water demand for that period during the past 10 years. Until about March/April, there was about a 14 per cent reduction over the year before water conservation measures came in. There are, of course, ups and downs in long-term patterns.

I can also advise the member of some of the statistics in regard to responses. They include: a consistently high level of awareness of permanent water conservation measures, 88 per cent to 90 per cent of respondents; support for permanent water conservation measures remained exceptionally high, about 95 per cent; and about three-quarters of respondents stated that they had taken specific action to reduce water use in their homes by taking shorter showers, installing water-saving devices and appliances—

**Mr KOUTSANTONIS:** Shower with a friend.

**The Hon. M.J. WRIGHT:** Shower with friends. Yes, well, for some people. They also include fixing leaking taps and installing dual flush toilets. For the key actions, between 78 per cent and 86 per cent of respondents said that they had taken action to reduce water use in their gardens. The key specific measures people had taken were watering in permitted hours at night, installing drip irrigation, tap timers, using mulch, planting native species and watering less or only when necessary. Feedback from garden centres also indicated high levels of support for the permanent water conservation measures.

**Mr WILLIAMS:** I refer to a letter that was sent from SA Water introducing a private business, Home Service Direct. In the letter the following claim is made:

The survey results also suggested that, based on recent trends an estimated 200 000 South Australian households are likely to experience a plumbing or drainage emergency in the next 12 months.

I am at a loss to know how SA Water can extrapolate from a national survey, which revealed that two out of three home owners have at some time experienced a plumbing or drainage emergency, that of the 458 000 households connected to South Australian water mains, almost half, or 200 000 are likely to experience a plumbing or drainage emergency in the next year. Will the minister table the research referred to in the letter to SA Water customers? Can he explain to the committee why the South Australian government has agreed to promote a single private business which should be in healthy competition with other similar businesses in the open marketplace?

**The Hon. M.J. WRIGHT:** There were two parts to the shadow minister's question, and one related to whether or not the research would be tabled. The research was undertaken by Home Service Direct, so the question would be more appropriately asked of that company. The broader question was something along the lines of why SA Water would be involved in this type of business. I have already said previously that the public will decide whether or not they want to use Home Service Direct, choosing to join the scheme or ignoring the offer involving emergency plumbing services. SA Water did some initial work, and there was a high percentage of interest in this type of scheme, which involves the payment of an annual subscription of about \$130 for an emergency plumbing service. I have been advised that no other company offers this service. Through Home Service Direct, SA Water

is providing a service to the customer. If the customer is not interested in the product being offered, ultimately the public will vote with their feet. Of course, the merits or otherwise of the scheme were discussed late last year.

**Mr WILLIAMS:** As a supplementary question, does the minister agree with the statement in the letter sent to clients of SA Water, namely, that it can be extrapolated from the survey results that 200 000 South Australian households are likely to experience a plumbing or drainage emergency in the next 12 months, bearing in mind that only 458 000 households are connected to SA Water services, and a smaller number is connected to the sewerage services?

**The Hon. M.J. WRIGHT:** We are just clarifying what the latest letter says, but I am not sure that it matters particularly whether I agree or disagree. One of the challenges of making a body such as SA Water a commercial entity is to allow it to run a business. The member will correct me if I am wrong, but I think it was a former Liberal government that did it. In allowing SA Water a commercial charter, obviously it goes about its business as a commercial entity. It is not necessarily whether I agree or disagree: it is a matter of whether SA Water has the responsibility to support that statement, or any other statement. We are just checking whether the letter specifically states 200 000 households or 200 000 people. I am happy to pursue the information for the shadow minister.

**Mr WILLIAMS:** I am pretty certain that the letter refers to 200 000 households. I thought I had a copy of it with me but, unfortunately, I do not. A minute or two ago, the minister said that it was up to individual householders to make their own decision as to whether they took up the offer included in the letter. The problem is that, if they have been given grossly misleading information, there is a chance that they will be inclined to take up an offer which, had they had access to better or more accurate information, they may well not have taken up. The problem is also that this information was disseminated by a quasi government agency in which, potentially, the public puts a lot more trust and faith than they would were it just another high street business.

**The Hon. M.J. WRIGHT:** Obviously, I would not support anyone putting forward misinformation, and I am not suggesting for one minute that SA Water has done so. As a commercialised entity, it has its responsibilities, and it would want to come forward with information it can support—and I am not necessarily talking about the specific statement. As a part of the whole process, I have asked SA Water to work through crown law and the responsible areas to ensure that all the information, and the processes it pursues, are fully ticked off. To the best of my knowledge, all that has been achieved.

I am happy to pursue the one particular figure the shadow minister cites. Off the top of my head, I do not know whether it is right or wrong, and that is not my job, and I clarify that by saying that I do not have the expertise to know whether or not the figure is precisely correct. However, that is not to say that the information should not be right and accountable, and we will check it for the shadow minister. Certainly, I undertake to check it for the shadow minister, as we must clarify whether it is 200 000 households or 200 000 persons.

**Mr WILLIAMS:** Last year, the minister explained to the committee that the dividend paid by SA Water was 55 per cent of the earnings before interest, tax and depreciation, less stay in business capital, where the stay in business capital was capped at \$40 million per annum. I think I am right in my interpretation of what the minister said. I note from Budget Paper 3 that a different arrangement has been introduced

since then. It is identified as a new public non-financial corporation ownership arrangement, where the Budget Paper states that dividend payments will be based on actual business performance rather than budget estimates. First, my understanding of what the minister told the committee last year is that that was the case already: that is, if the performance and revenues increased, the dividend payments would increase. What has changed and how does the new system work in detail? I downloaded from the web site identified in the Budget Paper the document 'Public non-financial corporations: community service obligations: dividends—capital structure: policy guidelines', but I am still at a loss to understand exactly how it works.

**The Hon. M.J. WRIGHT:** I can give some advice about the revised policy which, as the shadow minister has said, is different from the previous position. In the revised policy there is a separation of linkages between dividend and income tax payments. The dividend is based on profit after tax, meaning distribution to the owner is made from returns generated on investment. The dividend payments are based on actual results. The target pay-out ratio of 95 per cent of profit after tax is aimed at maintaining the optimal capital structure. The financial ownership framework previously had a collection of informal business rules and protocols for determining CSOs, which the shadow minister referred to—dividends and capital structure.

DTF and SA Water have agreed on a formal financial ownership policy framework, the aims of which are to provide a more transparent and commercial focus in setting and agreeing financial targets, to respond to pressure on the state to comply with national competition policy requirements and to provide a sound foundation for input into the price setting process. DTF prepared a set of high level policies that were approved by cabinet on 8 November 2004. These were converted into a practical framework for implementation which was approved by cabinet in March 2005. The new policies will take effect from 2005-06, and I have referred to that revised policy position. I will not go through this, because the shadow minister would probably be aware that the Treasurer also made some reference to this in estimates last week. I can go through it, but it is all there in *Hansard*.

**Mr WILLIAMS:** The budget predicts a 21 per cent increase in contributions to the government from SA Water in the next financial year, bringing the contribution up to \$292 million, when you combine the tax and dividend amounts. It begs the question: is the core business of SA Water, notwithstanding its monopoly status, to supply water and sewerage services to the public of South Australia at competitive rates or to be a cash cow for the government?

**The Hon. M.J. WRIGHT:** I thank the shadow minister for his question. A major part of this relates to the introduction of new CSO policy, to take effect from 1 July. The CSO policy has increased revenue for the corporation in 2005-06 by about \$35 million. Most of this is returned to government through dividend and tax payments. Also, a part of it relates to the introduction of the new dividend policy, the 95 per cent of profit agreed with the government. That is the new policy position that I have already referred to.

The shadow minister also referred to whether this represented competitive rates or a cash cow. I think we have demonstrated through transparency statements and also through the increases we have announced in recent budgets to both water and sewerage that we want to be coming forward with competitive rates. The shadow minister would be aware that the government has gone through the transparency statements

and provides the public with information about how water and sewerage prices are set through transparency statements, which are reviewed by the Essential Services Commission. Prices are set in accordance with national guidelines established by COAG. By setting prices according to COAG guidelines, the government ensures that prices in South Australia are reasonable, relative to the costs of providing the service. I do not have the figures in front of me, but, generally speaking, the increases have been in line with CPI.

**Mr WILLIAMS:** The next question relates to Eyre Peninsula. Currently, on Eyre Peninsula about 10 gegalitres of water are utilised. I understand 10 gegalitres are extracted from the ground water basin and used to supply clients of SA Water. How much of the water extracted from the ground water basin is not available to be supplied to customers because of leakages on Eyre Peninsula? Are the leakages on Eyre Peninsula within an acceptable standard?

**The Hon. M.J. WRIGHT:** The advice I have received is that we do not have a specific figure that we can provide to you, but the leakages are within the normal range. The exceptions are Coffin Bay and Ceduna. At Coffin Bay we have replaced all the service connections and at Ceduna, where bursts have been experienced, we have reduced the pressure. They are the two examples on Eyre Peninsula which are outside the normal range.

**Mr WILLIAMS:** Are you able to supply the committee with the exact figure of how much water is lost due to leakage?

**The Hon. M.J. WRIGHT:** We will take the question on notice.

**Mr WILLIAMS:** Last year, in answer to a question regarding the exemptions granted since the 1870s to the cities of Adelaide and Port Adelaide Enfield against charges for water usage, you told the committee that 'discussions are taking place with respect to that issue'. Can you inform the committee whether those discussions have led to any conclusion over the past 12 months?

**The Hon. M.J. WRIGHT:** The shadow minister would probably be aware that minister Hill has been leading these discussions. I only say that because I would need to check the precise detail. I understand that progress has been made. I think that the minister, in announcing the parklands bill, has made comment about the government's providing \$1 million to Adelaide City Council to cover its costs, in lieu of receiving free water. I need to check the detail with minister Hill because he has been the minister responsible for these ongoing discussions with Adelaide City Council. I understand some progress has been made. We will check the precise detail and get that back to the shadow minister.

**The CHAIR:** Members are probably fascinated to know that we have been looking at lines under the Minister for Gambling portfolio. The relevant lines were opened under Treasury and Finance. I declare the examination suspended until tomorrow.

*[Sitting suspended from 5.21 to 6.45 p.m.]*

**The CHAIR:** I advise that the proposed payments for the Department of Administrative and Information Services remain open and call the Minister for Industrial Relations.

#### **Membership:**

The Hon. I.F. Evans substituted for Mr Williams  
Mrs Geraghty substituted for Ms Breuer

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

Mr I. Rhodes, Chief Financial Officer and Acting Chief Executive Officer, WorkCover.

Mr S. Coulter, General Manager, Scheme Regulation and Compliance, WorkCover.

Mr R. Orange, General Manager, Strategy, WorkCover.

Mr E. Brooks, Executive Director, Public Sector Workforce Relations.

Mr M. Ats, Ministerial Adviser.

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

**The Hon. M.J. WRIGHT:** Yes; I do, Madam Chair. One of the most important things that can be done to deliver better workers compensation outcomes is making real and lasting improvements to claims management. In many ways, claims management is the real coalface of our workers compensation system. The management of an injured worker's claim means coordinating and bringing together all the various aspects and participants in a scheme to get injured workers back to work. Making sure that the employer and injured worker make the best contribution they can, and getting the best out of medical, rehabilitation and retraining services, is all part of what is required to do a good job of managing claims. This is no easy task. We know with certainty that we can do a lot better than we are currently doing.

Quite clearly, in any situation where large contracts for service provision are let, there needs to be the right balance between letting the contracted party get on with doing the job they have agreed to do and carefully watching over the performance of contracted parties to ensure that they deliver the outcomes the scheme needs. We have acted soberly and carefully in our work to improve the position of our workers compensation scheme. Much consideration has been given to how to put in place changes that will deliver the necessary improvements. The beginning of the formal process was the call for expressions of interest in claims management contracts with WorkCover. The response has been very encouraging, and there is strong interest in providing claims management services.

Another key factor of the process that required a major decision was whether to adopt a 'request for tender' approach or a 'request for proposal' approach. It would probably be fair to say that a request for tender approach would be the option that has often been taken in the past with these sorts of contracts. However, we are dealing with a marketplace where the prospective contracting parties are often large multinational companies with considerable experience in claims management in a range of different environments. By using a request for proposal process, we are throwing down the gauntlet to the marketplace and asking potential claims agents to bring all their experience and intellectual property to bear in designing an arrangement that will deliver the outcomes WorkCover needs.

At present, we are awaiting the responses of potential claims agents to the request for proposal. Those responses will be carefully assessed by WorkCover, which will then determine the successful tenderers. This is a hugely important initiative that is central to the delivery of better workers compensation outcomes for all South Australians. Opening up claims management to the market to deliver a better workers compensation scheme requires the passing of a regulation under the WorkCover Corporation Act. It is, of course, the proper duty of the Legislative Review Committee

to give its consideration to regulations passed by the Governor in Executive Council. That is its right and obligation.

It is important to appreciate that this is not a matter where delay is of no consequence. These regulations, under the requirements of the act, cannot take effect until the time for disallowance has passed. The WorkCover Corporation cannot enter new claims management arrangements without these regulations, and it is legally obliged to state its position on the next round of contracts by the end of this year.

This government, together with the board, has come forward with a proposal for major reform to the management of claims. It is a very necessary reform. The focus of the government and the board has very much been on getting the fundamentals, the building blocks, for a successful workers' compensation scheme in place. That has meant a new chief executive officer and a new executive management team. As I have said, we are now looking to put in place a new and substantially improved foundation for the relationships with claims agents. We recognise that this will take time; there will be ups and downs along the way. We are putting in place the foundations for a healthy and strong workers' compensation scheme, and we are committed to delivering a healthy and strong workers' compensation scheme for South Australia.

**The Hon. I.F. EVANS:** What is the net financial position of WorkCover for the purpose of inclusion in the general government sector financial statements and balance sheet?

**The Hon. M.J. WRIGHT:** In March, the board announced that the unfunded liability as at 31 December 2004 was \$631 million, and we would need to check with Treasury how that has been accounted for in the budget papers.

**The Hon. I.F. EVANS:** I have a supplementary to that. Does the minister have no indication of any other figure since that time? That is a 31 December figure. We are now in June.

**The Hon. M.J. WRIGHT:** Yes; that is correct. That is the actuary's figure. I do not have any indication of any figure other than that actuary figure.

**The Hon. I.F. EVANS:** In six months you have not received any other indication?

**The Hon. M.J. WRIGHT:** No; no other indication. That, of course, is the actuary's figure, as we have said. From time to time, we get information but we rely on the actuarial information, which we get twice a year.

**The Hon. I.F. EVANS:** So, of the other information that you get, which obviously involves other calculations or estimates of that figure, what is the highest estimate that you have had for that figure since 31 December?

**The Hon. M.J. WRIGHT:** The actuarial assessments are done twice a year, just as it was under the former government. I have not been advised of any particular development that leads to any other figures. Obviously, we rely on the actuarial advice. That is the advice that we get twice a year. To the best of my knowledge I have not been given any other advice that is beyond that figure, which was last received in December, in terms of advice from an actuary.

**The Hon. I.F. EVANS:** So you have received other advice, which is not from the actuary?

**The Hon. M.J. WRIGHT:** As I said, that is what we rely on. We rely on the advice from the actuary, just as the previous government did.

**The Hon. I.F. EVANS:** In January this year, WorkCover wrote to the then four claims agents requesting that redemption offers be made to 40 specified WorkCover claimants—10 for each agent. How did WorkCover identify these

40 lucky people? Were these offers made on the basis of any advice pertinent to the individual claims? What principle was used in determining the actual number of 40 claims?

**The Hon. M.J. WRIGHT:** The shadow minister refers to 40. The WorkCover board has a redemption policy which it reviews annually. The current policy has some overriding principles, which include target redemption numbers and budgeted redemption costs. These principles seek to find a balance between sensible use of redemptions for claims and liability management purposes, and avoiding the encouragement of a lump sum culture. WorkCover closely monitors redemptions. It was identified late last year that WorkCover was on track in terms of redemption numbers but that the costs were significantly below budgeted target. It was also recognised that a number of injured workers who were receiving larger weekly payments had not accepted redemption offers.

Given that WorkCover had some flexibility within the board's principles, I am advised that claims agents were asked to consider redeeming 40 claims with high weekly income maintenance costs. I am advised that this approach enabled a limited number of high-cost claims to be redeemed off the scheme within the budgeted target. Improved return to work outcomes must remain WorkCover's primary focus and the main tool for getting long-term scheme liability and outcome improvements. The selection of claims to be considered for redemption was left to claims agents, all of whom had specific knowledge of the individual claims and whether they met the broader redemption criteria. Of these 40 claims that were offered redemption, I am advised that 20 redemptions have been finalised as at 15 June this year.

**The Hon. I.F. EVANS:** Why were exactly 10 allocated to each claims agent? Was any analysis done to determine whether some claims agents had more serious claims than other claims agents? Is it not the case that this was simply done to avoid recording a blowout in the unfunded liability of WorkCover and had nothing to do with considered claims management principles?

**The Hon. M.J. WRIGHT:** I have been advised that the 10 to which the shadow minister refers was a notional figure. That could have been upwards or downwards.

**The Hon. I.F. EVANS:** Was it?

**The Hon. M.J. WRIGHT:** That was the starting point. As to the shadow minister's second question, the answer is no.

**The Hon. I.F. EVANS:** What was the estimated effect on the unfunded liability if these lucky 40 claimants should accept the offer? You mentioned that 20 have been redeemed. How many have been accepted but are yet to be redeemed?

**The Hon. M.J. WRIGHT:** Could you repeat that question?

**The Hon. I.F. EVANS:** What is the estimated effect on the unfunded liability if these lucky 40 claimants should accept the offer? I understand from an earlier answer, that the minister said that 20 were to be redeemed by a set date. Is that the total number that have been accepted, or are there some that have been accepted but are yet to be redeemed?

**The Hon. M.J. WRIGHT:** I have been advised that 20 redemptions have been finalised as at 15 June 2005. With regard to the impact on the liability, that is a detailed question. I will get some advice and get back to the shadow minister.

**Mrs REDMOND:** I have a supplementary question. Minister, when you say that you will come back with some information, does that mean that you cannot tell us how much

money was actually used to resolve and redeem any of those claims?

**The Hon. M.J. WRIGHT:** The question asked by the shadow minister was in relation to the impact on the unfunded liability, and I will come back to the shadow member with that information.

**Mrs REDMOND:** My supplementary question is: can the minister advise what was the maximum amount of any of those redeemed claims?

**The Hon. M.J. WRIGHT:** I do not know that detail off the top of my head, but we can get that information quite easily for the member.

**Ms CICCARELLO:** Minister, I refer to Budget Paper 3, Chapter 5, page 5.2. Can the minister advise the committee what the government is doing to protect young workers from risks to their health and safety at work?

**The Hon. M.J. WRIGHT:** I am advised that young people are 1.4 times more likely than the average worker to suffer a work-related incident. I am further advised that internal WorkCover research conducted for the period June 2001 to May 2002 showed that young people (that is, those between 15 and 20 years of age) accounted for 7 per cent of workers' compensation claims, which is equal to 14 per cent of the total work force for the same period. More than 70 per cent of injuries are occurring in the first 12 months of their employment. Often young people are not well informed about their rights and entitlements at work. Tragically, each year young workers experience fatal, disabling and disfiguring injuries. These are young people, full of potential, with their whole life in front of them, who lose their future in some cases, their dreams and, sadly, in some instances, their life, through workplace accidents.

We must focus on occupational health and safety education and skills development with young South Australians. To do this successfully, we must integrate occupational health and safety in school curriculum. WorkCover is working collaboratively with the Department of Education and Children's Services to address the important issue of preparing students for work experience and work placement programs. The revised DECS workplace learning guidelines require that students participate in a three to four hour workplace orientation session covering occupational health and safety, equal opportunity and harassment issues before they start work experience or a work placement. WorkCover has produced a range of materials, including web-based programs for use by teachers and students.

In addition, a highly successful Canadian youth program for workplace safety called 'Passport to Safety' will be piloted in 35 schools in South Australia. The pilot will start in July this year and involve 4 000 year 10 students in public and private schools in the city and country areas. This initiative is led by SA Unions, in partnership with Business SA, WorkCover, Workplace Services, the Department of Education and Children's Services, Traineeship and Apprenticeship Services, the Office for Youth, the Minister's Youth Council, the Senior Secondary Assessment Board of South Australia and the Australian Safe Communities Foundation Inc. This multi-partner working group has pooled resources to pilot and evaluate Passport to Safety as a learning and test program in preparing young South Australians for safe work. While the initial focus is on year 10 students, where many young people make the transition from school to work, this government is committed in the longer term to support the integration of occupational health and safety education in schools.

This is also a key component of the National Occupational Health and Safety Strategy's Education and Skills Development Action Plan, where South Australia will take the lead to help our young people become aware of occupational health and safety issues. As members would be aware, the National Occupational Health and Safety Strategy has been agreed to, and supported by, all state and territory governments, the federal government, the Australian Council of Trade Unions, and the Australian Chamber of Commerce and Industry. The protection of our young people in the workplace requires input by the government and the public, private sector organisations and the community working together.

**Ms CICCARELLO:** My second question refers to Budget Paper 3, chapter 5, page 5.2. Can the minister provide the committee with information regarding the impact of workers' compensation claims not being submitted by employers in a timely fashion, and is any work underway to address the issue?

**The Hon. M.J. WRIGHT:** I thank the member for her question. This is an important question because the impact of claims being lodged late by an employer can be significant. The workers' compensation legislation in this state requires that employers submit a claim for compensation to WorkCover within five business days of receiving the claim. Within the workers' compensation field, there is a widely held view that early and intensive intervention is critical to effective injury management, and achieving the best return to work outcomes. Where a claim is not lodged in a timely manner, the opportunity for early and intensive intervention is reduced. I am advised that a wide and persuasive body of research shows that claims lodged late not only harm workers progress in returning to work but, on average, are more costly and more protracted than claims lodged early. This has impacts for the person injured at work, for the employer, and for the broader WorkCover scheme.

One of the key compliance projects currently being conducted by WorkCover is focusing on the late lodgement of claims by employers. The late lodgement of claims has been a persistent issue since the commencement of the scheme. WorkCover has commenced a number of proactive measures to address late lodgement, which has been an issue in the WorkCover scheme for many years. Since the late lodgement project began in 2002, there have been some improvements in lodgement times. A new option for all workers and employers to lodge claims has been put in place. This facility is called Early Claim. Early Claim provides an immediate claim lodgement facility by simply calling WorkCover on 13 1855.

The process is simple and efficient, with trained staff at the end of the telephone available to assist the caller in all aspects of claim lodgement. Early Claim was initially rolled out to almost 25 000 employers, and it has continued to be promoted via the WorkCover web site. The initial promotion of Early Claim was via a mail-out to employers. The 50 employers targeted in the late lodgement project have also received information regarding Early Claim, as have groups of employers targeted by occupational health and safety staff. In addition, I am advised that some agents are marketing Early Claim to their employer clients, and WorkCover's marketing and stakeholder relations unit is looking for further Early Claim promotional opportunities.

Once the claim details are collected, the information is immediately given to the claims agent to start the all important early injury management. This service is fast, convenient and, most critically, avoids the potential claim reporting

delays that can be encountered when using traditional claim lodgement methods. The other proactive measure is a compliance project that has targeted employers who lodge a large number of claims consistently late. A survey is being conducted to find out why these employers consistently lodge claims late.

Part of this process involves education and giving other options for employers, such as the use of the early claim facility to lodge claims over the phone. The approach to late lodgement of claims by employers is a graded compliance approach. This will range from education and assistance to consideration of prosecution for continued non-compliance. Ultimately, the goal is to improve return to work outcomes for all injured workers and for their employers.

**Ms CICCARELLO:** I refer again to Budget Paper 3, page 5.2. In the second half of 2004, WorkCover reported an increase in new workers' compensation claims. Can the minister advise the committee of any actions being taken to address this issue?

**The Hon. M.J. WRIGHT:** There was an increase of 229 new claims since June 2004 to 31 December 2004. In 2003, new claims increased by 60, and in 2004 there was an increase of 126 new claims. The new claims recorded in the second half of 2004 are predominantly in high-risk industries, including construction, labour hire, manufacturing and community services. To help address this issue, WorkCover (in partnership with Workplace Services) implemented the new claims project. It analysed the data and selected the 21 poorest performing employers for a coordinated intervention program.

The objective is to encourage the employers to manage their health and safety risks properly. This will help them to produce the most frequent and costly types of injuries, in particular body stressing, trips and falls and being hit by objects. I am advised that these injuries account for more than half of all workers' compensation claims. I am advised that WorkCover staff are providing practical advice and assistance to the employers to help them understand their legislative responsibilities and to implement effective control measures.

At the same time, Workplace Services occupational health and safety inspectors are providing advice on compliance in anticipation of audits, which will take place in July and August this year. The audits will assess workplace safety and aim to ensure that they have in place policies and procedures in relation to training, reporting of hazards, risk management and consultation. The new claims project is still at an early phase. To date WorkCover staff have completed more than 50 work site visits.

In addition, Workplace Services occupational health and safety inspectors have also made work site visits, and they have issued more than 20 improvement notices to address hazards of immediate concern, including poor machine guarding. This targeted intervention program will assist these employers to improve their occupational health and safety systems. It is very important to ensure that injured workers returning to work do not go back into workplaces that are unsafe where they could be easily reinjured.

Others in the workplace will also benefit from the improved systems for safe work. Reported claims for 2005 appear to be trending down, with 1 150 new claims recorded compared to 1 215 in the same quarter last year. However, the data is relatively immature and subject to short-term variation. It is encouraging to see WorkCover and Workplace Services working together to address issues as they arise; and, at this early stage, it appears that there has been some success

in turning around the safety performance of the employers identified as having an increase in new claims last year.

**The Hon. I.F. EVANS:** In February this year it was reported that Jardine Lloyd Thompson (JLT) had advised WorkCover on the management of some 200 longstanding claims. We understand that only two of these claims have since been settled. Why did the work granted to JLT not go out to tender and, given that contracts to implement or manage programs to assist or encourage workers to return to work are authorised contracts pursuant to section 14 of the WorkCover Corporation Act, why has a regulation not been promulgated and authorised in the JLT contract pursuant to section 14(4) of that act, and what is the impact of the failure to do so?

**The Hon. M.J. WRIGHT:** The claims liability associated with long-term claims—that is, those claims that remain on the scheme for more than three years—account for a significant component of the total claims liability. These claims are often referred to as the 'tail' of the scheme. Action has been taken to establish a long-term claims strategy that utilises existing claims agent resources, WorkCover staff and external expert advice. The strategy has two components: the first targeting a cohort of claims utilising existing claims agents; and the second targeting a cohort of claims utilising WorkCover resources and external expert advice.

The first cohort of the audit of 740 long-term claims comprises claims where the injured worker is medically assessed as having some level of capacity to work but remains in receipt of their full income maintenance entitlement. These claims are identified by WorkCover and assigned to the claims agent for particular attention to see whether closer file management would achieve a return to work opportunity or some reduction in ongoing income maintenance payments.

As part of this strategy, WorkCover has released a pilot program in which it has directly taken over the management of approximately 220 long-term claims. WorkCover has engaged the services of Jardine Lloyd Thompson to advise them about these claims. Jardine Lloyd Thompson has not been appointed as a claims agent and is acting only in an advisory capacity. Claim decisions on the files are taken by WorkCover officers. Jardine Lloyd Thompson has no delegated authority to make decisions on claims. Obviously, improving the management of long-term claims is extremely important, and we are tackling this important issue to deliver better outcomes for injured workers. I highlighted before the critical importance of better claims management: that is clearly the most important area. This is another important area where we must have a better impact on the tail of the scheme.

In regard to a couple of the other points that I think the shadow minister raised, it was a closed tender process. JLT does not make decisions, as I referred to earlier in my answer, so no regulation is required.

**The Hon. I.F. EVANS:** If it was a closed tender, how many tenders were received? How much has JLT been paid? How will its performance be measured and monitored? Is it being paid at the same rate as other claims managers? Can the minister confirm that the average cost of the 220 claims over the past three years is \$1 13 000 per claim per annum? If that is not the case, what is the cost?

**The Hon. M.J. WRIGHT:** There are about half a dozen questions there. I may not have all the information because I think there were probably six or so questions, but I have tried to record as much as I could of what was asked. The

advice I have received is that WorkCover approached three companies. No, the average cost is not \$113 000 per claim, and we will get the exact detail for the member. Some of these claims are much older than three years. I am not sure what else may have been in that question.

**The Hon. I.F. EVANS:** How much is JLT being paid, and how is its performance being measured compared to others?

**The Hon. M.J. WRIGHT:** They are doing a different type of work to what the agents are doing, so it is not relevant to compare them. With regard to their payments, I will take it on notice and get some advice.

**The Hon. I.F. EVANS:** What are the projected increases in the net assets of the WorkCover Corporation for 2004-05, 2005-06, 2006-07 and 2007-08?

**The Hon. M.J. WRIGHT:** I have already provided the shadow minister with the most recent actuarial advice. I will take some advice on what other information can be provided to the shadow minister.

**The Hon. I.F. EVANS:** Last year's papers referred to contingent liability and risks regarding WorkCover, some dating back to before 1987. Why have not this year's budget papers incorporated these risks? What claims are still outstanding from pre-1987 and when will these contingencies be finalised?

**The Hon. M.J. WRIGHT:** Can you refer me to a budget paper?

**The Hon. I.F. EVANS:** Page 7.1, risk statement, Budget Paper 3.

**The Hon. M.J. WRIGHT:** I would have to consult Treasury as to why it is apparently not in the budget papers. I will get back to the shadow minister.

**The Hon. I.F. EVANS:** I take it that you have supplied those figures to Treasury and you are surprised they are not in the budget figures?

**The Hon. M.J. WRIGHT:** I said I will check with Treasury as to how it has been articulated in the budget and get back to the shadow minister.

**The Hon. I.F. EVANS:** Earlier this year the claims manager of Vero announced that it was withdrawing from South Australia's WorkCover scheme. WorkCover announced that employers would not be entitled to shift to one of the three remaining claims agents this year. Does the government agree that Vero employers have the right to choose whatever claims manager remains?

**The Hon. M.J. WRIGHT:** Historically, very low numbers of employers have changed claims agents each year. Given that Vero is leaving the market, it is possible that more employers would seek to move to another agent. It is possible that when new claims agent contracts are determined there may be a significant transfer of files from one claims agent to another. The transfer of files can cause some disruption, so it has been determined that the best interests of employers and employees will be best served by ensuring that there are not two major sets of file transfers over a relatively short period of time.

**The Hon. I.F. EVANS:** What assurance can the government give that workers will not be affected by Vero's decision, and what will be the impact on the claims manager contract tendering process currently on the way?

**The Hon. M.J. WRIGHT:** Obviously, WorkCover is working with Vero to ensure that there are no disruptions. In regard to the second question, the major impact is that Vero is not re-tendering.

**The Hon. I.F. EVANS:** Can the minister assure the committee that no other claims manager is thinking of leaving South Australia?

**The Hon. M.J. WRIGHT:** I certainly have not heard anything and my officers assure me that they have not heard anything. One can never predict what is in the minds of multinational companies but, to the best of our knowledge, that is not the case.

**The Hon. I.F. EVANS:** WorkCover's risks are many and varied. Accident prevention or occupational health and safety is obviously a critical issue and the quarterly report shows the number of new claims. These do not necessarily reflect the nature or severity of the claims. Is there a breakdown of the figures in relation to the cause of these accidents, that is, the breaches of safe systems of work versus employee negligence and, if so, can we have a copy of that for the periods referred to, which are from the March quarter in 2001 to current? Are there projected figures and, if so, can we have a copy of those?

**The Hon. M.J. WRIGHT:** The shadow minister knows that I hold him in very high regard, but this was asked in almost identical form last year and what I said last year was that I confirmed that I am advised there are no figures in relation to breaches of safe systems of work versus employee negligence. I do not have any advice to the contrary of what I said last year.

**Mrs REDMOND:** As a supplementary question, is there any sort of breakdown in relation to the nature of the injuries received? Is there a breakdown as to what is a serious injury and what is basically going to be a very quickly resolved injury?

**The Hon. M.J. WRIGHT:** There is certainly information about the type of injury, whether it be from collision, impact, falls or trips, whatever the various categories are, and we can provide that information to the honourable member and the shadow minister.

**The Hon. I.F. EVANS:** Why has the minister not answered the Hon. Angus Redford's questions of 2 March 2005, 4 May 2005, 14 February 2005 and 15 February 2005?

**The Hon. M.J. WRIGHT:** I will check that. Some of those may well be answered and perhaps have not yet gone through the system. That may or may not be the case. If the senator has not provided the appropriate advice, I will ensure that those answers are provided to the shadow minister. Off the top of my head I do not know what the questions are, and some of them may have been covered during this evening's estimates. I will check on that and undertake to get those replies to the shadow minister as a matter of urgency.

**The CHAIR:** Does the minister have any statement to make in relation to Workplace Services?

**The Hon. M.J. WRIGHT:** Yes. The industrial relations budget program incorporates Workplace Services, public sector work force relations, the Industrial Relations Court, Commission and Worker's Compensation Tribunal and the Office of the Employee Ombudsman. Workplace Services plays a very important role. It has very significant responsibilities in terms of safety, both in the workplace and for the public in general. Many people would appreciate that Workplace Services plays a role under the Occupational Health, Safety and Welfare Act, but Workplace Services also deals with the Explosives Act and the Dangerous Substances Act, to name but a few. Obviously, Workplace Services also plays an important role under the Fair Work Act, and I know that it makes a great contribution to resolving issues and

educating employers and employees about industrial relations issues.

I will also make some brief opening comments in relation to Public Sector Workforce Relations. The main role of Public Sector Workforce Relations is to provide industrial relations and occupational health and injury management services in relation to the South Australia public sector work force. This involves providing work force relations policy and advisory services to government and chief executives of government agencies and statutory authorities, which includes negotiating on behalf of government with unions and employees, Industrial Commission advocacy, promotion of strategic initiatives to foster a public sector safety culture and monitoring worker's compensation performance of public sector agencies. Public Sector Workforce Relations has successfully led negotiations resulting in new enterprise bargaining agreements for many employee groups since this government came to office. The government, through Public Sector Workforce Relations, will continue to work to deliver fair wages and conditions of employment outcomes, as well as improve safety for our public sector employees.

**The Hon. I.F. EVANS:** In subprogram 1.1, Workplace Services, how much of the \$14.888 million is allocated for industrial relations and how much is allocated for occupational health and safety?

**The Hon. M.J. WRIGHT:** In that budget there would be 90 occupational health and safety inspectors and 38 industrial relations inspectors. Workplace Services also does policy work. So, we could get a further breakdown of those details for the shadow minister.

**The Hon. I.F. EVANS:** Does the figure of 38 include the 19 new industrial relations inspectors that was re-announced?

**The Hon. M.J. WRIGHT:** That is correct.

**The Hon. I.F. EVANS:** So, 38 is the total?

**The Hon. M.J. WRIGHT:** The headcount is about 38 or 39. That is the new figure which results from the addition of the 19 new industrial relations inspectors. The head count figures are approximate.

**The Hon. I.F. EVANS:** Madam Chair, you would be pleased to know that I even gave the minister's office some advance notice of questions tonight in the hope of getting some detailed information. That is quite a new initiative. The minister is aware that the commonwealth is taking an interest in state industrial relations matters. If the commonwealth took over 100 per cent of our industrial relations system through the state ceding its powers using the Victorian model, how much of this particular budget (sub-program 1.1) would be saved?

**Mr KOUTSANTONIS:** On a point of order, Madam Chair, the shadow minister is asking a purely hypothetical question. He said: what would happen if.

**The CHAIR:** I did note that it was a hypothetical question. I was about to make that comment to the minister.

**The Hon. I.F. EVANS:** Let me rephrase the question to state: when the commonwealth takes over 100 per cent of the industrial relations system through the state ceding its power. The minister knows what the question is.

**The CHAIR:** I will leave it to the minister to decide whether he wishes to provide any information.

**The Hon. I.F. EVANS:** The whole budget is hypothetical.

**Mr KOUTSANTONIS:** No, it isn't.

**The Hon. I.F. EVANS:** You announced last year that you were going to have 19 inspectors and you didn't do it; you announced it again this year. So, it was hypothetical last year.

*Mr Koutsantonis interjecting:*

**The Hon. I.F. EVANS:** I gave them notice of the questions, Tom. He's come prepared with the answers.

**The Hon. M.J. WRIGHT:** I do not have any detailed answers prepared, but certainly the shadow minister has raised this with us previously and we are doing some work on this. The shadow minister is correct: the commonwealth is taking an interest in industrial relations, but we would rather they did not, to tell you the truth. I welcome and acknowledge the shadow minister's comments that he believes (for different reasons, perhaps) that there should be a dual system. What we do know is that it is not quite as simple as it sounds.

For example, even in Victoria where they did hand over their powers to the commonwealth—we have no intention of doing likewise, I stress—there are other pieces of legislation which hang over despite the fact that Victoria handed over its state awards system. For example, Victoria has retained the power to regulate the following matters: workers compensation, superannuation, occupational health and safety, apprenticeships, long service leave, days to be observed as public holidays, and equal opportunity. So, it is not a simple matter, even if the commonwealth were in a position to have us cede all of our powers to it, which clearly it is not able to do. It may well ultimately be able to pursue, through the Corporations Act, a fair bag of this—somewhere between 80 per cent to 85 per cent, perhaps, although that is obviously still open for debate and argument.

The simple answer is that some work is being done as a result of this question being asked previously by the shadow minister. The early indication I have received from my department is that there would be very little savings if the state retained what it is believed it will be able to retain if, in fact, the commonwealth is successful with its corporations powers. The preliminary advice I have received is that, if there was such a referral—that is, a complete takeover—over time, savings in the order of \$2.5 million could be realised. We still have to do a bit more work on that; this is only preliminary advice. However, as I said, even if we reached a stage where the commonwealth did a complete takeover (as has been the case in Victoria, and we certainly will not be doing as Victoria did and handing over our powers), it is not just a simple matter of saying you have nothing left; there are other pieces of legislation, as is the case in Victoria, for which the state still has responsibilities.

**The Hon. I.F. EVANS:** Has the government carried out an audit of what legislation would be left for this state to manage and, if so, can I be provided with that list? Secondly, has the state done an estimate of what it believes will be the coverage of the work force when the commonwealth uses its corporations powers to take over what it can of the state industrial relations system? There are figures out there of 85 per cent of the work force, I think—I am not sure whether it is work force or businesses. Has the state made any estimate of that?

**The Hon. M.J. WRIGHT:** In the question about the audit was the member referring to giving away the legislation or an audit of—

**The Hon. I.F. EVANS:** No. In the minister's answer he mentioned a list of legislation, which I understood was the remaining legislation in Victoria, which meant that it had to run some form of commission and/or court. I want to know whether anyone has done an audit in South Australia to establish whether, if they do take this office, we still need to provide these services under these acts.



**The Hon. M.J. WRIGHT:** We have not done that audit, because Victoria has handed over the state system, which we have no intention of doing. I referred to that purely as a result of the member's hypothetical question: if Howard took the lot what would you do? We are not contemplating handing over what is left to us (and I will come to that in a minute), therefore, no audit has been carried out. There would be a necessity for an audit only if there was some intention to refer what was left to the commonwealth. We have no intention of doing so.

With regard to some of the other questions, you would be aware that we would be looking at the unincorporated government workers. There is also, of course, some debate about how far the reach of a corporation's power goes. You mentioned 85 per cent before. That certainly has been a figure that has also been talked about. There has also been a lower figure. We do not have a definitive answer at this stage. The corporation's power in South Australia may only reach as far as 65 per cent. We do not have any definitive advice on that at this stage. I think that we really need to see the detail of what the commonwealth comes forward with. They are the two different figures that have been mentioned.

The one that has been commonly mentioned is the figure of 85 per cent, which the honourable member referred to, for what has been contemplated by the commonwealth using the corporations power. We would need to check once we see the detail of the commonwealth legislation to know how far the corporations power would go and what percentage it would ultimately capture. The other thing is that we will not get ultimate certainty until it goes to the High Court. There has been some discussion about that. At this stage, the detail from the commonwealth is still not there, but I think that all the states have certainly expressed an interest (probably more than an interest) in taking this to the High Court.

**The Hon. I.F. EVANS:** Will this state be contributing to a fund to take it to the High Court? Will this state be initiating any High Court action, or will you be joining with other states in initiating a High Court action?

**Mr KOUTSANTONIS:** On a point of order, this is highly hypothetical. It has not even been introduced into the parliament.

**The Hon. I.F. EVANS:** He just said that they are considering the High Court.

**Mr KOUTSANTONIS:** I do not care. This is my point of order.

**The Hon. I.F. EVANS:** The minister just said—

**Mr KOUTSANTONIS:** I do not care what he said. My point of order is that this is completely hypothetical. The member for Davenport is asking the minister: if it passes through federal parliament, that is, it passes with a one seat majority, and then becomes law, will there be legal action to oppose legislation when we do not even know what it looks like? He wants the minister to tell him whether there will be legal action afterwards. I just think it is highly hypothetical.

**The CHAIR:** Thank you, member for West Torrens. I think that the minister has indicated that, although these questions are very unusual and abnormal, he is willing to provide some information for the benefit of the committee. I am sure that the minister notes your points.

**The Hon. M.J. WRIGHT:** Yes. There is still a fair way to go in this debate. What we do not know with any certainty is what precisely is going to be in their legislation. There has been a whole range of speculation, some of which no doubt will be the case. In other areas, it would appear that there have been changes along the way, as is often the case with

this type of thing, and there will probably be subsequent changes perhaps even before it gets to the parliament, and then perhaps, beyond that, further changes. I think that there is a long way to go. There will obviously be discussions between the states. There have been discussions previously; there will continue to be discussions. It is something that, incidentally, I suspect the shadow minister would not be happy with either. I think the commonwealth has cancelled the past two industrial relations meetings with the states, which has been disappointing because on both of those occasions it was expected that discussion about this would occur, and that some detail would unfold.

**The Hon. I.F. EVANS:** It might have lasted longer than COAG. They tell me it was the shortest discussion on record.

**The Hon. M.J. WRIGHT:** In regard to any potential High Court action, we have a very good Solicitor-General and he would represent us in the High Court, and we would be taking advice from him.

**Mrs GERAGHTY:** I refer to Budget Paper 4, Volume 3, page 11.10. Minister, this is an issue in which I am (or was) particularly interested. What action has the government taken to reduce the negative effects and illegal use of fireworks in our community?

**The Hon. M.J. WRIGHT:** I thank the member for Torrens for her question. In this context and in the light of the weekend's events, the pyrotechnics display at Victoria Square, I think it is appropriate that I inform members that Workplace Services was notified of the incident on the night and have commenced their investigation. Whilst we have had a number of successes in relation to the use of fireworks and public safety, this event reminds us why we need to continue to be ever vigilant, and I acknowledge the member's interest in, and ongoing commitment to, this particular issue.

Fireworks displays must be undertaken by a licensed pyrotechnician, and a business must be licensed to legally sell fireworks or organise fireworks displays. The overall number of complaints about fireworks to animal welfare organisations and local councils has been trending down in recent years, particularly in relation to the impact of fireworks on household pets—and as a dog owner I am sure the member for Torrens would welcome that.

**Mrs GERAGHTY:** That is why I presented that big petition to the parliament: to stop the public sale of them.

**The Hon. M.J. WRIGHT:** Precisely, and Fred thanks you! Prior to the stricter controls on the use of fireworks in suburban areas, I am advised that animal welfare organisations reported to Workplace Services that they had received over 1 000 calls relating to lost and distressed animals over the Christmas and New Year period. During the same period in 2004, I am advised that Workplace Services received fewer than 10 complaints. I am also told that the RSPCA reported that over the past three years the number of calls about distressed animals on New Year's Eve has fallen from 130 in 2002-03 to 52 in 2003-04 and 10 for 2004-05. The Local Government Association has reported to Workplace Services that councils have not reported concerns about fireworks.

However, fireworks do remain an issue in terms of their impact on the community. Police are still being required to attend numerous call-outs specifically in relation to fireworks. For the most recent Christmas-New Year period of 23 December 2004 to 5 January 2005, I am advised that statistics provided by SAPOL indicate that there were 184 police call-outs specifically in relation to complaints about fireworks. SAPOL also reported that police issued six expiation notices relating to fireworks for this period. I understand that a

number of prosecutions have occurred in the past 12 months, and that investigations are taking place in relation to possible breaches of fireworks regulations.

I can provide some recent examples of the compliance work that Workplace Services has been doing. On 24 March this year, a licensed pyrotechnician was convicted of failing to ensure that spectators at a fireworks display were at least 40 metres from the ignition point of the display. The court fined him \$600. On 7 April this year a pyrotechnician was found guilty of illegally storing fireworks in a domestic dwelling, keeping prohibited explosives, bringing explosives into South Australia without notification and carrying out repairs on an explosives magazine while it contained explosives. The penalty, including costs, was set at \$5 000.

These prosecutions underscore the fact that, while fireworks are a form of entertainment enjoyed by many South Australians, the products are explosives and are inherently dangerous. Meticulous attention to safety when handling and using fireworks is essential in order to prevent loss of life or serious injury. The danger posed by fireworks means that the government will continue to monitor the community impact of their use, investigate allegations of their misuse and prosecute those who breach fireworks laws.

**Mrs GERAGHTY:** I again refer to Budget Paper 4, Volume 3, page 11.10. Can the minister tell the committee what strategies the government has put in place for public safety and the safety of employees at major events throughout South Australia? Could he also give some examples of where these strategies have been implemented?

**The Hon. M.J. WRIGHT:** Workplace Services has commenced an initiative to increase the level of public safety at major events throughout South Australia. A dedicated unit has been established to coordinate compliance activities at all major events to assist South Australian events organisers to continually improve their capacity to manage health and safety. An event strategy has been developed that involves Workplace Services inspectors working closely with event organisers, SA Police, SA Ambulance, other government departments and private contractors to ensure that the public who attend these events are not placed at risk. Workplace Services inspectors consult with organisers and stakeholders and hold pre-event meetings to ensure that adequate planning has occurred and that event organisers have a detailed management plan to effectively manage all risks for the duration of the event.

Workplace Services inspectors attend major events to ensure that there is compliance with legislation relevant to the event, such as the Occupational Health, Safety and Welfare Act 1986, the Dangerous Substances Act 1979 and the Explosives Act 1936. This on-site presence also enables the inspectorate to respond immediately to any incident or dangerous occurrence. Examples of the events held in 2005 where this strategy was implemented include WOMADelaide, the Big Day Out, Barossa Under the Stars an, the Schutzenfest and Glendi festivals and the Clipsal 500. It is envisaged that this strategy will also be implemented at the Royal Adelaide Show and the Mount Gambier Show. An integral element of the strategy involves Workplace Services representatives meeting with event organisers, societies and committees, such as Barossa Under the Stars and the Royal Agricultural and Horticultural Society, including emergency services major events, to ensure that they have appropriate management plans in place.

Workplace Services inspectors are involved in extensive pre-event planning, which involves mock exercises and the

monitoring of event infrastructure development. During the event, a number of inspectors are rostered to be on site to enable a timely response in attending any incident and to continually monitor work practices. Inspectors also conduct auditing on items of plant, such as amusement structures, cranes and temporary structures, and also monitor the use and storage of fireworks and dangerous substances. At the conclusion of these events, the continued presence of inspectors ensures that the maintenance of safe occupational health and safety practices during the infrastructure dismantling phase is achieved.

**Mrs GERAGHTY:** I refer to the same budget paper. Can the minister explain the outcome of the events and programs that took place during Safe Work Week 2004 and tell us what is planned for 2005?

**The Hon. I.F. EVANS:** In 2004?

**The Hon. M.J. WRIGHT:** I thank the member for her question, and I am delighted that the opposition also shows an interest in the question. The objectives of Safe Work Week 2004 were to provide new solutions and offer information and assistance on eliminating or controlling risks to workplace health and safety. Over 100 sessions in the program of events focused on priority risk and injuries, or occupations where the incidence of injury and/or the number of deaths is particularly high.

Safe Work Week 2004 was a great success. Between 21 and 25 June 2004, approximately 3 900 attendees registered for workshops, conference sessions and events in metropolitan and regional South Australia. I understand that, compared with the previous Safe Work Week, this is an increase of about 22 per cent. I am advised that it was a new experience for about 74 per cent of attendees, as they had previously not attended any Safe Work Week events. I am also advised that 67 per cent of those surveyed indicated that Safe Work Week was likely to influence them to make changes in their workplace and that 82 per cent stated that a specific workshop or event they had attended was likely to influence them to make workplace changes.

This year, Safe Work Week 2005 will go national for the first time. Led by the National Occupational Health and Safety Commission, events will occur simultaneously throughout Australia from 23 to 29 October. In South Australia, we will run Safe Work events for another week and continue the program right through until the Safe Work Awards dinner on 4 November. Another first for this year is the national award categories. There will be three national level award categories for 2005. The categories are best workplace health and safety management system, best solution to an identified health and safety issue and best workplace health and safety practices in small business.

All participating states and territories will include these award categories in their Safe Work Awards. The winner in each category from each jurisdiction will automatically become a finalist of the national awards and their application will be forwarded to the national judging panel to be assessed at a national level. South Australia's other Safe Work Award categories and scholarships are employer of the year, businesses with 20 or more workers, five to nine workers and one to four workers, employee of the year, health and safety representative of the year, best public event safety, best community safety and the Augusta Zadow Scholarships.

**Mrs REDMOND:** I refer to the performance indicators that appear in Budget Paper 4, Volume 3, page 11.13. I want to inquire about these investigations. There is a very neat number of industrial relations investigations that are finalised

and then a small percentage of those 100 are referred for prosecution. Does the minister know, of the 100 that are the estimated result referred for prosecution this year and the 81 that were referred for prosecution in the 2003-04 year, how many of those prosecutions have actually been completed? In those cases, what was the outcome? I do not mean on an individual basis, but what sort of fines and so on did you manage to get?

**The Hon. M.J. WRIGHT:** The information that I have been provided with is that many of those briefs are still making their way through the industrial relations court system. I am advised that, of those 81 matters, a total of 29 matters have been heard and determined; 28 of these resulted in convictions and fines, and one resulted in the imposition of a penalty with no conviction. Three of the 29 matters are currently under appeal, two of which are defendant appeals; the other is an appeal by the prosecution. With respect to the remaining matters, 32 complaints have been made. Of these, 16 are in the court system and 16 are in the current call-over list. The Crown Solicitor's Office has provided advice with respect to a further 11 briefs, and it is anticipated that complaints will be laid with respect to those matters. Advice to the effect that complaints could not be laid was provided by the Crown Solicitor's Office with respect to seven of the 81 briefs. The reasons included the unavailability of the key witness, the difficulty in collecting further evidence and legal advice as to the difficulty of prosecuting matters where there was more than one potential defendant.

Two of the 81 matters, which were the subject of complaints, were withdrawn in court. One of these was the result of obtaining further evidence, which showed that the complaint could not be sustained, and one was a matter in which the defendant had changed from a partnership to a company. In each case a further complaint could not be laid as the time limit had expired, but in the latter case another complaint was laid for the same offence with respect to a different employee.

**Mrs REDMOND:** It seems to me that about 30 of the 81 matters from the 2003-04 year are not accounted for. Is that correct? If it is, would those 30 now be a problem in terms of the timing?

**The Hon. M.J. WRIGHT:** I am not sure. I think I mentioned this; I apologise if I did not. Did I talk about the 32 complaints that have been laid?

**Mrs REDMOND:** A complaint has been laid?

**The Hon. M.J. WRIGHT:** A complaint has been laid within the two years—as long as the complaint is laid within two years.

**Mrs REDMOND:** That stops the problem of being statute barred. We all know the old adage of 'justice delayed is justice denied.' If an investigation was finished and the matter was referred for prosecution in 2003-04, it would seem an inordinately long time, even though the complaint has been laid, to bring on that matter—or any of those matters.

**The Hon. M.J. WRIGHT:** I do not know the details, but it may be that the defence asked for more time to prepare its case. There could be other factors or reasons, but that would be a legitimate proposition that could be put forward by the defence.

**The Hon. I.F. EVANS:** I have a supplementary question in relation to those figures on the same page. I understand that the government has employed 19 more industrial inspectors; so it gives a total of somewhere between 38 and 39 at its full complement. Last year they estimate they did 21 000 inspections. The number of industrial relations

investigations is 1 300. So you have doubled the inspectorate, but the number of investigations finalised is still only 1 300. The number of finalised investigations referred for prosecution is exactly the same as last year. If you got have 19 more inspectors, you have doubled the inspectorate, but you are still targeting only 100 finalised investigations which are referred for prosecution; and you are targeting exactly the same number of industrial relations investigations finalised. I assume that, if you have twice the work force, you would increase the number of industrial relations investigations finalised and increase the number of finalised investigations referred for prosecution. Otherwise why employ another 19 people?

**The Hon. M.J. WRIGHT:** I will refer, first, to prosecutions which includes OH&S and dangerous substances prosecutions. We do not have a performance indicator for IR prosecutions. Regarding the number of industrial relations investigations that have been finalised, the shadow minister made the point about the doubling of the IR inspectorate. Those additional people will obviously need to be trained, and that will take some time. As the member would be aware, it is not all about prosecutions. Obviously, those inspectors will be involved in audits and proactive work, as well as providing information and education. We spend a lot of time educating and assisting stakeholders, and that is a very important part of an inspector's role. A lot of the work of IR inspectors is to achieve agreements between employers and employees about things such as underpayment claims. As I have said, there will need to be considerable training as well as work that will be required under the new legislation.

Having said that, I would expect that, in subsequent years, with those additional 19 people in the system, with their having undertaken the required training and their having gained some experience, that figure would be revised upward. Training normally takes six months, so there is obviously a fair bit of time involved in getting them to the level where they are out there undertaking the range of activities. If the member looks at the bottom of the table, one of the performance indicators is the percentage of industrial relations compliance issues being resolved within three months, and we are certainly well below that target. One of the areas we will be working on to try to get closer to that target is that performance indicator. This is a national benchmark. I am not precisely sure, but it is probably fair to say that all states are experiencing some difficulty and struggle to reach that national target. However, in this area the additional inspectorate will give us an opportunity to try to lift that level and increase the target closer to 80 per cent.

**The Hon. I.F. EVANS:** I want to follow that up, minister. I think the budget papers are misleading—and maybe you can present them in a different way next year. When anyone reads those two lines, the natural assumption is that they follow—the number of industrial relations investigations finalised, and the number of finalised investigations referred to prosecution. So, maybe the number of finalised investigations referred to prosecution needs to be divided into two or three segments. However, I make the point that if you have 19 more inspectors for six months—which is what you are telling us—then they will be fully trained within six months. I assume that all the positions are filled.

**The Hon. M.J. WRIGHT:** They will be. They have not been filled yet.

**The Hon. I.F. EVANS:** Even so, if you have 19 extra people for six months, those figures should change in your targets. They are clearly underestimated in my view. The

question I would like to ask is—and maybe you can take it on notice—what is the average cost including all on-costs of employing an industrial relations inspector and, similarly, an occupational health and safety inspector?

**The Hon. M.J. WRIGHT:** The advice that I have received—and it is the same for both the industrial relations inspectors and also the occupational health and safety inspectors—is that it is approximately \$100 000. That is for both wages and all on-costs. That is an approximate figure, but if there is any variance to that we will provide you with that detail. That includes equipment, car, computer and all of those factors.

**Mrs REDMOND:** I was a little concerned with footnote A, regarding the target now aligned with national benchmark standards. I appreciate that it is aligned with the national standard, but it seems to me, nevertheless, that it is ill-advised to be benchmarking a standard to do with how long someone waits in a queue, rather than how good an answer people get. It would seem to me that how satisfied people are with the response that they get in a telephone call is a far more important indicator of success than whether or not they waited in a queue for two minutes and 50 seconds as opposed to three minutes and 10 seconds.

**The Hon. M.J. WRIGHT:** I thank the member for her question. The three minute period is a national benchmark, as referred to, and it is critical because the advice that I have received is that, if they do not get a response within three minutes, they simply do not wait. That is not to say that what you raised is not important as well, because quite clearly it is. In addition to reducing the queue time, an independent survey commissioned by Workplace Services in 2002-03 demonstrated that the overwhelming majority of clients were highly satisfied with the level of service that they received from the centre. A new survey has recently been conducted and the results are currently being compiled and evaluated. The 2002-03 survey indicated that 89 per cent of clients were satisfied with the service that they received; 6 per cent were unsure; and 5 per cent were dissatisfied.

Of the particular areas surveyed, 89 per cent of respondents said they easily understood the information provided, 90 per cent were confident the information provided was correct, 92 per cent believed that the issues were dealt with in a reasonable time frame, 93 per cent felt that the officer was willing to help and was understanding of their needs, 88 per cent were confident that the officer had sufficient knowledge to assist them with their inquiry, 94 per cent felt that they were treated courteously and 93 per cent were confident that the officer acted impartially.

Preliminary draft results from the current survey indicate a continuation of the trend of client satisfaction. Once we get that finalised, we would be happy to share that with the honourable member and the shadow minister. The service is performing very favourably compared to the reported performance in other jurisdictions in the 2002-03 national benchmarking report. The soon to be released 2003-04 report indicates that this state has consistently performed well against the results of the other states. Regular feedback from clients is encouraged, and resources and training will continue to be directed to areas where any deficiencies are identified.

In 2003-04, the services also dealt with 2 629 written inquiries and attended to 1 132 customers. To date in 2004-05 we have had 1 807 written inquiries, and 800 customers in person have been assisted. I agree with what the honourable member is saying. Certainly, it is important that we do that

quality work. It is benchmarked against the Workplace Relations Ministerial Council guidelines.

**The Hon. I.F. EVANS:** When it meets.

**The Hon. M.J. WRIGHT:** When it meets, which is not very often.

**Mrs GERAGHTY:** I refer to Budget Paper 4, Volume 3. Can the minister update the committee on what progress has been made to date with the three year implementation plan of the Workplace Safety Management Strategy as endorsed by the government for the South Australian public sector?

**The Hon. M.J. WRIGHT:** The government of South Australia, as the employer of over 86 000 South Australians, has a responsibility to set a best practice example in workplace safety management, which will influence and encourage others. In March 2004 the government approved a comprehensive Workplace Safety Management Strategy for 2004 to 2006 for the public sector. The government approved agency performance targets and implementation strategies. The strategy requires the South Australian public sector to embrace and aspire to a zero harm vision for the workplace, where the fundamental principle is that every harmful incident or injury is considered to be preventable.

The strategy also includes a 100 per cent return to work vision. The government is committed to ensuring the success of the strategy. An early review of the implementation plan of the Workplace Safety Management Strategy is currently being undertaken by DAIS Public Sector Workforce Relations in consultation with agencies. The intention of the early review is to assist agencies in their implementation of the strategy. The Workplace Safety Management Strategy requires a commitment from portfolio ministers, chief executives, managers and supervisors to support the achievement of the government's safety vision for the public sector.

There is some indication of the positive effect of this strategy. For the nine-month period July 2004 to March 2005, compared with the same period last financial year, there has been a 4.7 per cent reduction in new claims numbers and an impressive 9 per cent reduction in total expenditure on all claims. The government wants a continuous improvement approach from public sector agencies, and I expect agencies to ensure that safety remains a strong priority for them.

**Mrs GERAGHTY:** I refer to Budget Paper 4, Volume 3, page 11.10. Minister, in part, you may have already answered some of my question, but perhaps you would like to expand on what progress has been made in employing additional industrial relations inspectors.

**The Hon. M.J. WRIGHT:** In late 2004 the government announced funding for 19 additional industrial inspectors. That is to commence early in 2005-06. We are hopeful that they would be in place by the end of July. From memory, I think that there have been something like 144 applications for those positions. So there has certainly been a very strong response to the government's move. This represents approximately a 100 per cent increase on the current number of inspectors. This of course is on top of the 50 per cent increase that we previously announced with regard to the occupational health and safety inspectorate. We believe that in both those areas they probably were, and have been for some time, a little deficient in numbers.

Stillwell Management Consultants are assisting Workplace Services with the recruitment process. The new positions were advertised nationwide on Saturday 23 April and again on Saturday 30 April to ensure the best possible field of candidates. Intending applicants were offered the opportunity to attend information workshops, and the interest

was so great that three workshops had to be provided to cater for the demand. Interviews were conducted over eight days between 27 May and 9 June this year. The selection panel was in the final stages of the selection process and I am advised that the field of applicants is very strong.

Induction training for the successful applicants is scheduled to occur over a period of six months, as I mentioned earlier. Selected existing inspectors from within Workplace Services have undertaken specialised training to enable them to formally provide some aspects of the training to the new inspectors. The training will include both formal, competency-based training and on-the-job training. Inspectors will be expected to deliver a balanced range of industrial relations-related services, from information and assistance through to compliance and enforcement. This increase in the inspectorate is a key part of delivering the government's commitment to a fairer and more equitable industrial relations system for all South Australians.

**Mrs GERAGHTY:** I again refer to Budget Paper 4, Volume 3, page 11.10. What initiatives is the government undertaking to ensure that the construction industry is consulted and kept abreast of legislative changes that may affect the industry?

**The Hon. M.J. WRIGHT:** Workplace Services established the Foundations for Safety SA forum in July 2004 with key construction industry stakeholders. The forum is tripartite, with representatives from employer associations, employee associations and government. It currently has 14 members, and I understand is working very well. Of course, the construction industry is one that we need to take great care with. The forum is held on a quarterly basis and provides an opportunity for industry to be informed of legislative changes and national strategies, such as the recently declared National Construction Standard and the

Asbestos Code of Practice. The forum also facilitates discussion about the impact of these standards on the industry.

Workplace Services is involved in federal and state compliance programs to address high risk hazards. Through the Foundations for Safety SA forum, industry stakeholders can have input into the proposed audits or targeted intervention programs. Any deficiencies identified with audits can also be raised at the forum, and discussion of the evaluation results provides valuable information for future planning. A recent focus of the forum has been on issues such as the role of health and safety representatives on construction sites.

As the member would be aware, they play a vital role in construction sites in ensuring that safety is maintained. Making the health and safety representative system more effective on sites where workers and subcontractors continually change has been a major challenge for the industry. This challenge is currently being addressed by a working party of the forum by identifying practical industry-based approaches that work successfully. This is yet another example of where the government in partnership with industry and stakeholders is striving to deliver better occupational health and safety outcomes for South Australians.

I conclude by thanking all of the stakeholders for their participation. As I said, the forum is tripartite. It has representatives from both employer and employee associations as well as the government. The body is working very well, and everyone is to be acknowledged and congratulated for their ongoing input.

**The CHAIR:** The agreed time for examination of these lines having concluded, I declare the examination completed.

#### ADJOURNMENT

At 8.30 p.m. the committee adjourned until Wednesday 22 June at 11 a.m.