

**HOUSE OF ASSEMBLY****Friday 20 October 2006****ESTIMATES COMMITTEE B****Chair:**

Mr T. Koutsantonis

**Members:**

Ms C.C. Fox  
 Mr S.P. Griffiths  
 Mr T.R. Kenyon  
 Mr A.S. Pederick  
 Mr D.G. Pisoni  
 Mr J.R. Rau

*The committee met at 11. a.m.*


---

Independent Gambling Authority, \$1 438 000  
 Attorney-General's Department, \$67 728 000

**Witness:**

The Hon. P. Caica, Minister for Employment, Training and Further Education, Minister for Youth, Minister for Gambling

**Departmental Advisers:**

Mr Brenton Sleep, Deputy Commissioner, Office of the Liquor and Gambling Commissioner.

Mr Robert Chappell, Director, Independent Gambling Authority.

Mr Kym Della Torre, Director, Gambling Policy, Department of Treasury and Finance.

**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 appropriate time for consideration of proposed payments to facilitate change of departmental advisers. If the minister and the lead speaker for the opposition have agreed on a timetable for today's proceedings, I ask them to provide the chair with a copy.

Changes to committee membership will be notified as they occur. Members should ensure that the chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary no later than Friday 17 November. I propose to allow both the minister and the lead speaker of 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 proceedings may submit them as questions on notice for inclusion in the assembly *Notice Paper*. There is no formal facility for the tabling of docu-

ments 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 will be directed to the minister and the minister only, not his advisers. The minister may refer to his advisers for a response. I also advise that, for the purposes of the committee, there will be some freedom to allow television cameras to cover the proceedings from the northern gallery for a short period of time. I declare the proposed payments open for examination. I refer members to the Budget Statement, in particular, Appendix C, page C.2, and the Portfolio Statements, Volume 1, Part 3, pages 3.15 to 3.16, and Part 4, pages 4.86 to 4.198. If he wishes, I call on the minister to make a statement. Once he has finished, I will call on the opposition lead speaker to make a statement.

**The Hon. P. CAICA:** I do wish to make an opening address but, given the time we have got, it will be a very short statement. First, I acknowledge the traditional owners of the land on which we meet, the Kaurna people. During the first term of this government, innovative and effective measures were implemented to reduce harm arising from problem gambling. We led Australia by legislating for a reduction in the number of gaming machines by 3 000; we increased the government's contribution to the Gamblers Rehabilitation Fund; we funded the development of the Dickey Dealings education program; we increased funding for research and codes of practice for advertising for responsible gambling; and other guidelines were implemented.

It is difficult to determine the individual impact of these measures and other economic influences, such as petrol prices and interest rates, but what can be seen from the club and hotel gaming machine statistics is that for the 2005-06 year net gaming revenue was \$751 million. As noted in the report prepared for the Independent Gambling Authority, there has been a clear decrease in the rate of growth from over 11 per cent per annum down to less than 3.5 per cent by 2004-05 statistics, and down to only 0.2 per cent in 2005-06.

Gambling policy, however, is not a matter of 'set and forget'. Indeed, 2006 is an important year for consolidation and review. The Independent Gambling Authority is conducting two extensive inquiries: the first on the codes of practice and guidelines, and the other on the effectiveness of the 2004 amendments. The government looks forward to receiving these reports and to industry and government working together to create an environment that further minimises harm from gambling within the context of maintaining a sustainable industry.

**Mr GRIFFITHS:** Some figures I reviewed recently from the year 2004-05 highlighted that gambling in Australia is a \$15 billion industry and employs over 76 000 people. I understand, also, that it is very important to the economy in some areas of South Australia, but I just want to reinforce the fact that it is important that the government does whatever it can to care for those people who are most at risk by supporting gamblers' rehabilitation issues.

The first question I have refers to gambling taxes in Budget Paper 3, page 3.13. I note in table 3.8 that gaming machines revenue for the state government for the 2005-06 year was estimated to be \$293.1 million, which is \$14.3 million less than budgeted. The forward estimates for gaming machines revenue indicate that revenue for the 2006-07 year will increase to \$307.5 million, with the following year's revenue levels estimated to be \$292.3 million, \$288.6 million and \$307.9 million. Can the minister please

provide details on why the forward projections for the state government revenue from gaming machines varies so much?

**The Hon. P. CAICA:** It is true that the budget forecasts show some growth in gambling taxes. The forecast is broadly in line with the projected growth in household spending. There is a forecast decline in gambling taxes during that period of time from the casino of 3.2 per cent and 1 per cent in 2007-08 and 2008-09 respectively; and in clubs and hotels, it is 4.9 per cent and 1.3 per cent in the 2007 and 2008-09 years respectively. We attribute this to the commencement of the 100 per cent smoke-free gambling areas from 31 October 2007. Those statistics, as I understand it, are based on the experiences of other jurisdictions (in particular, Victoria) when that change was implemented.

**Mr GRIFFITHS:** Again, I refer to Budget Paper 3, page 3.1, gambling taxes, and to the commentary notes that follow table 3.8. Interestingly, I cannot find any comment that relates to gaming machine numbers. Given the previous question, and the fact that in the house in August you said that it would be extremely difficult to remove the 800 remaining machines from the 3 000 that were required to be removed, does this mean, given the forward estimate figures and your answer to the last question, an allowance has been made for a further reduction in gaming machine numbers, or has the government resigned itself to the fact that removing the full 3 000 machines is impossible?

**The Hon. P. CAICA:** Can you reference that for me?

**Mr GRIFFITHS:** Budget Paper 3, at page 3.13.

**The Hon. P. CAICA:** Are you asking about further reductions in machines? Is that right?

**Mr GRIFFITHS:** Yes.

**The Hon. P. CAICA:** In terms of gambling taxes?

**Mr GRIFFITHS:** Gaming machine revenue, yes.

**The Hon. P. CAICA:** It is a very long bow.

**Mr GRIFFITHS:** I believe there is a direct link there, Mr Chairman.

**The Hon. P. CAICA:** I am happy to answer the question. I will start off by saying that we are the first jurisdiction in Australia to attempt, in any way, to reduce the levels of gaming machine numbers in a jurisdictional area of responsibility. From the state government's perspective, we are very proud of that effort. We know that a large number of machines were taken out of the system through amendments to the legislation.

You are quite correct in highlighting my comments to parliament about the difficulties that I believe will be confronted in achieving the additional numbers of machines. The point I want to make is that, from the state government's perspective, it is still committed to it. As I said on that particular day (although quite often I am selectively quoted about what I said that day), from the government's perspective it is committed to achieving the total number of machine reductions that it determined—that being 3 000 machines.

The honourable member is aware that it will be on or around February 2007 when the next round of trading will occur. I will state again on the record that we support this trading process. I will reinforce the points that I made earlier, in that I am not confident that, during this particular round, we will achieve the additional machines that are required—and you are fully aware of that yourself. That will mean, subsequent to that round of trading, other measures being reviewed and looked at to achieve the 3 000 machine reduction that this government is committed to achieving. I look forward to working with the opposition, the community and

other people—including the industry, of course—to look at ways by which we can achieve that objective.

**Mr GRIFFITHS:** Supplementary to that, I respect the fact that the next round occurs in early 2007 but, as the forward estimate period goes out to 30 June 2010, again, I ask for details on whether an allowance has been made in the forward estimates for the further reduction of the machines, because they do not reflect in it.

**The Hon. P. CAICA:** Could you repeat that question, please?

**Mr GRIFFITHS:** You have talked about a period early next year. The forward estimates go out to a period of 3½ years beyond that, though.

**The Hon. P. CAICA:** Yes.

**Mr GRIFFITHS:** Therefore, an allowance must be made for a reduction of some kind, and it is for you to say the number, not me. Legislation requires it to be 3 000; you have 800 to go. Have you made any allowance at all for a reduction in machines? If so, what number has been factored into the forward estimates?

**The Hon. P. CAICA:** The forecasts do not include any further reduction in the machine numbers in respect of the calculations. It is based on past performances in regard to revenue. It also takes into account other measures that have been put in place, and will continue to be put in place, in regard to the codes of practice and guidelines, amongst other things, which you understand are under review. I reinforce the point that a clear decrease can be seen in the rate of growth from over 11 per cent per annum to less than 3.5 per cent by 2004-05 and down to only 0.23 per cent after the machines were removed in 2005; so, it takes those matters into account when calculating the forward estimates.

**Mr GRIFFITHS:** I understand that, but it does not take into account the important legislative requirement for the removal of machines. But I am grateful for your answers.

**Mr PISONI:** I refer to Budget Paper 4, Volume 3, page 11.61. I note that there is an increase of less than inflation to the financial year in supporting gamblers' rehabilitation. In light of the increase being less than inflation, does the minister believe that problem gambling in South Australia is reducing?

**The Hon. P. CAICA:** I thank the member for his question. He would be aware that the Gamblers Rehabilitation Fund is not my portfolio responsibility; in fact, it comes under the auspices of the Minister for Families and Communities, the Hon. Jay Weatherill, so it is administered through his portfolio responsibilities. Having said that, I am happy to give an answer as best I can. The government, along with the gambling industry, provides funds to the Gamblers Rehabilitation Fund. The Department for Families and Communities draws upon that rehabilitation fund to fund the government's gamblers' rehabilitation program. I point out that it was this government that increased significantly the amount of money that now goes into that fund to the extent that, in total, it is about \$5 million per annum. The contribution was increased significantly from the 2002-03 budget from \$0.845 million to \$1.845 million per annum; that is the government's contribution—a significant contribution by anyone's measure. It was \$3.45 million in the 2002-03 budget, which brings the total gamblers rehabilitation funding contributions to date on an annual basis to \$5.455 million per annum.

**Mr PISONI:** I am still waiting for an answer to the question. You explained that you did not think it was your portfolio area, being the gambling minister, even though it is gamblers' rehabilitation.

**The Hon. P. CAICA:** Yes.

**Mr PISONI:** My question was: in light of the increase being below inflation, does the minister believe that problem gambling in South Australia is reducing? You have agreed to answer the question. I did not hear the answer.

**The Hon. P. CAICA:** Yes; I will reinforce the point that the question relating to the administration of the Gamblers Rehabilitation Fund can be directed to my colleague the Hon. Jay Weatherill. In regard to problem gambling and initiatives that will address problem gambling in this state, there is not one single measure that will address problem gambling in its own right. It requires a host of initiatives to be oriented towards addressing problems associated with gambling. From my ministerial perspective, I am committed to supporting and implementing measures that, in line with the opening statement made by your colleague, are oriented towards addressing problems that exist with individuals and their association with gambling and, simultaneously, making sure that the sustainability of the industry is preserved.

**Mr PISONI:** Minister, I still did not get an answer to the question. The question was: do you believe—

**The CHAIR:** Order! The member for Unley, I know that this is your first estimates. Asking the minister's opinion is not part of budget estimates. If you want his opinion, ask him in question time. You must ask on budget lines, budget estimates and financial matters—

**Mr PISONI:** It relates to budget lines.

**The CHAIR:** Order! I am speaking. It is not me you are respecting: it is the chair. Okay? The minister is not here to give his opinion: the minister is here to give you the facts and figures on his budget lines. You can ask him his opinion in question time as many times as you like; you can ask him through the media. In budget estimates, your job is to ask him questions about his budget lines and how he administers those budget lines. So, unless you have a question about the budget line, please move on.

**Mr PISONI:** I thank you for your advice, sir.

**The Hon. P. CAICA:** Mr Chairman, with your indulgence, I would like to finalise my response for the benefit of the member for Unley so that he gets a better picture of the reality as opposed to other issues. Problem gambling is a complex issue; you will admit and accept that, and we all accept that. At this time the Independent Gambling Authority is about to conclude—when I say conclude, I mean that the next stage of the process that will bring it to completion is the public submissions that will be made in mid-November specifically in relation to the effectiveness or otherwise of the reduction in machine numbers on problem gambling. We expect to get a clearer picture at that stage from the Independent Gambling Authority when it concludes its review about the issues associated with problem gambling in this state. That puts it into a bit of perspective, Mr Chairman.

**Mr PEDERICK:** I refer to Budget Paper 4, Volume 3, page 11.61. From examining the cash flow statement, I note that the expenditure under grants and subsidies for gamblers' rehabilitation for 2006-07 is \$5.211 million. The South Australian Centre for Economic Studies reports that the machine-to-person ratio for gaming machines is 1:78 in the country and 1:147 in metropolitan areas. Can the minister please explain what percentage of the money is used for rehabilitation services in regional areas, and what percentage is used in metropolitan areas?

**The Hon. P. CAICA:** Again, the administration of the Gamblers Rehabilitation Fund is not my portfolio responsi-

bility. It is a question that would be better directed toward the appropriate minister.

**Mr GRIFFITHS:** I seek verification from my point of view, if I may. I must admit, being my first time here and preparing questions has been somewhat of a challenge, but there are very few budget lines that actually refer to gambling. Therefore, I have looked within the budget, scanned issues that relate to gambling and hoped that the minister would be able to answer questions related to expenditures and incomes. If there is some confusion here, I apologise for that, because some of my other questions are framed along slightly similar lines. If the minister is in a position to give some answers, we would be grateful for that.

**The CHAIR:** I understand the problem that you have, because with ministries administered in this way it makes it difficult for the opposition and the government; I understand that. However, there is no collective responsibility in estimates. Unlike question time, where you can ask a minister a question and any minister can answer it collectively, estimates is a different process. The minister is here to talk about specific lines that he administers. The way that the budget is drafted makes it difficult for people. We cannot get into a situation where the minister tells you what questions you can ask, because that is not the idea of estimates. The idea is that you are meant to be here surprising him, getting him messed up, and he is here to bat it away like a night-watchman. The idea is that, if it is not his responsibility, there is nothing that we can do about it. There are only another five minutes left on this portfolio, so I am not sure how I can help you.

**The Hon. P. CAICA:** Without being gratuitous, historically, the administration of the Gamblers Rehabilitation Fund has not been under the auspices of the Minister for Gambling, and that is no secret. However, significant funding has been directed to a few initiatives, and I am happy to highlight some of them for the benefit of the entire committee. They include: increasing the number of financial counsellors across the state, and investing in qualification development for the financial counselling workforce through sponsorship of existing gamblers' help staff to attend a financial counselling course, at approximately \$450 000; establishing new indigenous gambling help service for the northern country region of Coober Pedy and Port Augusta, at \$150 000; the Offender Aid and Rehabilitation Service for people who are affected by gambling and who are in, or at risk of entering, the criminal justice system, at \$100 000; enhancing multicultural problem gambling responses, at \$70 000; and a proposal to develop a new service response for young people affected by problem gambling in the western metropolitan region, which service has not yet been approved, but we expect that it will be favourably considered, estimated at \$120 000.

**Mr PISONI:** I refer to Budget Paper 4, Volume 3, page 11.61. I note, from examining the cash flow statement, that expenditure for gambling revenue that goes into funding community grants is not clearly shown. Can the minister explain just how much money from gambling revenue is allocated for grant programs to community groups?

**The Hon. P. CAICA:** Without appearing to deliberately evade the question from the honourable member from Unley, the answer is exactly the same as the previous answer. That is money allocated by the Minister for Families and Communities, and the question would be the best directed at the Hon. Jay Weatherill.

**Mr PISONI:** Will you take it to the minister? Will you take that on notice?

**The Hon. P. CAICA:** I can pass that on to my honourable colleague. Mr Chairman, with your indulgence may I thank the men who have appeared here with me today from their respective areas of responsibility, for not only the effort they have provided today but also the work that they do throughout the entire financial year.

**The CHAIR:** There being no further questions, I adjourn for further consideration in Committee A the proposed payments for the Attorney-General's Department (\$67 728 million) until Monday 20 October. I declare the examination of the Minister for Gambling completed.

---

Department of Further Education, Employment, Science and Technology, \$274 432 000

**Departmental Advisers:**

Dr T. Donaghy, Director, Office for Youth.  
Mr A. Kilvert, Manager, Programs, Office for Youth.  
Ms G. Fairlamb, Manager, Policy, Office for Youth.  
Mr F. Ngui, Manager, Across Office Team, Office for Youth.

**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 Statement, Volume 3, pages 13.1 to 13.30. I call on the minister to make an opening statement, if he wishes to do so. I will then offer the same opportunity to the lead speaker for the opposition to make a statement, if he wishes.

**The Hon. P. CAICA:** I welcome the opportunity to make an opening statement about the crucial work being undertaken by the Office for Youth to support young South Australians. In the past 12 months, the office has undergone important changes. Apart from my appointment as the new minister, a new director has been appointed, and the office has become an important part of DFEEST. I am pleased to advise that these changes have been positive and that the reinvigorated office has delivered on all its commitments, including its budget priorities, spending within 1 per cent under its budget allocation. The office also has delivered its first business plan, providing improved structure to its business arrangements and links to its budget commitments.

The implementation of the South Australian Youth Action Plan honours a commitment made by this government, which was reiterated at the state election, to provide a vision and a direction for government activity for South Australia's young people. The Premier's memorandum on youth participation, a priority action arising from the Youth Action Plan, was launched at Parliament House in August 2006, and I thank my colleagues for their attendance on that day. This action plan will mean that many more young people will have a say in how the government delivers services and programs for them.

The Office for Youth recently piloted a new initiative, the Office for Youth A Teams, which brought together young employees from across the public sector to develop broader responses to some of the challenges facing government. The pilot project saw a group of young people working with the Adelaide Thinker in Residence, Rosanne Haggerty, to address youth homelessness. Many great initiatives are being conducted by the Office for Youth and, in the interests of having some questions answered, I will now conclude my

opening remarks. I look forward to the work that will emanate from the Office for Youth during this budget year and the priorities that we are looking forward to implementing over this period of time.

**Mr GRIFFITHS:** One of my great privileges since being elected is to have the opportunity to be involved with our youth. I am particularly pleased to have received this portfolio and, together with the minister, I have attended some excellent functions at which some very inspiring young people have been present. I encourage the minister and the government to do all they can to support our youth. I am confident that the future is in good hands.

I refer to Budget Paper 4, Volume 3, page 13.6, relating to employment opportunities for youth, which I think is important, and which we may discuss later this afternoon. In the 2006-07 budget, one of the government's targets is to equal or better the Australian average for youth unemployment by 2009. Will the minister detail how the government hopes to increase youth employment?

**The Hon. P. CAICA:** Whilst there is a synergy, obviously, between the Office of Youth and youth unemployment, that is a matter that falls under the broader DFEEST employment programs that we will be discussing this afternoon. It might be better to ask that question this afternoon, because it is not the responsibility of the Office for Youth to deal with that matter. One of my priorities as a minister (which I know the member will support) is to look at ways in which we can integrate issues relating to youth unemployment—indeed, youth employment and youth participation—in such a way so that there is a collaborative and collective approach across all government departments to address that issue.

I have often used the example of the Office for Youth being what I see as the octopus, with its tentacles going through all government departments, so that not only in unemployment but also in all other areas the voice of youth is loud and clearly heard and, more importantly, that participative arrangements are in place that allow youth and our younger people to be involved in that process. That is not without its challenges, but I am very confident that we will achieve that.

**Mr GRIFFITHS:** I again refer to Budget Paper 4, Volume 3, page 13.22, the Youth Action Plan. Minister, I note your comments about the octopus and the tentacles because, presumably, the Youth Action Plan performs that purpose, too. I note in the performance commentary the continuing efforts to implement the Youth Action Plan. Can the minister confirm what annual costs are budgeted to maintain the Youth Action Plan and what effort goes into it?

**The Hon. P. CAICA:** As the honourable member is aware, the Youth Action Plan provides the mechanism through which government activity for young people can be coordinated against the objectives of the South Australian Strategic Plan. For the 2005-06 financial year, just to highlight some of the outcomes and achievements, the Office for Youth's total expenditure for the SA Youth Action Plan totalled \$30 240. Stage 1 of that was the implementation of the Youth Action Plan. That commenced and the order of priority actions were achieved on target in December 2005. The Youth Action Plan agency's first progress reports were received on target (March 2006), and issue one of *Celebrating Success* was published. This document highlighted and reported the achievements across government in implementing the SA Youth Action Plan.

I know that the honourable member is aware of the documentation that was provided at our launch of *Celebrating*

*Success.* Four youth policy forums were delivered on policy issues affecting young people, with up to 100 people in attendance at each forum. Youth consultation grants of \$4 000 were provided to four government and community agencies to support consultation with young people around their youth action plan priorities for action. The Office For Youth, youth policy action team—that is, the A teams which I mentioned in my opening address—was a very innovative project and was delivered in collaboration with Adelaide Thinkers in Residence, as I said. This is about that across government program to address the Youth Action Plan objective, in this instance a ‘Safe Place to Call Home’, and focused on youth housing and homelessness.

We are confident that that pilot will be a program that we will be able to implement across government in other areas of priority focus. The next steps for the 2006-07 targets include: the second reporting phase from the Youth Action Plan agencies which commences on 31 October 2006; *Celebrating Success*, a second edition highlighting the achievements from the Youth Action Plan (October) will be published; and, in addition, there will be two collaborations with government agencies to address issues impacting disadvantaged young people as per the Office for Youth business plan. In addition, three youth policy action team A Team projects will be conducted to engage young people in policy level decision making.

In addition to that, discussions are occurring in respect of the Ministerial Council for Youth to look at ways in which that council will be able to link to initiatives being undertaken in such a way that will complement government policy but, at the same time, not restrict the thought processes of the ministerial council to provide advice to me. In fact, we have had some early discussions about focusing on some of the areas where I think this council will be able to do some work. For example—and I know the honourable member is aware of our emerging communities and the young people within those emerging communities—I refer to the positive support that needs to be provided to these emerging communities to give them an equal opportunity, along with other young people, to achieve decent outcomes and become productive members of our community. So, there are those initiatives. Again, as always, I look forward to not only briefing you on those initiatives but also getting your feedback on and input into those initiatives.

**Mr GRIFFITHS:** I again refer to Budget Paper 4, Volume 3, page 13.2, referring to the action plan. I noted during the commentary that the information is available on the Office for Youth’s web site. Will the minister confirm, given his previous comments about youth being disadvantaged not only by association but also by location and circumstance—not necessarily one or the other: it is both—

**The Hon. P. CAICA:** My words?

**Mr GRIFFITHS:** No; they are mine; I provided the clarification. Will the minister confirm whether the actual plan and the resultant programs are easily accessible to youth in regional areas?

**The Hon. P. CAICA:** They are not only established in such a way that they are able to be implemented and accessed through regional areas but they are also initiatives that are segregated into various areas within what we would call the metropolitan Adelaide area. They are accessible and available and, just as importantly, we anticipate—and certainly I expect to have—input from the regional areas. Again, one of the mechanisms we need to link more closely to are the local council youth advisory committees (YACs)—and the member

would be very familiar with these—which are, in the main, funded from my department to ensure that there is that synergy between those committees and using them as the vehicle by which information emanating from the Office for Youth is readily available.

**Mr GRIFFITHS:** Supplementary to that, I note the fact that the minister has confirmed that he wants the YACs to be the group that makes it available to regional communities, but having—

**The Hon. P. CAICA:** That is one we will explore. I think you would admit yourself that there are some YACs that are extremely effective, and there are others which, whilst they may make a great contribution, could be more effective. Indeed, I have held preliminary discussions with the Local Government Association about how we might be able to coordinate that a bit better. So, it will not be the only vehicle or the only mechanism, but it is a good resource that we should probably be able to coordinate a lot better than we might have done in the past.

**Mr GRIFFITHS:** I agree. YACs, while being tremendous opportunities for young people, involve only a minority of the younger people within a community. So, there needs to be a broad range of approaches to ensure that the youth are aware of the opportunities available to them.

**The Hon. P. CAICA:** I agree with that. In regard to the 2005-07 outcomes and achievements, the Office for Youth funding to support rural and regional young people totalled \$339 558. For the purpose of the exercise, I will not break that down, because I know you are familiar with the breakdown of that, anyway.

**Mr PISONI:** I refer to Budget Paper 4, Volume 3, page 13.22. I note the performance commentary on the youth action plan. Mental illness is a growing problem amongst our youth, and the youth action plan is only a small step towards improving the wellbeing of youth. How much funding is available to assist youth with mental illness problems?

**The Hon. P. CAICA:** I thank the member for Unley for this very important question. The simple fact is that mental health is funded out of the health department. However, from our office’s perspective, we have made mental health a priority. Indeed, the ministerial council itself has made that area a priority. As we go through this financial year, we intend to work closely with the health department by feeding in the work we do, through our ministerial council, information from a coalface perspective in relation to youth who are suffering from, or who perhaps are identified as most likely to develop, mental health problems, bearing in mind that I am not a mental health expert. What I am talking about is the synergy that needs to exist between what my department will be doing, what health will have the main running of and, again, how we link that information through to the portfolio responsibility for which the minister has the main running.

**Mr PISONI:** Will the minister then supply that figure on notice to the committee?

**The Hon. P. CAICA:** Yes. I will refer that question through to my ministerial colleague.

**Mr PISONI:** And that will come back before 17 November 2006?

**The Hon. P. CAICA:** I will refer that question. I cannot answer the question in the manner in which you want it answered. I can only answer in the manner by which I can answer it. As I have said, I will refer that question to my ministerial colleague.

**Mr PISONI:** Minister, I want to take up the point you raised earlier that youth goes across many portfolios (and perhaps you could even argue that it requires a suite of actions to deal with our youth in Australia). I refer to Budget Paper 3, page 3.9. Will the minister advise whether any study has been made or any recommendation put forward to the government on the effect that the reduction in the rate or increase in the threshold of payroll tax would have on reducing the cost of taking on young people by small family businesses, considering South Australia's very high rate of youth unemployment?

**The Hon. P. CAICA:** I thank the honourable member for his question, but that is not information or an objective that falls within the bailiwick of the Office for Youth: that falls within DFEEST and, indeed, the employment component of DFEEST. It is a question which perhaps might be better asked when we open that line of questioning this afternoon.

**Mr PISONI:** I refer to Budget Paper 4, Volume 3, page 13.23. I note that the South Australian youth engagement strategy is a program to ensure that all young people aged 15 to 19 will be either learning or earning. Will the minister confirm whether the Office for Youth is assisting with this program?

**The Hon. P. CAICA:** I am delighted that the honourable member has asked this question and more delighted that I get the opportunity to answer it. The Office for Youth is the lead agency for initiative 2.1 of the Social Inclusion Unit's School Retention Action Plan. In 2005-06 the Office for Youth received funding from the Social Inclusion Unit for two programs designed to keep young people connected with learning opportunities. In relation to the achievements and outcomes in this particular area, during 2005-06 the total expenditure for this initiative was \$153 130 for two programs: Reach your Dreams involved \$56 310 (including \$13 400 in revenue from the Duke of Edinburgh Trust Account) and the Youth and Business Roundtables—and I know the honourable member is familiar with those—\$96 820. In 2004-05 six programs, which totalled \$277 790, were funded by the Social Inclusion Unit for School Retention Action Plan projects. They were: Reach your Dreams, Youth and Business Roundtables, the Premier's Memorandum, student governance in schools, youth development initiatives and youth participation workshops.

I could talk for some time about Reach your Dreams initiatives and how they will act as a template for other initiatives across youth areas and, indeed, those orientated towards ensuring that younger South Australians are given an opportunity, as a result of the programs, to be engaged in either learning or earning. I know that the honourable member is aware of these programs, so if he would like me to elaborate on them I will, but, in answer to his question, there is a specific relationship between youth retention at school and the involvement of the Office for Youth.

**Mr PEDERICK:** I refer to Budget Paper 4, Volume 3, page 13.24. I note in the performance commentary the activities during 2005-06 of the minister's Youth Council, which reports directly to the minister on issues important to the youth of South Australia. Comments by previous youth ministers have highlighted the fact that youth debt is a priority for the government. Will the minister outline which initiatives the government is planning to roll out over 2006-07 to educate our youth on how to be financially responsible?

**The Hon. P. CAICA:** As a result of reading previous estimates hearings I did note this was a matter of great

dialogue between the former minister and the former member for Hartley. I anticipated that this might be a question you would ask, and I appreciate the fact that you have asked it. Having said that, it is a very important issue. As is the case with my friend and colleague, I have a young family, and even assisting them to manage their finances is a difficult problem. I am not being flippant about that: I am just saying it is a reality. It is something that as a parliament and a community we need to address.

In relation to the support that is provided from the Office for Youth, we provide support to the Attorney-General's Department, which has primary responsibility for issues in relation to youth debt, by implementing consumer education strategies. I want to make the following key point: the Office of Consumer and Business Affairs division of the Attorney-General's Department has primary responsibility for issues relating to youth debt. The Office for Youth, in collaboration with OCBA, implements strategies to increase young people's consumer skills and raise community awareness about youth debt.

In 2005-06 the Office for Youth actively promoted resources specifically designed for young people by OCBA. These are high quality resources, which include an interactive financial literacy CD and a consumer youth web site hosted by OCBA entitled 'SpendWell'. The OCBA SpendWell web site and CD provide young people and teachers—and that is important because without the education system we would not be able to address it adequately—with updated information on buying goods and services. Topics on the site and the CD include owning a mobile phone, renting accommodation and shopping on the internet. There are links to the OCBA SpendWell web site on both the Office for Youth and MAZE web sites.

The Office for Youth has promoted the OCBA web site to young people listed on the Office for Youth youth participation register, youth advisory committee members and relevant youth organisations. The resources will also reach an additional 1 500 young people through 115 schools participating in the Duke of Edinburgh Awards. The financial literacy CD was promoted as a teaching resource in participating schools. During 2006-07 the Office for Youth will continue to support the Attorney-General's Department to implement strategies to increase young people's money management skills and raise community awareness of youth debt; and again I thank the honourable member for his question.

**Mr PEDERICK:** I refer to Budget Paper 4, Volume 3, page 13.24. While not specifically identified in this sub-program I assume the Youth Parliament Program (which commenced in 1995) receives support from the state government under the creative leadership program. As he has attended several events associated with the 2006 Youth Parliament, will the minister please confirm the level of ongoing financial support?

**The Hon. P. CAICA:** The Office for Youth will continue to support the SA Youth Parliament, because it believes that many benefits arise from it. It encourages people between 12 and 25 years of age to develop an interest in the Australian system of government and the parliamentary processes. Through the Office for Youth, we have the naming rights to sponsor this program. The YMCA of South Australia is conducting the program on our behalf; and in 2005-06 it received an amount of \$45 000 for the Youth Parliament.

This included a one-off amount of \$15 000 to support a greater diversity in its program. The additional funding for

2005-06 was to support the YMCA to establish structures to engage young people from culturally and linguistically diverse backgrounds, young people from indigenous backgrounds, young people with a disability and young people from regional and remote areas. As I mentioned, there is a commitment to continue funding. In 2006-07 the YMCA will receive \$30 000 in sponsorship from the Office for Youth. The changed funding arrangements reflect that negotiated change of program ownership and provide the opportunity for the YMCA to secure additional sponsorship.

We value the Youth Parliament. Again, without being too indulgent (because I was not here), I thank the member for Hartley for representing me and participating in that most recent program which was conducted in these auspicious surroundings.

**Mr GRIFFITHS:** I also attended several Youth Parliament functions, and they were truly inspiring. There are some great young kids; and, interestingly, they come from both political spectrums. There is a lot of future talent.

**The Hon. P. CAICA:** Is the honourable member suggesting that, a long way down the track when he gets into government, he will change that arrangement?

**Mr GRIFFITHS:** No, not at all. I refer to Budget Paper 4, Volume 3, page 13.22. Previously, the minister spoke about the youth advisory councils, which are established in 61 council areas across South Australia. I also note that the state government to local government funding for these is about \$3 000 per year. As the YAC groups work with the support of YACSA, what level of funding is made available to assist with YACSA activities, and is this funding committed in future years?

**The Hon. P. CAICA:** I am happy to take that question on notice and provide a very detailed answer.

**The CHAIR:** There being no further questions for the Minister for Youth, I declare the examination of the Minister for Youth completed and advise that the proposed payments for the Department of Further Education, Employment, Science and Technology remain open.

**The Hon. P. CAICA:** I acknowledge the Office for Youth not only for its efforts today but also for its work throughout the previous and forthcoming financial years. It has a very good team, and I think the work the office does is outstanding. I look forward to making sure that, again, its work integrates with all aspects of the government's delivery of services.

**The CHAIR:** The minister should not sell himself short: he is not doing too bad a job himself.

**The Hon. P. CAICA:** And I think you are an excellent chairman, sir.

**Mr KENYON:** I move:

That the sitting of the committee be extended beyond 1 p.m.

Motion carried.

*[Sitting suspended from 12.6 to 1 p.m.]*

---

#### Departmental Advisers:

Mr B. Cunningham, Chief Executive.

Ms E. Bensted, Deputy Chief Executive.

Dr Craig Fowler, Deputy Chief Executive.

**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 Statement, Volume 3, Part 13. Does the minister wish to make an opening statement?

**The Hon. P. CAICA:** Yes, Mr Chair, and I thank you for the opportunity. Two key imperatives make the further development of our state's skilled workforce a high order priority. The first is the demographic challenges facing South Australia and the second is the tremendous opportunities for building sustained economic growth, arising from our success in attracting key projects in the booming resources and defence industries. South Australia has the nation's oldest population and, over the next decade, approximately one-third of our existing workforce is expected to approach retirement.

With more than \$30 billion worth of major projects in the pipeline, the state government has been successful in creating exciting new industry development and career opportunities that could sustain economic and social benefits for South Australians for generations to come. The demands these imperatives will place on our education, training and labour market programs will be paralleled by the effects of changes in industry structure, occupational mix and the skill mix within occupations. The focus of the Council of Australian Governments on, for want of a better term, 'human capital' will also impact on our state's education and training systems.

South Australia leads the way in making improvements to our systems for developing and recognising skills and competencies. We are active agents in the COAG training agenda: we seek to improve our ability to match the skills and training needs of business and industry and to ensure the availability of better training and employment outcomes for all South Australians. 'Skills for South Australia', the \$98 million skills package, was released with the budget. It contains a range of significant initiatives that signal the government's commitment to ensuring that resources are effectively targeted to achieve our state's workforce development goals.

The package includes a coordinated set of 24 initiatives that will build on the good work of our existing education and training systems and provide impetus to workforce development in priority areas of industry, particularly in the rapidly expanding mineral resources, defence and construction industries. The initiatives focus on seven priorities which are found in the South Australian Strategic Plan. The imperatives driving our state's workforce development program require significantly increased effort and commitment not only from governments but also from business, industry and members of the community who participate in training and other programs.

In response to growing industry demands for training, the budget indicated changes to the structure of some TAFE fees, and the level and targeting of User Choice subsidies in 2006-07. Indexation aside, the key change relating to TAFE fees is an increase in the fee cap to \$1900 from \$1285 for study undertaken over a 12-month period. The majority of TAFE SA's approximately 80 000 students will continue to pay fees below this cap.

About 3800 students benefited from the previous cap arrangements, with the new cap still providing a benefit to 2000 students. Financially disadvantaged students remain eligible for up to a 30 per cent discount on course fees through TAFE SA's fee equity scheme. From 2007 the User

Choice co-payment will increase to a maximum of \$2, up from \$1.50. This is the hourly fee paid to training providers as a contribution to the cost of off-the-job training for apprentices and trainees. This will mean an average rise of \$450 over the life of a four-year apprenticeship—around \$110 per year. Some employers already pay this fee, but the government urges all employers to do so, rather than pass this on to the apprentices and trainees.

Research conducted on behalf of COAG suggests a significant growth in the future of industry demand for qualifications at the diploma and advanced diploma levels. In response to this trend, and to support training priorities associated with the growth in areas such as mineral resources and defence, the government is better targeting taxpayer funded training support (for example, User Choice). For instance, the government expects that large retail employers, who have the capacity to deliver lower skilled and enterprise specific training, will provide this in-house training themselves, as is done in most other states. DFEEST will also be implementing a range of changes to its processes to reduce overheads and increase the proportion of departmental expenditure on training and employment programs.

Last week the government welcomed the news that historically high numbers of South Australians are in employment. Further, both in trend and seasonally adjusted terms, the unemployment rate was down last month to 4.7 per cent—better than the national figure. Our state has now enjoyed 13 consecutive months of trend employment growth, with new historical levels being achieved in trend employment growth. I was particularly pleased to see the youth unemployment figure fall by 5.6 per cent last month, down to 22.7 per cent. While this provides a positive outlook, the Rann government will continue to make youth engagement a key priority, ensuring that young South Australians have opportunities to be in learning or employment, or a combination or both.

**Mr GRIFFITHS:** I endorse the comments made by the minister and recognise that it is very important for the future of South Australia that this aspect of the portfolio is very critical. I urge him to do everything within his power to ensure that it works as productively as it can to provide job outcomes and job opportunities for the future. I note the comments in regard to unemployment being 4.7 per cent, and that is a good result. It is hard to dispute that. While the youth unemployment rate has decreased from last month's figure of 27 per cent, down to 22 per cent, it is still, I believe, the third highest in Australia, so we must do something about that.

I refer to Budget Paper 1, page 15. The Skills for South Australia: Building on Strong Foundations program is identified as being a \$98 million program over four years, with some \$52.1 million of this being identified as new money. Given that the budget for this portfolio was not increased by that amount, can the minister detail what programs have been cut or decreased to create the capacity to fund this program?

**The Hon. P. CAICA:** I thank the honourable member for his question in relation to specific programs. My understanding is that not all the money came specifically to our portfolio. There is clearly money within that package which relates to DECS, the Trade Schools for the Future, and \$52.11 million is new funding for the mineral resources and heavy engineering skills centre. That will result in, as you know, 2600 additional apprenticeships. To cut what could possibly be a very long answer very short, the simple fact is

that not all of that money comes within my portfolio responsibility. There are components of that which relate to DECS. There are also components which relate to Carnegie Mellon's Software Engineering Institute; the Trade Schools for the Future, which I mentioned; and a component that relates to the Bragg Initiative.

**Mr GRIFFITHS:** I have a supplementary question. In recognising the components of that program that are not from your portfolio, are you still able to give an assurance that no other programs administered by you were cut or decreased to create capacity for this new program?

**The Hon. P. CAICA:** I am advised that it is a reallocation of existing funds, a component of that. The rest—\$52 million—is a new component. To that extent, existing programs have not been affected.

**Mr GRIFFITHS:** I think it is fair to mention that some of the reallocations will be key issues about which we will ask questions during the afternoon.

**The Hon. P. CAICA:** You know that there are seven priorities upon which this initiative focuses. They include: growing prosperity, that is, in responding to the skill needs of major projects; expanding opportunity, and increasing and improving workforce participation as a result of that; developing a skilled workforce; increasing science and mathematics in schools; skilled migration; better work-force planning; and information and career development. Again, you know as well as I do that we will have to focus on the priorities, and that will require, from time to time, a redirection and a reallocation.

**Mr GRIFFITHS:** I refer to Budget Paper 1, page 15. I note that as part of your answer you talked about the sections of that program and the \$14.5 million that has been provided to support the training of an initial 2 600 apprentices and trainees, which is outlined in the budget. It appears that, whilst 600 of these extra apprentices and trainees will be created as a result of the mineral, resources and heavy engineering skills centre, the other 2 000 apprentices and trainees focus on the needs of high-growth sectors, existing skill shortages and the needs of the region. That is a very broad statement. Can you give me some detail on the actual skill areas that will be targeted?

**The Hon. P. CAICA:** As the honourable member is aware, this was an election commitment. As he has identified, Skills for South Australia is providing 2 600 initial apprenticeships and traineeships, and that will, as you have mentioned, align with the new growth sectors, areas of existing skills shortages and the needs of regions. I note that we have here two members from the opposition who represent regional South Australia. It was also to look at, for example, the air warfare destroyer contract, the mineral resources sector and construction.

The demand for skilled labour and those with trade schools in South Australia is continuing to be driven by economic growth (as you know), the retirement of older workers (that is a replacement demand), and the labour requirements from these major projects. The specific target of the additional 2 600 trainees and apprenticeships will be met through anticipated growth and demand. One of the things upon which we need to focus—certainly my department needs to—is the establishment of the Maritime Skills Centre, the trade schools for the future, and, indeed, the Australian government technical colleges. They will add to the supply of workers who have gained their skills, traineeships and apprenticeships, particularly in the trades. I make the point that, more than ever before, we need a strategic



approach to where this energy ought to be put; that is, where that training dollar ought to be put. That can be achieved only through a proper consultative process with business, the emerging industries, so that we are targeting the specific needs. I could sit here and say to you, 'Yes, we need 14 boilermakers here, or 26 sheet metal workers there,' but I could not guarantee that that would be the case. If we use the mineral sector, for example, I have been reliably informed that the Roxby Downs expansion has gone through a very detailed projected workforce strategy for its future needs. We need that not just in those lead industries but in the second and third tier industries that hang off it as well.

My department has a workforce development directory, and that works closely with, amongst others, regional development boards. However, there needs to be an integrated approach. In other words, how do we ensure that the system identifies needs but at the same time works out the requirements at school that lead into higher and further education, which then leads into the projected employment and vocational outcomes—meaning, jobs? That is not something that can be developed in a nanosecond; it needs to be developed through consultation with the industry sector. That is what we are about, and that is what we are doing.

**Mr GRIFFITHS:** I have a supplementary question. I note the minister's reply about the detail that must be included in the workforce development directory, and I can appreciate that it is an example of forward planning for the skills areas. While I do not require specific numbers within the skills areas for which you are seeking to give opportunity, I would still like to have some idea of the skills areas.

**The Hon. P. CAICA:** It will be in those areas that relate to those industries and emerging industries that I mentioned; for example, engineering and that which hangs off engineering. If you are talking about defence, for example, you may well know better than me that that would be the electronic engineering style for systems required by defence. When it relates to mineral exploration and mining, it will be those specific mining engineers; and with construction, it would be the traditional trades, although we are also seeing some emerging skills development in the construction area. Indeed, we should not lose sight of the fact that it will also be required, because of the infrastructure, to underpin what will be very prosperous times for South Australia. It also relates to child care, health care and those particular areas.

In conclusion, as training enters into these areas and we develop further, numbers will be monitored by the department and regular reports will be provided to me. My department is monitoring the impact of all these initiatives on the targets, and we will continue to adjust programs in consultation and collaboration to ensure the outcome of 2 600 additional trainees and apprentices is achieved and, more importantly, achieved in those areas that are in need.

**Mr GRIFFITHS:** I refer to Budget Paper 3, page 3.6. I note from table 3.3, which shows the agency revenue measures, that the Department of Further Education, Employment, Science and Technology has increased the cap fee and the user choice co-payment for TAFE courses, as the minister mentioned in his opening comments. I believe that increasing the costs for apprentices and trainees in this way will make it increasingly difficult for students, private RTOs and employers. Can the minister explain how he believes that increasing the TAFE cap fee and user choice co-payment will impact on employment opportunities and levels?

**The Hon. P. CAICA:** The member and I have previously had discussions about this area. I have always believed (and,

certainly, since I became the minister) that the training that is required to deliver the skills requirements here in South Australia (and not just South Australia, because skills shortages, which will become labour shortages unless we get it right, are a problem that confronts the entire nation—indeed, it will affect the planet as a whole) needs to be done with a commitment from all sectors: government, industry, training providers and the community.

My argument has always been that apprentices pay their way through the low wages they receive, that government highly subsidises off site training for apprentices and that industry and employers need to pay their way more than has been the case in the past. There are several ways in which they can do that. One is to ensure that industry takes on more. As the member knows (and I do not use exact terms here), 60 per cent of those who make up the construction industry do not employ an apprentice or a trainee. There is a variety of reasons for that, not the least of which is that many are single person businesses. So, we have to look at arrangements by which we can encourage them to take up, or be assisted in, that responsibility. To respond specifically to the member's question, there has been a steady increase over the past few years in the number of both apprentices and traineeship commencements. I can provide those figures, if the member wishes.

**Mr GRIFFITHS:** I have seen them before.

**The Hon. P. CAICA:** About 72 per cent of apprentices and trainees receive subsidised training through user choice funding arrangements and, to this extent, government expenditure through user choice training subsidies is demand driven. We have not seen a decrease in the demand for user choice. Unlike the views expressed by the member in his question, I do not believe that it will have an adverse impact on the number of people entering apprenticeships. In fact, organisers of group training schemes have told me (as they have told the member) that they have many more people wanting to undertake apprenticeships than they are able to place. I know that the COAG reform agenda is looking at various ways in which we can increase the uptake. Whilst I cannot be as definitive as the member in the belief that it will reduce the number of people entering apprenticeships, I do not know the answer, and we will monitor the impact. However, I am of the view that there will be ample opportunity, and there will be those willing to take it up. In the main, it is our expectation that that additional cost will be absorbed by the employer.

**Mr GRIFFITHS:** I think the minister said that he does not believe it will have an adverse effect upon employment; is that correct?

**The Hon. P. CAICA:** I believe that the increase in user choice funding will allow us to reallocate that funding to areas which we believe, and which the collective research that is being done shows, are the emerging areas and the areas of most need, that is, the upper skill levels. Again, the COAG agenda is orienting towards (and it is something of which we are part and parcel in developing and in which we are also implicit) looking at qualifications beyond the trade level as well. With that comes its challenges.

With this reorientation, it might be a happy time, from the member's perspective, but I believe that we will not be able to say in the future that we have a record number of trainees and apprentices, because we know that, in the areas of most need, they are longer courses and will require greater time. However, the focus will be towards those areas of most need. That is not to belittle the areas in which people have trained

in the past but, in my opening statement, I made it clear that we will be looking at those areas of long-term sustainability with respect to employment, which will guarantee employment, and also long-term employment, based on our emerging economies and the boom that we are about to enter into.

**Mr GRIFFITHS:** My next question again focuses on the perception of the lower skill areas, and I refer to Budget Paper 3, page 3.6, noting the increase in the user choice co-payment. I want to read into the record some information that was provided to the opposition this week. On Thursday 21 September 2006, a media release titled 'Better skills, better future' stated that—

**The CHAIR:** Are you asking a question or making a statement?

**Mr GRIFFITHS:** No, there will be a question following this information. The media release stated that there will be a saving of \$6 million through a reduction in enterprise training subsidies. Entry level training in the retail industry, particularly the fast food sector, is low skilled, does not rank highly in the state's skill priorities, and will not continue to be supported by the government. The subsidy will, however, continue to target groups disadvantaged in the labour market. I refer to the comments received from another person who said:

Indeed, this is quite devastating to the SA retail industry and, moreover, an insult to insinuate that retailing is lowly skilled. Are we suggesting that people such as Alexander Haigh, Roger Drake, Rob Atkins, Gerry Harvey and small to medium-size retail business owners are all low skilled practitioners? Where did this government receive its advice? Why wasn't the industry skills board, that is, the Service Skills South Australia ever consulted? Why have a skills board in this case? Why wasn't the State Retailers Association or Business SA ever consulted? The retail industry is the biggest employing industry in South Australia. The major fast-food outlets are mainly franchised and the profits remain in South Australia.

Entry level training in the retail industry is well recognised as the best learning ground for work ethics and is often utilised as a stepping stone to other industries. Approximately 3 800 people, mainly young people, have under taken Certificate II in retail operations in South Australia over the past 13 months, including school-based new apprenticeships. Completion rates in South Australia are around 40 per cent, which is significantly higher than most industries. It is projected that employment growth to 2010-11 in the retail industry nationally is expected to hit 30.7 per cent, second behind health and community services.

Why is South Australia the only state in the nation where this is happening? What do our young people on skill-based new apprenticeships and school return to work programs now contemplate when considering to complete their SACE and access training that provides excellent life and work ethics skilling? 40 per cent of public secondary school students across South Australia undertake VET in school programs of which approximately 70 per cent undertake retail industry training work placement programs. What will the registered training organisations that specialise in retail training do now for business that has been relying on this funding?

The hospitality industry has also been hit with this decision, which effectively means that no traineeships now exist in South Australia within the hospitality industry. Entry level career pathways in South Australia no longer exist for these industries as a result of this decision.

Will the minister provide details of other courses in which user-choice funding has been removed and the reasons for this? What does he feel the result will be on employment opportunities for young people in what have been seen as low-skilled areas in South Australia?

**The CHAIR:** First, before I call on the minister, I mistakenly trusted the honourable member when he said that he was going to read a statement and ask a question relating to that press release. Secondly, the question the honourable member then asked, in my opinion, has little to do with the budget line and the statement he read out, but that is done

now. Now the honourable member has asked the minister for his opinion. Minister, ignore that question about your opinion and direct your answer to the first question.

**The Hon. P. CAICA:** Thank you for that direction, Mr Chair. I know and in fact it was reported in the paper by the secretary of the SDA, Don Farrell (whose opinion is extremely highly regarded within the retail sector), that, indeed, my comments could have been a little more diplomatic. He had a differing view about the true impact than the honourable member. The one thing that I wish to reinforce in my response to this question is that training is not stopping. What is happening is that, from a government perspective, we are not subsidising Certificate II in the retail sector. That training will still be available, but it will be industry's prerogative to continue with that particular training. One of the issues with which I believe the honourable member is familiar is that—and I have said it in my opening statement and also in response to an earlier question—the COAG agenda is orientating towards higher skill areas beyond Certificate III to the diploma and advanced diploma level.

Those are the areas that we will still be subsidising, whether that be in hospitality or the retail sector. The point is that that training will be available. It will be industry's responsibility to provide that training in-house, which is done in other states, as I understand and have been advised. The second thing is that not only will our focus be on the high skills areas in those emerging industries such as mining, defence and others that hang off it but also in health and other areas as well. Subsidies will still exist. I draw to the honourable member's and, indeed, the committee's attention the completion rates in these particular courses that are no longer being subsidised through user-choice funding. I believe that the non-completion rates for these courses for which we will no longer see user-choice funding is around 60 per cent.

I also understand that there may be a variety of reasons for this. I understand that one of the reasons for this is that, quite often, the occupations which require this very low level of skill requirement and training to fulfil the tasks in those particular areas are fulfilled by school students, university students and the like. In the main, although some will decide to take a different career path from time to time—and they will not be prevented from doing so—they are people who work in the industry for a short period to supplement their pocket money while at school or to pay the fees that are required federally to attend university. There are a whole host of issues associated with it.

I make no apology for the fact that the money available through user choice will be strategically targeted. I again make no apology that we have conducted an analysis of these lower level qualifications which will still be provided should industry wish to take them on; and I do not deny the fact that they can be a good stepping stone for those who undertake these training courses into further employment, but people will not be prevented from undertaking those courses. Our money and our user-choice money will be going to those areas of long-term sustainable employment in those industries and areas which I mentioned earlier.

**Mr PISONI:** It looks like you have had a very good briefing from Don Farrell, minister. I want to take the minister back to Budget Paper 1, page 15 and the second question that was asked. I am a little concerned that we are not able to identify what these skills are. Has the minister's department had discussions with the Department of Immigration and Multicultural Affairs as to what skills are on our short list where we are encouraging migrants to come to

South Australia and the federal government has made it easier for those skills to come here? Has the minister anticipated that we will have additional import of skills through 457 visas and, consequently, numbers are perhaps lower than they otherwise could have been for labour coming from overseas?

**The Hon. P. CAICA:** I am not sure I understand the thrust of the question.

**Mr PISONI:** Basically, I am asking about the numbers you put forward for additional apprentices and trainees. I would imagine that they are based on a demand that will be required in the marketplace.

**The Hon. P. CAICA:** Yes.

**Mr PISONI:** Has the minister made allowances for an increase in the immigration program or the use of 457 visas and, consequently, are we training fewer apprentices because we are using more imported labour?

**The Hon. P. CAICA:** With your indulgence, Mr Chairman, before responding to that question, I will conclude one thing I left out when answering the member for Goyder's question regarding the ISBs. I think what the member read out referred to a lack of consultation. Was that a component of your question? Quite frankly, with a budget coming down, you cannot consult with everyone about what is contained in the budget. There is something called cabinet confidentiality, and that is just the way business is conducted.

I can inform the member that I did meet with Mr Barry Stanton from the ISB very soon after the budget was handed down. Indeed, when I was on leave last week, my staff met with Barry, as well as the executive of the ISB, to clarify matters, where possible, and to allow them to voice personally what they said in the correspondence the member so kindly read out.

With respect to the member for Unley's question, we will still be expecting to train record numbers of apprentices as we move into these economic times. It is a very complex area in respect of how that industry in the here and now is able to get the workforce it requires. Depending on who you speak to, you might say, 'Oh, there's a skills shortage. Didn't anyone see that truck coming?' Essentially, there are a couple of components: the here and now and the long-term strategy.

From the state government's perspective (and I know the member will support this and we will have bipartisan support in this area), skills migration and the use of 457 visas and other overseas workers cannot and will not be at the expense of the opportunities for South Australian and Australian workers and, indeed, those people merging into the areas of the workforce. That is the first point I want to make, that is, that we have the opportunity to capitalise in such a way that we will create opportunities the like of which have never been seen in Australia before in regard to engaging those people who have formerly been regarded (and are still regarded) as the disengaged, to make sure that we get them into the workforce and give them the opportunities. That needs to be our priority—and it will be our priority. In fact, I was quite pleased the other day to see—even though I believe it was a long time coming—what some might refer to (and I am not as unfair as others) as a bit of a backflip by the Prime Minister in regard to skills for the future.

I welcome the \$837 million that is being injected into the training system by the federal government. I still have a few concerns. I know that some work must be done to ensure that that money does not create a situation where we are replicating what already exists, that is, that we get good value for that money by utilising good services that already exist in the state-based operations, whether that be our TAFE or our

registered training providers and, indeed, the systems by which we manage that in the state. So, I look forward to dialogue with the feds as to how that money will get the best bang for the buck.

Getting back to the member's specific question about skilled migration, we know that we have seen a bit of unfavourable airplay about 457 visas. In fact, from what I understand, the member's federal parliamentary colleague may be having a really good look at the terms and conditions of 457 visas in certain areas—and quite rightly so. That does not mean, though, that we exclude from our thinking the short-term importation of skills and long-term skilled migration. If we are to meet what I think are the long-term needs of the Australian workforce, those two things will be an important ingredient in that mix, but it cannot be at what is seen as a simple short-term fix.

I believe that the Productivity Commission (and I am paraphrasing here, so I stand to be corrected) said that, if anyone thinks that skilled migration is the answer, it is not, because it has to be through a combination of circumstance, not the least of which will include targeted skilled migration in those areas. Again, linked to that (and I know the member might ask a question on this later) is Education Adelaide and the advantages that arise through overseas students and the long-term ability to have those students who are studying in those areas of need eventually becoming Australian citizens. It is a terrific concept. We have work to do in that area. I reinforce the point that skilled migration will be necessary to meet Australia's skills needs, not just South Australia's skills needs. The 457 visas are a reality, but they will not and cannot be at the expense of opportunities that will exist for Australian and South Australian workers.

**Mr PISONI:** My experience with trade schools is that, generally, trade school teachers are tradesmen. They are tradesmen who have been on the factory floor or work building site or tool room who then go on to be trade school teachers. Do you anticipate that these trade school teachers for the additional apprentices will come off the factory floor, or do they need to come into Australia from the skilled migration program or our 457 visa program?

**The Hon. P. CAICA:** Part of the COAG agenda is skills recognition intrastate and overseas migration. It will be a dilemma. If I can indulge for only a short time. The member for Goyder was at the launch of Professor Plymmer's new faculty of mining. He is doing an outstanding job, and I place on the record the wonderful acquisition to our training and education system at the higher level, namely, Professor Plymmer. He is working very closely with industry to identify the needs of industry and the training which needs to be done to deliver those in the higher skills areas.

The people who are delivering the training in those areas—the associate professors or doctors, or whatever their qualifications—are making more on the tools than they are by delivering training. Flexible arrangements need to be put in place. Roxby Downs is entering into discussions through the professor's faculty to ensure that, as part of the working week, those at the higher skill level are being used as trainers, as well as those people who are in areas of most need. That is not a bad system; I think that is a very good system. It shows that industry itself is looking after its long-term needs. It is ensuring the expertise of these people is put back into good effect without letting them be robbed of the remuneration they would receive if they were working on the tools. I know it is very hard for members but, when one looks at the

opposition benches—not so much the government benches—we have an ageing population; it is very youthful on this side.

**Mr PISONI:** An experienced minister!

**The Hon. P. CAICA:** That's right. With that comes challenges. It has always seemed odd to me that when someone gets to 55 it is the nominal retirement age these days—although it is going out a little further, but certainly in some areas it is. It is not long before I will be 55. When a person finally starts to get things right, it is retiring age. They take with them all the skills they have built up, yet they are at their most effective period of their life in relation to, amongst other things, training and delivery of training methods.

We will look at ways in which we can engage people to stay in the workforce longer. That requires a few things, not the least of which are flexible arrangements that are attractive to people, whether it be a two-day or three-day week. It means talking to the federal government about freeing up superannuation so that people who might be working two days a week cannot be resigned to a life of poverty if they decide to work two days a week. We are looking at different working hours.

In answer to your question, I expect the majority of people who will be delivering training in Australia and South Australia will be from our existing workforce, not from overseas. We will still welcome skills from overseas that have an orientation towards the delivery of training and that adaptability between their skills and the delivery of training.

**Mr PISONI:** Thank you for the detailed answer, but I have missed the crux of it. Are you saying that the 457 visa program is very much part of increasing training in South Australia?

**The Hon. P. CAICA:** I am not saying that. The 457 visas can be used only if it is proved they are not jobs that can be filled locally. Once people who come here on a 457 visa have been cleared by DIMIA and others, they should have the skills required to fill a short-term shortage. If they require any form of training relative to the task for which they have been brought here, I would say there is a major problem in relation to why they have been brought here in the first place, apart from English language training and maybe specific occupational, health and safety training which relates to what they are doing. If you are telling me that 457 visa holders, once we get them here to fill short-term vacancies in specific industries, need training in the area for which they have been specifically brought here, I would say there is a problem with the system. You are not telling me that, are you?

**Mr PISONI:** Let me take it beyond 457 visas. In relation to the skilled migration program and 457 visas for fixing our immediate short-term need, are you saying they are an important part of increasing our skills base and training here in South Australia?

**The Hon. P. CAICA:** I think to a certain extent I answered that question. A range of initiatives need to be seriously looked at and, on occasions, implemented to ensure that, first, we reach the population targets of South Australia and, secondly, we are able to get the skilled people we require to fill the areas of most need in the emerging industries.

As I have said, that will not be at the expense of the workers. I look at this area in relation to training needs as they relate to my portfolio responsibility. I not blame the honourable member at all, but the area of skilled migration is not my area of portfolio responsibility: it falls under Immigration SA and the Department of Trade and Economic Development. Of course, like everything else, it has links to

what I have said. I have answered the honourable member's question as best I can in the context of my portfolio responsibilities. As I said, the determination for migration is not within my portfolio responsibilities. The provision of proper employment, training and education is my responsibility.

**Mr PEDERICK:** I refer to Budget Paper 5, page 38. I note that \$24.8 million is committed over five years to the creation of 10 new trade schools to connect industry and businesses across the state to address the specific needs of individual regions. The first three pilot trade schools will commence operation in 2007. Will the minister advise where these three pilot trade schools will be located, where the remaining seven trade schools will be located, which minister will make the decision on the location of these trade schools, when the remaining seven trade schools will come into operation and whether they will be incorporated within the existing TAFE system, how many students there will be places for, and whether these new trade schools will be used for traditional apprentice training or to provide trade training to those still in school?

**The Hon. P. CAICA:** I will answer components of that question as best I can that relate to my portfolio responsibilities. The advent of trade schools comes under the portfolio responsibility of the Minister for Education (Hon. Jane Lomax-Smith). It is not my area of responsibility. However, there needs to be synergy between the decisions made by DECS and my portfolio responsibilities. That means that dialogue is occurring between departmental officers of DECS and officers within my department to ensure that there is that synergy and that decisions are made in such a way that we look at existing resources, location based on need and a whole host of other issues. I cannot answer that question in the way in which the honourable member might like it answered, because it is not my area of responsibility. However, that is not to say that the two departments are not working very closely together to address those specific areas he has highlighted in his very good question.

**Mr PEDERICK:** As a supplementary question, is the minister saying that they will be incorporated into the existing TAFE system?

**The Hon. P. CAICA:** I do not think I said that. It is interesting that the honourable member should raise that, because I mention the Australian technical colleges, which were part and parcel of the election promise at the time of the previous state election; and I do not suggest that a great deal of thought went into it but a lot of money did. We know that three Australian technical colleges will be located in South Australia. One of the major problems in the implementation of that was that it did not take into account existing resources and facilities. To a certain extent, it was duplicating.

That does not mean that my departmental officers have not held discussions with the people from the Australian technical colleges and asked, 'Why would you spend an enormous amount of money on this when, over the road, the TAFE college is exactly what you require?' As we go down the track (and I am advised that we are some way down the track) towards trade schools, it is important that we do not make the same mistake that has hindered the implementation of the Australian technical colleges in some states, which have not been able to work through those particular issues.

We will not let that happen here because, again, we are under the auspices of our state government. We know that money is a finite resource, and you cannot afford to duplicate resources. You must build resources in areas with the most need. Some might not exist, but use those that already do

exist. Stuff is going on. It is all subject, as I understand it, to discussions and negotiations. I expect that those discussions would focus on utilising what already exists and not duplicating. Again, it is a question that must be directed at the relevant minister.

Certainly, I have views which the honourable member is fully aware of. I am quite happy to give those views about the relevance of TAFE and the delivery of vocational education training beyond what we currently do not only to make TAFE more relevant but also to make the whole system more relevant to the needs of various providers. The COAG agenda focuses on this, but that is not to say that I will support allowing opening our doors to third parties to make a profit on what is publicly funded and subsidised. We must look at flexible arrangements which allow a proper delivery of training in vocational education areas and which provide every opportunity for every young South Australian, and that is what we are orienting towards.

**Mr PEDERICK:** I refer to Budget Paper 6, page 3. Under 'Growing prosperity', a contribution of \$8.3 million over four years will see the establishment of the Mineral Resources and Heavy Engineering Skills Centre, which will supply skilled labour to support the mining industry. Can the minister detail:

1. In what community is the centre intended to be established?

2. When will the centre commence operations?

3. How does the government intend to consult with industry to determine the future workforce needs?

4. What plans are in place to improve the transition from schooling to further learning and employment for the young, indigenous people and women?

5. How many staff will be required to support it?

**The Hon. P. CAICA:** Thank you for that very good question. Bear in mind that something like this carries cross-portfolio responsibilities through Mr Holloway's office, the Department of the Premier and Cabinet and ours. Certain things have not been announced publicly yet, and I do not intend to announce them here, because it would be irresponsible and I would get my backside kicked, and quite rightly so. It has been well publicised, and I mentioned it earlier in my introduction, that a number of significant mining projects are underway in South Australia. BHP Billiton has identified a lack of a skilled workforce as a significant risk to the feasibility of the Olympic Dam expansion. I know that, as an opposition, you would not want that to occur just as we, as a government, could think of nothing worse. It is an opportunity that is going to be of great benefit to South Australians. Of course, other projects are underway. I am going up to Prominent Hill on Monday week to have a look at their operations and, specifically, to look at it in the context of training opportunities. We also have the Eucla Basin project. They are proffering similar concerns.

My friend the member for Newland has a very active interest in mining, and he is an expert in that area of need. The government has responded to these concerns by committing, as you said, the \$8.58 million over four years to establish a mineral resources and heavy engineering skills centre and related programs. My department has already completed and participated in a major study to look at the needs of this sector. I mentioned earlier that, if we have one industry that is doing a very good job at looking at and projecting its future needs, it is the mining industry. It sets an example to other industries. I will caution that, to the extent that we have a lead-in time, it makes it easier in relation to the questions that were asked by Mr Pisoni earlier about the here

and now. We have a lead-in time. The centre will be a joint initiative of the mineral resources and heavy engineering sector and government. It will be tasked with enhancing the responsiveness of the workforce development system and improving the coordination of a diverse range of education and training activities at all levels.

The centre will be established as an incorporated body and it will be governed by a board, comprising senior executives, employers, industry associations, government and other stakeholders. By its very nature, if we are going to have that collaborative approach, we will look at the regional development boards as well, and I know that they have been part and parcel of the process of development and discussion. Processes are currently underway for appointing a chair and board members, and we are some way down the track toward finalising the board members, without pre-empting anything. From that will come the responsibility of addressing those areas through the board and the chief executive that you have identified in that very good question.

**Mr PEDERICK:** I refer to Budget Paper 4, Volume 3, page 13.6. In the 2006-07 budget, one of the government's targets is to equal or better the Australian average for youth unemployment by 2009. To do so, state government incentives are necessary to encourage employers to take on apprentices/trainees. Currently, most employer incentives are provided by the commonwealth government. Will the minister detail what financial incentives are provided by the state government to employers so as to increase youth employment opportunities?

**The Hon. P. CAICA:** I thank the honourable member for his question. Youth unemployment, and its impact in South Australia, were highlighted by the member for Goyder. I balance that by saying that the cohort being used to measure that makes it a particularly volatile figure; that is, it will jump, as we saw last month, from 26 per cent down to 20 per cent, and it might jump back to 26 per cent the next month. But it is safe to say that the figure is too high irrespective of its volatility. Sometimes it creates a different perception to reality in regard to its being 26 per cent of the entire youth population, because we know it is not that. But one unemployed youth, as you would agree, is one too many. So, I get back to the issues I raised earlier, namely, that more opportunities than ever before will be created. We are on the cusp of that economic boom. The disengaged need to be re-engaged and strategies need to be in place to ensure that our young South Australians are part and parcel of that component of the 2 600 apprenticeships that we are putting in place. I include the strategies like South Australia Works, and I would love a question on that, because it would give an opportunity to highlight that outstanding program. Also, the Learn to Earn program, and others, get young people to work. These programs cost a little more money, but it is money well spent.

You know as well as I do that the one single measure that makes a difference to people's lives is financial independence, and these youth need the opportunity to move into those particular areas. We have a host of programs in place that are successful to varying degrees but, in the main, SA Works is an exceptionally successful program, and I, as the minister in charge of the department, am very proud of the work that is being done there. As I said earlier, that also requires integration. I will go back to the budget announcements. There is going to be ample opportunity here to provide employment opportunities for people who, in the past, might

never have been envisaged as being able to enter or re-enter the workforce.

That is not just youth; it is long-term unemployed as well. We only have to look at the success of the return-to-work program for parents. There were some discussions over lunch about that. Adult and community education programs have seen a significant increase in money this year. Again, money has been made available by the federal government—and I hope it will be effectively used—to get people re-engaged with the workforce. There will be opportunities, there will be ongoing programs, and we have a host of pre-employment, pre-vocational training programs and traditional supporting programs.

While I was in Whyalla, I walked into a beautiful TAFE college and had a look at one of the workshops there. I think there were about 30 young men doing a pre-vocational course in boilermaking/sheetmetal work. I spoke to a few of the lads (and I believe there might have been a couple of women in that course as well, which was excellent to see) and asked them, 'Why have you chosen this course?' The answer was that all their mates who did this pre-vocational course the year before finished up getting a job. Again, we need to target pre-vocational courses, training programs and transitional support to those areas that we know will relate to vocational outcomes. It is about engaging the disengaged. It is a priority, and we will continue to work on it.

Last year 3 870 young people participated in the South Australian Works for Young People program and, of those, 1 706 gained employment. I could detail those, but I know you are familiar with those particular areas. That is a good outcome. Can we do better? I think we can. Do we need to do better? Will we do better? Yes, we will, because we will be working on this as a priority.

**Mr GRIFFITHS:** I appreciate the minister's answer, but there is still a request for specific dollars that employers can access as incentives to reduce their costs when employing apprentices. I know you have been quizzed about this on radio also, and you talked in roundabout terms, just as you did in the answer then, but it is the specifics that people want to hear about.

**The Hon. P. CAICA:** That was one of the things that might well have been asked by either the member for Unley or the member for Hammond about payroll tax. That is the responsibility of the Treasurer and I cannot answer that particular question. One thing I can say is that I do meet with group training schemes and I do meet with private providers. I also meet with representatives of the unions (and quite rightly so) and I am willing to advocate on their behalf either individually or as a collective to put in place whatever incentives are needed to ensure that we are able to take on more trainees and apprentices than we ever have in the past.

That is in the context of what I said earlier. It is not a free lunch—we expect employers to play their part as well—but I am willing to discuss this with anyone and advocate on employers' behalf if, indeed, they have done a proper analysis of what the real uptake will be. People say things to me. I am not being esoteric here because I am not going to name people, I am not going to name the specific things that they say, because that is not my area of responsibility, but they say, 'If your government did this, we know that there would be an increased uptake.' When you drill down and look for a real analysis about what they might have done (other than to suggest that might be the case) and what evidence they have to back it up, I have not necessarily seen it.

We have \$39 million of User Choice which goes to subsidising. That in itself is a good incentive. We know that there are federal incentives—you mentioned them—and there are other incentives that exist. SA Works will have \$3.13 million that will go towards youth in the next financial year. There are initiatives in place. I am willing, as I said, to advocate, based on real evidence which is put to me by employer groups, unions and others that may be worthy of consideration by the Treasurer and, indeed, others at federal level, if that is going to increase the level of participation and uptake in areas of training. I know that I can get bipartisan support from your group in that area as well. However, again, do not just give me stuff that says, 'This will happen.' I need evidence—and quite rightly so. We know what treasurers are like. It does not matter whether it is the treasurer of your local football club—

**The CHAIR:** Or soccer—

**The Hon. P. CAICA:** —or soccer club—I love treasurers—but they need to be convinced about anything that reduces the amount of money over which they have control.

**The CHAIR:** I think I just set a precedent. The word 'soccer' is unparliamentary.

**The Hon. P. CAICA:** I will never refer to it again. It is football.

**The CHAIR:** Football, yes, that is right.

**Mr GRIFFITHS:** I refer to Budget Paper 5, page 10: capital investment strategy statement. In the 2006-07 investment program of \$15.1 million, it includes a \$600 000 allocation for the redevelopment of the Narungga TAFE campus at Point Pearce and, as this is in my electorate, I thank the minister and the government for the commitment there. However, in recognising the importance of this project, why have I been advised by participants that a Certificate II course in tourism for 15 Aboriginal students—which is the only TAFE course being conducted (I am advised) at Point Pearce—has suddenly stopped six months into a 12 month course?

**The Hon. P. CAICA:** I thank the honourable member for his question; he is an outstanding advocate for the people of his electorate. In answer to the first component of the question about the initial proposal to construct a new TAFE building at Narungga as a vocational education and training project and to teach local TAFE students about building construction practices, this option will not proceed due to difficulties in securing student numbers and site problems amongst other building work in this community. That is not to say that we will not pursue other options. We are considering providing TAFE facilities at Narungga and Port Victoria, and they will be progressed in consultation with the local community, as you are aware.

The member for Goyder brought to my attention, amongst other things, the impact of the demise of ATSIC on certain facilities. I know that you have been involved with that. We hope that that is resolved within the local community in such a way that it is to its betterment and certainly its ability to train and educate in and around that community there. With respect to the course that you mentioned—the Certificate II course in tourism—which is being run at Narungga TAFE, and which started in March this year, and was intended to run until March 2007 but is suddenly being stopped, it involves 10 Aboriginal—

**Mr GRIFFITHS:** I think it's 15.

**The Hon. P. CAICA:** I am advised that it is 10. If I happen to be wrong and you are right, the record will be corrected. The program included the delivery of a Certificate

I and Certificate II in Tourism. The course was funded by the Yorke Regional Development Board, with whom you are very familiar, to the value of \$23 000. I am told that, due to the complexity of delivering the same course to two communities, TAFE SA Regional needed to fund an additional \$51 000 for the program, which is still in only its final stages of completing Certificate I. For this reason, the program needed to cease to avoid further deficits on the impact of this program; that is, to make sure, from what I understand, that we can deliver a far more effective and sensibly funded course than might otherwise might be the case.

Negotiations are being carried out to enable the Aboriginal students to complete their Certificate I training in 2006 as well as to support those students wishing to complete Certificate II in Tourism in 2007. I think you would agree that our priority must be to those students who are part way through completing a course, and to make sure that, as a responsible organisation, one that is responsive to the needs of not just the students but also the community, and to put in place measures that will enable those students to complete that course. That is what we are undertaking.

**Mr GRIFFITHS:** I refer to Budget Paper 4, Volume 3, page 13.15. The table on page 13.15 indicates that the total number of participants in the SA Works learning and work programs was estimated to reach 28 757 people for the 2005-06 budget. I note that 7 300 of these participants gained employment. The 2006-07 budget targets 23 455 people—a decrease of 5 302 people participating in the SA Works learning and work program. Can the minister detail the reason for such a significant decrease in a major skill development and job creation program?

**The Hon. P. CAICA:** In short, the target was significantly exceeded due to unexpected demand and high participation in some of the SA Works programs, particularly the adult community education (ACE) program and the Parents Return to Work program. The ACE program contributed 4 000 participants above the target of 4 500 and was funded through collaborative activities. There was significant additional activity in funding related to the Parents Return to Work program and labour market adjustment programs. I refer the honourable member to the footnotes on page 13.16, which I think give a concise answer to the question.

**Mr PISONI:** I refer to Budget Paper 6, page 12: growing prosperity. In the explanation for the expenditure for establishing the Mineral Resources and Heavy Engineering Skills Centre, it is claimed that various mining projects are expected to proceed. Olympic Dam, Project Magntate, Prominent Hill and Mindarie will create 4 000 new jobs in the regions. This seems quite a variation from the figure of 23 000 new jobs being created by the Olympic Dam expansion alone (Budget Paper 6, page 9) in reference to the establishment of the Olympic Dam Task Force. If there are going to be 4 000 jobs created in the regions by these projects, where will the other 19 000 jobs be?

**The Hon. P. CAICA:** I will take that question on notice, and get back to you by 17 November.

**Mr PISONI:** In the minister's opening statement, and in answer to other questions, he made the point that he expected employers to pay for the increases in TAFE fees. I was quite surprised to hear that he was not prepared to drive any submissions for ideas to make it easier to employ apprentices or tradesmen.

**The Hon. P. CAICA:** I am not sure that I said it in that way.

**Mr PISONI:** The minister said that it should come from elsewhere.

**The Hon. P. CAICA:** That is the member's interpretation of what I said, but I am not convinced that I said that. Anyway, ask your question.

**Mr PISONI:** My interpretation was that the minister expected it to come from elsewhere.

**The Hon. P. CAICA:** Yes.

**Mr GRIFFITHS:** Did the minister at least consult employers about the impact of extra costs with respect to TAFE fees in employing staff and what impact that would have on them before making the decision to lift TAFE fees?

**The Hon. P. CAICA:** I answered this question, in part, previously. Given the nature of budget deliberations and matters that cabinet deals with, there is a limited opportunity, if any, to talk to people about the content of the budget prior to its being delivered by the Treasurer, especially when it involves outside organisations. I will correct the member in one area. I think he referred to TAFE fees, and that might create a confusing aspect, because the only fee that has increased is the one that I indicated in my opening address, that is, the cap. The member is talking about the user choice funding, which has increased.

With respect to the other component of the member's question (and I think I am right in saying this), he said, 'Well, you are not willing to go and advocate on behalf of those in other areas that might increase the uptake.' That is not quite true. I mentioned that I will advocate on behalf of those, or any initiative or incentive that I think will increase the level of uptake of apprentices, in particular. I am not quite sure that what the member said in his question was on the money, but I think I answered it previously in the best way I can. After I have read *Hansard*, I will reflect on what the member has said and, if I think that the answer that I gave might not have been adequate, I will provide the member with more detail, based on what he said. Is the member satisfied with that?

**Mr PISONI:** Thank you, minister.

**Mr GRIFFITHS:** My next question relates to Budget Paper 3, page 2.3, table 2.4, 'Across government savings', and I refer to the proposed shared services reforms across government. Can the minister outline the baseline costs for the provision of corporate services across his portfolio areas and, if possible, can he include the current total cost of the provision of payroll, finance, human resources, procurement, records management, information technology services and full-time equivalent staffing numbers involved in those areas?

**The Hon. P. CAICA:** I think I can do so, but I will take the question on notice.

**Mr GRIFFITHS:** I will now read the omnibus questions.

1. Will the minister provide a detailed breakdown for each of the forward estimate 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 the 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 carryover expenditure in 2005-06?

5. For all departments and agencies reporting to the minister, what is the estimated or actual level of under-expenditure in 2005-06, and has cabinet already approved any carryover expenditure into 2006-07? 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 also, as a subcategory, 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? 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 (a) which has been established and (b) which has been created?

**The Hon. P. CAICA:** Mr Chair, with your indulgence (and I know this is probably not proper protocol), am I allowed to direct a question to the member for Goyder, to seek some clarification?

**The CHAIR:** You can seek clarification through me.

**The Hon. P. CAICA:** Thank you, sir. The member for Goyder posed a question earlier about the baseline figure in Corporate Services, which I took on notice and said that we would get back to him. I need to know what the honourable member means by 'baseline'. Is it the baseline for 2005-06?

**Mr GRIFFITHS:** It is a very interesting question. There is no year detailed on the question that has been provided to me. I would say for 2005-06.

**The Hon. P. CAICA:** If it is any different, the honourable member can contact us.

**Mr GRIFFITHS:** I refer to Budget Paper 4, Volume 3, page 13.10. The 2006-07 performance indicators detail a target of 3.6 per cent of Aboriginal participation as a percentage of VET enrolments. Will the minister confirm whether this is the Aboriginal education component of the TAFE system and, if so, what is the dollar commitment to Aboriginal education within TAFE? If so, what is the number

of Aboriginal people in training and what numbers of these students are gaining employment?

**The Hon. P. CAICA:** I do acknowledge the member for Goyder's commitment to Aboriginal learning and education not only in the VET sector but also across all sectors. I am told that it refers to the VET sector as a whole. In relation to the other details in that question, I will take them on notice and I will provide the honourable member with a full answer, rather than being cut short considering that we have only a minute or two to go. I am quite happy to give some TAFE figures, if you like, but it is probably best to incorporate them in the answer that we will provide to the honourable member. Is the honourable member satisfied with that?

**Mr GRIFFITHS:** Thank you, minister.

**The Hon. P. CAICA:** As is the case for the majority of people on the floor, including government and opposition members, me from a ministerial perspective and, indeed, your fine chairmanship, Mr Chair—

**The CHAIR:** You are right to say that it was fine chairmanship.

**The Hon. P. CAICA:** It was; it was excellent. I very much appreciated the contribution made by all members today and, in particular, the manner in which the opposition members conducted themselves. I think that it sets a very good standard for the way in which estimates should be conducted and I congratulate members. In conclusion, Mr Chair, I have mentioned your outstanding chairmanship which really goes without saying. I not only thank the three persons sitting with me at the table but all the people within the organisation which makes up DFEEST for their efforts and the work that they have done in preparing for estimates and the work that they do throughout the year. I also thank my specific office staff for the work that they have done in preparing for these estimates.

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

#### ADJOURNMENT

At 2.34 p.m. the committee adjourned until Monday 23 October at 11.30 a.m.