HOUSE OF ASSEMBLY

Thursday 19 October 2006

ESTIMATES COMMITTEE B

Chairman:
Mr T. Koutsantonis

Members:
The Hon. I.F. Evans
The Hon. G.M. Gunn
The Hon. S.W. Key
Mr M. Pengilly
Ms L.A. Simmons
The Hon. P.L. White

The Committee met at 11 a.m.

Offices for Sustainable Social, Environmental and Economic Development, $1 369 000

Witness:
The Hon. J.D. Hill, Minister for Health, Minister for the Southern Suburbs, Minister Assisting the Premier in the Arts.

Departmental Adviser:
Ms Penny Crocker, Director, Office for the Southern Suburbs.

The CHAIR: Estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. The committee will determine an approximate time for consideration of proposed payments to facilitate change of departmental advisers. I ask the minister and the lead speaker for the opposition to indicate whether they have agreed on a timetable for today's proceedings and, if so, could they provide a copy to 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 by no later than Friday 17 November. I propose to allow both the minister and the lead speaker for the opposition to make an opening statement of about 10 minutes each. There will be a flexible approach to giving the call for asking questions, based on about three questions per member, alternating each side. Supplementary questions will be the exception rather than the rule. A member who is not part of the committee may, at the discretion of the chair, ask a question. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced.

Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the assembly *Notice Paper*. There is no formal facility for tabling of documents before the committee. However, documents can be supplied to the chair for distribution to the committee. The incorporation of material into *Hansard* is permitted on the same basis as applies in the house. 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 also advise that, for the purposes of the committee, there will be some freedom allowed for television coverage by allowing a short period of filming from the northern gallery.

I declare the proposed payments open for examination and refer members to the Budget Statement, in particular Appendix C, page C.2, and the Portfolio Statements, Volume 2, pages 5.1 to 5.45. I will allow, if they wish, both the minister and the lead speaker for the opposition to make an opening statement. I confirm that the committee will deal with this line until 11.45. Is that appropriate?

The Hon. I.F. EVANS: It is not appropriate, but it has been agreed.

The Hon. J.D. HILL: We have agreed. I will make a short statement. The government has continued to support the southern suburbs community through a range of economic, environmental and social initiatives. We want to build a sustainable, prosperous and confident south, and the Office for the Southern Suburbs' key role is to work with government agencies and with respective councils (the cities of Marion and Onkaparinga) to maximise outcomes in the south. It is a small agency that brings the whole of government's strategic focus to the region. Its role is not to replace or duplicate those of government agencies—so, for example, major initiatives in transport, health or education continue to be the responsibility of those agencies.

Economic development is a top priority. In the past year the councils have continued to develop an economic diversification blueprint for the region, which is expected to be released early next year. An investment attraction strategy for the region is being undertaken, with $80 000 funding from Invest Australia, along with additional funding from the Office of the Southern Suburbs. Those findings will be incorporated into the blueprint. The office also works closely with DTED and Invest Australia to ensure southern suburbs companies are successfully competitive in securing funding from the Structural Adjustment Fund for South Australia.

In the first funding round, eight southern suburbs companies received a combined total of $17.9 million. In the recent second round a further three companies secured a combined total of $6.16 million. The Regional Export and Information Service has identified export advice and export-ready requirements for more than 70 companies in the region. Targeted market negotiations for a smaller number of export-ready companies are currently under way. The broadband strategy is also under way. The first stage identifying existing coverage has been completed. The second phase of tendering for a service provider that can fill these gaps quickly and cost effectively has been called.

Planning is also a crucial issue, particularly within the fast growing City of Onkaparinga. An analysis of industrial land supply for the region was made in 2005 to help councils verify their land supply needs. This information will assist the development of the metropolitan industrial land strategy. The government has also been working with the City of Onkaparinga and growth management to manage the impact on infrastructure and services in the south. The Office for the Southern Suburbs was also actively involved in the master planning for the new Seaford Meadows development.

Water is a significant issue for the region, particularly for the City of Onkaparinga. In 2005 the office contributed to the cost of an investigation on projects that could better waterproof the region. That investigation developed into a consortium made up of the state government, the council, private enterprise and the tertiary sector. The consortium has

developed an exciting proposal, Waterproofing the South, which will cost $62.6 million to implement. I have been working closely with my colleague the Minister for Environment and Conservation to ensure the federal government is aware of the importance of this project, which is currently before it.

The office is involved in social initiatives in the region also. The three-year anti-graffiti strategy is entering its third year. The strategy, which costs $250 000 annually, has significant results as a result of the excellent partnership with the cities of Marion and Onkaparinga. The City of Onkaparinga has reported a 38 per cent reduction in graffiti and the City of Marion cleaned up 42 kilometres of graffiti last year. The councils have developed strategic partnerships with the utilities and have a great relationship with SAPOL, which resulted in a number of apprehensions and significant reporting of graffiti in the region. The office has also been actively involved in the redevelopment of the Christies Beach West High School site. The Australia Technical College Adelaide South will have its first intake in 2007.

In closing, I thank the Office for the Southern Suburbs for its hard work. Commitment makes a difference in the south. In particular I thank the former director, Andrew Atkinson (who has now moved into the health portfolio), the recently appointed new director, Penny Crocker, and Ms Wendy Brady, who plays an important part as administrative officer within the office.

I take this opportunity to recognise the excellent public service of retiring mayor Ray Gilbert from the City of Onkaparinga. He has made an enormous contribution to the region as a councillor from 1970 and as mayor from 1985. He was also the first mayor of the City of Onkaparinga when Noarlunga, Willunga and Happy Valley councils amalgamated. He was elected to the position in July 1977. I wish Ray and his wife Edith all the very best in their retirement from public life.

The CHAIR: Does the leader wish to make an opening statement?

The Hon. I.F. EVANS: Simply to reinforce the comments the minister made in relation to Ray Gilbert. He has been a good servant of the community over many decades. On behalf of the opposition we wish him well in retirement. Maybe he could talk to my father about retiring from local government. What are the programs the office is the lead agency for and how many FTEs are allocated to each program, and what is the budget for each program it is the lead agency for?

The Hon. J.D. HILL: The main role of the office is one of coordination. It does not lead particular programs as such. It has a funding line of $250 000 a year for graffiti management. You might say it is the lead agency for that program, but the money is pretty well dispersed to all other agencies. It is just a mailbox and coordinates and passes the money on to the cities of Onkaparinga and Marion, SAPOL and a number of community groups. There are two full-time equivalents in the office: Penny Crocker and Wendy Brady, who is the receptionist.

The office has a strategic capacity, so it jumps in when no other agency is capable of being the lead agency. To give an example, in relation to the Christies Beach West campus, there was an interest in the federal government's funded technical college body, the Port Adelaide Training College (PATC), which had been given the money to build a college in the south. They identified the Christies Beach West campus site as a place they were interested in going. That was under the care and control of the education department; the Housing Trust owned land nearby; the council had an interest in some issues there; there was a retirement village going in; and a whole range of complex things were happening involving various government agencies, and it was not happening as smoothly as we wanted. I asked the former director, Andrew Atkinson, to get involved and sort it out. He brought the various parties to the table and helped manage the issues across various government agencies. It is in that area that the office takes prime responsibility, but without being line manager or lead agency in an official sense it is the glue that makes the other bits stick together.

The Hon. I.F. EVANS: You talk of a $700 000 budget, $250 000 of which is spent on graffiti and the remaining $500 000 is basically administration.

The Hon. J.D. HILL: To give a break down of the budget, it is roughly the two salaries, office accommodation and money that goes for the graffiti program that you have mentioned. There is also a small sum of money that is used for various grants, to give the office some flexibility so that it can become engaged in particular things. For example, it is supporting the blueprint proposal by putting a little money into it.

We have contributed $3 600 to master planning with respect to the Christies Beach West site. We have supported the Onkaparinga council, which initiated a community leadership program to build up some community leaders, by putting in $30 000. There were various arts programs worth just over $30 000, and we contributed about $5 500 into Waterproofing the South. A few thousand dollars (I am not sure exactly how much) went into some press advertisements in the *Messenger*, highlighting some of the things that were taking place.

The Hon. I.F. EVANS: The former member for Mawson notes that his photograph was not in the February advert.

The Hon. J.D. HILL: Nor was his opponent's, I might add.

The Hon. I.F. EVANS: The Waterproofing the South project, I assume, is a subset of Waterproofing Adelaide?

The Hon. J.D. HILL: Yes.

The Hon. I.F. EVANS: The minister said that he was going to waterproof the south as part of the Waterproofing the South project. What specific geographic area will be waterproofed? It is a $62.5 million project: how much money is in the state budget towards the Waterproofing the South strategy and project?

The Hon. J.D. HILL: The total budget is about $62.6 million, as I have said. The private sector is putting in roughly $13 million. State agencies have over $100 million in the pipeline—primarily SA Water—for the upgrading of the Christies Beach sewage treatment works. We have also identified, I think, $11.9 million that could specifically be involved in this Waterproofing the South initiative.

The Hon. I.F. EVANS: Which agencies are involved?

The Hon. J.D. HILL: The consortium of key partners charged with the project's direct delivery have drawn up a memorandum of understanding. They are the City of Onkaparinga, the Willunga Basin Water Company, SA Water Corporation, the EPA, the Department of Health, the Adelaide and Mount Lofty Ranges NRM board, the Department of Water, Land and Biodiversity Conservation and Flinders University of South Australia. Apart from that specific money, a large sum of money is also involved in general water infrastructure. About $164.9 million is involved, as I understand it, in the Christies Beach upgrade. So, a large amount of capital will be invested in that. We are

putting all those elements together to go to the commonwealth government and seek a $37.7 million contribution as part of round 2 of the National Water Initiative.

The Onkaparinga council has been leading this. Its intention is to put in a series of pipes and infrastructure to allow watering, using second-class water, of virtually every park and reserve in large parts of its area. We are also working with the council in relation to the Seaford Meadows development which is in my electorate and which is a new development of a couple of thousand houses, from memory. That will also be a part of this project. The developers will have a secondary water supply system to each of the households, so they will manage stormwater on site and then pipe it back, similar to the Mawson Lakes mauve pipe system.

The Hon. S.W. KEY: I refer to Budget Paper 4, Volume 2, page 5.17, Program 3. As a member for the south-western suburbs of Adelaide, I am interested to hear more about the anti-graffiti funding for the last financial year (2005-06) and how effective it has been.

The Hon. J.D. HILL: The graffiti program in the south has been very successful. In 2005-06, the City of Marion received $101 912.28 (I do not know why it was broken down in that way) and the City of Onkaparinga received $117 363.65. Both councils have worked very hard to fight graffiti, and the City of Onkaparinga has reported a 38 per cent reduction in visible graffiti at hot spots and 40 graffiti related apprehensions in the past year. Marion council, as I have already said, has cleaned up 42 kilometres of main roads and responded to 932 reports. The Onkaparinga council has worked with partners, such as utility operators, to share removal resources and improve turnaround times for removal, and also with SAPOL, in regard to apprehensions.

The City of Marion has developed a business education main road blitz program as a volunteer training program and a highly successful graffiti management conference for local government. In addition to working with the councils, the office commissioned Carclew to develop and install murals on graffiti hot spots on the Noarlunga College Theatre and, in the past year, 46 new volunteers have signed up in the Onkaparinga council area. The City of Marion has 40 very active volunteers, who help with the removal of graffiti. I would like to thank all those volunteers for the great work they do and their contribution to the local community.

That has been a sensationally successful program. The leadership really came from the councils, and the government was very pleased to help. By integrating policing with councils and other utilities, such as SA Water, ETSA, and so on (I am not sure whether or not Telstra was involved), and the state government, we have been able to develop a very comprehensive approach to graffiti management, and it is noticeably different. I recommend to members, if they are interested, that they talk to the office or to the Onkaparinga council about the program, because I am sure that it also could work in other areas.

The Hon. I.F. EVANS: Is the economic diversification blueprint different from the economic blueprint that was produced in last year's budget paper, or are we still working on the same thing that we were working on last year?

The Hon. J.D. HILL: We are still working on the same thing as last year. It is the Office for the Southern Suburbs in partnership with Marion and Onkaparinga. The Department for Trade and Economic Development, Flinders University and Invest Australia have worked further to develop a realistic blueprint for the future economic development of the region. The partners identified and workshopped with five target sectors within the region, that is, food, wine and tourism, advanced manufacturing, environmental industries, knowledge innovation industries, and small to medium business enterprises. The draft blueprint has enabled the partnership members to identify and begin to address five priorities to assist economic development and allow work force development to match economic diversification, broadband infrastructure, investment attraction, industrial land supply and transport linkages, which all link into various state plan targets. The Office for the Southern Suburbs will develop and lead two research projects to assist in the realisation of the blueprint and economic and work force database (which will cost about $10 000) and a transport infrastructure need analysis (at a cost of $20 000). These projects will be undertaken in cooperation with the two cities.

The Hon. I.F. EVANS: Just following on from that, the transport needs infrastructure, for instance: I think you announced that the blueprint is going to be available—

The Hon. J.D. HILL: In February; yes.

The Hon. I.F. EVANS: —in February. One assumes that, once it is announced, you will do the transport needs study.

The Hon. J.D. HILL: I am advised that work is being done in tandem.

The Hon. I.F. EVANS: Is there any reason, then, why the office does not contact all the sitting MPs about what they might think about—

The Hon. J.D. HILL: Certainly, my standing instruction for the office is to be collaborative with all levels of government, including all members of the opposition. We are happy to talk to you about this. This particular transport analysis has yet to start, but that is part of the works program.

The Hon. I.F. EVANS: When do you think those projects under the economic diversification blueprint will be completed?

The Hon. J.D. HILL: I am advised they will be done this financial year, but we are happy to brief you.

The Hon. I.F. EVANS: So, you will be starting a transport needs analysis in February and will have it finished by June?

The Hon. J.D. HILL: It will not be started in February; it will be started before that, as I understand it. It will be overlapping with the more general project. I am advised that the main project we are working on is an investment attraction project, and that is really in collaboration with the commonwealth government, through the Invest—

The Hon. I.F. EVANS: In relation to the broadband project, my electorate takes in half of Flagstaff Hill, which I understand is covered by the Office for the Southern Suburbs. That section is in the City of Onkaparinga, so I assume that is covered by the Office of the South. My understanding from Telstra is that, with the 3G announcement, 98 per cent of South Australia's population is going to have broadband coverage within 12 months. I am just wondering what the broadband project is that the office is working on.

The Hon. J.D. HILL: The member raises a very good question.

The Hon. I.F. EVANS: I assume the office has spoken to Telstra.

The Hon. J.D. HILL: I will get a more detailed report for you, but the announcement by Telstra just recently creates a different kind of dynamic, doesn't it—a different sort of technological platform on which to manage some of these IT issues? I am sure we will take into account any technological changes that come into play. It is always a difficulty for any

level of government or even business when you are planning technological changes in your organisation, that is, how much do you take into account the changing platforms when you make decisions about investment? I am happy to get a further report for you.

The Hon. I.F. EVANS: What is the office's understanding of what the Telstra announcement will do?

The CHAIR: Order! The member will ask questions of the minister, not of his adviser.

The Hon. I.F. EVANS: I am asking the minister.

The Hon. J.D. HILL: As I have said, I am happy to get a more detailed response to the considered—

The Hon. I.F. EVANS: When did the office last speak to Telstra about it?

The Hon. J.D. HILL: This is being led by the Onkaparinga council. As I understand it, the office has not directly spoken to Telstra, but it is part of the reference group. As I have said, I am happy to get a detailed response for the member.

The Hon. I.F. EVANS: In relation to industrial land, my understanding is that the draft metropolitan Adelaide industrial land strategy indicates that of the 255 hectares of development-ready land in the metropolitan area only 30 hectares are available in the southern area, and the local councils have expressed concern that there is only about five years' industrial land bank remaining in southern Adelaide. I am just wondering in which suburbs the government is looking to establish more industrial land in southern Adelaide now that the Mobil land is not available until 2019.

The Hon. J.D. HILL: I am not sure that you can make the claim that the Mobil land will not be available until 2019. As I understand it, the decision in relation to Mobil means that Mobil has until the middle of 2009 before it has to either re-establish itself as a refinery or quit. If Mobil were to quit in 2009, I believe a substantial amount of that land would be available almost immediately. It will take them time to clean up a section of the site, but that is only a relatively small section of the site. There is a lot of land adjacent to the part that is used for refining purposes that I believe could become available much more quickly than the period of time the member refers to.

In relation to the general question, the office commissioned a southern suburbs industrial land capability and suitability study in May 2005. The study identified a lack of readily accessible and suitable land to accommodate future industrial growth in the southern Adelaide region. It also identified that industrial land in Seaford, Aldinga, Hackham, Clovelly Park and Edwardstown continued to be threatened by ongoing residential encroachment, and that is often a major issue. It is really not so much a supply issue as a planning issue which then limits what you can do on the land that is available. The study recognised that the southern economy needs to strategically diversify away from the traditional forms of industrial development. The draft southern region economic diversification blueprint is seeking to address this issue. The draft metropolitan Adelaide industrial lands strategy was released for consultation in March 2006. Submissions have closed, and Planning SA is currently finalising the strategy.

This strategy sets out a policy framework to meet industry's short and long-term needs and reinforces that large industrial operations are gravitating to northern Adelaide, as the southern suburbs have a restrictive supply of development-ready industrial land. Obviously, the study identifies Port Stanvac as a strategically important industrial site. Lonsdale Development has purchased, in addition, the Mitsubishi Lonsdale site and will launch it as Southlink Industrial Park this month, I gather. It will be marketed as a high quality industrial park operating as four discrete precincts. This site represents the bulk of short-term industrial land supply in the region.

I do not know whether the member is aware of the work that is going on there at the former Mitsubishi site, but a very progressive and entrepreneurial group of individuals and companies has taken on that role and will, I think, create a very good industrial park. We are lucky to have had that land made available. I think it is recognised that there is a shortage of suitable industrial land.

The Hon. I.F. EVANS: The office is involved in work force planning. Can you give us an indication of what work force planning is being done and the budget for that?

The Hon. J.D. HILL: I understand the University of Adelaide will be doing the work. DFEEST is funding $60 000 and the council is funding $20 000. This is an example of a collaborative working arrangement between the council and us, targeting the industries that we recognise in the blueprint. I guess this is an example of how the office works: it is not there to do the work, but to try to make the connections to allow the work to happen.

The Hon. I.F. EVANS: Can you give me an idea of what work force planning it is doing for which industries?

The Hon. J.D. HILL: As I say, the tender has just been let, but I am happy to get a briefing for the member on the DFEEST—

The Hon. I.F. EVANS: In your economic blueprint, which industries—

The Hon. J.D. HILL: The ones I referred to before. I am sorry. I mentioned five areas before: food, wine—just let me find the notes. I did actually read it out to the committee a little while ago.

The Hon. I.F. EVANS: Okay, I have those five. They are on the *Hansard* record. What do you mean by 'work force planning'?

The Hon. J.D. HILL: To ensure that there are people with the appropriate skills to supply labour to those areas as they grow.

The Hon. I.F. EVANS: That would be no different from what Paul Caica's agency is doing in its skills programs, would it not? It targets industries on a statewide basis, and you are spending $20 000 or $30 000 to produce a document. How is that any different?

The Hon. J.D. HILL: It is actually DFEEST that is doing it as the major funder. We are doing it in collaboration with the Department of Further Education, Employment, Science and Technology. They obviously have their big strategic plans and they are working collaboratively with the City of Onkaparinga, through the university, to do the detailed work that is required in the southern suburbs. It is completely compatible with what minister Caica's department is doing.

The Hon. I.F. EVANS: The office runs a leadership development program. What is the budget for it? I think you said it was $30 000, as I recall. How many people are actually funded? How many people go through the program each year?

The Hon. J.D. HILL: This is something we sponsor. The city manager of Onkaparinga put to me that he believed there was a need to create some leadership in the southern suburbs; not through the traditional role of being a member of local council, but by supporting people from business and community to develop. He and I have been talking about it

in relation to other parts of the state where leading citizens have been strong advocates for their communities. For example, one can think of Peter Lehmann in the Barossa Valley, and others around the place.

We thought it would be useful to try to develop people already in the community and give them the skills and the confidence—and the inspiration, I guess—to take on some of those roles. I understand there will be 20 to 25 commencing in November this year. This is the most recent one. We are responsible for it, but the Onkaparinga council runs it.

The Hon. I.F. EVANS: What does it involve?

The Hon. J.D. HILL: I can get you a detailed briefing from the council on that.

The Hon. I.F. EVANS: Does your office know what it involves?

The Hon. J.D. HILL: As I said, I will get you a briefing on it.

The Hon. I.F. EVANS: Is it a one-hour program; is it a one-day program; is it a weekend seminar; is it an hour's lecture; is it media training? What is it?

The Hon. J.D. HILL: It is a whole range of things. Rather than invent an explanation on the spot for the member, I will get him a detailed briefing. We are not responsible for running it. We think it is a good idea and we give some funding to the Onkaparinga council to implement it. It is an extended series of activities involving a selected group of people who nominate themselves and then are chosen. They are people who demonstrate leadership capacity in a variety of fields and then, with trained people, are taken through a series of processes to help give them extra skills which will be useful to not only them as individuals but the general community. I do not have the program details in front of me. It is not a secret, I just do not happen to have them in front of me, but I am happy to provide them to the member for his—

The Hon. I.F. EVANS: I just thought with half the office staff there, one of them might know.

The Hon. J.D. HILL: The difficulty about being the minister for the Office for the Southern Suburbs is that everything that happens in the south is your responsibility. I point out that there are only two people there doing a broad range of things. We give grants to various organisations to do things, but the micromanagement of that is not their job.

The Hon. I.F. EVANS: What role does the office have with the Mobil site and when will the remediation start?

The Hon. J.D. HILL: The office has not had any role with the site. As a minister I have been kept in the loop—especially when I was the environment and conservation minister, because the remediation aspects of the site were of great interest to me—and also as the local member. However, the office has not had a particular role with the site; it has been run through the Department of the Premier and Cabinet, and the Treasurer, particularly, has had the lead on it.

The Hon. I.F. EVANS: As Minister for the Southern Suburbs do you know when the remediation—

The Hon. J.D. HILL: Yes; I can give you details, if that is your question. I understand that the agreed remediation program for the site for the next three years will focus on the following areas: remediation of the foreshore and the wharf area; assessment of any impacts on ground water; recommissioning of an existing bioremediation system at the site for the remediation of affected soil, etc.; and research into appropriate methods for the treatment of soils and degradation factors to use as a basis for predicting a more accurate clean-up rate for the entire site.

Initial steps in the program have commenced and the full program will be in place by the end of this year. Mobil will provide a progress report each six months to an independent environmental auditor appointed for the site and also to the EPA on all research and remediation activities. The South Australian-based Cooperative Research Centre for Containment, Assessment and Remediation of the Environment (CRC CARE) will work in partnership with Exxon Mobil's remediation consultants, the independent environmental auditor appointed for the site, and personnel from Flinders Bioremediation to undertake the remediation program.

The aim of the agreed program is to commence remediation on the site whilst not impacting on the potential restart of refinery operations and to undertake investigations and research that will assist clean-up of the entire site in the event that Mobil decides not to re-open the refinery. This is a very good scheme because not only does it mean that the remediation of the site can commence immediately, and would then be able to accelerate once a decision is made to close down the refinery permanently, but also it creates an interesting partnership between Mobil and both Flinders University and the CRC.

The potential is there to create economic activity around the bioremediation enterprise. There is a model that we looked at in Britain on the BP site (I think, from memory) where a similar need was felt, and a whole range of companies started working on that site trying to perfect methods to bioremediate an oil refinery site. Of course, if you can work out how to do that in a cheap and effective way then you are creating intellectual capital which can then be sold or licensed to other refineries. As members would know, there are probably many refineries across the planet which will eventually need remediation. As refineries become bigger to maximise their throughput smaller refineries all over the place will need to close, and cleaning up those sites will be very expensive. If we can help to develop methods to do that more efficiently and cheaply that will be a good win for us not only environmentally but also economically.

The Hon. I.F. EVANS: I refer to Budget Paper 4, Volume 2, page 5.8, regarding the Office for the Southern Suburbs. What is the incubator feasibility study listed in the 2006-07 targets, and how does it differ from the 2004 green incubator study?

The Hon. J.D. HILL: The initial idea for this incubator was to establish some sort of green incubator which would be, I guess, an environmentally friendly building that attempted to attract environmentally friendly business activity. The thinking is now moving towards a more general presence at Science Park and perhaps other sites as well; however, we need to do more work in that area.

The Hon. I.F. EVANS: My last question refers to Budget Paper 4, Volume 2, page 5.18. Will the minister provide the committee with details regarding the strategies that were developed as part of the Clever Communities project and advise how much funding has been allocated to the project in the budget?

The Hon. J.D. HILL: The Clever Communities project has been rolled into the Southern Innovation and Community Action Networks (ICANs) which target 12 to 19-year olds who are at risk of disengaging with school and helps to provide them with pathways to employment and further education. ICANs are an initiative of the South Australian Youth Engagement Strategy and School Retention Action Plan, and the Social Inclusion Board has given the Department of Education and Children's Services overall responsi-

bility for the ICAN initiative. I understand a funding pool of $300 000 is available for the coming financial year, so money has been put in through the Social Inclusion Board to fund a variety of programs for working with kids who have been identified as likely to drop out of school. I remember talking to someone who said that they were working extremely well in keeping kids in the school system who otherwise would have dropped out.

The CHAIR: Are there any further questions?

The Hon. I.F. EVANS: Minister, next year 15 to 20 minutes would be ample for that line. It is an important line but, at the end of the day, it is only $600 000.

The Hon. J.D. HILL: I am happy to shorten it. Under previous arrangements, Southern Suburbs was the last thing that was done and one can keep it going for as long as one likes. I thank the honourable member for his suggestion.

The CHAIR: There being no further questions, I declare the examination of the vote completed.

Department of Health, $1 638 252 000
Administered Items for the Department of Health, $278 000

Additional Departmental Advisers:

Dr A. Sherbon, Chief Executive, Department of Health.

Mr D. Exton, Director, Asset Services, Department of Health.

Mr C. Bernardi, Deputy Director, Financial Services, Department of Health.

Ms M. Russell, Manager, Parliamentary Executive, Department of Health.

Membership:

Ms Chapman substituted for Mr Evans.

The CHAIR: I declare the proposed payments open for examination and refer members to the Budget Statement, in particular Appendix C, page C.2 and the Portfolio Statements, Volume 2, pages 7.1 to 7.89. I confirm that the committee will proceed until 1 p.m. We will have a lunch break from 1 p.m. to 2 p.m. The committee will then sit until 4.15 p.m. Is that agreeable?

The Hon. J.D. HILL: Yes, Mr Chairman.

The CHAIR: Is that agreeable to the opposition?

Ms CHAPMAN: It is noted, thank you. We do not get a choice.

The CHAIR: I now call on the minister to make a statement if he wishes. Also, if she wishes, I will call on the Deputy Leader of the Opposition to make a statement. We will then proceed straight to questions.

The Hon. J.D. HILL: The government is committed to improving the health care of South Australians. Our state has a very good health care system, and we are working to make it a great health care system. The 2006-07 budget delivers the single largest health spending on record—an extra $640 million over the next four years. The total operating expenditure in 2006-07 is estimated to be $3.057 billion. Total health spending of $13.5 billion over the next four years will meet extra demand in our emergency departments, improve infrastructure and fund up to 16 000 extra elective operations.

The government is investing heavily in better primary health care through GP Plus Health Care centres. The future health system will focus on keeping South Australians healthy by promoting wellbeing and detecting illness early. I turn now to a number of significant developments. Funds will go to our hospitals for up to 16 000 extra elective operations. A four-year elective surgery strategy has a budget of $38 million. Along with funding the extra elective surgery, the redesigning care model will be introduced to improve the management of elective surgery booking lists.

The extra money for elective surgery is the first time additional money has been provided over four years as part of a planned strategy and not just as one-off grants. The government has unveiled a plan to reduce pressure on hospitals by building strong and effective networks across hospitals and general practice with primary health care centres. The GP Plus Health Care centres are being built at Aldinga, Marion and Elizabeth at a cost of $42.5 million over the next four years. The centres will relieve pressure on teaching in emergency hospitals by operating seven days a week. This is in addition to the centre under construction at Woodville.

The GP Plus Health Care centres give communities access to a broader range of primary health care services closer to home. This can include diagnostic services, allied health and chronic disease management services, as well as GPs. Also linked to GP Plus centres is a team of 50 practice nurses who will be recruited to work in GP clinics (particularly in areas of GP shortages) at a cost of $7.9 million. The 50 practice nurses will focus on prevention, early intervention and health promotion and assist general practice by writing care plans for clients with chronic disease, including heart, stroke, diabetes and cancer conditions.

Primary health care will detect illness to ensure that South Australians have healthier lives not just longer lives. Recruiting and retaining health care staff is a top priority. We have recruited more doctors and more nurses despite a national shortage of medical professionals. The government will spend $14.4 million to employ extra emergency doctors to manage increasing demands in all metropolitan and emergency departments at the Royal Adelaide Hospital, the Queen Elizabeth Hospital, the Lyell McEwin Hospital, the Women's and Children's Hospital, the Flinders Medical Centre, Noarlunga Health Services and Modbury Hospital.

Additional hospital surgical and non-surgical trainees and specialists will be employed in areas of high demand. The $11.6 million funding will build a strong medical work force and specialty areas, including paediatrics, pathology and adult rehabilitation. We are modernising our health system by rebuilding our hospitals. The Flinders Medical Centre will be redeveloped under a $145 million commitment; and $88 million has been allocated for the first stages over the four years of the budget estimates to fund the expansion and redesign of areas, including operating theatres and emergency and intensive care units.

The total capital works budget for 2006-07 is $129.5 million. I take this opportunity to correct an earlier statement I made to the house on advice that the capital works figure was $138.7 million. The budget includes additional capital works funding for the Lyell McEwin Hospital, taking the stage B project to a total of $43.5 million. This redevelopment includes an expanded emergency department and 50 mental health beds; 15 mental health beds will remain at the Glenside campus. An extra $20.8 million over four years for special medical equipment would ensure that doctors and

nurses have the latest technology to deliver the best patient care.

A new ambulance station at McLaren Vale will operate 24 hours a day, 7 days a week to ensure quicker response times in what is a growing urban area. It will cost $4.8 million over four years, and construction is planned to start in January of next year. Modbury Hospital returned to the public health system and formed part of the Central Northern Adelaide Health Service, and an extra $17.5 million will go to operate Modbury as a public hospital. An extra 7 000 clients each year will receive dental care with increased funding of $12.9 million to the SA Dental Service. Over four years, the increased funds will reduce restorative dentistry waiting lists by 10 months.

Promoting healthy food and physical activity is another part of the government's commitment to health and wellbeing and preventing chronic disease. Junk food will be banned in schools starting from next year, and a nutritionist in the Department of Health will provide advice to schools. The Premier's Be Active Challenge will be introduced for all reception to year 9 students in South Australia. In association with the AMA, an education program for high schools will be conducted by general practitioners and medical students from Flinders University and the University of Adelaide. The network of Early Childhood Development centres will be expanded from 10 to 20 and offer health services, including immunisation and health checks, speech pathology and health promotion. The successful Every Chance for Every Child program will be extended so families with newborns who need more support will receive extra visits from a child health nurse.

We are working with rural communities to build an effective, accountable and equitable country health system under governance reforms. We hope to reduce the administrative and management burdens on local communities with a new governance structure. The formation of a single country regional health service has already delivered closer and clearer lines of communication with local health services. The government will also spend $1.5 million expanding the Port Augusta renal unit.

The government is working to build a sustainable health system. Over four years, efficiencies of $82.3 million will be made within the health portfolio. This money will be redirected into front line health services. Savings will be made in head office administration and operational savings through changes to administrative arrangements in metropolitan and country health services. The government is impressed by the commitment hospital and health centre staff and medical professions demonstrate to improve health care for South Australians, and respects the work they do. I particularly pay tribute to all of the professionals and administrative staff that I have had dealings with in the just under 12 months that I have been Minister for Health. I want to thank them for the advice and support they have given me in this job, and I am in awe of the work that they do on an ongoing basis in our hospitals. It is very hard work and they do it with great diligence.

The government has a vision to build a modern, effective health care network to meet future demand, to improve the wellbeing of the community by prevention of illness and promotion of better health, to recruit more doctors, specialists, nurses and allied health staff, and to reform the governance system to be more accountable. Leading the department through this vision is our new Chief Executive, Dr Tony Sherbon, who has joined us from the ACT health service, and I am very pleased that Tony has joined us. In the couple of months he has been here he has made a real difference to the health system in South Australia, and I look forward to working with him in what will be a very exciting time in health in South Australia. I also take this opportunity to again thank the former chief executive in health, Jim Birch, an outstanding health leader who worked in public service for three decades, most of that in the health service, and I wish him all the very best for his new career.

Ms CHAPMAN: I take the opportunity to make a brief opening statement today and indicate, upon doing so, that there is a question from yesterday's estimates that has been referred by the Treasurer, so I propose to ask that initially. I indicate also that there is a number of omnibus questions which we will ask the minister. I open by thanking the minister for outlining his position in relation to the budget for 2006-07 and forward estimates until 2010. I place on the record confirmation of my personal welcome to Dr Tony Sherbon to South Australia and his position as Director of the Department of Health. Clearly, it is going to be an enormous task, and he has considerable shoes to fill after Mr Jim Birch's contribution, not just to the Department of Health but also to public service in South Australia.

The minister has announced a $3 billion contribution to health in this year's budget of over $11 million with the words that this is the largest contribution to health ever in history, and that is nothing new. Last year I think it was $2.9 billion, before that it was $2.8 billion, and every year it is more than in history. Given that the government is the highest taxing government in the country, of course it is not surprising that it is the highest spending government because, with more revenue, there is more spending. Regrettably, this budget overall is a disappointment in regard to current expenditure, with no real preparation for the future.

In health alone, there is a huge requirement to cover election commitments, many of which have been excellent announcements. They include the nurses' enterprise bargaining agreement and salaried medical officers' enterprise bargaining agreement (and there are a number) and the absorption of those, and the extra 240 net increase in the work force proposed under this budget in the existing year. Clearly, we are going to need more money and, sadly, most of this is soaked up in relation to this funding.

What is most alarming out of the claim of this being the largest contribution to health in South Australia's history is that South Australia, according to the June state report, is still the worst performing state in emergency department waiting time and elective surgery waiting lists. That focuses on what can only be gross financial mismanagement if we are continuing to spend the same amount of money plus the extra provision for an existing service, yet continuing to perform so poorly nationally. That is of great concern, because there are a series of challenges ahead of us.

I also place on the record my concern that, notwithstanding the announcements by the Treasurer shortly after the state election that it would be necessary to delay the budget because it was his intention that the government would make a greater contribution to health over and above the existing services and over and above the election commitments, we found that that was absent when the budget was finally delivered. That promise of extra—the excuse for the delay for the budget to be delivered in September this year—completely evaporated. There was no justification for that delay, and all we found at the end was that for health there was a reduced provision for capital works overall, and the

cancellation entirely of the call centre's $8 million and a delay of significant capital works proposed developments and others.

This budget will be remembered for three things: first, its abandonment of country people, who comprise a third of South Australia's population. As we heard from Mr Kennett on radio this morning, every four days a farmer is suiciding or attempting suicide, yet the lack of provision in this budget for country people is absolutely mind blowing. Here we are facing the worst drought this state has ever experienced. It reaches across into other neighbouring states, yet we find little provision for country South Australia. Only $1 million of the $131 million capital works budget is to be spent on 10 renal chairs in Port Augusta. I do not consider that that should be in the capital works budget; it should be a provision of service. It is scandalous to think that effectively there is no benefit for country people.

The tragedy is that, when we look at this issue, some $250 million spent in operating our metropolitan public hospitals is spent on country people coming to use the public hospitals in South Australia in the metropolitan area. The consequences of that are just what we see: blown out elective surgery lists and scandalously long waiting times in the emergency department, and that is exacerbated by this short sighted approach in not properly recognising our country colleagues. To highlight this, with the announcement of the GP Plus centres, which we have publicly indicated are a good initiative, none of those proposed in the next four years are in country South Australia. Of the 10 we are only getting three and none are in country South Australia.

The second thing this budget will be remembered for is the government's continued obsession with restructuring and rationalisation. We have seen a work force in the Public Service generally out of control, and that has precipitated the Treasurer's announcement that there needed to be significant cost efficiencies, and health has been no exception. That has been severely attacked and we will explore during estimates the $82 million cuts. The work force issue is out of control and we need to know from the minister why he will continue to spend time on restructuring and rationalisation when that should have been dealt with four years ago and not at a time when the situation is out of control.

Another staggering aspect of this is that it does not leave room for important issues that we face. The minister and I are both baby boomers. We will be in the aged care category that Ivan Deverson spoke of this morning. We will be among the 7 million people who will need aged care before we die, currently 2 million people across Australia, which is what he has described as the economic tsunami of this year. He identified it as a major problem, yet we have not made adequate provision in this budget for future needs. By 2010, some of the baby boomer generation might be pleased to know, we start to die. That does not relieve us for another two decades of a serious influx of people into the aged care facilities, and each of us will be among them. There are probably few in this room who would escape that category. Be alert to the fact that there is no real provision in this budget for that tsunami that is about to hit.

The third aspect of this budget for which it will be remembered is what I call the ideological zealotry of this government in insisting on buying back the Modbury Hospital at a cost to taxpayers, admitted already, of $17.5 million over the next four years (effectively over the next three years to 2010, because no provision has been made for the current 2006-07 year in relation to that $17.5 million). This government is prepared to spend that sort of money to bring back nurses from Healthscope's employment to the public sector with a view to, as they described it, 'de-privatising' the public hospital service. We will question the government in relation to some of these matters on the expense of relieving Healthscope of its legal obligation until 2010, and spending this sort of money when people are on waiting lists for elective surgery and waiting unreasonable and unacceptable times in emergency departments and on domiciliary care lists for equipment they need for reasonable, independent, dignified living.

It is scandalous that this government should continue to spend and propose to spend an outrageous amount of money that is already provided for in the delivery of service under a contract and for which there is a five-year option thereafter. That is what this budget will be remembered for. Sadly, those things are negative, because there are aspects in relation to policy development in initiatives announced by the government during the election, some of which have been announced by us as well, which are good initiatives and which, sadly, will be delivered over the next decade rather than the lifetime of the forward estimates of this budget.

The CHAIR: Are there any questions?

Ms CHAPMAN: Yesterday the Treasurer referred to the health estimates a question asked of him, and I will repeat that question now to the minister.

The CHAIR: Can I see a copy of that, to verify whether it is appropriate?

Ms CHAPMAN: Mr Chairman, I am happy to provide you with a copy of the transcript in relation to the question, and I will read it for the benefit of the whole committee. On 21 September 2006 on ABC Radio the Treasurer said:

> Well, there's been no blow-outs on the Queen Elizabeth Hospital. We've had scope changes and we've put more services in and we've reconfigured the hospital.

I refer the minister to Budget Paper 5, page 33. In the 2002-03 budget (Budget Paper 5, page 24), the estimate was that stages 2 and 3 would be built for $41.6 million. In the 2003-04 budget, the estimate was that stages 2 and 3 would be built for $60 million. In 2004-05, 2005-06 and 2006-07, budget estimates were that stage 2 would be built for $120 million. On 19 October 2005, the Public Works Committee was advised that stage 3 was estimated to be $197 million, giving a total of $317 million for stages 2 and 3. Does the minister stand by the Treasurer's statements that there have been no blow-outs with respect to the Queen Elizabeth Hospital, and will the minister detail the cost of all scope, service and reconfiguration changes that have increased the cost from $41.6 million to $317 million?

The Hon. J.D. HILL: This issue was raised and addressed on many occasions during the last parliament, as I recall. The government is committed to the redevelopment of the QEH. The forward estimates show (if one turns to page 33 of the Capital Investment Statement) that the completion date for the QEH is July 2011, with the construction of a new ward and ambulatory facilities linking to the new in-patient accommodation provided in stage 1. The project also includes construction of a new research building, a multi-level car park and redevelopment of the maternity building for administration and teaching. The total estimated cost is $120 million in this budget. I refer the member to the answers that have been provided in the past. The QEH is on track. We are proud of what we are doing. We compare what we have achieved to the multiple reannouncements in relation to capital works at the QEH that occurred during the term of

the former government and the former minister for health (Hon. Dean Brown).

Ms CHAPMAN: Is the $197 million still the latest estimate for the cost of stage 3?

The Hon. J.D. HILL: Stage 3 is not in the budget. We are talking about stage 2, which is due for completion by 2011, as I have indicated.

Ms CHAPMAN: I refer to Budget Paper 3, pages 2.20 and 2.21. The Treasurer announced that the management responsibility for the Modbury Hospital will be returned to the public sector and that additional resources are being provided for the transition. This follows the Premier's announcement during the 2006 election campaign. Additional resources are: no moneys in 2006-07; $7.809 million in 2007-08; $4.745 million in 2008-09; and $4.919 million in 2009-10. Is it correct that no provision has been made in 2006-07 on the basis that Healthscope will continue management until 30 June 2007, and what payment will be made to Healthscope in the 2006-07 year for its management fee?

The Hon. J.D. HILL: Let me give a general explanation to the member before coming specifically to her questions. In March 2006 the Premier announced, as part of the government's election campaign commitments, the intention to return Modbury Hospital to the public system. As I seem to recall, that went down pretty well with the electors, who supported our doing that. The benefits of returning Modbury Hospital to the public health system are many, but they include: greater integration of health services to enable Central Northern Adelaide Health Service to better service the needs of the community; incorporating public sector quality and safety initiatives at Modbury Hospital; improving functionality and access at Modbury Hospital to clinical and administrative information system networks used by the public health system; and increasing staff mix in line with other metropolitan public hospitals.

I am advised that the Department of Health and Healthscope have agreed in principle to the termination of the current management agreement. Negotiations between Healthscope and the department are in accordance with established common principles, with the objective of minimising costs and achieving a smooth transition of the management of the hospital to the public system. It is anticipated that termination of the current management agreement will be finalised prior to 31 December this year, with transfer of the direct management of the hospital to occur no later than 1 July 2007. As I understand it, that timing suits both parties, in the sense that it is the end of the financial year.

Future management arrangements for the hospital are being planned by the Central Northern Adelaide Health Service, including staff recruitment. Consultation information sessions are occurring with the relevant union representatives and Healthscope employees. The department has undertaken an extensive due diligence process on the assets and biomedical equipment of Modbury Hospital as part of the negotiation position with Healthscope, and there are no inherent asset issues affecting negotiations. A report on the information systems is 95 per cent complete.

Budget implications for the termination of the management agreement and subsequent transfer of the hospital management have been costed into the 2007-08 financial year. Some $17.5 million has been allocated over three years, commencing in 2007-08, to support the transfer, including additional recurrent funding, to meet the increased costs of running Modbury within the public sector (about $14.3 million over three years), and funding for one-off costs in 2007-08 associated with the initial transfer (about $3.2 million) for increases to stock holding, employee transition costs and a contingency for reasonable costs on termination of the contract with Healthscope, if required.

The terms of settlement with Healthscope are subject to commercial negotiations, which are not yet finalised. The future operational costs of managing Modbury Hospital will not be resolved until the transitional management plan is finalised. The transitional management plan will ensure that service delivery at Modbury is in accordance with public system standards throughout the transition. As Healthscope is a public listed company, it has statutory requirements to adhere to with respect to the ASX. Until the negotiations have been finalised, details of this matter are being treated as commercial in confidence, which I am sure the member would understand.

The Hon. S.W. KEY: I wish to ask the minister more about the increase in health funding. Page 7.11 of the Portfolio Statement refers to significant additional funding to the health system. I acknowledge that the minister, in his opening statement, did give us some detail of that. Will the minister advise whether this budget represents an increase in health funding in addition to what was promised in previous budgets? That is the first part of my question. Will the minister also advise what our government announced during the election campaign?

The Hon. J.D. HILL: The member for Bragg, in her now infamous address in reply speech, said:

> . . . we actually had nothing in the budget that would, as the Treasurer promised, be aimed at spending a lot more on health than was announced during the election or in previous budgets.

During her comments this morning, she made similar kinds of claims. As I have said previously, how could a politician get it so wrong?

The budget contains an extra $640 million allocated for health, only a portion of which was promised in the election or in previous budgets. Health will benefit from an additional $722.3 million of new initiatives, as $82.3 million in efficiencies will be redirected to front-line health services. Of the $640 million, the government has made a provision for $400 million in growth funding over the next four years. This is new funding never before announced in a budget or in an election promise. During this financial year, the growth funding will be $40 million, and it will grow by that rate each year up to $160 million in 2009-10. Over the four years, this will fund the equivalent of 100 000 extra patient admissions into our hospitals. This budget is the greatest injection of spending into health ever in our state. It will help us to plan ahead for the increase in demand for our hospitals and to invest more money into primary health care.

With South Australia's rapidly ageing population, our health needs are going to continue to increase at a steady rate, and I think the member for Bragg acknowledged that. We know the levels of demand in South Australian hospitals forecast to occur by 2011 are occurring now in 2006. Health care costs are increasing between eight and nine per cent per year, whereas budget revenues are increasing at about three to four per cent. At the present growth rates for health, by 2043 the entire state budget would be required to meet the costs of running the health system. Obviously, that is not sustainable, so change is required, and that is certainly what we are undertaking.

The Hon. S.W. KEY: One of the areas that affects all of us as local members is the complaints we get with regard to

the health and community services area, and it is certainly the case in the electorate of Ashford. I notice on page 7.23 of the health portfolio statement that it talks about the Health and Community Services Complaints Act 2004, which came into force in October last year. Will the minister advise how the establishment of the Office of the Health and Community Services Complaints Commissioner has contributed to the improvement of the quality and safety of health care delivery in South Australia?

The Hon. J.D. HILL: The Office of the Health and Community Services Complaints Commission opened in October 2005—so, it has been there for about a year—and in that time it has received over 1 000 complaints about health and community services. The Commissioner has moved quickly to ensure that all parts of the community and health providers are aware of the services she provides, and I commend her on her work.

The Commissioner can investigate health, aged care and community services complaints from the public, private or non-government sector. Over the first six months of this year, about half the complaints were about public health services and half were in the other category. Part of the Commissioner's role is to monitor and report on trends and complaints and make recommendations to improve safety and quality. One of the matters of concern to the Commissioner that she recently brought to my attention is the operation of bogus health practitioners, or what we know as quacks. I am currently aware of three practitioners operating in South Australia who could be deemed to be quacks. Quacks can be found in any area of health care. The key element that defines quackery is that it features over-promotion or hyping of goods and services, with claims of health cures. Quacks can easily prey on the vulnerable at a time when they are desperate. Quackery generally involves methods that are not scientifically accepted or proven, often by people with no medical or other health professional training.

Currently, we have 10 acts regulating the established health professions in South Australia, and the Health and Community Services Complaints Commissioner resolves complaints against those registered health and community service providers, as well as unregistered providers. Since we do not register what they do, since they are essentially unregistrable because they are quacks, they fall outside of the registration acts. These acts have jurisdiction over only those professionals who are registered. One case I am aware of involves a dentist who was peddling cancer cures who took himself off the dental register when questions began to be asked. If he is not registered as a dentist, the Dental Board cannot institute formal disciplinary proceedings. Similarly, the powers of the Health and Community Services Complaints Commissioner are limited with regard to dealing with quacks.

Another case concerns an individual who claims to be a doctor but who has no qualifications and who was peddling cancer cures. The Commissioner can investigate complaints against quacks and resolve a specific complaint, but she has no power to order a practitioner to stop practising or to place conditions and limitations on their practice. One particular case was brought to my attention by the member for Torrens, I think it was, in relation to a very sad case where a young woman had died of cancer. She was given advice, from memory, by her doctors that her condition was terminal. Many people, when given that advice, seek alternative sources of comfort and cure. This particular young woman sought out a person operating in South Australia whose treatment of her, if the description in the mother's letter is anything to go by, can only be described as bizarre, but it also involved what I think was probably sexual abuse of the woman.

I will not go into the details here, because the case is still being examined, but I was shocked and horrified by the circumstances that were described. In my opinion, the male involved not only abused the woman on a number of occasions but he also extracted large sums of money from her. It is cases like that that give me the greatest concern, that is, that people at the most vulnerable times in their life are in that awful position. Of course, in this particular case, it makes evidence gathering difficult because the patient is now dead.

New South Wales and Victoria have investigated various legislative responses to the health practitioners who either are not registered and therefore cannot be dealt with by a registration board or who have been deregistered and then continue to work in a related area. The New South Wales government has recently proposed a number of amendments to existing acts to require health practitioners, who are deregistered or subject to prohibition orders, to notify their patients and employers; create regulations to prescribe a code of conduct for unregistered health practitioners, allow the New South Wales Health Care Complaints Commissioner to warn the public about unsafe treatments and practitioners; give the commissioner power to make prohibition orders against unregistered health practitioners who pose a substantial risk to the health of members of the public; and empower the health registration boards to make a prohibition order against a person when their registration is cancelled or suspended, if they pose a substantial risk to the health of the public.

Changes of this type could help ensure that quacks are not able to slip through a legal loophole and continue to exploit vulnerable members of the public and potentially damage their health. I think all of these things are worth considering. In addition to that, we should consider whether anybody who purports to be providing health services, who is not a member of a registered board, ought to be required to demonstrate what health training they have and where it was done, so that at least members of the public could check it out.

The Hon. G.M. GUNN: Or whether there is any value in it.

The Hon. J.D. HILL: Or whether there is any value in it. I had a conversation with the chairman of the Social Development Committee of the parliament (the Hon. Ian Hunter) as to whether or not this might be a suitable matter for his committee to look at. It seems to me that it would be useful to have a public inquiry of some sort into quacks in our community. I think we would be able to gather pretty good evidence from the community, and it would give people an opportunity to talk about some of their experiences, or the experiences members of their families may have had.

How we regulate to deal with what is essentially fraudulent behaviour is another matter and, in addition, I need to talk, of course, to a range of attorneys-general—as the Deputy Leader says—but also the consumer affairs ministry. I want to see this stamped out. People who do this are a bloodsucking, evil, criminal class who are taking advantage of people who are most vulnerable. As I said, for the person I am thinking of in particular, it was just the nastiest alleged health intervention I have ever seen.

The Hon. S.W. KEY: I would like to thank the minister for that answer. I know that I speak for other members of the House of Assembly in saying that such an inquiry would be

very positive (judging from some of the constituent complaints that I have had to handle, and I know others have had to deal with), and I hope the Social Development Committee does take on that inquiry. It is very interesting to read about the savings measures in any portfolio but certainly in health, where it is of great interest. I notice on page 12 of the overview there is reference to savings and also cogeneration plants in hospitals. I am interested to know why we are going down that path and what progress there has been so far in establishing these plants.

The Hon. J.D. HILL: The health department, like all other departments, needs to make savings. It is only reasonable, since we are spending everybody else's savings, that we should make some of our own. We are going through the process of identifying ways where we can reduce the cost of running the business, without taking away from the services we provide to our patients. I am sure the Deputy Leader will ask me questions about that in general terms, but I am going to talk about one particular initiative that will save money, and that is the plan to build cogeneration plants at two of Adelaide's major hospitals: the Royal Adelaide Hospital and the Flinders Medical Centre. This move will dramatically cut greenhouse gas emissions by about 40 000 tonnes annually. That is the equivalent of taking 10 800 or so cars off the road, I am advised. It will also save South Australia up to $1 million annually in the reduced cost of energy—savings which will be injected into front line medical services at our hospitals. Obviously, there is an up-front cost of doing this work but, after just a few years, I gather savings can be generated.

Peak summertime demand from the electricity grid will be cut by about 8 megawatts each year, and that is equivalent to the peak electricity demand of about 2000 average South Australian homes. Importantly, cogeneration will set up these hospitals to be self-sufficient in the case of power blackouts, so that is also a benefit. Cogeneration (for those who are not technically minded) is a high efficiency energy system that produces both electricity and valuable heat from a single fuel source—in this case, natural gas. I was at the Women's and Children's Hospital earlier today, and they have had a cogen plant in place now for some years. From memory, I think 75 per cent of their power is generated by them by natural gas. Prior to the cogeneration facility, the heat was just dispersed and, I guess, became a nuisance rather than a resource.

Standard power plants allow the heat to be released into the environment, and cogen captures that energy to be reused to either heat or cool buildings. I am not a scientist, but it amazes me that heat can actually be used to cool buildings, but it can. The process also has minimal transmission losses. The Women's and Children's Hospital, as I say, has cogen, as does the Gawler Hospital. In total, greenhouse gas emissions will be cut by 51 500 tonnes when all four cogen plants are operational, with a total saving of 9.2 per cent of energy use in South Australian government buildings, which is an astonishing amount. It is a major step forward in reducing the state's ecological footprint.

South Australia is already leading the way in embracing greener energy sources and reducing greenhouse gas emissions. This week, the Premier announced that by 2008 we will aim to have up to 20 per cent of the power used in government buildings, including our hospitals and schools, to be sourced from green power. The government will introduce groundbreaking climate change legislation enshrining targets for reducing greenhouse gas emissions to 60 per cent of 1990 levels by 2050, as well as increasing renewable electricity use to 20 per cent of our electricity consumption by 2014.

Ms CHAPMAN: I return to the Modbury Hospital, Budget Paper 3, pages 220 and 221. I appreciate the minister's contribution in response to my previous question, as he indicated he would give some general background before answering the question. My question was: how much is the payment for the management fee for 2006-07, that is, in the current year, which we anticipate will be the last year that they will be paid? What is the total payment? I think it was some $73 million last year. What is the total payment that is budgeted for to be paid to them this year? That was my question.

I am not suggesting that the minister avoided it, as he was busy giving us general background, but I would like to have a response to that. As he indicated that he expects the transfers no later than 1 July 2007, how many nurses and staff will be transferred from Healthscope to the state when the management is returned to the public sector, in actual number and full-time equivalents?

The Hon. J.D. HILL: I thank the member for her question and am sorry that I did not get around to that in my answer. The cost of the management contract will be in accordance with the existing contract. I do not have those details with me, but I am happy to get further advice for her. In relation to the doctors and nurses in the hospital, we will go through that process in due course. Our intention is to staff the hospital; we will have doctors and nurses in it, and, subject to the staff being of appropriate standards for a government hospital, I imagine that in due course we will be offering them employment with the state.

Ms CHAPMAN: The question related to number. My understanding is that the Treasurer estimates this to be 600; is that a rough estimate of the number you anticipate will be transferred?

The Hon. J.D. HILL: That is my understanding as well, but I will have that checked and get you a more accurate figure. I think that is roughly the size.

Ms CHAPMAN: You may have answered this aspect of it. The $7.809 million in next year's budget (which is the first and obviously larger payment of the $17.5 million) breaks down, I think, to the general payment plus about $3.2 million as a one-off for costs and a contingency. My understanding is that the Treasurer has not identified any contingency payment to be paid to Healthscope, so can the minister advise whether or not there is a contingency payment that may need to be paid to Healthscope and whether there are any accounts that need to be picked up by the government or costs arising out of the termination of the contract?

The Hon. J.D. HILL: These negotiations are proceeding and are commercial in-confidence. As I have said, after the event I will be happy to give every bit of information that I am able to—I imagine there would not be any problems doing that after the event, although I would have to take advice on that. We are not anticipating huge payments other than those things to which I have referred before—stock holding, employee transition costs, and perhaps some reasonable costs on termination.

Ms CHAPMAN: Minister, I did not ask how much, for obvious reasons. It is a commercially sensitive matter and I appreciate that. My question is whether there is any provision at all—

The Hon. J.D. HILL: There is. There are general provisions of $3.2 million, as I have just said, that cover funding and one-off costs associated with the initial transfer

for increases to stock holding, employee transition costs, and a contingency for reasonable costs.

Ms CHAPMAN: To Healthscope?

The Hon. J.D. HILL: Reasonable costs on termination of the contract with Healthscope, if required. That is not to say that there will be any money given to Healthscope; that is Treasury being prudent.

Ms CHAPMAN: Absolutely; I appreciate that. It is proposed that the state will then resume responsibility for the management of Modbury Hospital and not proceed with the 5-year option available to extend the contract with Healthscope, and I assume that will cost us almost another $5 million a year over the next five years if that option is not exercised.

The Hon. J.D. HILL: I will try to explain it to the member as I understand it—and I stand to be corrected if I am wrong. The contract to run the hospital, which was entered into by the previous government and which effectively privatised the management of the hospital, was done on the basis that there was a discount to government for running the hospital on that basis. From memory, I think it is 5 per cent of the average cost of running a hospital using a complex, casemix formula—a technical formula—determining how much it would cost the government to run it and, therefore, when the contract was signed with Healthscope it would do it at a 5 per cent discount. I guess the assumption was that a private hospital could run it more cheaply than could a public hospital.

Now there is argy-bargy about how true that is, and I am not going to comment on that; however, the reality is that we know how much it costs to run a hospital and we are very efficient managers of hospitals. Despite the increase in expenditure, all the national figures show that South Australian public hospitals are run very efficiently, and I think it is very difficult for the private sector to run them more efficiently. When you take into account a whole range of factors, there are benefits to the public sector of having Modbury Hospital restored to the public sector. There is a cost associated with that, and we have not pretended that is not the case.

Ms CHAPMAN: Is it proposed by the government that all the existing services provided at Modbury Hospital will continue until 2010, and has that been budgeted for? Are any services currently provided that are not budgeted for?

The Hon. J.D. HILL: The termination of the contract is not being done on the basis that we want to change services at Modbury Hospital. It is a separate issue. There will be changes in public hospitals over the next five years; there is no doubt about that. We have to change the systems we operate in South Australia, and I do not resile from that. I anticipate that over the next five years all hospitals will have changes to services; that is the nature of the system. It is a dynamic system, and we are not going to set the role of one hospital in concrete.

The Hon. P.L. WHITE: My question relates to page 7.75 of the Portfolio Statement regarding the Department of Health's employment of additional clinicians. Would the minister be so kind as to inform the committee how many extra doctors the government has recruited to the public health system?

The Hon. J.D. HILL: The member for Taylor is being so polite that I would be delighted to give her the information she has so—

The CHAIR: Order! The minister will give information regardless of the tone in which it is asked.

The Hon. J.D. HILL: I am trying to lift the tone in here. Before the winter break I informed the house of the government's effort to convince the federal government to grant South Australia 60 extra doctor training places. The government, in particular the Premier, went to great lengths to convince our federal counterparts of the need for these places in our state. I congratulate our Premier, as he emerged from COAG with every single one of the 60 places for which we had lobbied.

The Hon. G.M. GUNN: That's because you have a good, sympathetic federal government.

The Hon. J.D. HILL: Well, some of those adjectives I agree with. Over the coming year, these new medical students will help to fill the void left by retiring doctors. I am pleased that the federal government listened to us, and I acknowledge Tony Abbott's role in that, but we are not waiting until then to get more doctors into our public health system. I have told the house previously that an extra 1 836 nurses are working in the public system now compared with 2002. I also inform the house that the government has also employed an extra 466 doctors in the public system; that is an extra 117 doctors in the past year. The total public medical work force is now at a record 2 636 doctors. These figures are a dividend from successful recruitment campaigns and attractive working conditions. While our hospitals are facing continued pressure it is imperative that we have such experienced committed doctors working hard for every South Australian. They are a credit to our state.

Unfortunately, the federal government has not been as successful in recruiting GPs to South Australia. At the same time as we have recruited 460 into the public sector, the number of GPs in South Australia has reduced, unfortunately, by 19. While we are increasing funding in primary health care services, we would like to see the federal government take some reform action to increase the number of GPs in the work force. As members would know they are not the responsibility of the state government, though we regularly get criticised when they are not there. There are particular shortages in rural areas and in the south and north of the city.

The Hon. P.L. WHITE: Page 7.22 of the Portfolio Statement refers to the provision of health intelligence, innovation, leadership, health reform, and policy and planning for the health system. The question exercising my mind is: what are you doing to support health and medical research in South Australia?

The Hon. J.D. HILL: I know the honourable member has a strong interest in scientific research. Health and medical research makes a major contribution at many levels in South Australia. It helps us to attract world-class doctors. It is absolutely essential that we get high-level research happening in our hospitals, because we get the best doctors—and the best doctors attract other doctors and the system works better when we have research. It translates into better clinical outcomes for patients and it also has obvious major economic spin-offs for our state. We have a long history of high performance in medical research funding compared to our share of the national population. A major factor in this has been the close relationship between the universities, the teaching hospitals, clinicians and scientists.

However, this strong record is under threat from other states that have been increasing their share of research funding. As a government we have taken the lead in rebuilding our strong reputation in research success, and we have developed a state health and medical research strategy. This strategy will guide the government's research priorities and

aims to: increase collaboration between researchers; expand funding of health and medical research that directly contributes to improved health outcomes and improved health service delivery; improve the attractiveness of research as a career; and improve the commercial attractiveness of public sector health and medical research.

We have also invested in PhD scholarships and postdoctoral fellowships. A research scholarship program, which commenced this year, will be funded by more than $1.3 million over the next four years. This will be used to fund the equivalent of two PhD scholarships at each university starting this year; one PhD scholarship at each university starting in 2007 and, again, in 2008; and provide support for one postdoctoral fellow at each of the universities commencing in 2007. I am talking about Flinders and Adelaide universities, not the University of South Australia, as I understand it. Additional one-off PhD scholarships in medical research have been funded as a result of our election commitment and they will start in 2007. As a result we have a total of nine PhD scholarships and three postdoctoral fellowships. There must be one at each of the universities. I might get a correction on that; I thought it was only the two universities. There is a total of nine PhD scholarships and three postdoctoral fellowships commencing in 2007, with six PhD scholarships having commenced in 2006. I will come back with a correction about which universities.

Already we have seen an improvement in our state's research grant performance. Just this week the National Health and Medical Research Council distributed its annual funding for 2007. South Australia did very well, and 76 research projects were awarded a total of over $46 million. This is more than $10 million in extra funding compared to this year. We are very pleased about this. It is the first time since 1999 that our state's proportion of research funding has increased, and this year we received 8.9 per cent of funding compared with 7.7 per cent last year. I congratulate the universities and the researchers. They are working very hard to understand what they need to do in order to maximise the research grants coming into South Australia.

The University of Adelaide received 53 grants, totalling almost $35 million; Flinders received 15, totalling $6.5 million; and the University of South Australia received five grants, totalling $4 million. Funding was provided for projects exploring topics such as diabetes, pulmonary disease, hepatitis B, oral health, pregnancy and sleep disorders. I congratulate our researchers and hope their work will improve the health outcomes of South Australia in the future.

Ms CHAPMAN: Bring back the Investigator Science Centre!

The Hon. P.L. WHITE: Minister, I join with you in congratulating the health sector on its improved performance in gaining federal grants. On page 7.76 of the Portfolio Statement there is reference to the Department of Health's expenditure in the mid-year budget review. Will you inform the committee whether the government has indeed spent the money allocated to health during the mid-year budget review?

The Hon. J.D. HILL: In another interesting statement in her Appropriation Bill contribution the deputy leader said that the government had spent only $14.4 million of the $67 million allocated during the mid-year budget review. First, it was quite clear at the time from the media release and the media statements that the $67 million was to be spent over the next four years, not in one year. In 2005-06, $15.942 million was to be spent, building up to $17.3 million in 2009-10. I can assure the committee that all the funding provided to health was spent. As for the member for Bragg's figure of $14.4 million, my department has investigated this and we are still not sure where this figure came from.

Ms CHAPMAN: I refer to Budget Paper 3, pages 2.20, 2.21 and 2.22 and 'GP Plus Health centres'. In July 2005 the state government announced that a $2.2 million health care centre would open at Aldinga at the end of this year. As it opens in a week and no funding is provided for GP Plus Health centres in the 2006-07 budget, why is Aldinga referred to at all as one of the GP Plus Health centres?

The Hon. J.D. HILL: I am not entirely sure what the honourable member is getting at because it is a GP Plus Health Care Centre.

Ms CHAPMAN: Has it been rebadged?

The Hon. J.D. HILL: The interjection, I imagine, is out of order but it is also inaccurate. The GP Plus Health Care Centre concept was developed over time and announced during the election period. The aim is to have 10 GP Plus Health Care centres serving the Adelaide area over time (one for about every 100 000 of population) to provide a range of allied health services, nursing services, in some cases general practice services, perhaps some specialist services and pharmaceutical and diagnostic services.

Each centre will develop a package of services which will meet the needs of that particular community. They will therefore all look a little different from each other. The first of these, which is to be opened in a couple of weeks, will have after hours GP services provided by a private company, GP Solutions. That company will provide GP services to that community after 5 p.m. or 6 p.m. through until 10 p.m. and all weekend except for the first four or five hours on Saturday mornings. This has been negotiated with the local community and the local GPs who, I understand, are enthusiastically welcoming the extra support.

The kind of model we are building is something which will work in collaboration with and be coordinated by existing service providers but which will not compete with them. It will be an excellent service for that community, and I am very pleased that it is in my electorate. The preliminary work occurred before I became the minister, so I cannot be accused of putting the first one in my own electorate. In the past, some ministers for health were very good at doing those kinds of things, I have to say, and not just in health areas.

The honourable member also raised the issue of recurrent funding. The $1.6 million is provided in capital funding this year (2006-07), and recurrent is to be met out of existing resources. GP Solutions will be a cost neutral exercise. The GPs will bulk bill the community, and we are providing them with the space. Services currently located at other centres which attempt to service the Aldinga area will be located in Aldinga. The honourable member also raised issues about why nothing is happening in the country. In reality, in effect, the majority of country hospitals are GP Plus centres. They have general practice and allied health workers who support local communities in much the same way as these services are attempting to support communities in the metropolitan area. In fact, the majority of the work in most country hospitals comprises the nursing of aged patients, and these other services are attached to them.

Ms CHAPMAN: When will each of the Elizabeth and Marion GP Plus Health Care centres be built and start to operate because, according to the budget papers, the vast majority of funding will not be spent until 2009-10?

The Hon. J.D. HILL: I thank the honourable member for the question. It is true that the bulk of the money is further

into the system. I am advised that Marion is expected to commence in January next year and will be completed by the middle of 2009. The one at Elizabeth is a little later. I will get some advice about that. These will be big centres. The one at Marion will be 10 times the size of the one at Aldinga, which will be, I guess, a satellite centre. That will require a lot of planning and development not only in relation to the construction but also in relation to the services.

We need to work very closely with the local community and local health service providers. Marion is in a different situation from Aldinga, for example, and also Elizabeth. A very large private GP after hours bulk billing clinic will be very close to the GP Plus Health centres. Obviously, we do not want to replicate those services, but we need to put in other services. It is anticipated that construction of the one at Elizabeth could be completed in the second half of 2009.

Ms CHAPMAN: What is the government's program for developing the remaining seven GP Plus Health centres, and in what year or decade is it anticipated they will be completed?

The Hon. J.D. HILL: They are not in the budget papers, of course. We will put them in the budget papers in due course and then the honourable member will know.

Ms SIMMONS: I refer to page 7.75 of the Portfolio Statement: the employment of additional clinicians. Can the minister update the committee on how many extra nurses the government has employed in metropolitan hospitals over winter?

The Hon. J.D. HILL: This year, for the first time, we had in Adelaide a comprehensive and integrated plan to cope with the winter demand on our health services. Hospitals, the Ambulance Service, primary health care providers and GPs worked together to monitor demand and divert resources to where they were most needed. A key part of the strategy was to open up more beds in metropolitan hospitals. Up to 150 beds were available as needed throughout the system, and to staff these beds we needed extra nurses.

Our state is continually recruiting extra nurses. As I have already said, we employed an extra 1 836 nurses compared to 2002. When the strategy was announced, we said our target was to recruit the equivalent of up to an extra 240 nurses to staff up to 150 beds, which would include extra agency nurses. Now that winter is over, we can confirm that between May and August this year an extra 179 nurses worked as public sector nurses in metropolitan hospitals, and that figure does not include the agency nurses or the carers who worked in the same period. This shows that, although it may have been true that the shadow minister had no evidence that a single nurse was employed, clearly the claim was wrong. I can also announce that in June this year the Royal Adelaide Hospital employed more than 2 000 nurses for the first time in its history and, although winter is over, there is still no sign that the demand on our hospitals is diminishing.

I recently visited Flinders Medical Centre and they tell me that the demand is still very strong, so we will need to continue with our strong nursing work force. I take this opportunity to thank every nurse who worked over winter for their dedication, hard work and commitment to the people of our state.

[Sitting suspended from 1.02 to 2.02 p.m.]

Ms SIMMONS: As the minister knows, I had a lot to do in my previous life with the South Australian Dental Service, which I hold in great esteem. Turning to page 7.75 of the Portfolio Statement, it refers to the provision of an additional $12.9 million over four years for public dental services, which sounds fantastic. Can the minister inform the committee of the way in which these funds will be spent?

The Hon. J.D. HILL: I thank the member for her question and acknowledge her interest. Before I answer that, I will correct something I was saying where I not only confused the committee but also myself about PhD scholarships. I will clarify that the PhD scholarships I referred to earlier will go to all the three universities based in Adelaide, not the two, as I confusingly told the committee.

In relation to dental services, the government has invested over $36 million into public dental health services since coming to office. This extra funding has brought restorative dentistry waiting lists down from 49 months to 26 months. That is a fall of 47 per cent. During this same—

Mr Pengilly interjecting:

The Hon. J.D. HILL: It must be one of the few things that the former minister for health, who represented that area, did not over invest in—that is, dental services, if there is a waiting list there—because he put every other—

Members interjecting:

The CHAIR: Order!

The Hon. J.D. HILL: He put huge resources into his own electorate and neglected other parts of the state.

Ms Chapman: That is just not right, and you know it.

The CHAIR: Order!

The Hon. J.D. HILL: That is right. That is a fall of 47 per cent.

Ms Chapman: They haven't even got a renal bed down there.

The Hon. J.D. HILL: Well, members should not interject if they do not want the minister at the table to respond in kind. During the same time the number of people waiting has fallen from more than 82 000 to 57 900 and, during the first six months of this year, the waiting list has fallen by more than 4 300 people. Waiting lists had blown out under the previous government due to the federal government's withdrawing funding from dental health, which has now cost South Australians over $100 million. In this budget the government has met its election commitment to increase its spending on dental health and provide an extra 28 000 treatments over the next four years.

The $12.9 million package will be used to provide restorative dental care for adult concession card holders on waiting lists at public dental clinics across the state. The major treatment needs of people on these restorative dentistry waiting lists are fillings, extractions and preventative services such as cleaning and fluoride applications. Some extra public dental staff will be employed to provide this additional treatment. However, much of the care will be provided through private dentists under the general dental scheme. As a result of the additional $3 million per annum, waiting times will fall to 23 months by June 2007 and waiting times will then gradually fall to 10 months over the following three years. Waiting times have not been as low as 10 months since the cessation of the commonwealth dental health program. That anticipated waiting time, I think, is quite reasonable and will mean that we have a very sustainable and good system.

As waiting times are brought below a year, public dental services can begin to offer a number of concession card holders the opportunity to have regular preventative check-ups, commencing with people who are particularly at risk of dental disease. Offering concession card holders the opportunity to receive regular dental check-ups will be an import-

ant step forward for public dental services and is in line with the government's primary health care agenda. The government's task would be much easier, as I said, if the commonwealth government recommitted to providing public dental health services. The commonwealth constitution, in fact, gives the federal government power over dental health, and I believe it has a clear responsibility to use that power.

Ms SIMMONS: That was a very good answer to the question, and it is good to know where that money is going. I turn now to page 7.19 of the Portfolio Statement, which refers to highlights 2005-06 and targets 2006-07. I note that one of the highlights for 2005-06 and a target for 2006-07 relates to preparation for an outbreak of pandemic influenza. Can the minister inform the committee of the government's preparations for the potential for an outbreak of pandemic influenza?

The Hon. J.D. HILL: We are closely involved with the other states and territories and the commonwealth on preparations for a potential outbreak of pandemic influenza, and our health workers will be at the front line of any response. A significant amount of planning is underway to make sure that state health workers are ready in the event of an outbreak and to make sure our front line health workers are armed to cope with a pandemic flu outbreak. The government has provided $3 million for 2006-07 for that preparation.

That money will be spent on personal protective equipment, including: specially fitted masks and gowns, goggles and gloves for health care workers (about $1 million); trained staff to fit these masks and to educate health care workers in their use and how to manage patients with pandemic influenza; diagnostic equipment to ensure diagnosis is made early and rapidly (about $670 000); scientists to install and prepare this equipment; a surveillance system for communicable infectious disease to be provided for the communicable disease control branch to facilitate the collection of electronic notifications from pathology laboratories and to provide sophisticated data collection and analysis capabilities (about $320 000); and staff to prepare for mass immunisation. We have also been engaged in intense preparation for pandemic influenza through the Department of Health, along with the state pandemic influenza working group involving whole of government agencies.

South Australia's efforts to work closely with other states and territories and the commonwealth in its planning have a particular focus this week with South Australia taking part in Exercise Cumpston. This is a national program to test out how our systems are working right across Australia, with field work as well as desk work in South Australia. That exercise is on its third day now. It is testing Australia's readiness to deal with a pandemic outbreak, with a hypothetical scenario simulating the arrival from overseas of a person infected with pandemic influenza.

South Australia last year developed its plan for managing a pandemic flu outbreak. It has been continually updated as more is understood about the best ways to combat this virus. Major emphasis is being placed on measures to contain the virus at the airport, by home quarantine and by tracing and treating the contacts of those who become infected. The $3 million provided by the government will go a long way to preparing health workers to deal with an outbreak. I congratulate all the officers, doctors and nurses in South Australia who are participating in the trial this week and also for the work they are doing to prepare our state.

Mr PENGILLY: I refer to Budget Paper 4, Volume 2, page 7.66. What provision is in the budget for funding the Country Health SA Board for 2006-07, and what provision has been made in 2007-08 and 2008-09?

The Hon. J.D. HILL: I noticed some commentary in the press about the role of the Country Health SA Board. I will talk about the reform process in general, which I hope will answer the question and allay concerns people might have about where we intend to go. I make no secret of the fact that I want to see reform of the country health boards, that is, the hospital and regional health service boards, and we have been undertaking a process of consultation with them over the past several months. I understand a paper with recommendations is about to be presented to me.

The role I have in mind for the health services would mean a slightly different orientation than they have now, with departmental responsibility being taken for a range of issues, particularly contractual issues, involving employment and large capital works. In addition we would want to see health, safety and quality issues managed centrally and a centralised financial management system in place. We are going through that in relation to those boards.

I have been asked why I appointed the Country Health SA Board only until the middle of next year. There were two reasons for that: first, I wanted to see what would be the outcome of the consultation process with the regional boards so that I knew what structure we needed in place at the centre; and, secondly, when I appointed members to the board I was not sure that I was appointing the right people for the longer term. I am of the view now that the people we put on that board are terrific and are working well together, and I have no concerns about the membership as we have the right people in place.

Mr PENGILLY: Some were trained by me.

The Hon. J.D. HILL: I may revisit my comment about the quality of the members! If you trained them you have done a good job as they are very good people. I am happy with the membership. We may need to rejig it a bit with one or two extra people, but I am not planning a purge. The second issue was to do with the structure and governance arrangements for the Country Health SA Board itself. We will continue to have an entity with a board or council of some sort. What its role will be we will need to think through in light of reforms we undertake in relation to the other boards to make sure we get the right balance between those boards.

Some of the existing board members may find it difficult to get a quorum, and I gather that some of them have indicated that they want to cease to exist and have their responsibilities taken over by the Country Health SA Board. We need to work through those things. I hope to be able to make announcements about our intentions in relation to country health governance arrangements in the near future, but we will continue to have a central body representing the interests of Country Health SA, which will have strong advocacy and input into decision making. Its powers, roles and functions we will need to think through. We are also doing that in relation to the regional boards. I am not aware of what budget amounts are put in place for those boards. It is an existing board and has a budget associated with it; there is no specific line that I can point to in the budget—it is just part of the Country Health SA budget. Does that answer the question?

Mr PENGILLY: No. What was the amount?

The Hon. J.D. HILL: I will come back to you with the details. The Country Health SA board costs a certain amount of money, and that money is staying in the budget. There were seven boards, which we have reduced to one. We made some savings from reducing those seven boards to one, some of which we want to put back into health service delivery. An element of that money from the seven boards is now being used to fund the one country board. I do not have the details with respect to how much its budget is, but I will obtain that information for the member. It is not a secret.

Mr PENGILLY: I refer to the same budget line. What provision is in the budget in 2006-07 for the operation of the Country Health SA office at Port Augusta, and what amount is provided for the department's regional offices across South Australia?

The Hon. J.D. HILL: I am happy to obtain all that detailed information for the member. I do not have it with me at the moment. There is a budget line for Country Health SA, and we still have a number of the offices that were associated with the seven regional boards. We are reconfiguring those arrangements at the moment.

Mr PENGILLY: I again refer to Budget Paper 4, Volume 2. Under the government's proposal to take over the administration of aged care in country hospitals, what proportion, as a percentage or an amount, is proposed to be deducted by the department for administration costs, and is the application for the provider number to be issued to the South Australian government already lodged with the commonwealth government?

The Hon. J.D. HILL: I am not entirely sure that I follow the logic. The member said that the government was taking over the running of nursing home beds. If anything, we would like to see the commonwealth take more responsibility for nursing home beds in South Australia. I am advised that negotiations are currently under way between the respective Australian state health departments in preparation for the Australian government to assume recurrent funding for 137 long stay nursing home type beds currently operating in the 15 locations identified for inclusion in the Multiple Purpose Services (MPS) program. The outcome of this will address much of the demand for aged care places in these locations. The remaining areas across the country with an under-supply of aged care places are, in the main, serviced by private providers looking to expand.

As the member would know, many country hospitals have aged care beds. Some are funded by the commonwealth, and a number are funded by the state that ought to be funded by the commonwealth. In some unique sites there are beds funded by both the commonwealth and the state, which produces confusion in the minds of the people staying there, because there are different rules, responsibilities and costs associated with the beds. I visited one aged care facility, where I was told that some patients had to pay for their own laundry because that was the commonwealth rule, and in the state beds the state paid for the laundry to be done (it could be the reverse of that, but I think I have got it the right way around).

Mr PENGILLY: Mr Chairman, can I ask a supplementary question?

The CHAIR: We will see.

Mr PENGILLY: I would have thought that the government's proposal to take over the individual units, many of which are owned by country communities, will change the circumstances in which the aged care licences and funding is granted by the commonwealth. I am trying to get to the nuts and bolts of that matter.

The Hon. J.D. HILL: Is the member talking about the reform of country health?

Mr PENGILLY: Yes.

The Hon. J.D. HILL: I am sorry; I thought that the member was focusing on aged beds in particular. I misunderstood. Is the member asking what would happen to the licences for beds if the country hospital or health service boards changed their legal status?

Mr PENGILLY: Yes.

The Hon. J.D. HILL: That is part of the process that we are going through. As I said, the Country Health SA board may take on a role that previously may have been taken on by individual boards. However, we are going through that process, and we—

The Hon. G.M. Gunn interjecting:

The Hon. J.D. HILL: I am not saying that we will do that: I am just saying that we are thinking through the arrangements. Whether or not a volunteer group in a community ought to be holding a licence for aged beds is not an issue on which I have any ideological position; it is just a matter of what is practical and what works for those communities. I have already mentioned the areas about which I am concerned: safety and quality, large contracts, employment contracts and financial management. If we set up a structure where the individual health units continue to own licences, that is not an issue for me.

Ms SIMMONS: I have had an interest in indigenous affairs that goes back probably 20 years. I refer to page 7.31 of the Portfolio Statement, which refers to the capacity building within the portfolio to improve Aboriginal health. How will the government address this objective?

The Hon. J.D. HILL: I thank the member for this important question. There is no area for which I am responsible that is more problematic, worrying, concerning and requiring attention than this. Improving the health outcomes of Aboriginal people is a major objective for the government, and it is highlighted in our State Strategic Plan and also the Generational Health Review. We know that Aboriginal people suffer much worse health outcomes compared to the rest of the population. In 2004, the median age of death for Aboriginal women was 53 years, compared to 83 years for the rest of the population. For Aboriginal men it was 49 years, compared to 77 years. These figures are very disturbing, tragic and unnecessary. We also know that Aboriginal people also have much higher rates of obesity, infant mortality, eye disease and a whole range of other things. I know that certain cancers are more prevalent amongst Aboriginal people, and the death rate from cancer is higher as well.

Recently, I visited the communities of Umuwa, Amata and Iwantja on the APY lands, and also the nearby township of Marla. I travelled with Dr Sherbon, the CE, and Dr Christopher Cain, the President of the AMA, along with others, to look at health issues and work out how we can better address them in that community. I have to say that I was impressed by the quality of the health care services on the lands. However, what became very obvious—and is very obvious not just on the lands but elsewhere—is the importance of the social determinants of health.

As a result of the trip, the Department of Health is working on the issues of cross border mental health procedures, retrieval and transfer of mental health patients, the roll-out of universal home visiting, and breast screening availab-

ility to women in the western part of the APY lands. There have been some particular successes on the APY lands. In the past two decades, about 25 per cent of Aboriginal children under five years suffered malnutrition. The most recent figure for that, in 2005, was 4.5 per cent, so there has been a huge reduction in malnutrition.

Immunisation coverage in 1983 was less than 63 per cent for kids, and the latest figure is 100 per cent. A bush food program has been a success in the community in improving diet, and we are working on a way to get more fresh foods available. Programs employing Aboriginal care workers trained in midwifery to promote nutrition and wellbeing are helping to increase birth weights. When Aboriginal people need to leave the lands for medical treatment, we need to be able to provide them with support, so step down facilities are now available for patients needing acute care in Adelaide, and they are also set up at Ceduna and Port Augusta. A chronic disease program focused on diabetes is being successfully run by Pika Wiya in Port Augusta. I visited Pika Wiya recently as well, and they do a great job, too.

A transitional accommodation facility has also been opened at Port Augusta to reduce the number of Aboriginal people sleeping rough when they travel from the lands to town. We should now use this as an opportunity, though, to redouble our efforts. The Country Health Service will have a major emphasis on improving Aboriginal health and will be responsible for the delivery of programs to Aboriginal communities. I think this is one area where the commonwealth and state governments have to work very closely together to improve conditions, because it is not just the health service side. The Nganampa Health Council on the lands, I think, provide a first-class service, but it is not the health delivery agency that is responsible for the health outcomes: it is a whole range of other things to do with social services, housing, employment and cultural activity.

The Hon. P.L. WHITE: Minister, with regard to the capital program, what has been the government's spending on capital works in the country since 2002?

Ms CHAPMAN: I raise a point of order, Mr Chairman, as to the relevance of a question about the capital works in the country since 2002. We are dealing with the budget for 2006-07 and the forward estimates to 2010.

The CHAIR: Given that the member herself has been asking broad questions—and, indeed, in her opening statement brought up events that were outside the scope of this budget—I am prepared, if she likes, to be very strict in this and allow only matters that can be identified clearly in the budget lines or be a bit more broad. I am inclined to be a bit more broad, but it is entirely up to the committee. The estimates process is really an opportunity for members to ask questions that are broad and more focused. I am inclined to let it go but, if the member has strong objections, we will move on. However, I will be just as strict with everyone else.

Ms CHAPMAN: Well, we can go back to 2002 then.

The CHAIR: Well, okay, I will rule it out of order. Does the member for Taylor have another question?

The Hon. P.L. WHITE: Will the minister inform the committee on capital expenditure in the country in the past 12 months?

The Hon. J.D. HILL: The 2005-06 estimated expenditure result for the health portfolio capital works program was $107.6 million, and there is a range of reasons why that is different from what was in the original budget. The capital works completed during the 2005-06 year included the Millicent Aged Care Facility in the country, the Women's and Children's Emergency Department, the Flinders Medical Centre Endoscopy Unit, and the Pangula Mannamurna Aboriginal Wellbeing Centre at Mount Gambier. Capital works commencing construction in the 2005-06 year included the Queen Elizabeth Hospital stage 2 redevelopment, $120 million; $6.83 million for the Flinders Medical Centre car park; $2.2 million for the Aldinga GP Plus Health Care Centre; $1 million for the Ceduna Aboriginal Step Down Unit; and $2 million for Port Pirie Hospital Hammill House Aged Care refurbishment.

The 2006-07 budget for the health portfolio capital works program is $129.5 million. Construction works will be completed for the Margaret Tobin Mental Health Care Centre, the Mental Health Care Centre at Flinders Medical Centre, the Aged Acute Mental Health Unit at the Repat General Hospital, the Murray Bridge Hospital redevelopment, the Flinders Medical Centre car park, the GP Plus Health Care Centre at Aldinga, the Ceduna Aboriginal Step Down Unit, and the $2 million Port Pirie Hospital Hammill House Aged Care refurbishment, as well as work planned at the Lyell McEwen Hospital and the Flinders Medical Centre. Work will commence on the GP Plus Health Care Centre at Marion, and planning will commence with the GP Plus Health Care Centre at Elizabeth. There will be a $1.5 million refurbishment of the Renal Dialysis Unit at Port Augusta; $6.14 million for new ambulance stations at McLaren Vale, Adelaide and Prospect; and $4 million for the relocation of the northern base for the Metropolitan Domiciliary Care Unit. So, there is a big program of capital works in this coming year.

The Hon. P.L. WHITE: I wonder, minister, still on the capital program, whether you could expand a little on the improvements specifically to hospitals that are likely to result out of this budget.

The Hon. J.D. HILL: In relation to the Lyell McEwen Hospital stage B redevelopment, an additional $9.8 million has been approved for the stage B redevelopment in the 2006-07 budget. The total project cost is now approved at $43.5 million, with $9 million to be spent this coming year. Planning is well advanced and construction is scheduled to commence this month, with completion in April 2009. The redevelopment will deliver a 50-bed mental health facility; an extended emergency care unit; refurbishment of day surgery, oncology, pathology, pharmacy, medical palliative care facilities; and improvements to car parking and public access. I guess this redevelopment of Lyell McEwen is well overdue. The Lyell McEwen Hospital is and should be the major hospital for the northern part of our state. We hope, by getting it right, we will be able to take pressure off the RAH and the QEH.

In 2006-07, the Flinders Medical Centre redevelopment will also begin—$88 million has been allocated over the forward estimates for the first part of that $145 million redevelopment. Planning will start in the 2006-07 year for the redevelopment and expansion of operating theatres and emergency and intensive care units, and the project will also include the development of a new short stay medical ward, day surgical facilities, refurbishment of in-patient wards and replacement of engineering plant and equipment. Registrations of interest were called to engage the consultant team and managing contractor. It is expected that the consultant team will be engaged by the start of next year, with construction to start in January 2008 and completion in June 2015.

The Hon. G.M. GUNN: My question concerns country health, and it follows on from a question by my colleague

about the role of local country hospital boards. The minister will be aware of this because a couple of days ago I mentioned an incident which was brought to the public's attention at Peterborough on Sunday. At the celebration of the opening 20 years ago, of the aged care home there, the mayor of Peterborough indicated to the public that she, and other board members, had been told that they had to resign. She took very strong exception to that, and rightly so.

You and I know that if you do not have local people involved you are not going to have local support for the hospitals. No matter what program you put in place, if you take away their powers and you take away their influence the local community will not support it, and it is a prescription for disaster. The mayor was very upset. The minister knows my views about regional country hospital boards, but my concern is that the regional bureaucrats have been left in place, and they are causing some of the problems. I point out that, 20 years ago, the local community raised just under $200 000 for this aged care home at Peterborough, otherwise it would not be there today. They are hardworking, dedicated people who give outstanding service to the community and if you say they are now not capable of running it, if you take their interest away, you will not have them. You will have to bring your bureaucrats from Adelaide, who probably would need a road map to get there.

The CHAIR: Of course, the committee gives a great deal of leniency to the father of the house when he asks his questions.

The Hon. G.M. GUNN: I greatly appreciate that.

The CHAIR: Because of the respect we have for him.

The Hon. J.D. HILL: I thank the member for his question. He did raise this issue with me yesterday. First, I agree with him in relation to the hard work of volunteers in country areas—not just in health but particularly in health because this is the area we are talking about. The last thing we want to do is to take away opportunities and incentives for people in the country to be involved in their local hospitals. In fact, I would hope that, by the reforms that we are embarking upon, it will make it easier and more pleasant for people to be involved in those things, so they will not have to worry about some of the really awful decisions some communities have got themselves tied up in.

I can point to the Wudinna community, the Mount Gambier community and others that have been involved in dreadful fights over employment contracts which, in my view, ought to be managed by professionals at a departmental level, rather than by volunteers. But we do want them involved in local hospitals. I have sought advice in relation to the claims made by the mayor of Peterborough. I visited the Peterborough nursing home and it is a terrific facility. It is one of the best I have seen in the state. It is obviously well run and cared for and appreciated by that community.

My office talked to the head of Country Health SA and he is not aware of anybody having told the mayor that she has to resign. However, I have been informed that the Peterborough board, of its own volition, has amalgamated (or is in the process of amalgamating) with Booleroo Centre, Jamestown, Orroroo—and maybe one other—to form a central northern health service. I think the member may be aware of this. In fact, I think he raised it with me and said he had no objection, as long as the individual boards were in agreement. As I understand it, the boards are in agreement and are establishing that group health service to better manage a number of hospitals, rather than one. Many country hospitals have gone that way and established regional health services. That is not something that the department or I have been responsible for; it is something which has come out of the communities themselves.

I am wondering whether the mayor's resignation from the Peterborough Hospital board is a necessary precondition before the broader board can be established. I think that may be the logic of it, in which case it is understandable. If the board of Peterborough wants to be part of a broader board, it is only logical that the members of the current boards have to retire. But that would be something that comes out of those existing boards themselves and not out of anything that I am trying to do, or my department is trying to do. I do support the amalgamation of those boards where it makes sense and the community supports it, but it is not my ambition to impose that on any health service.

Ms CHAPMAN: I refer to Budget Paper 3, page 2.22. We are back on what is described as the GP Plus Health Care centres but, in this case, it is the Woodville centre which SHine SA is to become the proprietor of. How much has been allocated in the budgets for 2006-07 and 2007-08 to relocate SHine SA from Kensington to Woodville? When this organisation sells its property at Kensington, is it required to give that money back to the government and, if so, why is it not disclosed in the budget papers?

The Hon. J.D. HILL: I will give a bit of history. I think I have answered this question in the house on a couple of occasions, but I am happy to provide what information I have now. As I understand it, or recall it, SHine SA was originally the Family Planning Association, which was established in the 1960s when Don Dunstan (I think) was the premier. He supported that with some funding and it established its headquarters in his electorate. It may well be that he was the only one prepared to have such an organisation—

Ms CHAPMAN: It is in mine now.

The Hon. J.D. HILL: I gather it was in his at the time. I think there was some controversy at that time so he said, 'I'll cop it in my electorate because I think it is a good thing', but it was not necessarily the most appropriate place to have that service from a service delivery point of view. It was not a planned decision; it was simply a case of having it there because it could not be placed anywhere else. Over time the organisation—which provides sexual health services to the community, particularly young people—decided it needed bigger quarters which ought be closer to where a greater number of its clients were located.

Woodville was identified as a suitable place: it had a good transport route, was close to the QEH and other services, and there was space where a centre could be built. A grant of $3 million was given to SHine SA by the government to contribute to the construction of the $5 million Woodville GP Plus Health Care centre. The remaining $2 million for the building will come from the proceeds of the sale of SHine SA's existing Kensington property. We expect the centre to be open in May 2007. There are no operational costs because SHine SA will cover the operational costs of the Woodville centre. It is really just taking its services from one place and putting them in another where they are closer to the community they are seeking to serve.

Ms CHAPMAN: I refer to Budget Paper 3, page 2.21. An amount of $400 million is to be allocated over the next four years for additional resources, and the minister has indicated that that will be representative of, I think, 100 000 separations. Will the minister give a breakdown of the funding in the first year (the first $40 million) and, in particular, advise

what services and which facility or region will be the recipients?

The Hon. J.D. HILL: I am advised that the department is currently considering the best way of allocating those funds. The government's $400 million over four years builds up; so, it is $40 million this year, $80 million the second year, then $120 million and $160 million. That is to provide extra services. They are not exclusively for city hospitals but I think the greatest demand for services, including from country people, will be in the city hospitals. We know that Flinders Medical Centre, for example, is under enormous pressure, as is the RAH, so I think it is fair to say that they will get considerable allocations. However, I understand that the detail work is being done at the moment.

Ms CHAPMAN: I refer to Budget Paper 3, pages 2.21 and 2.22. The minister has announced dental care funding to help reduce the waiting times—in fact, he detailed that today. It is also proposed to sell $518 000 of assets in 2006-07. What are those assets and where are they currently located?

The Hon. J.D. HILL: I do not have that detail. I assume we are leaving one of our properties—we have a lot of surgeries, some of which are not what you might call state of the art any more. It is anticipated that at least some of the dental provision will operate through the GP Plus Health Care centres, so I think we will vacate some of the properties. I think that is correct, but I am relying on my memory here, so I will get a proper report for the member in relation to that.

Ms CHAPMAN: I refer to page 2.21. An amount of $20 million has been promised over the next four years in relation to additional equipment. Can the minister provide a list of equipment to be purchased and advise which facility or region will be the beneficiary?

The Hon. J.D. HILL: I am not sure I can give you exactly what you want because those decisions have yet to be completed; however, I will tell you what I do know. An amount of $20.8 million has been allocated for high priority medical equipment purchased for public hospitals over the next four years, and $5 million of this is incorporated into the 2006-07 annual biomedical equipment program. It is likely that high priority acquisitions will include intensive care monitoring systems, diagnostic equipment, and a wide range of imaging equipment such as magnetic resonance imaging machines and computerised tomography scanners.

The department has a committee, I think, that decides what the priorities are, and it will go through that work over the next few years. The important thing is that this is a substantial increase in the amount of money available for equipment purchases and, as we know, the cost of equipment is just extraordinary. Pressures on the health system come from a whole range of things—more patients and people getting older and wanting more services. I have been told that health is one of the few areas where the import of technology increases costs rather than reduces costs.

It is expected that at some stage in the future it will start bringing down the costs. We have seen it in some areas. For example, cataract surgery can be done in 20 minutes or 30 minutes and the patient goes home, whereas 20 years ago it required two weeks in a hospital bed. Technology has reduced the costs of doing that surgery, but in other areas it is still increasing the cost. The imagery technology we now have allows a load of processes to take place that in the past could not occur. The equipment which can be used to maintain life and flexibility, such as hip and knee replacements—and they are now talking about artificial hearts and a whole range of things—all add huge amounts of costs into the system, so it adds to the cost we have to pay for health.

Ms CHAPMAN: I refer to Budget Paper 3, page 2.21, and the savings initiatives of the Department of Health, which total some $82 million, including an efficiency dividend and head office and metropolitan regional health services and administrative efficiencies. There will be an omnibus question and we will ask the minister to provide a list of the efficiencies and estimated cost savings covering this, but will the minister tell us today which of his departmental heads or advisers—whether or not they are sitting next to him today—will be made redundant?

The Hon. J.D. HILL: They will only be made redundant if they make big mistakes. They are doing a good job at present, so they are okay. Our target over the next four years is about $80 million. That will be broken down in this way: $8.7 million of savings initiatives for the Department of Health itself; $72.4 million for health regions and other health units; and $1.2 million for the Ambulance Service. In addition, it is estimated that $400 000 in operational costs will be saved by DAASA in 2009-10 associated with the consolidation of services at Glenside. We will make $1.2 million savings over four years for the Ambulance Service, and this relates to the low administrative costs associated with the change in superannuation fund administrative arrangements whereby the super fund is now being managed by Super SA as opposed to a private sector fund manager; so that is an easy saving of $1.2 million. The $400 000 represents 0.3 per cent of the expenditure budget for the Ambulance Service in 2009-10; so that is a target of $400 000 by 2009-10.

In terms of the department itself, $7.3 million over four years relates to admin savings and $1.4 million from efficiency dividends. There is a range of ways in which the department will have to do that, including management of redeployees and other admin arrangements. We are reflecting that in a six full-time equivalents reduction in 2006-07. The CE will manage that within the agency, but I can assure members of the committee that services provided to the public by the department will not be affected by the savings target. The $4.5 million goal by 2009-10 represents 1.6 per cent of the 2009-10 expenditure budget for the Department of Health, including funding transfers to health units and SAAS not anticipating that this will be difficult to manage. It will mean that some public servants who retire will not be replaced and others who transfer to other jobs will not be replaced. Other things will occur, as well, in terms of managing resources, power and other utilities.

In relation to health regions and other health entities, it is $45.6 million over four years relating to the government's efficiency dividend and $15.2 million over four years relating to the operational savings associated with admin arrangements in metro health services, including management of redeployees. The reduction of 40 full-time equivalents in 2006-07 has been recognised, and that is associated with savings initiatives. There is some $2.2 million over two years commencing in 2008-09 relating to the consolidation of pathology services into one provider as opposed to continuing with existing arrangements whereby services are provided by individual health units. Benefits include savings from achieving economies of scale and addressing medium to long-term staffing shortfalls. I have referred already to the cogeneration facilities at Flinders and Royal Adelaide hospitals. None of these savings will impact on the delivery of health services.

I would think the opposition would be pleased by these initiatives, because during the last election campaign one of the themes on which the opposition ran was that there was too much bureaucracy in the health department. Well, we are addressing that and putting those resources back into health delivery.

Ms CHAPMAN: In relation to the $72 million savings the health regions are expected to provide, if I have correctly recorded it, there is some $45.6 million in efficiency dividends. The other is associated administrative savings. No doubt when we get our full list it will detail all this. To what does it translate in the next four years of full-time equivalent staff out of both the regions and the Department of Health (as it is currently structured)? What is the full-time equivalents consequence?

The Hon. J.D. HILL: As I have already said, there will be a reduction of six FTEs in head office and a reduction of 40 in the regions—which has been recognised. The department and the regions will have to work out how to implement the expanded savings required over the next few years. We are really talking about a very small percentage of the approximately $3 billion health budget. I think it is quite reasonable and achievable to make these efficiencies. We cannot anticipate exactly how that will occur yet; it will depend on the opportunities that are identified.

Ms CHAPMAN: A very significant increase appears in savings at the regional level in the further three years after 2006-07 about which you have just given the committee details. Are you saying that no numbers have yet been identified as to what that money is to represent in full-time equivalents?

The Hon. J.D. HILL: I am saying that the department and the various regions need to work through the savings that are required. The government has told the department and me what is required, and we must work on it. It will be done in different ways in different parts of the health system. Efficiencies can occur by doing things in a different way—and I have pointed to a couple of examples—in terms of administrative arrangements, such as the ambulance and pathology services. There may be other initiatives that we can identify. However, I am quite confident that we will be able to manage those over the next few years. We identified the particular full-time equivalents in this year's budget, and we will do so in subsequent budgets.

Ms CHAPMAN: The budget details an increase of 240 full-time equivalents which, obviously, is all employees in all the regions, the health department and the like. I take it the reduction of 46 has been taken into account for that net 240 growth.

The Hon. J.D. HILL: The government has committed $640 million extra in today's dollars. It is not inflated with CPI and all the rest of it—which we could have done and turned it into $1.5 billion, or thereabouts. We put in $640 million over four years for new spending. Also, we are spending $82 million, or thereabouts (in addition to that $640 million), by redirecting savings that are found within health back into health. In other words, it is $720 million over four years. Of course, much of that money is spent on staff. We use doctors, nurses and allied health workers to run our system. Associated administration staff are also required, such as clerks in admission centres and all those kinds of positions. The increase in numbers takes into account the savings I have described.

Ms CHAPMAN: The anticipated consolidation of services for the provision of the public pathology services has been included, as well as the savings in the SA Ambulance Service. How are there savings then by having one single pathology provider to provide that efficiency? Has that one provider been selected and, if not, what will the process be for it to have the exclusive contract?

The Hon. J.D. HILL: I should explain to the honourable member how pathology is provided currently in the public health system. We have the IMVS, which has been in operation for a very long time. It is by far the biggest. It has a very big brand recognition, and we would want to keep that brand name. It sells services to GPs. I think that more than half the GPs in the state use its services. It does a lot of business in country hospitals. It has a fantastic capacity to provide responses to GPs via internet connection. Information required can be downloaded into doctors' case notes automatically, and that is a huge advance on the services provided by other pathology service providers.

The Flinders Private Hospital has its own service, SouthPath, and the Women's and Children's Hospital has an in-house pathology service. There are efficiencies by bringing those three together, and we will bring those three together. A corporate entity will be constructed to manage and to bring those three together into one service. It will not be the existing IMVS. It is not a takeover of the IMVS: it is an amalgamation of the three services. However, the IMVS name will continue, which I think makes sense because it is widely recognised and used.

Ms CHAPMAN: I note the very significant savings that are to come from the metropolitan regional health boards. Three of them currently operate in South Australia's metropolitan area. Is it proposed that they will be abolished and, if so, when?

The Hon. J.D. HILL: I am sorry; is what proposed to be abolished?

Ms CHAPMAN: The metropolitan regional health boards.

The Hon. J.D. HILL: Certainly, I make no secret of my views about the regional boards. I would like to see changes in that area. I think it is important to keep the regions in place. You do not want to keep re-organising people in any system. If you create a new system you need it to settle for some time. I would not want to see the regions removed, at least in the short term. I think that they are working very well. I am of a view that boards are not the best way of running a health system, and I would anticipate making a statement about this in the near future.

Ms CHAPMAN: Do I take it then that it is your view that you get rid of the boards and keep the bureaucrats?

The Hon. J.D. HILL: I would say to the member for Bragg that this pejorative tone she takes towards public servants is not helpful. We have just spent the past 15 or 20 minutes talking about how we are going to reduce the level of bureaucracy in the department, so I think it is pretty obvious that I am planning to reduce the level of bureaucracy in the health regions as well as in the department. As the member knows, we are looking at governance arrangements in the country—and I explained to the committee the kind of structures that I would like to see in place—and I am looking at the governance arrangements in the metropolitan area as well.

I am not an advocate of the provider-purchaser model as it applies to health. It possibly works when there can be competition amongst the potential providers. For example, in the transport system you go to the market and say, 'Who wants to run the buses in the southern area?' and two or three

companies put up their hand and you get competition between them and it works. However, in the public health system where the provider and the purchaser are appointed by the same body—that is, the government—and one arm of government signs a contract with another arm of government, I just cannot see the logic of it.

Ms CHAPMAN: In relation to the $72 million saving for health regions and other entities, this is perhaps the single biggest user of the health dollar because it includes a number of major metropolitan hospitals and their operating costs as well. Is the minister saying that the $72 million saving in health regions is not within the bureaucracy of those organisations and the regional area but, in fact, the unit hospitals as well?

The Hon. J.D. HILL: I may not be making myself plain. The commitment we have given in terms of savings is to make savings without impacting on service delivery. In fact, any savings we make will lead to improved service delivery. There will be fewer public servants in the non-service delivery area, and the administrative governance arrangements are all on the table.

Ms CHAPMAN: So the administrative arrangements that are on the table are—

The Hon. J.D. HILL: Let me give an example. At the moment, as I understand it, purchasing of equipment might happen at an individual hospital or regional level, and this is particularly true in the country. Country hospitals go out and buy machinery, equipment, even bandages or whatever. They go into the market and purchase those things. They each do a deal with the service provider. So they buy widgets at a cost of X, but if you go into the market and buy 100 widgets it is going to cost X minus something. So, by looking at all those kinds of things as we do across health we may be able to make some savings which reduce neither the number of public servants nor the number of services but just save money.

The cogeneration announcement I made today means we will invest some capital into hospitals to produce power. We will produce more power more cheaply, and we will save money. It will not put anyone out of a job and it will not reduce health services—that is the goal—and we will try to find as many of those kinds of savings as we can. We want to do things more efficiently. I think it is good that health has a savings target. Every agency ought to, because it makes you think about how you do things and you come up with more efficient and sensible ways of doing those things. That is what private enterprise does, and it seems to me sensible that the government ought to do the same.

Ms CHAPMAN: I will look forward to receiving the details of the efficiencies and estimated cost savings for each of these heads within this area and, obviously, with the omnibus questions you will have an opportunity to provide all of that detail which will identify the savings—as to whether they are savings in staff costs, equipment costs or economies of scale and the aspects you have raised. Do I understand your answer to date—

The ACTING CHAIR (Hon. S.W. Key): I ask that we still observe the standing orders and, if this is another question, I accept that you will ask it. This is not a dialogue between you and the minister.

Ms CHAPMAN: This is another question. Perhaps I can clarify, Madam Acting Chair. I was assuming that, in the absence of questions from the other side, I would continue.

The ACTING CHAIR: Out of respect, the committee has deferred to the opposition to ask its questions, but we still need to preserve the protocol of the estimates committees, so I am just asking that you address the chair each time you want to ask a question.

Ms CHAPMAN: I indicate that I am asking a question. So, do I understand it, minister, that you are indicating to the committee that, if there are reductions in the work force as a result of these efficiencies, they will not come from the service deliverers in the facilities that currently provide health services?

The Hon. J.D. HILL: What I am saying is that there will not be a reduction in health service delivery. If we currently have two persons delivering one service to one person and there is a way of doing it so that one person delivers that service without any reduction in service, then that is what we would want to do. I am just being hypothetical here—I have no particular image in mind—but what we want to do is drive efficiency in the system without putting undue pressure on our workers and without compromising the high quality of care that we give our patients. We want to do it in a way that we can make savings so that we can provide even more services to people. There is a whole range of things. Payroll management can be done more efficiently than it is now. All these back-of-office things that private enterprise got into generations ago, government has been a bit slow to do, and we want to drive those kinds of efficiencies.

There will be people who currently have jobs in, perhaps, policy areas or other administrative areas and we may make a decision that we do not need policy advice or administration in that area. There might be other ways of doing these things, so all of those things we need to consider. I can assure the member there will still be more doctors, nurses and allied health workers providing services, because the demand for that part of our system continues to grow.

Ms SIMMONS: The Social Development Committee currently is looking at issues around obesity. I refer to page 7.15 of the Portfolio Statement. It contains reference to the implementation of the Eat Well, Be Active, Healthy Weight Strategy as well as the highlights for 2005-06. Will the minister inform the committee of the government's actions to address the obesity epidemic?

The Hon. J.D. HILL: We have made very plain that we are very concerned about obesity in our community. As I read somewhere in an official document (and it made me laugh), there is a growing body of evidence that obesity is a problem. Our plan is to reduce obesity and overweight by 10 per cent in 10 years. We have reallocated funding to obesity and put in place a whole range of programs and policies to help people eat a healthy diet and be physically active. Decisions are guided by the Eat Well, Be Active, Healthy Weight Strategy that I launched recently. This financial year the Department of Health has allocated $1.5 million to obesity prevention—an increase of $300 000.

There is also additional funding of $2.3 million from the commonwealth and state funded Australian Better Health Initiative for Healthy Lifestyles for Chronic Disease Prevention. Further, the government has agreed to mandate healthy food in school canteens and conduct the Premier's Be Active Challenge, both to be run through DECS, and we have a range of programs being implemented across the state, some of which are highly visible, such as the Go for Two Fruit and Five Veg Campaign, which has resulted in a significant increase in adult consumption of fruit and veg over the past four years.

What is less obvious is the range of community activities that support this message at the local level, such as teaching

cooking skills, supporting community gardens and working with the horticultural industry. It is also important to ensure that fresh, affordable produce is available for remote Aboriginal communities, particularly given the high rate of cardiovascular disease and diabetes in these communities. I am also looking at policy changes that would be necessary to help make these choices easier for people. We can learn much from the improvement in reducing smoking and the role that policy played in bringing about change.

The Social Development Committee is also inquiring into fast foods, and I look forward to receiving its report. I am also looking at ways to reduce trans fats in foods and possibly looking at a new labelling system that will make informed choice easier for consumers. I have also argued, along with other health ministers, about the need to reduce advertising of junk foods to children. Recently I saw the film *Super Size Me* on television, which reinforced my views about that.

There is some fantastic research happening in Adelaide in terms of pregnancy and birthing through Adelaide University down on Frome Road. I opened a new centre there recently and one of its researchers is world-class and has been doing work on the period between conception and birth. Some research shows quite strongly that babies born full term with a very low weight have a higher risk of becoming obese as adults. I do not properly understand the basis of this, but a kind of starvation in utero causes the foetus, baby and adult to hold on to fat as they grow older. It creates an interesting proposition, because theoretically we can do things to help mothers not to produce low weight children (I am talking of full-term births) and possibly target women who are likely to have low birth weight babies and, as the child grows, help those babies and mothers to avoid some of the complications associated with obesity. It is a complex issue. I would recommend the committee interview her.

Ms CHAPMAN: I refer to Budget Paper 3, page 2.22. In the operating initiatives prior to 2006-07—that is, those which have already been effected—TVSP savings total $6.7 million. How many employees does this account for and which entity—head office, metropolitan regional health service, country health or other—were they from?

The Hon. J.D. HILL: I will have to obtain a briefing as I do not have that information with me.

Ms CHAPMAN: In relation to Budget Paper 4, Volume 2, page 7.76, back in 2004 when Mr Tattersall gave evidence to a similar committee he was erroneously described in *Hansard* as Mr George Beltchev, who was also present on that day. It was corrected a few days later I recollect. It was not Mr Beltchev's error, but some of the content was also corrected by the then former minister for health (Hon. Lea Stevens). Mr Tattersall told the committee that, in relation to the estimated cost of the enterprise bargaining agreements in 2004-05, 2005-06, 2006-07 and 2007-08, essentially there had been some provision and there was a significant shortfall, which he detailed, along the lines of $31 million, $56.5 million, $82 million and $87.5 million respectively for those years. I can detail that evidence if the minister wishes, but—

The ACTING CHAIR: I may rule this question out of order. Does it relate to the current budget?

Ms CHAPMAN: Yes. That was the evidence that was given then about the big shortfall on 22 June 2004. Then former minister Stevens, on 24 June, gave some further evidence in the house and sought leave to correct information that had been given by the department at the estimates hearing. As I have already indicated, she stated that the real witness was not Mr Beltchev but Mr Tattersall, and that, in any event, some figures were incorrect. She indicated that there had been further negotiations, and said:

> As negotiations continued, additional funding was provided to ensure that the agreement was adequately funded. I am advised by Treasury that the provision allowed for in the 2004-05 budget was sufficient to meet the requirements for the next two financial years. The provision in 2006-07 and 2007-08 fell just short of the final agreed position. However, I am advised by Treasury that these small additional impacts are adequately covered by the provisions set aside in the recent budget for general wages contingencies. I apologise to the house for any confusion.

It was clear that there had been an error in the information that was provided. The former minister, quite properly, remedied that and indicated that there had been a shortfall and that it would be covered by the Treasurer. All of that is very important when it comes to the question of the assurances that the minister has given the house and this committee, I think, even today, that the enterprise agreement increases, including the following two years (which, of course, we are in now), have been provided for in this budget and how much of the nurses and salaried medical officers enterprise bargain agreements have been factored into the forward estimates for 2006-07, 2007-08, 2008-09 and 2009-10.

The Hon. J.D. HILL: Let me start by trying to explain, as I understand it, and as I am advised in general terms, how provision is made in the budget for EB decisions. Clearly, the government does not know at the beginning of a budget cycle what salary increases will be. Treasury makes an estimate of what the cost will be across all the agencies and holds onto an amount. It gives some initial provision to departments (as a matter of commonsense, it will cost something), and that is built into our budget. As enterprise agreements come through, they then have to go through a process involving the budget committee of cabinet (I have forgotten its proper name—the ERBCC, or something; it is quite a complicated name). It goes through that process, and the health minister and the education minister—the big spenders—sit on that committee. It goes to cabinet for a recommendation and then Treasury, as I understand it, coughs up the additional cash. That is how it has been.

I can assure the member that the $640 million, plus the $80 million or so that has been referred to as redirection, is for new initiatives. It is not to cover these salary increases or enterprise agreements. The provisioning for that is already in the budget. I will have a closer look at the member's question, because it was a relatively complex set of questions. If there is any additional information that I can give the member I will do so, and if I do not have it completely right I will correct it. That is as I understand it.

The ACTING CHAIR: Before we go any further, I recognise the member for Mitchell and ask him whether he has any questions for the Minister for Health.

Mr HANNA: Thank you, Madam Chair. I have one topic to address. I want to ask specifically about an item that is referred to in the capital works program with respect to the Marion GP Plus (or the Marion Health Village, as it also has been called). I will roll all the questions into one. Can the minister outline what services will be available there? Can he outline a time frame for the opening of such a centre? What arrangements will be made for car parking, in particular—because that is a very contentious issue in the precinct? Why has the 24-hour medical practice adjacent to the site not been consulted about the plans?

The Hon. J.D. HILL: Before I answer the member's questions, I will add a little information to a couple of

questions asked by the deputy leader. She asked me about the employees at Modbury. I understand that there are 712. In relation to the dental asset sales, I am advised that that includes four houses at Loxton, Renmark, Millicent and Naracoorte. I am advised that SADS has not used them for a long time, and they have been kept until now as a reserve. The houses have, in fact, been rented to the public. So, the sale of those houses will support implementation of the new fee recovery arrangements with respect to the co-payment schedule that I announced some time ago.

In relation to the question from the member for Mitchell, the GP Plus Health Care centres we are rolling out will each be unique to the community that they seek to serve. There is no formula package other than that their intention is to provide primary health care services to their communities and, in particular, to deal with patients who have chronic disease, so that we can manage them in the community and they do not end up being a burden on the public hospital system. That is good for our hospital system and also very good for the patients, because they do not want to go to hospital if they can avoid it.

The process to determine what is included in each of these GP Plus Health Care centres will include a very extensive process of consultation with the service providers, including the local GPs, the divisions of general practice, and the local councils and other stakeholder groups who would have an interest in it. The first of these we have worked on is the Aldinga GP Plus Health Care Centre, which is in my electorate, as the member would know. There was a very thorough process of consultation and analysis, and now a package has been produced which I think everyone believes is the right package, including the local doctors and the southern division of general practice.

I have to say that Helena Williams, who is the CE of that organisation, has been fantastic in her support and involvement in the management of this system. I know she is a keen supporter of this whole concept, and she will be very much involved in the development of the package that will be at Marion. We will consult very closely with all of the service providers, including the local GP clinic. Unlike Aldinga, which had no after-hours or little after hours GP service (so, one of the things we have put in the Aldinga clinic is after-hours GP services), Marion is well served by after-hours services, so we would not replicate that.

One of the options for GPs we have been talking to the profession about is the concept that some GPs may have special skills. They might want to be particularly involved in paediatrics or cancer management, or a whole range of other things. They may provide their normal GP services and then half a day a week or fortnight, say, they may provide more specialist services through the GP Plus clinic. However, we will do that in consultation and discussion with them. That consultation process is about to begin or it has already begun. I am not entirely sure where that is, but I can assure the committee that that local clinic will be consulted. I think the partnership between the local clinic and the GP Plus centre will be really important.

The key services we would expect to find in the centre will include the following: inner southern community health services; youth health services; and SADS, the dental service. We are looking at a 24-chair school community dental service and teaching facility, and the teaching facility in particular is good. It will also include the southern CAMS service. A new service is being developed to address the needs of people with chronic conditions, which I have mentioned, to improve earlier diagnosis and better care in support of people with chronic disease or high risk factors, particularly diabetes, hypertension and obesity. It is expected to incorporate outpatient and ambulatory care services to better link with community-based and allied health support services and the re-orientation of existing services to better respond to community needs.

The $27 million capital funding has been approved for a stand-alone facility. It depends a bit on the method selected. As you would know, the council and the state and federal governments are looking at a swimming facility on the site. Exactly where it goes on the site will depend a bit on what they want to do with that. There was talk at one time of having one building and incorporating the health centre into that, but I am not sure whether that is viable. There are no fixed views about any of these things. We expect construction to start in March 2008, with completion in the second half of 2009.

Mr HANNA: I have a truly supplementary question. The minister mentioned the Inner Southern Community Health Service and also the CAMS in the area. Is it determined at this stage that some or all of those properties currently inhabited by those services will be either sold off or the leases relinquished?

The Hon. J.D. HILL: We need to work through that. I have inspected the Inner Southern Community Health Service and, to put it bluntly, some of those buildings are pretty crappy, although some are good, too. I am not sure that we actually own all those buildings. We may lease some of them; I am not entirely sure. However, we will go through to see what we need and, obviously, what we do not need we will not keep.

Ms CHAPMAN: I want to go back to the enterprise bargain agreements. The salaried medical officers for visiting medical specialists (which I think was signed in June this year) provides for an extra $70 million. What provision is in the budget, if any, for the current salaried officers' claim for staff psychiatrists in hospitals?

The Hon. J.D. HILL: As I recall, the enterprise agreements with the salaried medical officers are only about a year or so old now. We have a process to review those in due course. It is true that the group of professionals the member referred to are seeking additional support outside of that agreement. I am not aware of any provision in the budget for that; it is an unexpected request. In general terms in relation to industrial relations in the health portfolio, we go through the process of enterprise agreement negotiations, and we then find that different groups want to have both that and something outside of it. It makes it very difficult to manage, but I suppose it is a kind of seller's market. We just have to manage these things in the best way we can. However, we would obviously encourage all of the professional groups to operate within the agreements they have signed up to.

Ms CHAPMAN: I refer to Budget Paper 4, pages 7.5 and 7.13. How much has been budgeted for in respect of employee benefits and costs (that is, the total of that item) to pay for the government's stated 240 increase in the work force in 2006-07?

The Hon. J.D. HILL: I am sorry; I did not hear all of everything you said.

Ms CHAPMAN: Pages 7.5 and 7.13 refer to employee benefits and costs.

The Hon. J.D. HILL: Is the question: how much of that $400 million increase in funding for service provision is to be used for salary increases? Is that what you are asking?

Ms CHAPMAN: Page 7.5 details the sort of portfolio net cost of services, everything for the department and regions and so on. In the expenses are the employee benefits and costs, and they are, of course, substantially salaries, long service leave and the like. In that is a description of the increased provision for employee benefits and costs, which is the first four or five items.

The Hon. J.D. HILL: Yes.

Ms CHAPMAN: For the 2006-07 year, just for example, for salaries from the estimated result from the year to June 2006 there is another $83.462 million, plus the extras for long service leave, etc. Of that money, how much is to cover the extra 240 in the work force identified at page 7.13?

The Hon. J.D. HILL: You are talking about the expected growth in full-time employees?

Ms CHAPMAN: Yes.

The Hon. J.D. HILL: Now I am following you. I assume all of that would be included, but I will seek some advice. Perhaps I should just point out to the member that if she were to look at the 2005-06 budget there was $1.45 billion, etc.

Ms CHAPMAN: Yes.

The Hon. J.D. HILL: For someone who was looking after the environment budget, it is very hard to get used to these figures. The estimated result is $1.53 billion. As I understand it, the difference between budget and estimated result would include any wage increases that flowed on after the budget was settled, and it would include any additional salaries that were taken on after the budget was settled. The 2006-07 amount is the anticipated cost of salaries, less any agreed salary increases that occur over the next 12 months. There is some provisioning in there that any additional costs associated with changes to enterprise agreements and so on would have to be supplemented subsequently, as it was—

Ms CHAPMAN: I understand that, but I am not asking about any change in the enterprise agreement—that is, the amount they are paid. The budget papers, though, tell us that you are proposing to have an extra 240 full-time equivalent employees in your entire portfolio.

The Hon. J.D. HILL: Yes.

Ms CHAPMAN: And they will be paid somewhere from that $1.62 billion. Is that correct?

The Hon. J.D. HILL: Yes, that is right.

Ms CHAPMAN: My question is: how much?

The Hon. J.D. HILL: Will that 240 be?

Ms CHAPMAN: Yes.

The Hon. J.D. HILL: I am sorry.

Ms CHAPMAN: Represents the 240.

The Hon. J.D. HILL: Sorry; I misunderstood. Roughly, the advice I have is that it is just over $20 million.

Ms CHAPMAN: Thank you.

The Hon. J.D. HILL: Sorry, I misunderstood what you were asking.

Ms CHAPMAN: I refer to Budget Paper 2, Volume 2, page 7.76. The total expenditure for the health regions and other entities, which we have identified previously as the largest single budgetary cost in health for these regions, was estimated to increase in 2005-06, compared to the original budget, by $130.2 million. The first factor contributing to the variation is stated as 'Wage increases reflected in enterprise bargain agreements, including the Salaried Medical Officers Agreement.' This is at about point 6 on that page. Do you see that, minister?

The Hon. J.D. HILL: I am sorry, member; I got distracted briefly. What was your question?

Ms CHAPMAN: The first factor, which is at about point 6 on that page, as the explanation as to why there was a difference in the $130 million, is stated as 'Wage increases reflected in enterprise bargain agreements, including the Salaried Medical Officers Agreement.'

The Hon. J.D. HILL: Yes.

Ms CHAPMAN: How much of the $130.2 million—

The Hon. J.D. HILL: Was caused by that?

Ms CHAPMAN: Is attributed to the Nurses Enterprise Bargain Agreement?

The Hon. J.D. HILL: We have the information, but we just do not have it readily available. We will get it before the end of today, I am sure.

Ms CHAPMAN: Take it on notice then.

The Hon. J.D. HILL: Yes.

Ms CHAPMAN: How much of the $132.2 million—the minister may want to make a similar response—increase in expenditure is attributed to the Salaried Medical Officers Agreement? How much of the $132.2 million increase in expenditure is attributed to the last three identified points, commencing 'Higher than budget expenditure on commonwealth'?

The Hon. J.D. HILL: I understand what you are getting at now. I am sorry; I misunderstood. I will try to get that information. If I can get it to you today, I will; if I cannot, I will certainly take it on notice.

While I have the floor, Mr Chairman, earlier today in the Southern Suburbs estimates committee, I was advised that the state contribution to Waterproofing the South would be $11.9 million. I have now been advised that this contribution is just over $8 million. The private sector contribution will be $16.7 million rather than $13 million. I would also like to correct the record in relation to the $164.9 million involved in the Christies Beach upgrade. I am now advised that around $158.5 million will be invested in water infrastructure that underpins Waterproofing the South. I apologise to the committee for giving incorrect figures.

The CHAIR: Minister, you will probably have to make that statement in the house, because that budget line is closed.

The Hon. J.D. HILL: I see, okay.

The CHAIR: Alternatively, you could provide a personal explanation in the house and refer to the question, because if someone was looking for it they would not be able to find it. I recommend that after question time in the house you get up and say that you refer your answer regarding the southern suburbs to your response on health. That should cover it.

Ms CHAPMAN: Just to complete that, I think the minister understood that we are seeking the particulars on the last three items—that is, the higher budget, the transfer of functions, and the impact of the deferred expenditure—none of which have a monetary amount disclosed in the budget.

The Hon. J.D. HILL: We will take those on notice.

Ms CHAPMAN: Page 7.76 shows that the total expenditure of health regions and other health entities would increase by $107.6 million in 2006-07 compared to the 2005-06 estimated results—so I am now moving from a comparison to last financial year (just completed) to the current one—and details a number of new initiatives contributing to the movements in revenue and expenditure. In addition to these new initiatives the impact of deferred spending, wage increases (reflected again in enterprise bargaining agreements), and annual indexation are the three other factors listed as having an impact on that movement.

Budget Paper 3, page 2.21, shows the total budget for new initiatives over the next four years and that the impact of

these new initiatives, less the savings initiatives for 2006-07, is $52.931 million. In other words, what you are going to spend this year less what you are going to get back with your initiatives is a net of $52.931 million. Will the minister explain how much of the remaining $54-odd million is attributed to:

1. The impact of deferred spending,
2. Annual indexation,
3. The total wage increases for the nurses' enterprise bargaining agreements, and
4. The total wage increases for salaried medical officers agreements?

I am happy for that to be taken on notice.

The Hon. J.D. HILL: We are pretty good over here, but I think the level of detail needed to answer that correctly requires some contemplation and research, so I will take that on notice.

Ms CHAPMAN: Is there some explanation, minister, regarding why your department provides the dollar figure on some of these factors but not on others in this budget?

The Hon. J.D. HILL: There is a variety of reasons why figures are given in different ways: Treasury requirements, how recent the information is, whether they are substantial matters or minimal matters that can be grouped under another general category. However, if there is a particular figure that the member is looking for we will try to find it for her.

Ms CHAPMAN: Is this a practice intended for all future budgets that, unless they are minimum amounts, they not be disclosed? These vary from $3 million, and no doubt when we get the figures you will see whether they are minimal or not.

The Hon. J.D. HILL: I guess that is right. In a budget of $3 000 million I suppose $3 million is a relatively small percentage; however, as I said, if there are any particular lines the member would like information on I am happy to try to find it for her. We are not trying to fool anyone; the idea is to be as frank as we possibly can. I do know—having done (I think) nine estimates; four on your side of the chamber and five on this one—that every single time I did it the budget paper I was looking at was different to the one before; something always changes. You kind of get a bit suspicious, and I did when I was in opposition, but now that I am in government I know that it just happens like that and there is not much you can do about it.

Ms CHAPMAN: I look forward to receiving that information, minister, and perhaps you are on notice for next year that we will want those figures. I refer to page 7.73 regarding health and other entities employee benefits and costs. Given that the new visiting medical specialists' agreement, which was signed some months ago, is listed as a factor contributing to the increase of some $98 million in what was budgeted for salaries and wages in 2005-06, what was the estimated result and what was the total paid to the visiting medical officers in 2005-06?

The Hon. J.D. HILL: I am happy to provide that information if we can find it. The reality is that these extra amounts required extra support coming into our budget. I guess the general point I would make is that we get augmentation from Treasury when these agreements are reached. I recall this particular one, because it happened in the caretaker period, so it was an odd process in that we had to reach an in-principle agreement and then seek formal approval after the election.

Ms CHAPMAN: Can the minister recall when the first payments were made, and did all 688 specialists get a payment or was it just to a few?

The Hon. J.D. HILL: I do not know when the first increase was paid, but it covers those who are visiting medical specialists, so it did not exclude anyone as far as I am aware. It covered the field. I cannot imagine that SASMOA would have reached an agreement with us if it only covered some of them, and I am advised that it covered all.

Ms CHAPMAN: I take it, minister, that you will provide the information.

The Hon. J.D. HILL: I will get you that if I can.

Ms CHAPMAN: Will the minister advise the committee how much of the $70 million over three years in the visiting medical specialists' agreement has been set aside in each of the three years 2006-07, 2007-08 and 2008-09 budgets?

The Hon. J.D. HILL: Again, I am happy to obtain that advice for the member.

Ms CHAPMAN: Assuming all the 688 specialists are receiving this 30 per cent salary increase, it is an average of $33 000 per annum in return for two extra hours working in the hospitals. I appreciate that public statements have been made about the need to have some parity with interstate, but is that available to all the 688 specialists or is it only those involved in additional surgery and training?

The Hon. J.D. HILL: As I understand it, the agreement was across the board. If I am incorrect in any detail, I will get some information for you. It is true that this was a substantial increase in the salary package and other matters. As I am advised, the key outcomes of the new agreement include a 30 per cent increase in the hourly rate over three years, including an increase of 17.3 per cent on 1 July this year. I guess just after that the first payment was made. I will check that, if it is not correct. It also includes a fee for service recall based on commonwealth Medicare benefit schedule rates to four identified VMS groups: spinal surgeons, cardiothoracic surgeons, paediatric surgeons and vascular surgeons. From 1 January 2008 it also includes additional leave for professional development and financial assistance up to $4 000 per annum.

The system of visiting medical officers and salaried medical officers does create tension because the enterprise agreements for these groups come up at different stages. They tend to leapfrog each other and put pressure on each other's salary package. In addition, we have a shortage in certain specialties across Australia and, indeed, internationally. The Queensland government seems to have an unlimited supply of money to pay doctors and it is recruiting from everywhere, so it has put up the price of doctors all over the place. It is great for the doctors, but it makes it very difficult for the taxpayers who have to fund it.

The reality is that we cannot do without these people. When one thinks about the training and the level of skills they have, it is hard to argue they should not be well paid. A normal medical degree and training can take up to 10 years in some circumstances and then they do speciality training on top of that, which could be another seven years. Of course, not all surgeons can perform right to the end of their potential working life; they lose skills and ability in their 50s. We are talking about a relatively limited number of years that some of them can perform at the high level. So we reward them well. Not many of us with a steady hand would want to explore the interior of someone's skull on a regular basis; and that is what our neurosurgeons do. We pay them enormous sums of money, but we are getting fantastic skills, as well.

Ms CHAPMAN: Is a copy of that enterprise agreement available and can a copy be provided to us?

The Hon. J.D. HILL: I do not see why not. It is a public document, as far as I understand it. It is certainly available to the doctors. I am not aware of any reason why it should not be provided. I am happy to provide it to you, if there is no reason not to provide it.

Mr PENGILLY: In relation to Budget Paper 5, pages 31 and 34, given that eight major capital works projects were cancelled or delayed from last year's budget and the government has stated a commitment to spend more on health infrastructure, how does the minister justify a cut in capital works in health by $6 million from $136 million last year to $130 million this year?

The Hon. J.D. HILL: First, you cannot refer to capital works from one year to another and say there has been a cut from one year to another. Capital works programs by their very nature are irregular. In relation to recurrent funding for services in health and education, and so on, I guess you can say there is a cut if the budget for one year is below that for the next year. But, if you are building a major hospital one year and it finishes, you do not have to build a major hospital the next year. It is absurd to refer to cuts in that context.

In 2005-06, the original budget for the health portfolio capital works program was $135.8 million, and the 2005-06 estimated expenditure of the portfolio was $107.6 million. The main factors contributing to the $28.2 million less than budgeted being spent included the following: extended planning delayed commencement of construction works for a number of major projects, such as the Lyell McEwin Hospital stage B redevelopment and mental health community rehabilitation centres; the Port Pirie Hamill House aged-care facility was delayed by local politics as much as anything else; extended contract negotiations for the Flinders Medical Centre car park; and delays in construction works due to design changes and complexities encountered in construction of the Flinders Medical Centre Margaret Tobin Centre and the Repatriation General Hospital Mental Health Unit. I have gone through the capital works already completed.

The 2006-07 budget for the health portfolio capital works program is $129.5 million. If you compare the capital works budget with the estimated expenditure, you could say there is a $22 million increase, and that would be about as valid as saying there was a $6 million or $7 million reduction. I think that explains why those projects were not completed. I have already been through the planned capital expenditure for the coming year. I reject the idea that capital works budgets can be compared in the way in which the honourable member is suggesting.

Mr PENGILLY: In the same Budget Paper, page 34, under 'Annual programs', minor works have been allocated $8.193 million. Which hospitals and health units are to receive this money and how much will they receive?

The Hon. J.D. HILL: I do not have the details of that for the honourable member. I guess that some of those works may be very minor. There would be a very long list. It may well be that, as yet, not all of that money has been allocated, but I will get some information for the honourable member.

Mr PENGILLY: I refer again to page 32 of the same budget paper. The redevelopment of the Lyell McEwin Health Service was a project that did not proceed last year with a spend of over $9 million. What is the minister's explanation as to why that project did not proceed, and will the minister assure the committee that the government will proceed and spend that money in 2006-07?

The Hon. J.D. HILL: I think that I mentioned all that, but I can go through it again. Previous budget papers did indicate that Lyell McEwin stage B would be completed in December 2007, and we are now looking at April 2009. Time has been taken in the development of the stage B concept to ensure that the anticipated future growth in service required at the hospital can be effectively accommodated. As a result, we have provided additional scope to be added to meet the growing health service needs of the northern suburbs. As I said earlier, the north is very much in need of extra services. In terms of the metropolitan area, it is probably the area that is least well served.

Accordingly, an emergency extended care unit, the refurbishment of the medical and palliative wards and an increase in pathology capacity have been incorporated to provide better support for the metro and country areas which the hospital now serves. Approval has now been given for additional funding of $9.8 million to enable these additional facilities to be provided. The stage B redevelopment project will build on the outstanding success of the stage A redevelopment, which has been the recipient of numerous state and national industry awards for the overall project outcome with a focus on environmental performance. If members have not visited the hospital, I recommend they take a look at it because it does look very good.

Mr PENGILLY: I refer to Budget Paper 4, Volume 2, page 7.13. When will the Barossa health facility be built, and will it be at Tanunda rather than Nuriootpa or Angaston, as the opposition has been advised?

The Hon. J.D. HILL: I was hoping that an honourable member would ask me about the provision of country health capital, because it gives me an opportunity to expand on a theme. We have about 60 health care facilities in rural South Australia. In my view, it is unreasonable to expect that, as they get old, each of those facilities will be rebuilt on the same site or a nearby site. I am not supporting the reconstruction of any of the country hospitals without a plan. One thing we are doing through the development of Country Health SA is to develop a strategy for country health.

Currently, something like 25 per cent of the metro services are provided to country people. The metropolitan hospitals are providing services to many country people, which puts pressure on the metropolitan hospitals and it is inconvenient for country people. That is obvious and logical. We want to build up strategically services in the country so that people can be attended to. Not all services will be able to be delivered in the country, and I think that people would understand that. We want to be able to deliver more services to people in country settings, so that they do not clog up our hospitals in the city and they do not have to travel as far. The logic of that is very good.

We want to identify at least four hospitals in rural South Australia in the major population centres of the state—the South-East, the Spencer Gulf area, the Riverland and the West Coast. We want hospitals in those areas to operate as centres linking to other hospitals in those regions so that they can provide a higher level of service than they are currently providing so that fewer people will have to travel to the city. Also, we would want to link those hospitals where we can with the universities. Already the University of Adelaide and Flinders University are providing training through some regional centres and, if possible, we would like to see that extended.

We would also like to see a much clearer and stronger set of relations between the metropolitan and country hospitals. Ad hoc arrangements are in place whereby various hospitals in the metropolitan area provide services to country hospitals. That is done well, but it is not done on a planned approach. We want to develop a planned approach and, when we have that planned approach and we understand the roles that each of the hospitals need to take, we will know where to invest. There is no point going off and investing in the Barossa or Naracoorte services, or any of the other country hospitals that want capital works done, without having a plan in place. I hope people would understand the logic of that, otherwise the limited resources we have may be wasted.

Mr PENGILLY: The former minister during estimates stated that the Asbestos Review Register for country hospitals would be completed by July 2005. What funding has been set aside to upgrade the Angaston Hospital, which is riddled with asbestos, especially as there is no funding for a new hospital?

The Hon. J.D. HILL: I am not aware of that issue. There may well be some minor works. Things of that nature might be able to be done through the minor works budget. I will find out for the honourable member, as I said before.

Mr PENGILLY: I refer to Budget Paper 5, page 2.21. Given that the former minister gave a commitment in May last year and the minister made the same commitment last month in question time, when will a monthly update of elective surgery waiting times be posted on the web site so that the public can see how long they have to wait?

The Hon. J.D. HILL: It is interesting that, at 4 p.m. on estimates day, this is the first time I have been asked a question about elective surgery, which is one of two issues the opposition bangs on about; so, I do thank the member for the question. Positions on waiting lists are clinical decisions made by surgeons in consultation with the patient's GP. We budgeted an extra $38 million to perform an additional 16 000 procedures over four years in this budget.

On Radio National this Monday, Professor Stephen Graves, who is the Director of the National Joint Replacement Registry, told listeners that South Australia was the best place in Australia to be on a waiting list for a hip or knee operation. The latest state of our hospitals report released by the federal government showed that South Australia is ahead of the national average on the number of patients seen within the recommended time, that is, 83 per cent (and that is the opposite to the kind of claims that are sometimes made). During winter this year hospitals coped well with the extra demand, with 473 more elective surgery operations being conducted compared with 2005. There was more than a 10 per cent drop in elective surgery cancellations, and I am advised in terms of waiting list data that the—

Ms CHAPMAN: Why can't we see it? That is the question. Why is it not on the web site?

The Hon. J.D. HILL: The point I am making is that we are planning to put this material on the web site. I indicated to the house a little time ago that that would occur, and I expect it will occur in the near future, if it has not already occurred.

Mr PENGILLY: I refer to Budget Paper 3, page 2.21. Given the men's information support centre had received $16 000 in state government funding and rental assistance of $10 000, is there any provision for continued funding of a men's health information service in this year's budget and, if not, why not?

The Hon. J.D. HILL: I thank the member for the question. The decision to de-fund that particular service was made after a lot of investigation and discussion with the service. Essentially, it was not a very good service. It was run by volunteers, who may well have had good intentions, but they were not properly trained and did not comply with the contract they had with the Department of Health to provide services. In particular, they were funded to provide gambling counselling services over a number of years, and I think they did it on one occasion; the officers who gave advice over the phone were volunteers and self-trained (they did not go through an accredited training process); there were doubts about the quality of the advice they were giving; there was some suggestion that some of the advice was misogynous in its nature; and I could go on and on.

My department, and the Department of Families and Communities, both came to the same conclusion; that is, it would have been improper for us to continue funding it. It would have been easy for me to say, 'It is only $10 000 or $15 000, or whatever it is. Let's leave the poor buggers alone', but I took the view that we should have an appropriate level of scrutiny and that, if we were paying for services, we should get good quality services. One thing that I know they delivered that was reasonably popular was the anger management courses, and I understand that that is a particular need in the community, for men in particular, and I have asked the department to put together the funds that otherwise went into this men's information centre plus some other funds, and to put out to tender anger management courses in the community so we will be able to provide in a better way those services that the centre provided.

Ms CHAPMAN: I have some questions in relation to Budget Paper 4, Volume 2, page 7.13 relating to the work force. There is quite a bit of detail in some of these questions, so the minister may wish to take them on notice. I would like to know the total number of nurses and full-time equivalent nurses, and the total number of doctors and specialists working in hospitals as at 30 June 2005 and as at 30 June 2006.

The Hon. J.D. HILL: I believe I gave considerable information about doctor and nurse numbers earlier today. If we have not provided all of the information which you are now seeking I will undertake to come back to you with all the additional information, but I think I have pretty well satisfied that.

Ms CHAPMAN: I appreciate the information provided by the minister, and that was in relation to the numbers of nurses taken on during the winter period, and also in relation to medical practitioners some numbers were given, but I would highlight that I appreciate the minister's indication that he will provide that information.

The Hon. J.D. HILL: I am happy to give it to you if we have not given you what you need.

Ms CHAPMAN: We are referring to the numbers, not necessarily employed by the department generally, but those working in hospitals. That is the qualification I put on that question.

The Hon. J.D. HILL: You might want to clarify what a hospital is, because we provide breast screening, for example. Is that a hospital or a non-hospital? I take it you do not want me to include doctors and nurses working as administrators. You want to include doctors and nurses who are working as doctors and nurses.

Ms CHAPMAN: Correct. For clarity, that obviously is to recognise those who are working in health services, which includes breast screening, of course, and other community health services. Given that the health sector has been

identified as the nation's top user of temporary skilled migrants, or 457 Visa holders, how many nurses were employed in the South Australian health system under the 457 Visa scheme in 2004-05 and in 2005-06 and, similarly, how many doctors were employed in the South Australian health system under the 457 Visa scheme in 2004-05 and 2005-06?

The Hon. J.D. HILL: As I am advised, the 457 Visa has some advantages in relation to health professionals in that it is issued for four years and does not have to be renewed every 12 months, so there are some advantages there for the individual and the employer. The visa also allows the nurse or doctor the opportunity to stay for a short time—up to four years, if that is what suits them—or gives those who want to stay longer adequate time to apply for permanent residency with or without the assistance of their employer.

Overseas nurses are not employed to replace medical staff. The number of overseas nurses and midwives employed by metropolitan and country health sector units over the past two years are as follows: 2004-05—commenced employment, 66; resigned, 12; and gained permanent residency, 29; 2005-06—commenced employment, 112; resigned, 26; and gained permanent residency, 40. Generally overseas nurses and midwives are experienced nurses and help in balancing new graduates within the system. Public sector health units in the metropolitan and country areas have indicated to the department that they are looking to recruit over 500 newly graduated RNs. I am not sure of the deal in relation to doctors under that scheme, but I will take the question on notice.

Ms CHAPMAN: Can the minister assure the committee that none of these temporary foreign workers employed in the department have been exploited or underpaid in any way?

The Hon. J.D. HILL: These people are not employed by the department, which is the point about the reform process that I referred you to earlier. They are employed by country health boards or regional health boards. I doubt very much that any are employed by the department. Neither my CE nor I can give that guarantee, because we are not the responsible employing authority. I would like to give you a guarantee that the industrial conditions, employment contracts and all of those elements are done well. I am certain that they are, particularly for the metropolitan boards, which are larger and have a more professional organisation behind them, but I cannot say that in relation to some of the country hospitals. I do not want to sling off at them: I just do not know. We want to create an employment system that can guarantee that all workers are on proper conditions, are looked after properly and, if they have industrial or employment problems, are managed properly. The kinds of reforms I am seeking will allow me to answer your questions satisfactorily, I hope, at the next estimates.

Ms CHAPMAN: Have you had any concern in this area or made any inquiries?

The CHAIR: We are discussing budget lines.

Ms CHAPMAN: With respect, Mr Chair—

The CHAIR: There is no 'with respect to the chair'. You ask budget line questions and do not ask the minister's opinion, so get back to the budget.

Ms CHAPMAN: I refer to Budget Paper 4, Volume 2, page 7.13, still on the work force. Of those who have been employed by the regional boards the minister has referred to, has he made any inquiry in relation to their employment terms?

The Hon. J.D. HILL: You are asking the same question by linking it to a budget line. If the member is sitting on information and waiting for me to say something that she can then contradict, put it to me. It is a hypothetical question. I am not aware of any issues to do with employment concerns that nurses have collectively or individually. That is not to say that some do not, and I would be very happy to investigate any concerns the honourable member may be aware of.

The CHAIR: There are six or seven minutes left. Does the member for Bragg have any omnibus questions?

Ms CHAPMAN: Yes, thank you Mr Chair. I am indebted to you for advising me of the time. I have provided a schedule of omnibus questions to the minister for the convenience of his departmental officers, as follows:

1. Will the minister provide a detailed breakdown of each of the forward estimates years of the specific administration measures as listed in Budget Paper 3, chapter 2 expenditure, which will lead to a reduction in operating costs in the portfolio?

2. Will the minister provide a detailed breakdown of expenditure on consultants and contractors in 2005-06 for all departments and agencies reporting to the minister, listing the name of the consultant and contractor, cost, work undertaken and method of appointment?

3. For each department or agency reporting to the minister, how many surplus employees are there as at 30 June 2006, and for each surplus employee what is the title or classification of the employee and total employment cost of the employee?

4. In the financial year 2004-05 for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carry-over expenditure in 2005-06?

5. For all departments and agencies reporting to the minister, what is the estimated or actual level of under-expenditure for 2005-06, has cabinet already approved any carry-over expenditure into 2006-07 and, if so, how much?

6. What was the total number of employees with a total employment cost of $100 000 or more per employee and the total number of employees with a total employment cost of $200 000 or more per employee for all departments and agencies reporting to the minister as at 30 June 2006? Also, between 30 June 2005 and 30 June 2006 will the minister list job title and total employment cost of each position with a total estimated cost of $100 000 or more which, first, has been abolished and which, secondly, has been created?

That concludes the omnibus questions. Given the time, I have no other questions. I thank you, Mr Chair, for your chairmanship and thank the members of the department who have attended. I note that this year there were only four departmental advisers. There must be some efficiencies already happening, because I note that last year there were 20 in attendance with the former minister. I am pleased to note some efficiencies at the highest level.

The CHAIR: The record is held by Diana Laidlaw, who had 55 advisers once for the arts.

The Hon. J.D. HILL: That would have been bigger than the Arts Department now. I also thank the committee for a reasonably pleasant way of spending a day and thank my officers for their assistance. I assure the members that we will get back with answers to those questions as soon as we can. I also thank the Chair for his chairing.

The CHAIR: There being no further questions, I declare the examination of the vote completed.

ADJOURNMENT

At 4.15 p.m. the committee adjourned until Friday 20 October at 11 a.m.