

HOUSE OF ASSEMBLY**Monday 23 October 2006****ESTIMATES COMMITTEE B****Chair:**

Mr T. Koutsantonis

Members:

Mr T.R. Kenyon
 The Hon. S.W. Key
 Mr A.S. Pederick
 Mr D.G. Pisoni
 The Hon. L. Stevens
 Mr M.R. Williams

The committee met at 11.30 a.m.

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

Witness:

The Hon. K.A. Maywald, Minister for the River Murray,
 Minister for Regional Development, Minister for Small
 Business, Minister for Science and Information Economy,
 Minister Assisting the Minister for Industry and Trade.

Departmental Advisers:

Mr Brian Cunningham, Chief Executive, Department of
 Further Education, Employment, Science and Technology.

Mr Craig Fowler, Deputy Chief Executive, Department of
 Further Education, Employment, Science and Technology.

Dr Jurgen Michaelis, Chief Executive, BioInnovation SA.

Ms Amanda Heyworth, Chief Executive, Playford Capital.

Mr Michael Milligan, Director, Science and Innovation,
 Department of Further Education, Employment, Science and
 Technology.

Ms Carolyn Anderson, Director, Department of Further
 Education, Employment, Science and Technology.

The CHAIR: Estimates committees are a relatively
 informal procedure and, as such, there is no need to stand to
 ask or answer questions. The committee will determine an
 approximate time for consideration of proposed payments to
 facilitate change of departmental advisers. I ask the minister
 and the lead speaker for the opposition to indicate whether
 they have agreed on a timetable for today's proceedings and,
 if so, could they provide a copy to the chair? I understand that
 you both have agreed?

The Hon. K.A. MAYWALD: We have agreed.

The CHAIR: Changes to committee membership will be
 notified as they occur. Members should ensure that the chair
 is provided with a completed request to be discharged form.
 If the minister undertakes to supply information at a later
 date, it must be submitted to the committee secretary by no
 later than Friday 17 November. I propose to allow both the
 minister and the lead speaker for the opposition to make an
 opening statement of about 10 minutes each. There will be a
 flexible approach to giving the call for asking questions,
 based on about three questions per member, alternating each
 side. Supplementary questions will be the exception rather

than the rule. A member who is not part of the committee
 may, at the discretion of the chair, ask a question. Questions
 must be based on lines of expenditure in the budget papers
 and must be identifiable or referenced.

Members unable to complete their questions during the
 proceedings may submit them as questions on notice for
 inclusion in the assembly *Notice Paper*. There is no formal
 facility for the tabling of documents before the committee.
 However, documents can be supplied to the chair for
 distribution to the committee. The incorporation of material
 into *Hansard* is permitted on the same basis as applies in the
 house. All questions are to be directed to the minister, not the
 minister's advisers. The minister may refer questions to an
 adviser for a response. I also advise that, for the purposes of
 the committee, there will be some freedom allowed for
 television coverage by allowing a short period of filming
 from the northern gallery.

I declare the proposed payments re-opened for exami-
 nation and refer members to the Budget Statement, in particu-
 lar Appendix C, page C.2, and the Portfolio Statement,
 Volume 3, part 13, pages 13.1 to 13.30. I call on the minister
 to make an opening statement, if she wishes and, once she has
 finished, I will call on the lead speaker for the opposition to
 make a statement, if the member wishes.

The Hon. K.A. MAYWALD: I would like to make an
 opening statement, Mr Chair. Innovation skills, knowledge
 and capabilities are now well recognised as key drivers for
 economic, environmental and social prosperity. The state
 government appreciates this truth and is investing in new
 areas of research infrastructure, the creation of centres of
 excellence and cooperative research centres, programs to
 attract leading edge researchers, and projects aimed at
 improving the commercialisation of innovative ideas and
 technologies.

The government's commitment to science, technology and
 innovation is outlined in its STI¹⁰ vision and, over the past
 financial year, significant funds have been invested to achieve
 the objectives of the vision. This includes \$2.5 million, which
 was provided to establish the Australian Minerals Science
 Research Institute at Mawson Lakes. This investment secured
 a further \$28 million in federal government and industry
 funds. An amount of \$4.2 million has been invested in bids
 under the commonwealth's CRC program, which has resulted
 in the state winning eight of the 16 awarded bids. The flow-
 on investment in the state from this is estimated to be more
 than \$60 million over the seven years. An amount of
 \$1.58 million was provided to Playford Capital as it continues
 to address a market failure in the availability of seed capital
 for technology ventures in this state. Playford Capital is the
 state's leading technology investor, and it achieved an
 important milestone during the year, having attracted more
 than \$50 million in investment over the past five years into
 South Australian technology companies.

In the 2005-06 round of the Premier's Science and
 Research Fund, five projects were recommended for funding,
 representing a government commitment of \$1.91 million over
 three years for science and research projects, the total value
 of which is estimated to be \$8.83 million. A further five
 additional projects deemed to have strategic merit for the
 state were awarded funding of \$3.06 million over three years
 from this round. These projects have an estimated total value
 of \$19.17 million.

In the 2005-06 state budget the government provided
 funding of \$8 million over four years to the Mawson Institute
 of Advanced Manufacturing. The first payment of \$2 million

for the purchase of scientific, engineering and technical equipment has been provided to UniSA. I am pleased to note that UniSA has appointed Professor Robert Short of Sheffield University in the UK to be the institute's first director. Professor Short currently holds the chair in material and biomaterial chemistry at Sheffield and will commence this exciting new role in early 2007. In the health and medical area the government allocated \$200 000 to develop a conceptual master plan and business case for a health and medical research institute. Supporting this, the government has also recently established a whole-of-government intellectual property policy which came into effect on 1 July 2006. This is seen as a major step in aligning state government policies with those of other organisations, such as our universities.

I am pleased to advise that I have renewed and expanded the appointment of our first chief scientist, Emeritus Professor Max Brennan, AO. Professor Brennan, who was first appointed in June 2005, provides leadership as chair of the Premier's Science and Research Council and also provides me with invaluable advice on science and research.

The state continues to make significant strides forward in the area of health sciences. BioInnovation SA turned five this year, and the state government's continued support of the organisation has resulted in a doubling of the number of bioscience companies in South Australia to 70, with revenues exceeding \$175 million per annum. Companies assisted by BioInnovation SA have raised more than \$60 million in private equity and \$38 million in commonwealth grants over the past five years to June 2006. We continue to support our biotechnology companies by funding the Bioscience Business Incubator at Thebarton to the tune of \$30 million. The building, which will open early in 2008, will house 16 companies at any one time.

A highlight for BioInnovation SA this year was the establishment of the \$35 million Motor Trades Association of Australia Superannuation Life Science Venture Capital Fund. This landmark deal for Australia represents a huge vote of confidence in our local biotech industry. In addition Terra Rossa Capital, the manager of the fund, has recently been issued its financial services licence and is now fully operational to make investments. BioInnovation SA and Terra Rossa Capital will continue to expand the biotechnology industry in South Australia, establish new companies and foster existing companies, and will make Thebarton the hub of our biotech industry.

There is no doubt that science education remains a key priority for the state government and, with the recent announcement by the board that the Investigator Science and Technology Centre will cease operations at the end of the year, the state government funding currently provided to the Investigator will be reallocated to science education and research programs. Not a cent less will go into science. I am pleased that the CSIRO Science Education Centre will take on an increased role in bringing science to school students, from primary to tertiary age. CSIROSEC programs currently reach 34 000 students, and it is anticipated that the reallocation of funding will allow CSIROSEC to reach a similar number of school students to the Investigator. CSIROSEC's combination of in-centre and outreach programs extends to both metropolitan and regional students. The remainder of Investigator funding will support science research and education under the guidance of the Premier's Science and Research Council. The chief scientist will oversee this process and will present recommendations to the council.

Similarly to science education and research, the development of the information economy is also a key commitment of the state government. Strategic investments in information economy for 2005-06 included state government investment in the construction of SABRENet, which attracted a further \$6.55 million in federal funding. SABRENet is now an incorporated company limited by guarantee, and it is expected that the construction of the fibre backbone connecting our universities and major research precincts will be completed by the end of the year.

The government continues its roll-out of broadband infrastructure projects. Projects in 2005-06 included the Coorong, Barossa and Light, Kangaroo Island and Eyre Peninsula. Broadband development funding approved to date totals \$4.1 million, resulting in projects with a total value of approximately \$17.1 million. The Outback Program, which provides IT technical and training support, continued to produce significant benefits in remote South Australia, and the \$690 000 state government investment in this program attracted a further \$540 000 from the federal government. This program is complemented by a range of other state-funded programs designed to improve the digital literacy of disadvantaged people and communities to ensure that they keep pace with changes in ICT and benefit from the application of new technologies. A focus for the information economy portfolio in the coming year will be the state's participation in the federal government's \$1.1 billion Connect Australia Broadband Infrastructure Program.

A key initiative over the next year will be the continued development of Constellation SA, which is the implementation driver for the STI¹⁰ vision. Constellation SA will provide a strategic framework for focusing government science research. The framework of five foundation 'innovation alliances' consists of defence and advanced manufacturing, health and medical sciences, agriculture (food and wine), bioscience and advanced technologies, and aquatics and environmental sciences. Each of these alliances will provide strategic support to South Australia's key industries and will increase the level of collaboration between our research and education institutions and industry.

The state government is committed to creating an environment that supports and fosters innovation and emerging technologies, as investment in science ultimately leads to economic development, environmental sustainability and jobs. I welcome questions from members.

The CHAIR: The lead speaker for the opposition is the member for MacKillop. Do you have an opening statement?

Mr WILLIAMS: I will make a brief statement. The budget papers themselves do not provide a lot of information, to be honest. The minister has provided a vast amount of information in her opening address. In my opinion it would be beneficial to the process of the estimates committee if that information was made available, if not in the budget papers, then to members of the estimates committee before the committee sat. In relation to a number of questions I will be presenting to the minister, she may have partially answered them in her opening statement. That information would save time for the committee. Having said that, I make a point of clarification. Chair, in your earlier remarks you said you were opening the lines in Budget Paper 4, Volume 3, pages 13.1 to 13.30.

The CHAIR: I said Volume 3, pages 13.1 to 13.30.

Mr WILLIAMS: I thought we were just talking about the science and technology and innovation program.

The CHAIR: In the first session, the minister is here to answer questions in relation to the Department of Further Education, Employment, Science and Technology, science, technology, science and innovation, Playford Capital and Bio Innovation SA. From what I know about the executive, I assume this is all incorporated under the Department of Further Education, Employment, Science and Technology portfolio, covering about \$274 million worth of budget lines. The member can ask questions in relation to pages 13.1 to 13.30.

The Hon. K.A. MAYWALD: Excuse me, Mr Chair. Pages 13.1 to 13.3 include all the programs under the Department of Further Education, Employment, Science and Technology, for which I have partial responsibility. Program 2 is the program for which I have responsibility.

Mr WILLIAMS: Thank you for the clarification, minister. That explains the situation. I will try to flesh out some of the information which is not readily exposed by the budget papers. All my questions—and I am happy to read in the actual page numbers—refer to Budget Paper 4, Volume 3, pages 13.17 to 13.20. I can quote each page if you would like.

The CHAIR: It would help the advisers if you referenced a line when you are talking about it.

Mr WILLIAMS: Thank you, sir. I refer to the table on page 13.17. The expense line 'Employee benefit and costs' rose from the budgeted figure of \$3.855 million to \$4.397 million estimated result in the 2005-06 year, a 14 per cent increase. What was the cause of this? This year's figure shows no change from the estimated result. Is that a reasonable guess?

The Hon. K.A. MAYWALD: I am advised that the estimated budget results include some reclassifications that occurred within the department to the value of \$460 000 and enterprise bargaining adjustments of \$54 000. There are also some carryovers from 2004-05 to 2005-06 (which account for \$91 000) and there are other variations of a miscellaneous nature of about \$8 000. That is a total of \$613 000. We then had a decrease in carryover from 2005-06 to 2006-07 of approximately \$71 000, which brought the total change in the estimated result to \$542 000. In relation to the number of employees in the directorate, as at 1 July 2005 there were five executive positions and 37 staff, and, following restructure, as at 30 June 2006 we have two executive positions and 35.5 staff.

The CHAIR: The government has waived all its questions, so it is all yours.

Mr WILLIAMS: Well, we might get an early minute. Minister, you gave a few details of the individual staff or the areas of functionality of staff in your department. Last year you gave an indepth breakdown of the staff within your department. I am happy for you to take the question on notice, but will you give the committee the same sort of breakdown of the number of staff in your agency and what functions they have, particularly if it is at significant variance from what was given to the committee last year?

The Hon. K.A. MAYWALD: The information I can provide to you today, on advice of the department, is that in the directorate of science and innovation as at 1 July we had five executive positions and 37 staff. Following the restructure, at 30 June in science and innovation we have one executive position and 14½ administrative and project staff. In information economy, including the six shared administrative positions, we have one executive position and 21 staff, making the total as at 30 June 2006 two executive positions and 35.5 other staff. The restructure provided an opportunity

to reduce executive positions from five to two, as well as reduce the number of administrative positions by two. We can provide separate information for the number of people who are in bioinnovation and Playford.

Mr WILLIAMS: Do the staff accounted for in both the minister's previous answers make up the total of the \$4.398 million employee benefits and costs figure? Are there, or have there been during the last year, any staff seconded to anywhere outside of the directorate or, conversely, seconded to the directorate from another agency?

The Hon. K.A. MAYWALD: I am aware that there are some people who are on contract for Outback Connect and, as far as who has been seconded or might be seconded in or out, I will take that on notice.

Mr WILLIAMS: Again on page 13.17, the figure in the table of \$2.5 million under income for the 2005-06 year presumably was the one-off payment from PIRSA for the establishment of the AMSRI and is also reflecting the unbudgeted increase in the grants and subsidies line from a budgeted figure of \$16.264 million to an estimated result of \$19.142 million. Is that the case?

The Hon. K.A. MAYWALD: Yes, I am advised that is the case.

Mr WILLIAMS: In that case, it looks like there was a \$378 000 underspend in that line last year, which I find rather curious given the urgency of this particular portfolio area. What was the reason for that underspend? Have the funds from that underspend been carried forward—that is, has cabinet approved these funds staying within the agency, or have they been returned to Treasury?

The Hon. K.A. MAYWALD: During 2005-06, in May 2006 approval was sought for carryover of two items under expenditure totalling \$2.098 million from the 2005-06 budget to the 2006-07 and 2007-08 budgets relating to the science and information economy portfolio. \$1.897 million of that, I am advised, was for the Broadband Development Fund, and the carryovers there are required as a consequence of the time frames in which the projects can be established. Also, \$201 000 was conditionally approved for the Outback Connect project in 2006-07.

There will be a second round of carryovers, of course, which will be negotiated once the end of the financial year outcome is finalised, so we will be looking further for our carryover requests in regard to those programs. Unfortunately, our ability to deliver on some of these projects is outside our direct control, given that we are dealing with private contractors, local government areas and a whole range of partners and stakeholders in these projects, including the federal government in some instances.

Mr WILLIAMS: The budget figure of \$18.69 million under the grants and subsidies line in the same table that we have been discussing is obviously expended across a number of projects within the two subprograms science and innovation and information economy. Could the minister list the various projects within the subprograms and the funds which it is envisaged will be utilised in each thereof? Whilst the minister is doing that, could she indicate what portion of those particular programs have been funded by the state and whether there are other funding partners in those projects?

The Hon. K.A. MAYWALD: We have some of the detail of some of the grants available to us at the moment but not in its entirety. Would the member prefer that I give him what I have and provide him with a completed list, or would he prefer a complete list?

Mr WILLIAMS: It would probably be more convenient if you took it on notice.

The Hon. K.A. MAYWALD: Yes, I will do that.

Mr WILLIAMS: I am happy with that.

Mr WILLIAMS: The SABRENet program receives base funding from your agency or is the administration funded from within the project?

The Hon. K.A. MAYWALD: I am advised the administration is funded from within the project, but we also provide funding to the project. The state government has invested \$1.7 million and that has attracted \$6.55 million in commonwealth funding from the Department of Education, Science and Training. The administration for that project is funded from the project funds.

Mr WILLIAMS: So the funding provided from your agency would obviously come from the grants and subsidies line, rather than from the employee benefits and costs line?

The Hon. K.A. MAYWALD: That is correct.

Mr WILLIAMS: I noted in one of the Messenger newspapers only this morning that there has been a roll out within the Adelaide Hills region of the Telstra G3 network. Does that present any threat to the SABRENet project? Will the G3 replace what we have already spent a significant amount of money on throughout the SABRENet project?

The Hon. K.A. MAYWALD: I am advised that it is absolutely unrelated and will have no impact on the SABRENet project.

Mr WILLIAMS: Is that because the G3 project will be based only around centres of high population?

The Hon. K.A. MAYWALD: The SABRENet project aims to provide high speed connect between research and education facilities and the quantum of datasets that will be transferred through the SABRENet project would be outside the scope of the G3. To give further information, SABRENet will provide very high speed and cost effective broadband for research and education sectors. The facilities are now fundamental to many forms of research and critical to South Australia's ability to maintain its participation and activities occurring on a national and global scale. The SABRENet project will construct and operate an optical fibre telecommunications network linking major research science across metropolitan Adelaide, from Flinders University in the south to Roseworthy in the north and from the Thebarton Bio Precinct in the west to the Magill campus in the east.

The fibre is a dark fibre requiring participants to provide the necessary equipment to deliver services across the network. For the \$7.5 million construction project of SABRENet, I have explained that \$6.55 million has been provided by federal government, and the state government's contribution I have already mentioned. The state government is also providing \$1 million to establish a high speed connection dedicated to specialised research purposes from SABRENet to Melbourne and \$400 000 to connect marine research sites in locations where SABRENet will not be available initially. An amount of \$105 000 of these funds has been provided for an optical fibre connection to the Future Marine Innovation SA site in Port Lincoln. That link has been built as part of a project to provide optical fibre connections and broadband wireless access to sites in Port Lincoln. The remaining funds will be used to connect the West Beach marine research site.

Mr WILLIAMS: I refer to page 13.18 where mention is made under the performance indicators of the STI 10-year plan for science, technology and information. I have a number of questions emanating from the booklet published

at the launching of that project. On page 7 of the booklet it mentions the commonwealth's \$2.9 billion five-year program backing Australia's ability. What successes has your agency had in accessing grants through this program and how does this success compare with other states?

The Hon. K.A. MAYWALD: This page refers to a number of the projects funded jointly between the federal government, the state government and industry and includes the CRCs, the ARC, the NCRIS funding and some of the projects I mentioned in my opening remarks in regard to the CRC projects. In 2005-06 the South Australian government agencies are currently participating in seven cooperative research centres. The federal government is providing \$215 million to these CRCs over the period 2005-11. The state government provided \$600 000 in 2005-06 to four government agencies to enable their participation in seven CRCs.

These participating agencies have established processes and key performance indicators to monitor the performance of the CRC in accordance with the guidelines for state government participation in CRCs. Annual reports of these seven CRCs were provided in June. In terms of new proposals, the state government has supported eight South Australian consortiums in their applications for new CRCs through hosting an information forum, coordinating the dissemination of information and offering financial support to participants; possibly \$200 000 for applications that have their headquarters in South Australia and \$100 000 for applications that establish a major node in South Australia. That is currently going through a process of evaluation at the moment.

Potential participating state government agencies are: the Department of Further Education, Employment, Science and Technology; the Department of Water, Land and Biodiversity Conservation; and the South Australian Research and Development Institute. In 2006-07 the state government will continue to invest a further \$600 000 per annum via participating agencies in existing CRCs, and DFEEST will continue to monitor CRC performance. Under the 2006 CRC round, the federal government is currently considering eight South Australian applicants, and outcomes are expected in December.

The national collaborative research infrastructure strategy (the commonwealth's \$542 million over five years) is currently under negotiation, and the South Australian government is working with partners and providing support for applications through that process. At the moment, they are still in the negotiation stage with the commonwealth; however, South Australia has an opportunity to leverage some significant funds through the NCRIS proposal as well. As a result of the work that we have undertaken and the support that we have provided on a whole range of projects, the state government funding of research of \$28.4 million has leveraged investment of \$233.12 million from the commonwealth and other sources. It has been a significant leverage opportunity for South Australia with the investment of the state government and other partners in those programs.

Mr WILLIAMS: Just on that same theme, a few months ago an announcement was made that the CSIRO Forestry Research Centre at Mount Gambier would close down. Was that centre part of a forestry CRC? Has your office had any input into whether we can keep that centre operating in Mount Gambier—in South Australia—where we have a very important forestry industry?

The Hon. K.A. MAYWALD: Unfortunately, it was a decision of the CSIRO as part of its national consolidation program to close the facility at Mount Gambier, and it did not consult with the state government before announcing that that closure was going to occur. As you are aware, that unit comprised 11 personnel: eight scientific staff and three support staff. Since July 2004, CSIRO Forestry has operated an unincorporated joint venture called Ensis, together with its New Zealand counterpart, Scion. Its initial focus included research into wood processing and products. Ensis has a total of 300 staff located at eight research sites throughout Australasia.

On 3 August 2006, CSIRO, through Ensis, announced it was shutting down its research centre at Mount Gambier and moving its forestry research projects to interstate facilities, without consultation with the South Australian government. Ensis stated that the forestry industry had shifted its priorities, leading to reduced investment in forestry research within the region, making the Mount Gambier office unviable. Ensis maintained that the local radiata pine forestry industry would continue to be serviced by its larger forestry research sites in Western Australia, Tasmania and Queensland.

Ensis also advised the state government that the closure would occur over the next 12 months from August 2006, with the CSIRO expecting its eight key scientists to be redeployed. The state government, through DFEEST, will continue to be engaged with the CSIRO in other areas of their activity in South Australia. We will try to work to strengthen those relationships and develop further those capabilities, but we do not have control over the CSIRO; that is your federal colleagues.

Mr WILLIAMS: Has your agency had any discussions, following that announcement by the CSIRO, to endeavour to have it reverse that decision?

The Hon. K.A. MAYWALD: I am advised that the department first heard about this via a phone call from Richard Head, senior CSIRO executive representative in South Australia, just before the announcement was made, and there was no opportunity for further negotiation. We had been discussing with Ensis, prior to its announcement, the possibility of moving its facility into our TAFE facilities in Mount Gambier, and we believed that those negotiations were progressing but, as the announcement came, it left us without any further opportunity to negotiate.

Mr WILLIAMS: It is a great pity that we have just had a forestry university course start in Mount Gambier at the same time as they close down.

The Hon. K.A. MAYWALD: It is an absolute shame, and I think you could probably take the matter up with your federal colleagues.

Mr WILLIAMS: Referring back to the STI 10 booklet, on page 15, it notes the formation of the Venture Capital Board with \$10 million worth of seed funding in the 2004-05 year. What projects or businesses within the science, technology and innovation area have received investment from the Venture Capital Board since its inception, and what is the total value of any such investments?

The Hon. K.A. MAYWALD: The Venture Capital Board is not the responsibility of the science and information directorate. I will take that question on notice to refer it to the appropriate minister whom I believe is the Deputy Premier, Kevin Foley.

Mr WILLIAMS: Notwithstanding that, you would be unaware whether any investments had been made within—

The Hon. K.A. MAYWALD: As I said, I would have to take that question on notice. I am not the responsible minister.

Mr WILLIAMS: I refer to the same document (STI 10) at page 21. The commentary states:

It is anticipated that a small number of major projects of state-wide significance may emerge from adoption of the State Strategic Plan. The Government is prepared to partner with, or facilitate the activities of, consortia that develop suitable mega scale STI projects.

Minister, in the 2½ years since the launch of the STI 10, have any such projects arisen? If such projects come to your notice, is there a contingency fund available to fill the megaproject challenge and ensure that South Australia can capitalise on any such ideas?

The Hon. K.A. MAYWALD: In answer to that question, I am advised that a number of projects are funded through the Premier's Science and Research Fund, but also a significant amount of work is being undertaken to pool together stakeholders to develop applications for the NCRIS funding, the funding I mentioned earlier, which is strategic funding for major collaborative investment. Through the Premier's Science and Research Fund, we provide \$3 million per annum to facilitate and conduct an application of strategic research in South Australia.

Be aware that the guidelines for the fund require research projects to be aligned with the state's priorities and relative targets in the South Australian strategic plan. They involve both research organisations and partners capable of applying the research outcomes in significant initiatives. Some of the grant recipients in the 2005-06 year are Professor Gary Wittert from Adelaide University, undertaking a project that involves a Florey/Adelaide male ageing study (which is a study on the processing of ageing within the male population) and it is a grant of \$300 000 over three years; Associate Professor Andrea Gerson, from Uni SA, who has a project which is about new information for mineral processing, and it is a grant of \$362 700 over three years; Professor Doug Gray at Adelaide University, Next Generation Digital Phased Array Systems for Radio Frequency Surveillance, Navigation and Environmental Monitoring, and our contribution is \$300 000 over three years; Mr John Gayler, Glassy Metal Technologies Ltd, has a project that involves investigations in technology for high efficiency energy saving electric machines, \$300 000 over three years; and Dr Hugh Wallwork, Molecular Plant Breeding CRC, has a project for value adding for the SA wheat industry, and that is \$647 900 over three years.

We also have funding for the Medical Research Institute, and we are also building capacity through our alliances under the Constellation SA project at the Waite, at Florey, of course at Thebarton, and at Mawson Lakes. There are a number of projects that have been funded through the Premier's Science and Research Fund. They include: a project looking at an Innovation Centre for Drug Formulation and Delivery; a facility for advanced materials in surface engineering; advanced seaplane work (doing some research into advanced seaplane technology). There is also a project that is investing in South Australian access to the Australian Synchrotron, which is in Victoria, and that is \$850 000 over three years. There is also a project that involves the national solution for disposal of waste oil residues, which is just over \$1 million over three years.

There are a number of projects that are currently under consideration through the NCRIS federal government program: one looks at the microfluidics facility at the Ian

Wark centre; Australian metabolomics node at the Australian Wine Research Institute; a national plant phenomics facility at the Waite; microscopy and microanalysis nodes at Adelaide University and the Ian Wark Centre; large animal imaging and mouse phenomics facilities at the IMVS, Gilles Plains and Hanson Institute; a biofuels node at SARDI; SA Integrated Marine Observing System node via SARDI; supporting expansion of Bresagen's microbial cell manufacture at Thebarton; and development of national geological knowledge basis for use by PIRSA. Those are the nine projects that are currently still being supported through the NCRIS process.

Mr WILLIAMS: I am not too sure whether any of them were qualified as a mega project.

The Hon. K.A. MAYWALD: I think all of them lead to mega projects. I would suggest that each of those NCRIS findings are about a major mega investment in infrastructure for research and science. It is \$542 million from the federal government that will leverage state government funds and industry funds, so I would suggest that it is a mega project.

Mr WILLIAMS: We may have to agree to disagree on that.

The Hon. K.A. MAYWALD: I will pass that on to your federal colleagues.

Mr WILLIAMS: The impression given by the document is different to how you have described it.

The Hon. K.A. MAYWALD: Of the portfolio area there is also the Centre of Innovation, which has been established and which is actually working through a number of major projects and assisting industry and research to direct their efforts into industry outcomes in research and development innovation. Another mega project, I would suggest, is the establishment of the biosciences incubator at Thebarton, which is a \$13 million investment in—

Mr WILLIAMS: It should be a mega project but, unfortunately, I do not think it has been treated as one. We will come to that shortly. I refer to the same document, STI 10, at page 26 under 'developing people and communities'. The document comments upon the 2003 announcement of a \$2.1 million project to review science and mathematics in schools. Through my shadow minister's responsibilities in the minerals area, I have raised this issue constantly over recent years. Data published annually from SSABSA confirms that the number of students studying science and maths subjects in South Australian high schools continues to decline. The trend is much more significant in the public school sector than the private (although it is evident in both). What monitoring of such trends is done by your agency? How is the success, or otherwise, of the aforementioned program assessed?

The Hon. K.A. MAYWALD: The issue of the monitoring of the situation is really a DECS responsibility and is undertaken by the Department of Education and Children's Services. However, as we have a key interest in the development of programs that support student uptake in science and mathematics, we take a keen interest in that information also. You would be aware that, in recent times through the budget process, the government has introduced an \$98.4 million skills program which involves a whole range of programs across government.

One of the initiatives associated with our strategic directions for science and mathematics in South Australian schools is to provide scholarships to educationally disadvantaged students who have an interest in science and mathematics to attend the Australian Science and Mathematics School

in the Flinders University campus. We provided funding of up to \$50 000 per annum for 2004, 2005 and 2006, and it has been allocated by DFEEST to support this program. It is used to assist students with accommodation, living and transport expenses.

Eight scholarships were awarded to country students to assist with accommodation and travel expenses. A small component of the fund was used to assist 24 indigenous students to successfully complete a SACE stage 1 unit in contemporary science. A whole range of projects can be found in the document, entitled Skills for South Australia: Building on Strong Foundation, which was released in September 2006. We can make a copy of that available to you. It lists all the projects available under the \$98 million skills initiative that was announced.

One of the other initiatives we are working on with schools is the Premier's Industry Awards for Science and Mathematics Teachers. This is a three-year program providing short-term industry placements for science and mathematics teachers across the state. Up to 36 teachers from across the state are selected annually to spend 10 days in a host workplace and, during the placement, each teacher works on an appropriate project within their area of expertise to enhance their professional skills. We have found that enthusing science teachers in science in the real world gives them a much greater edge in teaching science and enthusing children and students to consider science as a career.

We have also provided funding of \$450 000 over three years to ensure the achievement of outcomes. Business SA received \$85 000 to assist it in placing teachers in different industry sectors. The Department of Education and Children's Services (DECS) receives \$365 000, which also goes towards ensuring that teachers can be placed in different workplaces. A whole range of schools across not only the metropolitan area but also country areas participated in the Premier's Industry Awards for Teachers of Science and Mathematics in 2005-06. For example, Angle Vale Primary School partnered with CMV Truck Sales, and you would be pleased to know that Keith went to the School of Petroleum, University of Adelaide, and that Keithcott Primary School went to the Children's Health Foundation. You would be interested to know that Loxton High School partnered the Australian Centre for Plant Functional Genomics. For the member for Hammond, Murray Bridge partnered the University of Adelaide. A list of schools, including Birdwood High, Brighton Secondary, Callington Primary School, and Charles Campbell, participated with different businesses. I can table that list, if you would find that helpful.

Mr WILLIAMS: Did those grants that enable that to happen come out of your budget line, the programs we are discussing, or did they come out of the DECS funding?

The Hon. K.A. MAYWALD: They came out of the STI budget, and it is a grant to DECS and a grant to Business SA.

Mr PISONI: I refer to the same document, STI 10, page 28. In acknowledging that making improvements in science, mathematics and engineering education is critical to our state's science and technology innovation capacity, this initiative is vital to our future and urgent because of the pressing challenges we face. The document highlights strategies, including stimulating interest in science that school students will carry through to enrolment in university science courses. Minister, how do you reconcile these lofty ideals with the government's lack of concern and the imminent closure of the Investigator Science Centre and, indeed, the

paucity of government support for the centre over recent years?

The Hon. K.A. MAYWALD: First and foremost, I think it is presumptuous of the member for Unley to make the comment that we have a lack of concern. We are very concerned about the future in regard to science and mathematics and the uptake within our school system of those areas of study. The Investigator Science Centre has enjoyed a grant from the state government of \$500 000 per annum, and we have not reduced our funding for the centre. We have also provided rent-free accommodation for it at Regency Park for the past two years.

Unfortunately, the Investigator Science Centre has been unable to secure funding from external sources to support the funding it already receives from the South Australian government, which is substantial. Indeed, earlier this year, the South Australian government approved an extra \$315 000 to support a grant application to the federal government to support a move to Mawson Lakes for the Investigator to change direction and look at an incursion model, rather than an excursion model, to enhance its programs so that it could take more of what it was doing out to the schools.

Unfortunately, it was unsuccessful in that grant application, and the federal government—your colleagues—determined that it was not appropriate or worthwhile for the project to be funded. As a consequence, the current board of Investigator has made the decision that it is unable to continue with the existing static display type of operation it previously was. One of the major issues for the board is the costs associated with continually upgrading the static displays to continue interest from different sectors to ensure that they have continued growth in their attendances. As a board, it has been unable to reconcile how it would be able to be self-sustaining in the future, even though the \$500 000 from state government was forthcoming. There was no intention to withdraw our funding to the Investigator centre.

To manage how we now ensure that the funding previously directed to the Investigator continues to support the education and awareness of science-related career opportunities, the South Australian government is redirecting the funding into programs, through CSIROSEC (CSIRO Science Education Centre) in South Australia, as part of the funding. CSIROSEC has been working in conjunction with the Investigator for many years and we will be boosting its funding by \$228 000. It already receives funding from DECS and runs a number of projects across South Australia. It has the incursion model we talked about, and it goes out to schools. Currently, they reach about 34 000 students per annum and, with the extra funding we will be providing to them, we believe they will be able to double the number of school students it currently reaches to about 60 000.

Of course, the CSIROSEC programs are well supported by DEC. They are already operating successfully as an outreach science awareness program in the state, and CSIROSEC is part of a national network and draws on the resources of CSIRO scientists. CSIROSEC's existing programs cater for students in the primary, secondary and tertiary levels, so it is right across the board, rather than just focusing on primary and some secondary. Also, teacher professional development in science is built into a number of its programs. The CSIROSEC outreach programs have already developed networks in the regional areas and can deliver these outreach programs to both metropolitan and rural schools.

The primary reason cited by the Investigator for its decision to cease trading was that the absence of adequate financial support from sponsors—the private sector and government—has made it impossible for the Investigator to upgrade its current programs. In recent years, the Investigator has not substantially increased its private funding, and it has indicated that to date its current in-centre programs will require the one-off investment of \$1.4 million. As I have said, in 2005 the state government approved funding of \$315 000 to support an application to the federal government, but that was unsuccessful.

I believe it was a sad day for the Investigator board to make the decision to close. However, it does not lessen the state government's focus and investment in science education programs and science awareness. We intend to invest that \$500 000 through CSIROSEC and also through the Premier's Science and Research Council to ensure that we have adequate programs to replace those the Investigator formerly conducted.

Mr PISONI: Minister, when were you made aware of the difficulty the Investigator Science Centre was having in attracting private sponsors, and what role did your office play in helping the centre to source private sponsors?

The Hon. K.A. MAYWALD: Having worked with the Investigator for some time now, I would say that, since the move from the site at the showgrounds down to Regency, a time limit was put on the availability of those resources to the Investigator Centre. The centre knew it had to find a new home, and, as far as I am aware, we had been working with the centre since I became the minister in April. I have been aware of the difficulties the Investigator had in locating and finding funding for a new facility. The state government has been working very closely, through the department, to try to find a resolution to the centre's financial woes, but, unfortunately, the centre was unable to secure any other private investment or federal government funding to support the \$500 000, which was the significant investment the state government was putting towards the project.

Mr PISONI: What organisations did you approach on the centre's behalf to lobby for funding?

The CHAIR: Order! Can the member relate that to a budget line?

Mr PISONI: I am relating it to—

The CHAIR: No; the sponsorship. I am happy for the member for Unley to ask questions about the government's expenditure, but private sponsorship is not a matter for the minister.

Mr PISONI: The closing of the Investigator Science Centre was a ministerial announcement. I think the acting science minister made the announcement over a week ago, and the reason given was the lack of sponsorship funding. So, I think my question is very relevant.

The CHAIR: It is up to me whether or not it is relevant, and I do not think it is relevant. If the minister wishes to answer the question, she may; otherwise, we can move on.

The Hon. K.A. MAYWALD: To answer the question, the centre is a separately incorporated body with its own board. It is not the government's position to be going out advocating and doing the work of an independently appointed board in an incorporated body. We support it with \$500 000, which is a significant investment. The federal government provided no support through the grant application that was made earlier this year, towards which the South Australian government contributed an extra \$315 000.

Mr PEDERICK: I refer to Budget Paper 4, Volume 3, page 13.20. The performance commentary refers to the state broadband strategy and comments that \$2 million from the broadband fund was a target for spending commitments during 2005-06. The estimated result does not mention a dollar amount, whilst \$2 million is the expected commitment for projects during 2006-07. The information economy agenda, released earlier this year, talks of an \$8.37 million four-year broadband program, with a state government commitment of \$3.326 million up to January this year towards projects, with a total cost of \$14.87 million.

Minister, these figures raise a number of questions. Will the minister advise how much money has been put into the state broadband fund in total up until 30 June this year and what has been the source of these funds? Has the aforementioned \$2 million committed during 2005-06 been expended and, if not, has the balance been carried forward? Is the \$2 million commitment for 2006-07 all new money or is some of it carryover? Of the \$8.37 million four-year program referred to earlier, is that \$8.37 million commitment all state government money? What is—

The Hon. K.A. MAYWALD: Can I ask that we have only one question at a time? Can we go back to the first question? Perhaps we will answer them as we go through; it might make it a little easier for me.

Mr PEDERICK: The initial question was: how much money has been put into the state broadband fund in total up to 30 June this year, and what has been the source of those funds?

The Hon. K.A. MAYWALD: Up to 30 June 2006, the projects that have been funded through the BDF are as follows: Yorke Peninsula (wireless) and ADSL2+, \$250 000; Yorke Peninsula stage 2 (wireless), \$255 000; Kangaroo Island (ADSL), \$427 000; the City of Salisbury, \$550 000; the Coorong region, \$398 000; the Barossa and Light region, \$596 000; Port Lincoln (wireless and optical fibre), \$100 000; Whyalla/Port Augusta addition to Port Lincoln project, \$40 000; the Eyre region (which is still to be confirmed) \$965 000; and Mount Gambier, \$280 000. That is a total of \$3.861 million that has been committed to 30 June. However, the cash outlay for that has not all occurred; each comes with its own project requirements and the funding is paid out as milestones are achieved.

So the \$3.861 million has been committed to 30 June and some of those projects have already been launched. The Yorke Peninsula one was in June 2004, Yorke Peninsula stage 2 was in July 2006, Kangaroo Island was back in June 2005, the City of Salisbury was in April 2005, the Coorong was in June 2005 and, as the member for MacKillop knows (because he launched it), the Barossa and Light region was also launched this year.

Regarding Port Lincoln, the Port Lincoln Regional Development Board has been working through some issues, but we expect the completion date of that one will be January 2007—as it will be for the Whyalla and Port Augusta ones. It is still to be confirmed when the Eyre region, which is being run by the Eyre Regional Development Board, and Mount Gambier, which is a DAIS-supported project, are to be completed; they are still works in progress. However, those fundings have been committed. It is a rolling fund, and I am advised that the total is a four-year fund of \$7 million. It is grants-based funding, which does carry over.

Mr PEDERICK: Is the \$2 million commitment for 2006-07 all new money, or is some of it carried over from the previous year?

The Hon. K.A. MAYWALD: The amount of \$2 million is what we believe we will expend out of the fund in that particular year. We have granted carry-overs from the previous year and, of the carry-overs sought for 2005-06, 2006-07 and 2007-08, an amount of \$1.897 million for the broadband development fund was approved: there was \$1.369 million into 2006-07 and \$501 000 into 2007-08. The project has to be able to actually fund the projects when they achieve certain milestones. The total project will be \$7 million—there will be no lessening of the amount of money in regard to the allocation of funds out of BDF. The timing of the allocations will determine the actual expenditure profile out of the fund.

Mr PEDERICK: What sources provided the other \$11.5 million spent on the six regional and one urban project up to January 2006, as mentioned in your information economy agenda, page 9?

The Hon. K.A. MAYWALD: I am advised that the total project value that has been supported out of the BDF is \$16.212 million as at 30 June. The other project partners that have supported funding are the Australian government, through their HiBIS funding, and local government. CCIF is the other commonwealth project that also assists in funding. So, \$3.861 million of BDF funding has supported total project values of \$16.212 million, and out of that \$16.212 million some of the funding has come through the HiBIS and CCIF programs of the Australian government with local government also making contributions.

Mr WILLIAMS: Minister, it may be more appropriate that I ask the question I asked earlier, about the risk posed by the roll-out of Telstra's G3, with regard to the broadband network rather than SABRENet, which I think I referred to then (and that was probably my confusion). Is there any threat to the broadband project by the new technology which is now being rolled out by Telstra?

The Hon. K.A. MAYWALD: I am advised that the demand out there at the moment for broadband is massive, and there are new technologies coming on-line all the time. We do not believe, and the department has advised that it did not believe, that there will be any redundancy as a consequence of the G3 roll-out. However, the technology world moves quickly—except perhaps in this chamber, I might say, for the member my left.

Mr PISONI: I refer to page 13.7: Targets. Could the minister give a quick run-down of the broadband strategy that will be implemented in 2006-07?

The Hon. K.A. MAYWALD: There is a little bit of history here. Cabinet actually approved the formation of the Broadband SA Program in August 2003, and the broadband strategy was launched in December 2004. A core part of the Broadband SA Program is the Broadband Development Fund. It is a grant-based funding program to build new broadband capability for the state. The mapping of broadband coverage and capability in South Australia is a key part of the Broadband SA Program and is used to support community-based groups, such as regional development boards and local government, in the development of their strategies for broadband and infrastructure projects. In August 2005 the federal government announced the \$1.1 billion four-year Connect Australia funding program, and funding for this program commenced initially for the year 2005-06 with the majority of funding to occur in the years 2006 to 2010.

Our next targets are for South Australian projects in the context of Connect Australia to be coordinated to ensure maximum benefit to the state and the successful integration

of existing projects. A lot of money has been made available through the work of the National Party at federal level. A list of potential community-based broadband development projects has been supplied to the federal government for inclusion within the Connect Australia activities, and this list contains a mixture of regionally focused projects and sector specific projects, such as the wine industry and local government. Our target will be to continue the work we are doing with the Broadband Development Fund. It has been an extremely successful roll-out to enable local communities to access broadband services, and it uses tremendous partnerships between our regional development boards, local government sectors and industry. We intend to work with the commonwealth government to ensure that Connect Australia funds that come into South Australia can be well coordinated.

Mr PISONI: Is there any intention to revise the plan now that we will see 98 per cent of South Australia covered with the new G3 roll-out of technology?

The Hon. K.A. MAYWALD: I do not want to labour the point, but putting all our eggs in the one basket in the G3 is not the future necessarily that South Australia wants to see. The South Australian government believes very strongly that the best outcomes for communities are achieved if there is competition in the marketplace. The BDF fund has been very successful in encouraging that competition and providing for extra carriers to be introducing themselves into the marketplace in South Australia. It will continue to be important to ensure that we have that level of competition out there in order to ensure there is a cost competitive environment, particularly in regional areas.

Mr PISONI: So no change in the strategy is anticipated?

The Hon. K.A. MAYWALD: No changes in the current BDF strategy that will be determined by the partners who want to access the fund. They will determine which strategies are best for their communities and we will assess those project applications on the basis of the available technologies.

Mr WILLIAMS: At page 13.18 the performance commentary refers to the Premier's Science and Research Fund. I must say I am concerned with anything that has 'Premier's' put in front of it; it worries me what its real purpose is. Last year's *Hansard* on the estimates committee in relation to this fund makes intriguing reading. A number of questions arise. Of the initiatives funded in last year's budget, have any left unspent funds; and, if so, how much was unspent and will those commitments be carried forward? What allocation of new money towards the Premier's Science and Research Fund has been made for this financial year? Will you confirm whether those moneys appear in the grants and subsidies line?

The Hon. K.A. MAYWALD: Those moneys do appear in the grants and subsidies line. The Premier's Science and Research Fund provides \$3 million per annum to facilitate the conduct and application of strategic research in South Australia. We have spoken about the projects that the Premier's Science and Research Fund has been supporting, so I will not go through that again. A number of these projects have ongoing commitments. It is not a commitment for one year: it has a two or three out year. The Premier's Science and Research Fund is a limited fund of \$3 million per annum, so the available funds are determined by the ongoing commitment we have to particular projects. That provides us with a balance available for the next round of funding in this year. I mentioned previously the information on the projects that were grant recipients in 2005-06. Do you need me to go through them again?

Mr WILLIAMS: No.

The Hon. K.A. MAYWALD: There are a number of strategic projects which we funded in 2005-06 and which have varying life spans. A number of them are over three years and some of them are over two years. That impacts upon the availability of moneys for the next round, depending on how many of those carryover projects are still requiring funds.

Mr WILLIAMS: You talk about the projects from the last financial year. Have any decisions been made on new projects?

The Hon. K.A. MAYWALD: At this time they are currently under consideration.

Mr WILLIAMS: Have there been any changes since last year to the membership of the Premier's Science and Research Council and, if so, could you list the membership to the committee?

The Hon. K.A. MAYWALD: Yes, there has been a change in membership of the Premier's Science and Research Council. Two extra members have been appointed—Professor Chris Marlin, who is a professor from Flinders University, and also an expert from the defence industries, and we will provide you with his name shortly.

Mr WILLIAMS: On the same page under the performance commentary, I refer to the bioscience grants awarded and the comment under the performance indicator heading and note that last year's estimated result was \$1.9 million, \$400 000 over budget, and again it is expected that \$1.5 million in grants will be awarded this year. Was there an additional allocation for that \$400 000 overspend, or will that be funded from this year's allocation? I am happy for the minister to take this on notice. Can she inform the committee of the recipients of these grants during the 2005-06 year, and is it Bioinnovation that assesses and approves grant allocations?

The Hon. K.A. MAYWALD: It is a long list, so we will take the details on notice. However, the grants are funded through Bioinnovation SA's existing budget, and it assesses the applications and provides the grants.

Mr WILLIAMS: I am interested in understanding how Bioinnovation is funded—that is, are the staff costs incorporated in the budget line 'employee benefits and costs', or is it funded directly out of the grants and subsidies line? What, if any, other state funding is channelled through Bioinnovation SA?

The Hon. K.A. MAYWALD: Bioinnovation is funded through the STI directorate as a total amount of funding, and then it employs and funds its administrative costs out of that funding, so it is not included in the employment costs of STI. The original base funding was \$3 million per annum. This is total funds in the forward estimates for Bioinnovation in 2006-07 of \$4.678 million. There is an increase in the base funding from \$3 million of a further \$1.5 million. There are EB and CPI adjustments in there also, and the total budget for 2006-07 is \$4.678 million. There is also capital project funding. In 2006-07 there will be \$1.5 million for the Australian Centre for Plant Functional Genomics, \$265 000 for the Thebarton bioscience precinct, so there is an extra \$1.765 million there and, of course, the bioscience business incubator kicks in in the 2007-08 year.

Mr WILLIAMS: My next question is again about Bioinnovation SA and particularly the Thebarton bioscience precinct. Last year, in June 2005, the minister told the committee that construction was to begin later that year, with a practical completion date late this year, that is, 2006. From

a completion target in 2005-06 in the budget papers the new target is to commence development of the incubator in 2006-07 and, if I heard correctly, I think there is a capital budgeted figure of \$200 000 for capital works in that precinct. Can the minister explain the delays in procuring the Thebarton bioscience incubator, and what funds have been committed in this financial year towards that project?

The Hon. K.A. MAYWALD: The total funding for the project will be around \$13 million, I am advised. There have been some delays in finalising the funding model, and that has resulted in delays in the tendering for the capital works for the incubator facility. This will now occur in early 2007. However, the actual project construction will commence later this calendar year. But the delays have been as a result of finalising the funding model. They have now been resolved and work should get under way later this year.

Mr WILLIAMS: So, what funding commitment has the government made towards that project in this year's budget?

The Hon. K.A. MAYWALD: It is a capital project so there is none required because the announcement was made in 2004 to fund the project. So the funds are coming from Treasury as a consequence. It will show in the LMC budget. The LMC is undertaking the project work, so it will appear in its budget.

Mr WILLIAMS: So funding is not an issue?

The Hon. K.A. MAYWALD: No, it has been fully approved for \$13 million.

Mr WILLIAMS: The opposition is aware that there were concerns and hiccups with the establishment of the Bio Innovation SA venture capital fund, now being managed by Terra Rossa Capital. Can the minister give the committee an overview of the establishment of this fund and its activities since it was established?

The CHAIR: Is that a budget line or Treasury and Finance?

The Hon. K.A. MAYWALD: No, it is overseen through the Bio Innovation line. We are not aware of any issues, first and foremost. The Terra Rossa capital project is up and running, and Bio Innovation SA has been very successful in negotiating a very positive outcome as a consequence of its work with the MTAA. To give an outline on how it operates, the South Australian Life Science Venture Capital Fund is one of the largest venture capital funds in South Australia's history and the first of its kind. The fund is unique in that the entire investment capital will be provided by an interstate superannuation fund. It is built on the common goal of the state government and MTAA Super to grow Australia's bio science industry.

A new and independent fund management company called Terra Rossa Capital Pty Ltd will manage the fund. Bio Innovation SA will be able, at its discretion, to refer companies to Terra Rossa Capital for investment consideration. Bio Innovation SA supports the operation of Terra Rossa Capital with a grant that averages about \$190 000 per annum. Investment decisions by Terra Rossa Capital will be made by an investment committee comprising four leading professionals with expertise spanning venture investment, business and the commercialisation of science. Members of the investment committee will be Dr Jurgen Michaelis (Chief Executive of Bio Innovation SA), Simon Drilling, Thornton Group, Adelaide, Dr Tom Geimer, Heidelberg Innovation, Germany, and Dr Stephen Thompson, Brandon Capital in Sydney. Dr Melissa Brasted has been appointed to the position of investment manager. Companies that will be eligible for funding will be private early stage South Australian biotech-

nology companies or companies with a significant presence in South Australia.

The amount of funding available to companies will be assessed on a case by case basis, although investments are likely to be in the range of \$100 000 up to \$1.5 million in the first instance. It is expected that Terra Rossa Capital will be fully operational in the coming months and that the first investment will be made some time this calendar year. The finalisation of the fund came after MTAA Super carried out an exhaustive due diligence process on the state's biotechnology industry and recognised significant investment potential.

[Sitting suspended from 1.4 to 2 p.m.]

Mr WILLIAMS: I refer to Budget Paper 4, Volume 3, page 13.19. I think that the footnote on this page is the only mention of Playford Capital in the budget papers. It is my understanding that the state covers the staff and administration costs for Playford Capital. What is the quantum of those costs and, again, as in Bio Innovation's, do those costs come from the grants and subsidies line or the employee benefits and costs line?

The Hon. K.A. MAYWALD: Playford Capital receives a budget allocation through the STI directorate of \$1.579 million per annum, which contributes to Playford's capital operating costs. Playford actually uses that funding, and others that it gets on a project basis from the commonwealth, to manage its business. The exact number of employees that Playford employs are employed by the board of Playford, and it is something that I will take on notice because, as you would recall, just before the luncheon break you were not going to ask questions on Playford, so my Playford adviser—

Mr WILLIAMS: I was not going to ask questions which I thought you would need the adviser for, so—

The Hon. K.A. MAYWALD: Sorry. I have information here that talks about the overall funding that we provide through STI to Playford but, for the details and specifics of Playford's operation and business, I will need to take that on notice.

Mr WILLIAMS: My question was simply—and I think you said \$1.75 million is the—

The Hon. K.A. MAYWALD: I said \$1.579 million.

Mr WILLIAMS: Sorry.

The Hon. K.A. MAYWALD: It is \$1.579 million per annum, and that is the state government's contribution to Playford's capital operating costs.

Mr WILLIAMS: That comes out of the grants and subsidies line or the employee benefits lines?

The Hon. K.A. MAYWALD: Grants.

Mr WILLIAMS: Grants and subsidies; that was all I wanted to know.

The Hon. K.A. MAYWALD: Okay; that is all we need—we have that clear.

Mr WILLIAMS: Your office arranged for a briefing last week; that is why Amanda answered all my questions.

The Hon. K.A. MAYWALD: Very useful, that, too; I think we should look at doing more of that. Thank you.

Mr WILLIAMS: I refer to page 13.17, although there is no specific mention. You mentioned Constellation SA in your opening remarks. I have read the glossy brochures and, to be quite honest, I fail to see the point of the Constellation SA project other than as a publicity stunt. What specifically will be gained by the scientific community as a result of Constellation SA which could not be delivered from your agency?

The Hon. K.A. MAYWALD: The importance of Constellation SA is not about glossy brochures, and I am disappointed that, as the opposition spokesperson on science, you have no understanding of the importance of collaboration in the science field. Constellation SA aims to coordinate South Australia's research and scientific community with industry, the state government and the federal government to ensure we maximise our investment in research and science to deliver economic outcomes. It is not about what is in the interests of the research or the science community: it is about what is in the state's interest and how we improve our quality of life and how we deliver on economic objectives as a consequence of the investment in science.

Constellation SA is about bringing those people together so that our scientists are actually researching in areas that are relevant to our industries. That will deliver better economic outputs, and it will also deliver better collaboration and investment in South Australian scientific endeavours.

Mr WILLIAMS: I accept all that, but the description/objective stated at the top of page 13.17 for Program 2, Science and Technology Innovation, states:

Provides the government's principal strategic focus for science, technology, information economy and innovative policy development and program delivery in South Australia that links the government with business, industry and education sectors.

My comment is that I fail to see what Constellation delivers that is not delivered out of your agency. Is there a separate board or committee or grouping, or is there a separate staffing allocation to that particular sub-program or project?

The Hon. K.A. MAYWALD: The development of Constellation SA is the objective. Currently Constellation SA is about bringing together collaborative partners; bringing together people who can provide for a better outcome as a consequence of their collaboration in the science area. For example, in the Florey precinct, a whole range of people is doing great things in relation to science in the health sector. If we can coordinate that better—and the emphasis is on coordination and collaboration—to ensure that we maximise the dollar invested (not only from state government but from federal government, and also where industry and our universities are putting money), we are going to get a bigger bang for the buck. So, yes, science, technology and innovation have that as the highest priority on their agenda; to actually work up the Constellation SA concept to ensure that collaboration results in the best economic output for this state.

Mr WILLIAMS: Let me clarify this, because I am still confused, to be quite honest. Is Constellation SA just a program within your directorate which does not have a separate staff of its own?

The Hon. K.A. MAYWALD: It is a program within our directorate, but it has the responsibility of working across government because, of course, there is a lot of research done in primary industries, there is a lot of research undertaken in the health portfolio, and there is a lot of research undertaken through various means across government. The STI's objective is to try to better coordinate that.

Mr WILLIAMS: I am not questioning the objective at all, just the way it is presented. It is confusing, and there are a few glossy brochures which do not give a lot of information, to be quite honest.

The Hon. K.A. MAYWALD: The STI 10 is the vision and Constellation SA is the means of delivery.

Mr WILLIAMS: Yes. I will move on. Does the plant genomics centre, based at the Waite campus, receive any base

funding from your budget? If so, what is the amount for the current year and, more importantly, what commitment has the government made to any base funding for that organisation in the future?

The Hon. K.A. MAYWALD: The Australian Centre for Plant Functional Genomics receives a \$1.5 million per annum grant through BioInnovation. This program of funds for the ACPFG goes through to 2006-07 when it is up for renewal, and negotiations are under way in respect of the future beyond that.

Mr WILLIAMS: Sorry, can you just repeat the last word? I missed it—negotiations?

The Hon. K.A. MAYWALD: The funding for the Australian Centre for Plant Functional Genomics is a funding of \$1.5 million. It concludes in the forward estimates at the end of 2006-07. Beyond that we are now negotiating with the Australian Centre for Plant Functional Genomics as to future contributions. However, the original contribution was made on the basis that the Australian Centre for Plant Functional Genomics would become self-sufficient in the long term, and that is the intention of the government.

Mr WILLIAMS: Let me confirm that: the intention of the government is that the—

The Hon. K.A. MAYWALD: I am advised that it is up for negotiation at the moment. It was always the intention that the centre would become self-sufficient in the future.

Mr WILLIAMS: Realistically, can the government afford to have that centre close down because of lack of funding?

The Hon. K.A. MAYWALD: The centre provides an extremely important research function for South Australia. A number of funding partners are involved in the provision of funding to the centre, and those funding arrangements are up for consideration at the moment.

Mr WILLIAMS: It would be a great pity to see it go the way of the Investigator Science Centre, minister.

The Hon. K.A. MAYWALD: And it would be a great pity to see it go the way of the CSIRO's funding for the forestry industry down in the South-East—

Mr WILLIAMS: Absolutely.

The Hon. K.A. MAYWALD: —which, of course, you would be aware is the responsibility of your federal colleagues. I might add also that your federal colleagues are a partner in the centre that we are talking about now.

Mr WILLIAMS: I refer to page 13.17. The performance indicator suggests that the ICT industry development programs be developed or improved. The government has stated that, unlike the plant genomics centre, it will wean the ICT Council from government funding. I understand that the council received \$125 000 to fund its operations and projects for the year 2005-06. Last year, you told the committee that negotiations had been commenced with the ICT Council regarding the development of a second performance-based funding agreement—not unlike the plant genomics centre, as you have just told us. Have those negotiations been completed? What funding, if any, will the ICT Council receive from the government this year and in the forward years?

The Hon. K.A. MAYWALD: First, I will recap on the comments you made about the Australian Centre for Plant Functional Genomics. The South Australian government is very supportive of the work it undertakes. The South Australian government has been a major driver in the establishment of that organisation, and we have a major stake in its future through Primary Industries and also through Science, Technology and Innovation. A number of the

NCRIS applications we are submitting are relevant to that space in research, and we are seeking support from the federal government in that regard. It is about partnerships, as we spoke about earlier.

You are quite correct that, in relation to support for the ICT industry associations, there was a funding arrangement for the ICT industry that was conditional upon the ICT sector being able to self-fund in the future. We will be working with the ICT industry on its progress towards that and the transitional provisions to self-funding through the sector. This is part of the agreement that we initially made with the ICT industry to provide that outcome funding in the first instance. The government provided \$125 000 in 2005-06 to support the operations of the Information and Communication Technology Council of South Australia, and the scope for project funding will be awarded on a case-by-case basis.

The council's funding for 2005-06 has been managed through a performance-based contract. In April 2006, the council delivered an export strategy for the ICT industry to the Export Council. The focus of the strategy is on increasing ICT sector exports to \$2.42 billion by 2013 (a growth of 10 per cent), as targeted in the State Strategic Plan. The council also participated in the implementation of a skills strategic plan for the ICT sector which aims to produce a longer-term strategy to assist South Australia meet the challenges of the peaks and troughs of the ICT skills cycle; phased implementation is likely to take 18 months.

Through its marketing arm, Solution City, the council led delegations to the ICT Expo in Hong Kong and the World Congress on Information Technology in Austin, Texas. In 2006-07, the government will provide \$161 000 to the Electronics Industry Association to continue implementation of its E² education initiative. The EIA and DFEEST have entered into a performance-based funding agreement with clearly defined payment milestones, performance measures and regular reporting requirements for the following activities: promoting university shared expertise by building on the current availability of shared courses and escalating the uptake of these courses by university students; implementing an industry-based internship program for senior students; fostering TAFE, university and industry collaboration in curriculum development and learning pathways; and also in further developing mentoring, cadetship and work experience programs to prepare students for careers in electronics. We are also promoting careers in electronics, particularly in primary and secondary schools, and developing postgraduate and work force development programs for electronics industry professionals and para-professionals.

In 2006, DFEEST and DTED agreed on a new funding philosophy for information and communication technology industries. In summary, DFEEST will be the agency responsible for funding appropriate skills initiatives arising from the ICT industry and its industry associations, and DTED will be the agency responsible for funding industry development, including support for the core operations of ICT associations.

Mr WILLIAMS: I take it from that that the negotiations you spoke of in last year's estimates ended with the ICT Council's receiving no further funding for the current year.

The Hon. K.A. MAYWALD: That is correct.

Mr WILLIAMS: This is my last question, apart from the omnibus questions. The Premier keeps talking about the Bragg initiative, and again it concerns me that it is probably more about publicity than substance. What is the budget for this initiative for the current year? What provisions are made

for the out years to both capital and recurrent funding for the Bragg initiative?

The Hon. K.A. MAYWALD: I am advised that those figures are available in 'Skills for South Australia: Building on Strong Foundations' (a great publication), with \$98 million being put into this skills sector. I am sure you have read this document thoroughly and that, having read it, you would be aware that it identifies the Bragg initiative, which is a project that will work closely with business, industry, the education sector, students, parents, teachers, and the broader community, to promote and foster excitement and enthusiasm about science. I can say that the Bragg initiative has been very successful. The committed funding for 2006-07 is \$400 000 (\$.4 million), and the total funding committed to the program over three years is \$1.23 million.

Mr WILLIAMS: I have a series of omnibus questions.

The Hon. K.A. MAYWALD: In ensuring that the opposition had the opportunity to ask all its questions, I thought we would have flagged all those. I am surprised, but you are welcome to put the omnibus questions forward.

Mr WILLIAMS: Thank you.

1. Will the minister provide a detailed breakdown, for each of the forward estimate years, of the specific administrative 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 the 2005-06 year for all departments and agencies reporting to the minister, listing the name of the consultant and contracted cost, work undertaken and method of appointment?

3. For each department or agency reporting to the minister, how many surplus employees were 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 into 2005-06?

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

6. What is the total number of employees with a total employment cost of \$100 000 or more per employee, and also, as a sub-category, 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; and 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 abolished; and (b) which has been created?

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

Department of Water, Land and Biodiversity
Conservation, \$81 993 000

Administered Items for the Department of Water, Land
and Biodiversity Conservation, \$16 111 000

Membership:

Mr Griffiths substituted for Mr Williams

The Hon. R.G. Kerin substituted for Mr Pisoni

Additional Departmental Advisers:

Mr R. Freeman, Chief Executive, Department of Water, Land and Biodiversity Conservation

Mr P. Hoey, Executive Director

Mr P. O'Neill, Executive Director

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 12, pages 12.44 to 12.71. I call on the minister to make an opening statement if she so wishes.

The Hon. K.A. MAYWALD: I welcome new members to the committee, and thank you for the opportunity to present an opening statement. I am very pleased to open the discussion of the budget estimates for the River Murray program for the Department of Water, Land and Biodiversity Conservation. As I am sure members of the estimates committee will be well aware, irrigators and dryland farmers are in the grip of the worst drought on record for the Murray-Darling Basin. Inflows to the River Murray in the past five years have been the lowest since records began in 1891. For the fourth month in a row inflows received have been at a record low. Total Murray-Darling Basin Commission storages are less than one-third of capacity and less than half of the long-term average storage for the end of September. Our irrigators are currently restricted to 70 per cent of their allocations, and this will improve only if inflows improve.

However, I am pleased to say that South Australia continues to punch above its weight within the Murray-Darling arena, both at home and within the numerous inter-government forums that make up the Murray-Darling Basin initiative. Looking back on 2005-06 we have had some successes. On 30 September 2005 South Australia presented a paper to the Murray-Darling Basin Ministerial Council in which a number of issues were highlighted, including the need to revitalise the 2003 First Step decision to recover an additional flow of 500 gigalitres in the River Murray by jointly approaching the water market to purchase water entitlements from willing sellers. Although progress on this front seems to be glacial at times, I am glad to see that ministers, members of parliament, other community leaders and opinion-makers generally are gradually beginning to accept that over the next decade it will be necessary to transfer a significant volume of water to the environment, and that water saving infrastructure projects alone will not deliver the amount of water necessary to make the system sustainable.

The council's attention was also drawn to six additional and major threats to the water resources of the River Murray. These were uncapped growth in the pumping of ground water systems, interception of surface water inflows by farm dams, plantation forestry, climate change, post-bushfire regrowth of vegetation and a reduction in return flows from leaky irrigation systems. I am really pleased to see that both the CSIRO and the Murray-Darling Basin Commission are now taking these risks very seriously, in particular, the three risks which are within our regulatory control—ground water, forestry and farm dams—so that we do not make the exact same mistakes in over allocating these water resources as we have with surface water allocations in the past. When I say 'we', it is the collective across the basin. South Australia has

been incredibly conservative over successive governments to put us in a very secure position, comparatively speaking.

In May 2006 South Australia again presented a paper to the ministerial council—this time on the need to manage unregulated flows throughout the Murray-Darling Basin. If we do not effectively manage unregulated flows then, notwithstanding our investments of hundreds of millions of dollars in the first step—in fact, at present \$1.5 billion has been committed to the Murray-Darling Basin Commission, including the investment in the Living Murray—we may well face ecological collapse within at least two of the icon sites, namely, the Chowilla flood plain and the Lower Lakes-Coorong-Murray Mouth—both areas within South Australia.

Council recognised that the management of all environmental flows for the River Murray, including unregulated flows, requires a one-river approach. At the May meeting of the ministerial council South Australia also put forward a range of measures by which our state will meet its share of the first step water recovery target—which is 500 gigalitres by 2009, our target being 35 gigalitres. At the next meeting of the ministerial council in May 2007, South Australia intends to submit a proposal for the second step. First, I want to consult widely on the parameters of the second step. For example, should we go the full 1 500 gigalitres of additional flow by 2018 (as expressed in the South Australian Strategic Plan) or should there be an interim step? What has worked for the first step and what has not? How can we decentralise the second step from states to valleys so that the communities of the basin know what they have to contribute?

Along the River Murray in South Australia we made a lot of progress in 2005-06. In October 2005 I launched the South Australian River Murray Environmental Flows Strategy, following which I was able to assign the function of River Murray Environmental Manager to the South Australian Murray-Darling Basin Natural Resource Management Board. This provides a way of ensuring clear accountability for delivering River Murray flow outcomes. The Environmental Manager will work with the community to determine priorities for environmental watering projects. Already we are seeing the fruits of this initiative as the energy enthusiasm the community has harnessed to achieve significant local ecological outcomes.

South Australia has provided the lead across the Murray-Darling Basin in regard to environmental flow initiatives, including the highly successful watering projects on the Chowilla flood plain, the weir pool raisings to provide water to drought affected flood plains and wetlands and environmental barrage releases. The environmental flow strategy also provides incentives for donations of water for additional environmental projects. The river in South Australia has benefited already from a number of donations to environmental watering projects. Irrigators have donated water to local projects at Katarapko, Clarks flood plain, Riversleigh and Paringa, and irrigators have indicated an interest in donating in 2006-07—although under the current climatic conditions it will be difficult.

Last year I reported in the estimates committee of parliament that a salinity zoning policy has been applied to new irrigation developments along the River Murray in South Australia, with the aim of providing new developers with certainty about managing the salinity impact of new irrigation. In 2006-07 we will conduct the first evaluation of that policy to ensure that it is effectively meeting its goals.

14 September this year, the Premier and I officially opened the Bookpurnong salt interception scheme. This, and similar

schemes across the basin, are together preventing around 600 tonnes of salt reaching the River Murray every day. In 2006-07 funding is being allocated towards investigation, design and construction of salt interception schemes in priority areas, including the Murtho, Chowill and Pike River areas. The rehabilitation of the Lower Murray dairy farming infrastructure between Mannum and Wellington has continued apace. To date, 2 490 hectares of on-farm rehabilitation of a total estimate of 4 000 hectares has been completed.

Interstate trade in water entitlements has progressed since the approval in May 2006 of Schedule E of the Murray-Darling Basin agreement, providing for an expansion of trade across the entire southern basin. In 2006-07 a system of tagged trading in water entitlements between South Australia, New South Wales and Victoria will be finalised. On 19 May 2006, the Murray-Darling Basin Ministerial Council agreed that the parties to the Murray-Darling Basin agreement will undertake a review of the governance and financing of the Murray-Darling Basin Commission and basin water-sharing and natural resource management arrangements generally, to be completed by mid 2007.

It is evident that the Murray-Darling Basin agreement is in need of review, which is not surprising because there has been only one change in its governance arrangements since the first River Murray Waters Agreement of 1914. I refer, of course, to the appointment of the ministerial council and the expansion of the commission in the mid 1980s. Prime Minister Howard was reported in *The Australian Financial Review* of 24 February this year as saying:

I'm not happy with the progress of the Murray-Darling. I don't think there is a lot of state cooperation there. I tend to sympathise with those from South Australia who say that. I think we've got to put a bit of a bomb under the process.

The plight of the Murray-Darling Basin is a national (perhaps international) issue and, very clearly, the commonwealth needs to show strong leadership in the process of reform, recognising of course that it can only fulfil that unique role with the support of states.

Mr Chair, thank you for the opportunity of putting before the estimates committee this account of progress with the Murray-Darling Basin initiative. It is an uphill struggle. The good news is that South Australia continues to lead in the Murray-Darling arena and will always be the conscience of the initiative.

The CHAIR: Before I call on the opposition lead speaker, I turn the attention of members to the presence in the gallery of a representative of the Ugandan parliament. She is the Hon. Susan Nakawuki Matovu from the Ugandan parliament, and I welcome her.

Mr GRIFFITHS: I will make a very brief statement. Given that I am representing the shadow spokesman (Hon. David Ridgway), it would be inappropriate for me to make such an eloquent opening statement as the minister, but it is certainly very obvious that the unseasonal climatic conditions have made all South Australians aware of the crisis facing our state. There is no doubt the short-term pain will be immense across all of society, but our collective hope must be to create some national commitment by all Australians and South Australians to do something about it in the future. I refer the minister to Budget Paper 4, Volume 3, page 12.45 entitled '2006-07 targets'. One of the targets included for 2006-07 is to continue to return water to the River Murray through the

Living Murray initiative. Has this target been abandoned as a result of the current and projected drought?

The Hon. K.A. MAYWALD: Definitely not. There are two objectives here. One is to progress the commitment of all jurisdictions that are partners in the Murray-Darling Basin agreement that we will deliver by 2009 on our target of 500 gegalitres being available for environmental purposes.

Mr GRIFFITHS: Sorry, what was the gegalitre total?

The Hon. K.A. MAYWALD: The first step, which has been committed to by all jurisdictions, is 500 gegalitres to be returned to the River Murray by 2009. That is a first step only, and it was agreed to in 2003. Progress has been made in regard to the projects that will be invested in to deliver that water. South Australia has an indicative target under that 500 gegalitres to recover 35 gegalitres in our state. In May this year we presented our package of how we intend to deliver our 35 gegalitres in South Australia by 2009. All jurisdictions renewed their support for achieving that target by 2009, and that is a separate issue to the current drought situation we are experiencing at the moment. We need to continue to focus on our long-term goals while dealing with our short-term crisis.

Mr GRIFFITHS: As a supplementary, how much River Murray water does the minister hold or have access to?

The Hon. K.A. MAYWALD: As the River Murray minister I hold a licence that is 4.8 gegalitres, 3 gegalitres of which I have allocated to our Living Murray target. Ten gegalitres has also been purchased through my department and has been allocated to the Living Murray, which is our 13 gegalitres that have been offered up to the commission as water readily available now for Living Murray projects.

Mr GRIFFITHS: Therefore, how much water is actually unallocated?

The Hon. K.A. MAYWALD: The remaining amount is 1.8 gegalitres in my licence—it is currently water held by the River Murray minister. Three gegalitres has been transferred to the Living Murray initiative.

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 3, page 12.45. The Department of Water, Land and Biodiversity Conservation includes a target for 2006-07 to continue to support the River Murray environmental manager within the South Australian Murray-Darling Basin NRM board. What is the role of the River Murray Environmental Manager?

The Hon. K.A. MAYWALD: The River Murray Environmental Manager function was assigned to the South Australian Murray-Darling Basin Natural Resource Management Board in October 2005 following the launch of our strategy, Environmental Flows for the River Murray. The RMEM function was established to ensure that River Murray environmental water within South Australia was delivered, allocated and managed to maximise river health and improve the biological diversity of the River Murray, its flood plains and wetlands, while recognising and respecting the needs of other river users and the local community. In November 2005 interim arrangements were put in place to develop the function within the board structure and provide recommendations to the minister regarding the ongoing role following a six-month review. Under the current interim or seconded arrangements, the RMEM function has been developed and implemented through the RMEM unit within the board.

In 2005-06 there have been significant outcomes and achievements. A number of environmental flow initiatives have been successfully undertaken in South Australia during 2005-06 through a partnership between the RMEM within the South Australian Murray-Darling Basin Natural Resource

Management Board and the Department of Water, Land and Biodiversity Conservation.

Initiatives include the development and implementation of environmental management plans for Chowilla (including Lindsay-Wallpolla) as part of the icon site identified under the Living Murray Commission, and Lower Lakes/Coorong/Murray Mouth icon project as well. Initiatives have also included the river redgum rescue package, which included environmental watering of 31 stressed redgum sites along the length of the River Murray, along with environmental releases through the barrages and fishways.

The RMEM also established a process to enable environmental water donations, which I touched on in my opening remarks. It also coordinated and helped deliver the weir pool raising events at locks and weirs 1, 4, 5 and 6, which delivered benefits to the biodiversity on the flood plain directly behind those weirs as a consequence of maximising the use of the water as it came into South Australia. Even though we had a little bit, we did a lot more with it. We established a partnership between the commonwealth government, Fosters Pty Ltd and the board (the South Australia Murray-Darling Basin Natural Resource Management Board) to undertake an environmental watering of the Markaranka flood plain.

The RMEM also initiated development of a decision making framework and process for flood plain prioritisation, ensuring we coordinated the watering projects and ensuring that each of the projects where water was applied there were appropriate plans with community involvement. The RMEM also provided a project to scope the River Murray strategic environmental watering plan, so we can look at how we coordinate these environmental watering events right across the South Australian River Murray flood plain area into the future.

The board commenced the preparation of a report to me as minister regarding the scope of the RMEM function and the associated roles and responsibilities, including the ongoing arrangements currently under negotiation. Our next steps in 2006-07 are to formalise the arrangements between the ongoing RMEM function after the consideration of the report being put forward by the NRM board. We need to finalise a staged approach to the transfer to the board of roles, responsibilities and functions associated with the RMEM. We also need to continue to establish strong partnerships and government arrangements as they are critical to the successful implementation of this function within the board. Overall, the transitioning of DWLBC staff under the icon sites program will begin in the next little while, so the RMEM function is up and running and we are developing the transition between the department and the board for those functions to be transferred across.

Mr GRIFFITHS: I can certainly see that the challenges are immense for those roles. The opposition would like to know the cost of the River Murray Environmental Manager.

The Hon. K.A. MAYWALD: I am advised that the costs associated with the RMEM function are of the order of \$500 000.

Mr GRIFFITHS: I refer to the regional highlights on page 3 of Budget Paper 6, which mentions that up to \$3 million will be provided for investigation, design and construction of salt interception schemes for salinity mitigation in priority areas which include Murtho, Chowilla and Pike. When will the salt interception schemes begin construction?

The Hon. K.A. MAYWALD: The Murtho scheme is currently at an advanced stage of the preliminary investigations, and it will go before the commission by the end of the year. Over the next 12 months, funding is available to the Pike community to continue their investigations. The investigations are continuing at Chowilla, and they will be brought forward to the commission for consideration on the conclusion of the investigations. At this point, we do not have an end date for those investigations, given the complexity of the system out there and the work that is being undertaken. Once the projects have been scoped up to a stage where we can present them to the commission, they will be moved forward through that process but, at this stage, we do not have an end date.

Mr GRIFFITHS: As to the scoping of the schemes, I can understand that. Minister, can you provide details on who has been responsible for the planning and drafting of the individual salt interception schemes? Were contractors used and, if so, at what cost?

The Hon. K.A. MAYWALD: I can certainly get you the details. As to the technical details in relation to the contractors and the cost to each individual contractor, I will take those on notice. I can provide you with the information that, as the constructing authority in South Australia, the Minister for the River Murray is responsible for undertaking those works and to scope up those projects. The Department of Water, Land and Biodiversity Conservation undertakes that work using appropriate contractors and consultants.

Mr GRIFFITHS: Therefore, minister—and I apologise for my lack of knowledge on this, personally—does the current River Murray flow impact on the efficiency of the salt interception schemes?

The Hon. K.A. MAYWALD: The current River Murray flow is an interesting dynamic because we are in a salt holiday at the moment. We are getting very low salinity levels coming into South Australia because of the low level of irrigation that is happening right across the basin and the fact that the majority of the water coming into South Australia is coming from the Hume and Dartmouth; so, coming across the border is some of the best water we have seen in a long time. It is coming across the border at about 160 EC and, at Waikerie, it is about 400 EC. Our target is to maintain the EC level at Morgan under 800 EC 95 per cent of the time; so, currently, we are well and truly below that. The reason why we have this salinity holiday does not mean that we do not have a salinity problem; it just means that all that salt is building up on the flood plains. Our salt interception schemes help mitigate some of that, but also mitigate what would also be flowing into the river from South Australia's highly saline deep aquifers.

Mr PEDERICK: I refer to Budget Paper 4, Volume 3, page 12.56, Sub-program 2.2: Policy, Science and Information, River Murray. I note that, between the 2004-05 actual and 2005-06 budget for the net cost of the sub-program, there is over a 50 per cent decrease. Furthermore, this figure proceeds to increase by 30 per cent in the 2005-06 estimated result. It still intrigues me that, this far from the end of June, we still have estimated results. Will the minister please explain the variations of net cost?

The Hon. K.A. MAYWALD: If you look at the figures, the 2004-05 actuals, the \$301 000 included some significant investigations into salt interception schemes that were delivered in that time frame—the Bookpurnong and Loxton salt interception schemes and the like. You would be aware that the Loxton salt interception scheme is under construction

at the moment and that the Bookpurnong salt interception scheme was recently commissioned. In the budget of \$145 000 in 2005-06, there is a \$46 000 differential to the estimated result in that area. I will take it on notice to answer exactly what that \$46 000 difference is, but the budget of 2006-07 is sitting at \$200 000, which is an increase on last year and last year's estimated result.

Mr PEDERICK: I refer to Budget Paper 4, Volume 3, page 12.54: Performance commentary. The performance commentary includes commentary on South Australia's water recovery package. It states that the package includes plans for the transfer of South Australian government owned water to the Living Murray initiative. Which department owns the water that is being transferred to the Living Murray initiative?

The Hon. K.A. MAYWALD: As I have previously answered, 3 gegalitres of the water that has been transferred from government ownership has come from the River Murray minister's licence, and 10 gegalitres has come from water that was purchased by SA Water that has been transferred to the River Murray minister for transfer to the Living Murray process. So, 13 gegalitres in all of purchased water, or water that is held in government owned licences, has been transferred to the River Murray, 10 of which are from SA Water and three of which have come from the 4.8 gegalitres held by the Minister for the River Murray.

The Hon. R.G. KERIN: I have a supplementary question. Minister, with the 10 gegalitres that have been purchased by SA Water, this is the concern I raise: has that water been purchased from Murray Bridge from the dairy area? If so, it does nothing as far as the flow of the river is concerned until you actually get to Murray Bridge.

The Hon. K.A. MAYWALD: There are six icon sites, as you would be aware, that are targeted for water investment from the Living Murray (which is the 500 gegalitres), one of which is the Lakes, Coorong and Murray Mouth. A significant water allocation will be applied to that particular resource. If you keep the ends of the river healthy you have a better chance of keeping all the river healthy.

The agreement we have with the other jurisdictions is to apply the water according to watering plans at each of those iconic sites. In some years some might go to the lower lakes; in other years it might go to Chowilla; in other years it might go to other sites. Remember also that the River Murray channel is one of the icon sites to benefit from this extra 500 gegalitres. There is no guarantee that 500 gegalitres is going to be applied below Murray Bridge at any particular time, but each of the icon sites will have its own watering plans and each of those icon sites will be watered according to those plans and how they fit into the allocation of the 500 gegalitres that are achieved across the jurisdictions.

The Hon. R.G. KERIN: I am aware, too, that on average only 170 would come past Renmark based on where that water has been allocated. Again, I ask the question as to whether or not the 10 gegalitres from SA Water have been purchased at Murray Bridge. If that is the case it really does nothing for the Murray River channel.

The Hon. K.A. MAYWALD: That is not correct. With the Living Murray we now have water that has been purchased for active management, which means we use it more effectively rather than just allowing it to go down to the lower lakes and evaporate. We can actively manage it through the system and get significantly more environmental benefits from the use of that water. We have demonstrated how we can do that with the raising of the weir pool levels, the watering projects we have undertaken on Chowilla, and how

we have managed a very little amount of water without any of the Living Murray water being available to us.

We had some extra flows in the past 12 months which came over the border over and above our minimum entitlement flow and which is a drop in the ocean compared with what we used to get outside this current drought environment, and we were able to manage them very successfully through the system. We were also able to significantly reduce the salinity levels in the lower lakes, and we were also able to keep the fish passageways open, and that had fantastic ecological benefits. By allocating water for active management we can far better manage it for ecological outcomes than we can by just allowing the river to flow down to the lower lakes and evaporate out.

The Hon. R.G. KERIN: My question, though, is about SA Water's targeting of where to buy water from. If you buy water from Murray Bridge and south of Murray Bridge then, really, you are not adding anything. I suppose the real question is: are the 10 gegalitres of water that SA Water purchased off the swamps?

The Hon. K.A. MAYWALD: Some of it is definitely off the swamps. SA Water has purchased almost 25 gegalitres of water over a period of time, and some of that has been off the swamps. But, remember, the purchase of water off the swamps was undertaken to protect Adelaide's offtake. Those purchases were strategic around the offtake point at Mypolonga. They purchased water between Mannum and Wellington that was specific and strategic to where the offtakes are for the Adelaide water supply. They have also been purchasing water according to their approved charter up to a certain level, right across the basin. They have not been targeting areas just from Mannum to Wellington, apart from the strategic properties that were purchased to protect Adelaide's offtake.

Mr PEDERICK: I am still referring to the same page: what will the price be per megalitre/gegalitre of this water that is being purchased?

The Hon. K.A. MAYWALD: It will vary, according to market prices.

Mr PEDERICK: I have a supplementary question. Will the minister please explain what the investment triggers are for on-farm efficiency measures?

The Hon. K.A. MAYWALD: The package that we are talking about for our on-farm efficiency measures is being worked through. The final detail has not yet been released. We are still undertaking work to determine how we will deliver that.

Mr PEDERICK: So, you do not have an expected cost figure on what those triggers will cost the government?

The Hon. K.A. MAYWALD: Not at this point in time. We will be working through those issues as part of the process to provide detail to the Murray-Darling Basin Commission and what the measure means. In our assessment of those projects we have to consider the Australian government's water tender at the moment, which is about water efficiency as well. There is also a natural resource management board application into the Australian government's water fund for water efficiency measures, so we will make sure that they are complementary, and we are working through those issues at the moment.

Mr PEDERICK: Will the minister please explain how the \$12.09 million commitment to the Goulburn Murray Water Recovery package is to be spent?

The Hon. K.A. MAYWALD: The \$12.09 million that South Australia has agreed to invest in the Victorian package

is on the basis of the assessment we have undertaken of the Victorian package. We believe it is a good package that is delivering water and, therefore, we are supporting that package and will purchase up to our available maximum in that particular project. I will take that question on notice and provide you with the details of the package.

Mr PEDERICK: Does that detail include how much water we have received as a result of that package?

The Hon. K.A. MAYWALD: That package is an investment package over a period of time and intends to deliver water by 2009. The earliest we can expect water from that package would be in the 2008-09 financial year. That water will then be managed in accordance with the watering plan of all of the icon sites managed by the Murray-Darling Basin Commission in cooperation with the jurisdictions. There will be an overall watering plan that will determine which site gets what water at which time.

It is a whole-of-river approach as to how we manage it, with no interjurisdictional prejudices coming into it. We will be looking at when water is needed in those particular areas. Those six icon sites have been selected because of their strategic importance to the river system, not to individual jurisdictions. The watering plan and where the water goes will be determined by the process of evaluating and determining the watering plan as a whole across the basin.

Mr PEDERICK: I refer to Budget Paper 4, Volume 3, page 12.57. Will the minister state when the government became aware of the plight of the River Murray? When did it become apparent that 70 per cent restrictions to irrigators would be required?

The Hon. K.A. MAYWALD: The government first became aware of the plight of the River Murray in 1901 and prior to that, when it worked very hard to ensure that South Australia got a fair go in relation to how the water resources were applied. We are still working on that, and we will continue to be concerned, no matter which government is in power, because the River Murray is a very important issue for South Australia as a whole, not just for one government or another. When did we first become aware that there was an issue? We have a drought policy in this state, and that drought policy determines a number of issues we have to keep monitoring. When a drought trigger is realised, the state government has a series of processes it goes through.

In May this year, we made an announcement that it was likely that restrictions would be required, given the level of water in storage and that, looking at the predicted inflows over a period of time, it was likely that we may need restrictions in the state. In June, we assessed data that was available to us in the end of May summary in relation to what the outlook was. We determined that we would start the water year at 80 per cent of allocation. On a monthly basis, we review the information provided to us by the Murray-Darling Basin Commission in regard to the resource outlook. We have a water policy advisory group which was established under the SA Murray-Darling Basin Natural Resource Management Board and which comprises David Ingerson as the chairperson, who is a board member, and a range of stakeholders from across the basin—from below Lock 1 and above Lock 1 irrigators and a whole range of experts. They advise me on the water resource outlook and on whether or not we should increase or reduce the water allocation.

As at the end of September, and three-quarters of the way through September, we were advised that the outlook was not looking good; we could see that. There was no rain on the horizon, and there had been a significant reduction in the

predicted inflows into South Australia. As a consequence, we needed to take action. As at the end of September, we made the decision to reduce the water allocations to 70 per cent.

Mr PEDERICK: This question is partly to do with that answer. The state of the season, the drought conditions and so on have been fairly obvious to most people, so it is a little intriguing why South Australia's rural and city water restrictions were put in place so late in the season. Is there any obvious reason for this?

The Hon. K.A. MAYWALD: It is only on the basis of the outlook. In May, when we first made the decision to set the restrictions at 80 per cent, we had a better storage outlook than we had in the previous year. We based our decision on the historic data we had. Right now, we are outside any of those historic data sets. We are in uncharted waters, and we do not have any historic data to draw upon. We are in the fourth consecutive month of the lowest inflows on record right across the basin, so we do not have any period in history—for the 116 years we have been keeping records—to compare with this. This is not something that anyone could have foreseen. It is not something that the commonwealth government has foreseen. It is something we are all grappling with and we all need to work very hard together to deal with.

Mr PEDERICK: Is the minister aware of how many irrigators would have changed their water management plans had they known earlier that they would receive only 70 per cent of their water allocations?

The Hon. K.A. MAYWALD: Of course, irrigators make decisions on how they will manage their watering year on the basis of the information available to them. Had I had a crystal ball in May and known that we would get absolutely no rain across the basin and have unprecedented climatic conditions in 116 years of records, and had I gone in at 70 per cent in May, people would have been highly critical of the fact that we had more in storage than we had in the year before. No-one could have predicted what we are seeing, because we do not have any historic data that reflects what we are seeing at the moment.

It does not give the government any satisfaction to have to go backwards in our irrigation allocations. The government is fully aware—and I am acutely aware, as the member for Chaffey representing an irrigation community—of the pain it causes our community. I am also very much aware of the difficulty that irrigators have in planning for the future if they do not have a definitive figure we can give them. Unfortunately, under the current circumstances, no-one could have predicted the last four months. In fact, it has never happened in 116 years of records, so even in worst-case scenarios it would not have turned up on our radar.

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 3, page 12.54. It is interesting that you use the words 'drought trigger' and 'management plans'. What strategies have you in place to manage resources in South Australia if we happen to suffer from another winter of below average rainfall and no significant run-off into the catchment areas?

The Hon. K.A. MAYWALD: This morning, the drought committee of cabinet met, and we are looking at what we need to do to pull together the necessary resources and people to make those kinds of decisions. As I said a moment ago, we are now outside anything we have experienced in the past, so we have no historic data to draw upon to know what will happen into the future. If we have another below average rainfall year next year, we are in serious trouble—and not just us, but right across the nation. I do not think it is anything you can blame any government for. If the federal government

could have foreshadowed this, it would have. It is not something that any of us could have read in our crystal ball. It is a drought situation to which we have to respond. A subcommittee of cabinet is working on the issue, and we have also established a subcommittee of the water policy group to look at all the scenarios we might be presented with next year and to come up with ideas on how we go forward. We would welcome contributions from the opposition in regard to how we might go forward, because we are in this together. It is a difficult time, and we all need to work together for the sake of our communities.

In addition, from the department's perspective, DWLBC will continue to keep the community informed on the water resources outlook. With that in mind, we will make a statement later this week about what we believe are the risk scenarios to provide people with the opportunity to make their own decisions on farm about what risk level they want to plug into. We do not have a crystal ball, and we cannot, with any certainty, give anyone a figure we can land in here, because we just do not know what is going to happen. However, we are going to keep the community well informed. The River Murray Advisory Committee will continue to provide advice to me on the River Murray allocations and management. We will use media coverage, possibly starting in early November, and this will include articles in our local state media.

What we are looking at doing is answering frequently asked questions so rather than people ringing my electorate office and ministerial office, or ringing the board or the department and asking questions, we are going to publicly print all those questions and answers so that everyone can get that information. We are trying to get as much information out there as we possibly can so that people are at least aware of the current circumstances. Questions that are being asked by one person are obviously going to be asked by hundreds. It would be much better if we can find a collective medium to answer those questions so that everyone can be better informed.

Mr GRIFFITHS: Providing information is a critical process here. Even as I was driving to Adelaide this morning, the number of sprinklers I saw operating was embarrassing, given the publicity that has occurred. Minister, given the water policy group you have established—

The Hon. K.A. MAYWALD: Just on that point, if the member believes that anyone has been acting outside what should be occurring, I would appreciate his calling the hotline number to provide that information.

Mr GRIFFITHS: One of the radio stations (I think it was the ABC) was keeping a tally of people who were watering incorrectly.

The Hon. K.A. MAYWALD: We are asking people not only to comply with the legal aspects of the law but also the spirit of the law—

Mr Griffiths interjecting:

The Hon. K.A. MAYWALD: Where you can save, please do. This is not about anyone being silly or dobbing in a mate, or anything like that. We really are in a serious predicament at the moment, given the current drought circumstances, and we need to emphasise the fact that we all have to pull together and do our bit.

Mr GRIFFITHS: Is the government considering fast tracking any additional water saving initiatives for Adelaide?

The Hon. K.A. MAYWALD: We are looking at everything. At the moment, there is nothing that is put on the table

that we will not look at. So, if the member has any ideas, please bring them forward.

Mr GRIFFITHS: Minister, will you advise how much water will be available to South Australia from the Murray-Darling Basin catchment for the period 1 May next year until 30 April 2008?

The Hon. K.A. MAYWALD: I cannot; that is crystal ball stuff.

Mr GRIFFITHS: Then what level of water restrictions will be required to manage the resources from that point?

The Hon. K.A. MAYWALD: We are monitoring that basically on a daily or weekly basis, and we are advising the public as we get a better grip on the reality. One significant rain could change things over night. It is just impossible for us to crystal ball it at the moment. At the moment, we are managing on level 2 restrictions, with SA Water's allocation being managed. Currently, SA Water has been restricted to an indicative total of its licence; SA Water has 240 gigalitres available to it on its rolling five-year licence this year. SA Water is currently restricted to 124 gigalitres and, given the low inflows to the Adelaide Hills, that will not be enough to sustain the level 2 restrictions. So, we are currently negotiating with SA Water on what the requirements there are. Of course, 124 gigalitres is much more heavily restrictive than the 70 per cent we currently have on the irrigators.

Mr GRIFFITHS: In relation to the lower lakes area, does the minister believe that the irrigators in that area are going to be able to access their allocation next year?

The Hon. K.A. MAYWALD: Again, that is crystal ball stuff. If we get rain, it will change. The worst case scenario is that, if we do not get any rain, we will end up with virtually no water coming through the system for anyone in New South Wales, Victoria and South Australia. However, 50 per cent of the time the Bureau of Meteorology is wrong and we do get rain. You cannot forecast those kinds of things in the current conditions, because we have no historic data to draw upon: we are outside all of the historic measurements. Normally, we would say that nine years out of 10 this is what we would expect to receive. However, under the pattern we are currently experiencing, we do not have that historic data to draw upon. We are in the grip of the worst drought ever—and it not just South Australia but right across the nation.

Mr GRIFFITHS: If the worst case scenario does come about—and I hope that is never the case—will further restrictions be imposed across all River Murray water users?

The CHAIR: That is a hypothetical question.

The Hon. K.A. MAYWALD: It is a hypothetical question. As I have said, it is crystal ball gazing. If the worst case scenario were to occur in any year, yes, that would happen. It is a question I cannot answer at this point in time.

Mr GRIFFITHS: I appreciate the minister's comment on that. Given the water policy group that exists, I presume that there may have been some consideration towards that, because—

The Hon. K.A. MAYWALD: There is always consideration of all the different scenarios. However, it would be irresponsible of me as the minister to sit here and say, 'This is the most likely scenario at this point in time,' because we do not know. We do not have the historical data to draw upon.

Mr GRIFFITHS: I understand the difficulty will be ensuring that farmers, industry groups and industry are able to continue to operate.

The Hon. K.A. MAYWALD: As I said in answer to a previous question, we will provide a risk scenario analysis for

people that will give them data on the following scenarios: if we get no inflows, this is what it will look like; if we get some inflows, this is what it will look like; if we get average flows, this is what it will look like; and, if we get above average flows, this is what it will look like. We do not know which one of those will happen.

According to the Bureau of Meteorology, there is a such-and-such chance of this scenario occurring; a such-and-such chance of that one occurring; and a such-and-such chance of another scenario occurring—that is, your guess is as good as our's. Unfortunately, we do not have the historic data we have had in the past to say, 'If we are in this current scenario, we can expect this one nine years out of 10.' We do not have that to draw on this time around, which makes it extremely difficult. It is crystal ball stuff. What we will do is maximise our resources into a response on a whole range of scenarios so that, if one of them does occur, we have at least explored all the options of how we are going to deal with it. However, the fact is that, no matter how good you are, not even John Howard can make it rain.

Mr PEDERICK: Supplementary to that, minister, obviously, with lower lake levels, etc. and people accessing water in the lower lakes and, obviously, with a lower pool level, some people will need to dredge out their irrigation channels and quite a few clearances and that sort of thing will need to be applied. As levels drop in the future, can some of these clearances and the bureaucracy be dealt with expediently? Obviously there are problems there, and I guess you are well aware of that, but it has certainly been indicated to me from my electorate that people would like some of these problems dealt with in a more expeditious fashion.

The Hon. K.A. MAYWALD: That is a very good question. Back in 2002-03 we experienced some significant difficulties down in the lower lakes when the lake levels dropped to below what we had experienced—they went down to 0.35 AHD. There were difficulties at that time in relation to how people went about providing access to water for their pumps. The department has been working with the EPA following that experience, and the EPA and DWLBC have worked together to map the area. We now have a better understanding about where irrigators need to go to access water at the closest point, and we can provide those permits and the approval process far more smoothly than has happened in the past.

That has all been negotiated between DWLBC and the EPA and, should we have to go there (and we are hoping we do not; we are hoping that we get some good late spring rains and early autumn rains to alleviate the situation), we have in place a streamlined process to ensure that we can maximise people's opportunity to access the water that will be available to them. However, we are not going to just give people the permission to go ahead and do whatever they want; they will still have to go through a process. Following on from that, there is a field visit with EPA and DWLBC planned with irrigators in November.

Mr PEDERICK: On the 10th, I believe. I will be on that.

The Hon. K.A. MAYWALD: Yes; and we welcome your participation.

Mr PEDERICK: I refer to Budget Paper 4, Volume 3, page 12.57. Will the minister please outline all Infrastructure Services (River Murray) projects that have received funding from the Save the River Murray Levy?

The Hon. K.A. MAYWALD: I will take that question on notice. I also refer the honourable member to the Save the River Murray Levy annual report, which will be tabled in

November. That will contain all the detail of the programs that have been expended; however, I will take the question on notice and provide you with the information.

Mr PEDERICK: I have a further question. Does the minister know, at this stage, how much income has been collected since the introduction of the stated levy?

The Hon. K.A. MAYWALD: In 2005-06 the Save the River Murray Levy collected \$21.7 million. In 2006-07 it is estimated that \$21.1 million will be collected.

Mr PEDERICK: How much of this collection has been spent and how much remains unspent?

The Hon. K.A. MAYWALD: As at 1 July 2006 the balance unspent was \$7.2 million. It is a hypothecated fund, of course, so we have a program to expend that money to deliver on the Living Murray initiative: \$65 million over five years to deliver our 35 gigalitres. That will involve investment in projects interstate plus our own measures to deliver on the 35 gigalitres. The \$7.2 million of carry-overed funds will, of course, be applied to those projects as well.

Mr PEDERICK: Are projects, other than the level 2 restrictions that have just come into place, being considered to reduce metropolitan Adelaide's demand for water? If so, will the minister please detail the considerations being made?

The Hon. K.A. MAYWALD: The Save the Murray Levy funds projects that specifically deal with issues relating to the sustainability of the River Murray. SA Water, through ministers and cross-departmental, has signed up to the Water Proofing Adelaide project, which has a range of initiatives with the objective of reducing Adelaide's reliance upon the River Murray. Water Proofing Adelaide is funded through a different mechanism.

Mr GRIFFITHS: I am engrossed in these answers; the detail being provided is fantastic. I again refer to Budget Paper 4, Volume 3, page 12.54, and the net cost of sub-program 2.1. I note that in 2005-06 the estimated result for this program was \$47.7 million; however, this year's budget figure is some \$5 million less at \$42.3 million. Given that the estimated 2005-06 figure is a clear indication of the funds required for the program, along with the importance of the River Murray, can the minister please justify the \$5 million cut?

The Hon. K.A. MAYWALD: The 2005-06 result also includes a 10 gigalitre purchase for the Living Murray.

Mr GRIFFITHS: I refer to page 12.53. In 2005-06 \$28.001 million is budgeted for 'other expenses' but the estimated result for 2005-06 is \$41.692 million. What is the reason for the overspend of \$13.961 million for 'other expenses', and will the minister please provide a breakdown of what 'other expenses' actually includes?

The Hon. K.A. MAYWALD: The majority of it also relates to the water purchase.

Mr GRIFFITHS: Are any other details known to your advisers?

The Hon. K.A. MAYWALD: The total water purchase during the year was just over \$16 million, which has affected that total. That is by far the large proportion of that other figure.

Mr GRIFFITHS: As I understand it, the 2006-07 budget has been reduced to a fraction over \$32 million. Is that the reason for it?

The Hon. K.A. MAYWALD: Yes. We brought forward the expenditure we had in the forward estimates to purchase water before the end of last financial year to apply to our 35 gigalitres package we presented to the Murray-Darling Basin Commission.

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 3, page 12.54. Will you confirm whether it is the case that Victorian irrigators currently have in excess of 90 per cent of their allocation and are likely to get almost 100 per cent by February 2007?

The Hon. K.A. MAYWALD: Under the Murray-Darling agreement, both New South Wales and Victoria have an obligation to provide South Australia with at least its entitlement flow, unless we are in special accounting. We are in special accounting at present under the rules of the Murray-Darling agreement with both New South Wales and Victoria, which means they are not necessarily obligated to provide our minimum 1 850 gegalitres. We do not have anywhere in the system we can store water to build up our capacity for saving water into the next year. I understand from advice I have received that Victoria is using up the last of its insurance reserves. It owns a significant portion of the water that is in Dartmouth Dam, which is currently being transferred across to the Hume Dam. It is able to supply its irrigators as a consequence of its very conservative approach to water allocation. It has the capacity to store water in the dams to enable it to do that: we do not.

We are reliant upon them to supply us with water over the border under the Murray-Darling agreement. New South Wales has used up all its reserves; it has no more insurance left. It has zero allocation on its general security right throughout the basin. Recently it reduced its allocations to high security, remembering that its high security water is a very small proportion: 200 gegalitres only of the entire allocation in New South Wales is high security. In a good year it can allocate up to 6 600 gegalitres. So its high security was at 97 per cent at the beginning of the year; that has been reduced to 80 per cent of allocation. Also, it has reduced its carryover water, which is high, high security water—the first delivery water—to 80 per cent.

Mr GRIFFITHS: You have talked about the fact that the other states are able to bank water resources as insurance. Why can South Australia not do that?

The Hon. K.A. MAYWALD: Under the Murray-Darling agreement, which was struck many years ago and which is an agreement to which all jurisdictions are signed to, we do not have access to either Dartmouth Dam or Hume Dam to store water. All we have is a commitment from the two states that they will supply us with our minimum entitlement—50 per cent New South Wales and 50 per cent Victoria—unless they are in special accounting, and then, according to a complex set of rules, they apply water to South Australia's entitlement amount on the basis of the special accounting rules. That is the Murray-Darling agreement as it was struck many years ago and they are the rules we are stuck with, unfortunately.

Mr GRIFFITHS: Given that the communities you represent are affected by this more than any other community in the state, what level of effort are you putting in to create legislative change to allow South Australians to store water?

The Hon. K.A. MAYWALD: I am putting significant effort into it. We would love to be able to store water. Earlier this year we began negotiations with New South Wales and Victoria to provide us with the capacity to carry over water into next year. Unfortunately, the situation has deteriorated to the extent where we cannot afford to bank any water at present. We are struggling to supply our 70 per cent, and the outlook is not good on that front, either. We are watching the situation very closely. We are still negotiating with New South Wales and Victoria for carryover provisions for the future.

We have reduced our flow into South Australia by 500 megalitres a day at present in order to bank some water for January, February and March next year to ensure we can supply at the time of our maximum irrigation requirement in this state. Any further savings over and above that—in other words, if we were to take less water now and save it for the following year—is very likely to create a range of other problems, such as algal blooms and reducing the water in the lower lakes to the extent where they may be in serious trouble early next year, as well. We have to watch it closely and we have to maximise the amount we can save for January, February and March without impacting on the levels in the lower lakes.

The other thing we have to grapple with is that the Bureau of Meteorology is saying that we look like having a hotter than average summer, which means our evaporative losses will be even higher; so we have to factor that into it, as well. Negotiations with New South Wales and Victoria in relation to access to those storages are well under way. Also, we will be discussing issues during the course of the review of the governance and water-sharing arrangements at commission level. As a consequence of the commonwealth's \$500 million injection into the commission, there is a requirement that there be a review of those issues; and water-sharing arrangements is one of the issues up for full review. In the longer term, that will determine how we go forward in the water-sharing arrangements across the basin. In the short-term we have done everything we can to negotiate with New South Wales and Victoria; and I must say they were supportive of South Australia's position. However, we are now in a situation where there is not enough coming in to be able to bank any.

Mr GRIFFITHS: I understand that in the short term there is no option to do anything about this issue; we all can appreciate that. But I am sure that you are a person who looks at the longer term vision and that you are working hard to create an opportunity for change and the ability for South Australians to store water. On the basis of the degree of representation you are making, are you able to pin any time frame on it? If you are getting good support from the other states, do you think there is an opportunity in the future; and can you identify a time limit you would like to self-impose to have some form of agreement with the other states?

The Hon. K.A. MAYWALD: We already have a time frame of June next year for the governance review and the water-sharing arrangements review steering committee that is undertaking the work on behalf of the commission partners.

Mr PEDERICK: I refer to Budget Paper 4, Volume 3, page 12.53. In budget year 2005-06, \$18.806 million was budgeted for supplies and services. The 2005-06 estimated result for supplies and services was \$15.137 million. What was the reason for the underspend of approximately \$3 million on supplies and services in 2005-06?

The Hon. K.A. MAYWALD: I am advised that the most likely explanation for that is carryovers, but I will take the question on notice and provide you with the detail.

Mr PEDERICK: I have a supplementary question. In the 2006-07 budget, \$19.55 million was budgeted for supplies and services. Can the minister explain, given the underspend in the previous year, what the increase of almost \$4.5 million is for?

The Hon. K.A. MAYWALD: It probably has something to do with the carryovers, but certainly I will provide you with the details. It is a timing issue with the expenditure. In respect of River Murray environmental flows, there was a

reduction in 2005-06 of \$3 million, for example, an increase in 2006-07 of \$1 million and in 2007-08 an increase of \$2 million. So it has to do with the carryovers, and I will provide the details of that.

Mr PEDERICK: I refer to Budget Paper 4, Volume 3, page 12.53. The employee benefits and costs were \$5.112 million in the 2005-06 budget, and have increased to \$9.464 million in the current 2006-07 budget. In addition, the 2005-06 estimated result for employee benefits and costs was \$9.296 million. Can the minister indicate what has caused the budget for employee benefits and costs to double from the 2005-06 budget to the 2006-07 budget?

The Hon. K.A. MAYWALD: It has to do with project funding, which includes employee benefits and costs in relation to NAP and NHT. I will also take that on notice and provide you with the specific detail of which programs affected that particular outcome. But it is about when the commonwealth funds came through, so therefore it was applied against two different years.

Mr PEDERICK: So you cannot indicate whether it was due to hiring extra staff or anything along those lines?

The Hon. K.A. MAYWALD: If you look at the 2004-05 year it was \$8.698 million, so the increase in the budget for 2006-07 is not that substantive over that period. It is just an accounting/timing issue, and we will provide you with the details of that.

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 3, page 12.45, the 2006-07 targets. The target for 2006-07 refers to implementation of the Living Murray environmental management plans for the Chowilla, Lower Lakes, Coorong and Murray Mouth icon sites, and the River Murray channel within South Australia. Has this target been abandoned as a result of the drought?

The Hon. K.A. MAYWALD: Definitely the programs and the rollout of the environmental watering plan have been impacted by the drought because we just do not have the water available to do what we otherwise would have done. The environment is taking as big a hit as everything else at the moment. In the current environment we are looking closely at how we can maximise every drop within the channel to make it available for consumption purposes.

South Australia currently has seven projects under its EWMP program—the Chowilla flood plain environmental enhancement project, the Lower Lakes-Coorong-Murray Mouth environmental enhancement project, the Coorong environmental water options project, the Bookpurnong flood plain pilot project, the Loveday Basin demonstration project, the SA weir pool manipulation project and the Lake Victoria outlet capacity investigations and upgrade. So a lot of it is investigative work, and right across the board we are modifying our state watering plan in relation to how we manage our environmental projects in South Australia. We just do not have the water available.

Mr GRIFFITHS: Minister, given that the vision has been impacted upon, are you able to tell us at what level of flow or storage it is expected that the project could be reinstated—again, presuming rains come, and all that sort of thing?

The Hon. K.A. MAYWALD: Once again, it is crystal ball stuff. If we get rains, we can bring the projects back on line.

Mr GRIFFITHS: But do you have a trigger level that will prompt the fact—

The Hon. K.A. MAYWALD: It is called when a level of water is supplied, and then we can get the system back to some normalcy and start to run our programs at 100 per cent.

We will monitor it on a regular basis and on the basis of the amount of water that is available and, as we can bring projects back on board, we will do so.

The Hon. R.G. KERIN: Minister, in your opening statement you referred to the Living Murray initiative and the 500 gegalitres. I would like to flesh out whether or not the initial allocations were made to environmental projects by the various states for the 500 gegalitres—and I realise that 170 gegalitres of that was for our lakes and the Coorong. Has there been any change in those allocations? I am aware that it is not on an annual basis but it is averaged over a number of years depending on flows and priorities at the time. But we are still in the situation where the 330 gegalitres projects, on average, are upstream from Renmark. I have expressed the concern previously that some of these allocations were made by the other states, and not necessarily for projects that will benefit the Murray. They really are environmental projects—there is no doubt about that—but some of them are not directly going to help the River Murray. So I would like your comment on that.

The other thing is I would like to ask a question I have asked for the past couple of years, and that is where we are at with assessing what the possible impact of the wetting of Chowilla will be on salinity flow into the Murray. There is a concern that putting water into the Chowilla wetlands will activate salt sitting underneath the wetlands, and I know that initially there was some doubt—in fact, some concern—that wetting the Chowilla wetlands would possibly cause an increase in salinity from that point of the river. There has obviously been work on it, but can the minister inform me whether or not there is any more idea of what will be the possible impact of wetting the Chowilla wetlands?

The Hon. K.A. MAYWALD: There has been significant work at Chowilla and it is ongoing. I responded to the previous question regarding the Chowilla salt interception scheme, a project that is an integral part of the investigations on how we manage Chowilla into the future. We are looking at the structure of a potential weir in Chowilla, a small weir that will enable us to more effectively manage water in and out and salinity impacts, coupled with a salt interception scheme and some investigations we are doing on deep aquifer recharge to deal with the disposable water from the area. There is a lot of work to be done at Chowilla before we will willy-nilly be putting water out there.

In recent projects we have undertaken at Chowilla, around 800 hectares of flood plain have been watered—a very small portion of the Chowilla flood plain. We are looking at providing a maintenance watering regime to keep going certain parts of the flood plain that have high biodiversity value until we can work out the better and longer term management plans for the region. It will incorporate a whole range of things, and we are monitoring closely the impact of those watering projects on salinity inflows into the system.

As I mentioned earlier, we are in a salinity holiday at the moment, but it is building up heavily on the flood plains. With the next minor flood we have through South Australia—and I believe there will be more floods in future—we can anticipate that there will be some significant impacts in relation to salinity levels in the system because of the build-up on the flood plain, and we will have to work through and manage that as well.

Mr HANNA: I refer to page 12.45: streamlining native vegetation management processes. Does that streamlining refer only to process or will it be substantively easier for

landholders to get exemptions under the Native Vegetation Act to clear native vegetation?

The Hon. K.A. MAYWALD: I appreciate the question. Everyone would understand that the purpose of the Native Vegetation Act is to protect and enhance vegetation outcomes. The Native Vegetation Act comes under minister Gago's responsibility, and I will take the question on notice for the honourable member, direct it to the appropriate minister and come back with a detailed response.

Mr HANNA: This is a River Murray question, definitely. There is not a specific budget line, which is the purpose for the question. Has the department been doing any work on altering water pricing so that River Murray water effectively is rationed by price rather than the current arrangements?

The Hon. K.A. MAYWALD: If anyone was watching the water market at the moment they would be well and truly aware that the market is doing that itself already.

Mr GRIFFITHS: I have some omnibus questions, as follows:

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

2. 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?

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

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

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

6. What was the total number of employees with a total employment cost of \$100 000 or more per employee and the total number of employees with a total employment cost of \$200 000 or more per employee for all departments and agencies reporting to the minister as at 30 June 2006?

7. Between 30 June 2005 and 30 June 2006 will the minister list job title and total employment cost of each position with a total estimated cost of \$100 000 or more which (a) has been abolished or (b) has been created?

Mr VENNING: I refer to the Riverland and water allocations. Today we have been informed that the Riverland irrigators' water allocation will be cut to 70 per cent. Irrigators are saying that some will go broke due to the extra cost of purchasing the water. Most thought it would be 80 per cent, but now it looks as though it will be 70 per cent. Apparently, through your drought advisory committee, you have the power to make that decision. Have you made that decision? Has anybody put the idea to you, minister, of putting a temporary weir at Wellington to try to hold the water in the river?

The Hon. K.A. MAYWALD: I thank the member for his question, and I appreciate that he has just entered the

chamber; therefore, he has not heard the answers I have given to previous questions. He will find in the *Hansard* that most of that has been answered. However, for the information of the member, irrigators began the season on 80 per cent and they were reduced to 70 per cent at the end of September. It was not today; they have been on 70 per cent since the end of September. The reason for that is the deteriorating water resource outlook. No-one could have predicted that there would be absolutely no spring rain anywhere in the basin over the months of September and October. That is something that we have never seen in 116 years of records, so we are in uncharted territory. Irrigators understand this. Irrigators are not happy, as we are not happy as a nation, that we have no rain. We have to deal with this from the perspective of our communities. They are going to be hurting. We do not have the water to allocate to people, and the situation since the end of September has deteriorated further.

We have some serious issues to grapple with as a state and a nation. We will be working very carefully, closely and cooperatively with our federal colleagues, and we look forward to some very cooperative negotiations or collaborative work with the opposition, because it is our communities that will hurt the most. I know that I share boundaries and communities with the members for Goyder, Hammond and Schubert. Our communities are going to have significant economic and social issues to grapple with. In these concluding remarks, I thank the members for the way in which they have conducted themselves today in their questioning on the River Murray issues, and I look forward to working with all of them on how we can make things better for our communities in what is an incredibly difficult time. We are off the radar and we are going to have to come up with very innovative solutions, and I welcome any ideas that any members in this place or the community may have or that you may put forward on behalf of your community for us to investigate.

The other part of the question that the member asked was about a weir at Wellington. It is one that we have considered in the past. It has been an ongoing issue for a long time whether or not we should shift the barrages. You will remember that the former member for Hammond was a great supporter of moving the barrages to Wellington. However, we have to recognise that we have 7 000 hectares of vineyard at Langhorne Creek, about 2 000 hectares of vineyard at Currency Creek and dairy at Narrung. We have a whole range of communities dependent on water coming out of the lakes. So, we have to be 'whole-of-river' in our consideration of South Australia's plight and for all of those irrigators. It is not an easy task, but we will be working to minimise the impact on our overall communities. It is not just about the Riverland: it is about the Barossa irrigators and their allocation, those from Mannum to Wellington, and the dairy farmers at Murray Bridge. It is about those at Clare who are relying on supplementary irrigation through the Clare pipeline. A whole series of communities will be hurting about these allocations, and it is certainly not something that the state government feels comfortable about doing but, when there is no water, there is no water. That is the situation that we are facing at the moment.

Mr VENNING: Thank you for that answer; I appreciate it. Is our state allocation still at 1 850 gegalitres? Has that been cut back?

The Hon. K.A. MAYWALD: No; back in September, the outlook that we were provided by the Murray-Darling Basin Commission was that we were likely to get about 1 700 to

1 760 gegalitres—that is, below our entitlement flow. That outlook is now being revised downwards, as I understand it from the commission.

The CHAIR: There being no further questions, I adjourn the proposed payments to Wednesday 25 October and declare the examination of the Minister for the River Murray completed.

Department of Trade and Economic Development,
\$60 261 000

Additional Departmental Advisers:

Mr Raymond Garrand, Chief Executive Officer, Department of Trade and Economic Development.

Mr Allan Joy, Director, Office of Small Business.

Ms Angela Allison, Director, Corporate Services, Department of Trade and Economic Development.

Mr Paul Noon, Chief Financial Officer, Department of Trade and Economic Development.

Membership:

Ms Penfold substituted for the Hon. R.G. Kerin.

Mr Pisoni substituted for Mr Pederick.

The CHAIR: I declare the proposed payments referred from Committee A re-opened for examination and refer members to the Budget Statement, in particular appendix C at page C.2, and the Portfolio Statement, Volume 1, part 2, pages 2.1 to 2.33. I call on the minister for Small Business to make a statement if she wishes, and I then propose to allow the lead speaker for the opposition to make a statement if he wishes.

The Hon. K.A. MAYWALD: I do wish to make a brief opening statement in relation to small business. The Office of Small Business within the Department of Trade and Economic Development has responsibility for services to small business. Many activities and programs across DTED are provided for the benefit of small business. Some of these general activities and programs include our market access program. The market access program is a grants program to assist small and new exporters to develop export capabilities, understand market dynamics, build relationships and establish sales in target markets. A total of \$1 million is allocated for 2006-07.

It is estimated that around 90 per cent of applicants are small businesses. The Competitiveness Council has also been established under this government and it is a subcommittee of the Economic Development Board. It will assist the government in reaching its target of reducing red tape by 25 per cent by July 2008, and to achieve the goal of improving the business climate in South Australia. The council's clear priorities are: reducing the administrative and compliance costs to business arising from state government regulation and charges; ensuring the ongoing competitiveness of land supplies in South Australia; and minimising business-related fees and charges. Over the next 12 to 18 months the council will undertake a series of industry red tape reviews. The Premier announced this morning that John Rau, the member for Enfield, will chair the reviews.

Specific small business programs and services include the SA Small Business Month, which is currently under way, following an outstanding response to last year's inaugural Small Business Week, in both Adelaide and the regions. This year it has been expanded to Small Business Month, running throughout the whole of October. South Australia Small Business Month is an example of the government's commitment to working with small business to ensure the sector's future prosperity and continuing contribution to the state economy. Business enterprise centres and Regional Development Board advisers have been provided and they are providing advice, mentoring seminars and workshops for small businesses in the metropolitan and regional areas. We have a business helpline which is a free telephone counselling service for small business owners during times of difficulty and crisis. We also have a business licence information service, a free service which provides details of all licences a business may require in order to operate in South Australia.

We also have a comprehensive telephone business information service through DTED. Businesses can access information on starting a business, a variety of business tools, business licensing information, and workshops. We also have the Small Business Development Council, which is a council of very experienced people in small business from all sectors right across South Australia. The Small Business Development Council's main role is to advise the state government on key issues in the sector, and to work on projects aimed at supporting the growth of small business. Small business is the engine room of this state, and the state government is very supportive of delivering programs to small business to enhance their future success.

Mrs PENFOLD: I have a short opening statement, Mr Chair. First, I want to say how disappointed I am that only one hour has been provided for investigation into the small business budget. I notice that this is the same length of time as that allocated to gaols. I think that it speaks volumes about the importance the government places on the small business sector and the lack of understanding of it by the government, with no Labor member with small business experience. I believe that it was a Labor leader who said something along lines of small business not being the natural constituency of the Labor Party. All I can say is that, as it provides jobs for most people in this state, it should be.

From the 80 000 small Australian businesses will come some of the state's and Australia's biggest businesses, because that is where big businesses are born, with the small entrepreneurs who take the risks, do the hard yards and survive the middle years when there is not enough money for expansion. Unfortunately, governments strangle many small businesses at birth and, for others, it is death by a thousand cuts, with endless red tape, fees, charges and fines for lateness or accidental late lodgment, when government departments can take forever to pay for services or respond to requests, often costing businesses millions of dollars.

Payroll tax is a direct tax on jobs. I note that the government expects to collect \$1.17 billion in payroll tax over the 2006-07 financial year, which is an increase of \$57.6 million from the \$959 million collected last year, which is already \$27 million more than was budgeted for last year. Tax relief is beneficial not only for the long-suffering taxpayers but also for South Australia's economic growth and jobs growth in the future. Payroll tax, in particular, is a disincentive for employers to employ, not only because of its monetary costs but also because of the red tape involved. The time it takes, and the penalties that apply if the rules are inadvertently not complied

with, is particularly onerous on the small mum-and-dad businesses, which often find themselves over the threshold just because they pay their staff more. In all other states, charities are exempt from payroll tax. However, in this state we continue to penalise our volunteers and the charities for which they work so hard. Trainees and apprentices also attract payroll tax, except if it is a group scheme.

The best means of defence is said to be attack, and that is what this Labor government does to cover up its ineptitude. The bureaucracy that tries to point out the problems is attacked, the Liberal federal government is attacked, and the state Liberal opposition is attacked. They are all blamed for any problems, past or present. Inept ministers who have shown that they are not coping with their portfolio suddenly have it removed (always for the best of reasons) and, if possible, it is taken to the upper house, where it is less likely to be scrutinised and the blame traced back to the real problem minister.

Poor governments do not provide for the good things in life that we all want in the long term for ourselves and our children. The people of this state need and deserve good government that will provide them and their children with long-term future jobs and prosperity, which will then provide good services in a clean and sustainable environment. Labor governments are like the kid in the playground who gives away all the lollies to their friends and bullies all the others. Labor governments have always done it, and this one is doing it again. Once again, it is a Liberal government that will be put in to clean up the mess and make the hard decisions. Unfortunately, that will not happen until the good times pass and the hard times are back. It is only then that what has happened is obvious to everyone and the opportunities have been lost.

Very unfortunately, it is the most vulnerable who pay the highest price for Labor governments—the employees of small businesses and the owners of the 80 000 small businesses in South Australia who take the risks, particularly those in rural, remote and regional areas who take the risks and who do not have the protection provided by the unions and big businesses but from where the greatest innovation, employment and real income from export is derived. These are among the most vulnerable.

I ask whether the omnibus questions covering the portfolios of Small Business and Regional Affairs and Industry and Trade can be put on the record at the end of regional development.

The CHAIR: Yes.

Mrs PENFOLD: I defer to my colleague the member for Unley for the first question.

The CHAIR: Before we go any further, did you say that you had not been consulted on the timetable for today? I usually read out a statement (but I did not do so this time), in which I talk about the timetable. In your remarks, I note that you said that you were disappointed—

Mrs PENFOLD: That there was only one hour.

The CHAIR: So, there was no agreement on that?

Mrs PENFOLD: It was not discussed with me, but an hour certainly does not seem to be any when near enough time.

The CHAIR: So, there was no agreement?

Mrs PENFOLD: No; I was not spoken to.

The CHAIR: Did the Deputy Leader of the Opposition agree?

Mrs PENFOLD: Well, I guess he did.

The CHAIR: So there was agreement.

Mr PISONI: I refer to Budget Paper 4, Volume 1, page 2.22, Performance Criteria. Will the minister advise how many of the incoming 34 260 telephone contacts were from small business proprietors or those planning to start a small business? On how many occasions were inquiries satisfied on the first contact?

The Hon. K.A. MAYWALD: In response to the opening comments made by the shadow minister, I would like to say that democracy is a wonderful thing, and everyone is entitled to their opinion. Fortunately, the majority of South Australians do not agree with the position of the member for Flinders in relation to our efforts in regard to small business and regional development.

In answering the question, the business enterprise centres are separately incorporated bodies that receive funding from the state government to supplement their income. They also have partnerships with local government and other industry groups. They have performance indicators they are required to meet in relation to the funding they get from the state government, and the details of all those calls are held with those organisations. I will seek an answer for the member and bring back the details for him.

Mr PISONI: Perhaps while the minister is doing that, she can come back to me with respect to the following question as well. How often do inquiries require a follow-up by the staff, and what is the period of time from the initial inquiry until the inquiry is satisfied?

The Hon. K.A. MAYWALD: BECs are a business follow-up organisation; that is what they are in the business of doing. The way in which the BECs operate is that they provide business services and business advice. They provide workshops and administer a whole range of government programs in partnership with the Department of Trade and Economic Development. You will find that the different calls will have different responses and different length of contact with the individual businesses, depending on their individual requirements. It would be difficult to provide a more detailed answer to that question, because it would go into the details of individual businesses, and I believe the privacy of individual businesses needs to be maintained also. However—

Mr PISONI: There must be an expectation.

The Hon. K.A. MAYWALD: There is an expectation of the KPIs on what we expect the BECs to do in relation to their contact with businesses. During 2005-06, the 34 000 calls to small business delivered services to in excess of 10 500 business. So, it is an extensive number of businesses that are in receipt of services through the BEC system. In the reporting period, 373 new businesses were established; 470 full-time jobs and 99 part-time jobs were created; and 160 businesses were referred to DTED for specialist services. Major categories of assistance to businesses included the following: marketing, 1 394; operations, 1 313; and business planning, 1 033. In addition, a range of government-funded business skills development programs were offered to business owners through the BEC program.

From 1 July 2005 to 30 June 2006, 73 free 'start your own business' workshops were attended by 1 387 business starters. For the current quarter, 27 workshops were attended by 399 attendees. From 1 July 2005 to 30 June 2006, 174 free three-hour better business series workshops were attended by 2 576 business owners. For the current quarter, 60 workshops were attended by 777 attendees. From 1 July 2005 to 30 June 2006, 154 business owners were enrolled into the 10-month business owners coaching program. As a result of a concen-

trated advertising campaign, our BECs have substantially increased registrations for 'starting in business' workshops and business skills workshops, as well as registrations for DTED's business owners coaching program. That will give the member a bit of a snapshot of the results of the 34 000 telephone calls.

The BEC network is a fantastic structure in which small business, local government and communities can engage with the state government to deliver a terrific range of programs directly to communities in the areas of need for specific communities.

Mr Griffiths interjecting:

The Hon. K.A. MAYWALD: The regional development network is funded through the—

Mr GRIFFITHS: No; the business advisers who work out of the regional development—

The Hon. K.A. MAYWALD: Yes, that is right: the business advisers who work out of the regional development boards as well.

The CHAIR: For the benefit of Hansard, will the member for Goyder lean forward so that Hansard can pick up what he is saying, because I think it is inaudible.

The Hon. K.A. MAYWALD: That was a supplementary statement to add value to my answer. Thank you, Mr Chair.

Mr PISONI: I note in your answer, minister, that you gave us a run-down of the businesses established and the full-time jobs created. What I would like to know is the figure for businesses that have failed in that same period so that we have a net figure of the growth in businesses in South Australia. We would also like to have the same information for employment numbers. The minister has mentioned the 470 full-time jobs and 99 part-time jobs created. Will the minister advise the number of jobs lost through business closures during that same period to arrive at a net figure?

The Hon. K.A. MAYWALD: There is some data that is made available through Attorney-General's in relation to bankruptcy, and we will get—

Mr PISONI: I am not talking about bankruptcies. I am talking about business that have closed or moved out, as well as bankruptcies.

The Hon. K.A. MAYWALD: We do not have that data to provide to you, but we will get what data we do have available and provide that to you in a detailed answer.

Mr PISONI: What I would like to establish is the actual net figure. Do we have more small businesses than we had 12 months ago, and do we have more people employed in small business now than we had 12 months ago? That is the nature of my question and what I am trying to establish, minister.

The Hon. K.A. MAYWALD: We will seek to get that information for the member.

Mr PISONI: Minister, are you able to give us a percentage figure, or even an FTE figure, for the number of staff working as advisers in BECs who have small business experience; for example, who have previously owned their own business?

The Hon. K.A. MAYWALD: The BECs, as independently incorporated bodies, employ their own staff. We do not employ their staff. However, I have no doubt that one of the criteria for employment would be that they have business experience of some sort. At the moment, we also have our business enterprise centres going through a process of APEC accreditation, which is a national accreditation in relation to business enterprise centres and business advisers, to ensure that they have the appropriate skills to advise businesses

adequately. I am not be able to provide you with the information in relation to the number of people who have actually been in a small business themselves; I do not have that information to hand. However, one of the criteria for the appointment of our business advisers is that they have business experience so that they are well qualified to provide that service in our BEC and our regional development network.

Mr PISONI: I am just trying to establish the extent of the experience in the BECs. We have often heard the saying, 'Those who can't do, teach,' and I am just trying to establish whether we have any first-hand business experience in those BECs. They are funded by the state government, are they not?

The Hon. K.A. MAYWALD: The BECs themselves are provided funding by the state government. We do not employ the employees; they are employed by the separately incorporated body, which is the business enterprise centre.

Mr PISONI: Who is responsible for—

The Hon. K.A. MAYWALD: Their employment?

Mr PISONI: —establishing the criteria for those who are employed?

The Hon. K.A. MAYWALD: The BECs are responsible for establishing those criteria. However, under their resource agreement, they are also responsible to the state government for achieving certain KPIs in relation to business outcomes.

Mr PISONI: Are they signed off by your office?

The Hon. K.A. MAYWALD: Under the current agreement each BEC is required to achieve four key performance indicators, which are signed off through the Department of Trade and Economic Development and the Office of Small Business. They are to provide advice and assistance to 200 growth businesses per annum, register 20 business owners in the business-owners coaching program (180 for the network), facilitate and host four Better Business series workshops, and facilitate and host four Start Your Own Business workshops.

Mr PISONI: If you are signing them off, is there a criterion that a certain percentage need to have first-hand small business experience?

The Hon. K.A. MAYWALD: No; as I said, they are separately incorporated businesses. They employ their own staff; we do not employ their staff. We provide money to the BECs with key performance indicators that we require them to achieve, and it would be commonsense for them to employ people who were actually able to deliver on the KPIs they are required to meet under their funding arrangements with the state government.

Mr PISONI: But don't you sign off on the KPIs? Don't you see them, and the conditions under which they employ people? The question I am asking—

The Hon. K.A. MAYWALD: No; the question you are asking should be directed to the separately incorporated body, which is the business enterprise centre. We provide funding to them under a grants system and they employ the staff. Our key performance indicators are tied to the agreement that we provide the moneys to the BECs and, of course, it is in our interests to ensure that they deliver on those KPIs. It seems nonsensical to me that any BEC would employ someone who could not deliver on their performance indicators, because they would therefore not comply with their resource agreement and would not be able to continue with their funding agreement. As with any other grant that we provide to businesses in the private sector, we do not tell them who they should employ.

Mr PISONI: Minister, it appears to me that you have no interest in whether those advisers actually have small business experience.

The Hon. K.A. MAYWALD: Well it appears wrong. We have KPIs that require them to provide assistance to 200 growth businesses, register 20 businesses in business-owners coaching programs, and facilitate and host four Better Business Service workshops. To do that they have to have some skills in business. I fail to see your point.

Mr PISONI: I am asking whether they have first-hand experience in business. There is a big difference, minister, between learning about business from textbooks and learning about it from first-hand experience—having your house up as guarantee against your overdraft, for example. There is a big difference in perspective and a big difference in outlook from learning about things in a textbook.

The Hon. K.A. MAYWALD: With due respect, I think you fail to understand the structure under which the business enterprise centre network operates. They are responsible for employing their own employees; we do not set the criteria for the employment of their staff. We provide them with a grant that has conditions attached to it. Those conditions must be met for the grant to be acquitted, and we expect that they will employ in accordance with the business skills they need to deliver on those KPIs.

Mr PISONI: And you are comfortable with that, minister?

The Hon. K.A. MAYWALD: The success of the business enterprise centres in achieving 34 000 contacts and having over 10 000 businesses involved in the programs offered by the BECs is quite an outstanding result, considering where the BEC network was about four years ago. It has had extraordinary growth in its capacity to deliver services to businesses, so I feel quite comfortable with the people in the BECs, and I think it is an insult to BECs and to the intelligence of the people working in them to say that they are not employing adequately.

Mr PISONI: It is not an insult, minister; it is just a question. I refer to Budget Paper 4, Volume 1, page 2.22. I note that 752 business licence information packages were provided. What is the period from the client's request for a business licence information package to receiving the package?

The Hon. K.A. MAYWALD: I will take that on notice. Most often it is the next day, but I will check with Australia Post and see how many were delivered.

Mr PISONI: I would imagine so, but I am asking the question; what is supposed to happen and what does happen are two different things.

The Hon. K.A. MAYWALD: Not necessarily.

Mr PISONI: Can the minister advise how many of those are followed up by the BEC offices to determine the outcome? You send out a business licence information package, but is that the end of the contact that the BEC has with the person requesting the information? Is there a procedure in place to follow up the information to ensure it is received and understood, and determine whether any further service is required by the person making the inquiry?

The Hon. K.A. MAYWALD: The business enterprise centres operate on the basis that it is in their interests to build their database and client base. Their KPIs require them to make contact with businesses, to keep that contact with businesses, and to provide those businesses with the services they require. I do not have the data to tell you exactly how many follow-up calls were made for every single contact, but

I can assure you that the business enterprise centres have a follow-up procedure in place to ensure that they capture as many businesses as possible and provide them with the services that are available to them through the BEC network and through DTED.

Mr PISONI: Minister, you are able to tell me how many phone contacts are made and how many of these are sent out, so I am happy for you to take on notice my question regarding how many are followed up to determine the outcome of receiving those licence packages.

The Hon. K.A. MAYWALD: I am happy to take that on notice.

Mr PISONI: How many of the recipients of the packages receive their required outcomes?

The Hon. K.A. MAYWALD: I will take that on notice.

Mr PISONI: I refer to Budget Paper 4, Volume 1, page 2.21. South Australia's WorkCover unfunded liability has increased tenfold from \$67 million to \$700 million since Labor came to power. As the small business minister in this government are you comfortable with that?

The CHAIR: Order! Members should not ask minister's opinions but ask budget line questions. You may like to rephrase your question, because asking for opinions is not in order.

Mr PISONI: Thank you, chair; I appreciate the advice. Can the minister advise whether her department has surveyed small business on the impact of the blow-out of WorkCover's unfunded liability? If so, what were the outcomes of such a survey?

The Hon. K.A. MAYWALD: No; we have not surveyed small business on their view of the WorkCover situation.

Mr PISONI: Does that mean WorkCover is of no interest to the small business minister?

The Hon. K.A. MAYWALD: The WorkCover responsibility remains with the Minister for Administrative Services and Government Enterprises (Hon. Michael Wright). From a small business perspective we have concentrated our effort on the advice we received through the Small Business Development Council; and we are targeting areas where the government can improve South Australia's competitiveness in this state and reduce our red tape impost on small business by 25 per cent by 2008. Through that Competitiveness Council we are considering a number of issues as a consequence of a survey we undertook with small business to determine which areas of concern they had the most interest in and where we could target our effort to get the best benefit for small business.

Issues were raised during the course of that survey. The initial assessment shows that in regard to WorkCover and payroll tax calculations small business has said it would be useful if we could use the same formula to assess both WorkCover and payroll taxation calculations. We have referred those matters to the relevant ministers and we are seeking a response from them. We asked a range of questions through survey, and we asked small business to comment on any other areas of concern which they had. Each area of concern has been referred to the relevant minister. We are awaiting responses from those ministers. They will come through the Competitiveness Council and we will determine what action the government will take once the information is collated.

Mr PISONI: Will you give details of your commitment, if any, to reducing the WorkCover unfunded liability?

The Hon. K.A. MAYWALD: That is not a question for me.

The CHAIR: Order! Quite clearly, that is not a question for the Minister for Small Business. Do you have questions relating to the small business budget lines?

Mr PISONI: I do. WorkCover is a big issue for small business in South Australia, with the average rate in South Australia being twice that in Victoria.

The Hon. K.A. MAYWALD: With due respect, I advise that those questions will be referred to the minister for workplace services. If the honourable member wishes to use up time on the small business budget lines to ask Workcover questions which I can refer to the minister for workplace services that is his choice.

Mr PISONI: Anyone in small business is more than happy to talk about WorkCover at any time, minister. I refer to Budget Paper 4, Volume 1, page 2.1, Program 7, 'Small business growth'. Will the minister advise whether her department has surveyed small business on the impact of South Australia's low threshold and high payroll tax rate? If so, what were the outcomes of such a survey?

The Hon. K.A. MAYWALD: I refer to my previous answer in relation to the small business survey that was undertaken. Small business has raised its concerns in relation to payroll tax. The first relief on payroll tax for many years was undertaken by this government in the 2003 budget. It was the first relief in payroll tax for many years. I remind the member that his party was in government for eight years and offered no payroll tax relief during that entire period. The Treasurer has given a commitment to small business that, budget permitting, he will consider other taxation measures and taxation relief. At present there is \$1.5 billion worth of tax relief on the books in the forward estimates in the budget as we currently speak. The relief to small business in the tax area has been substantial in relation to this government and the budget initiatives it has put in place.

Mr PISONI: What were the outcomes of such a survey?

The Hon. K.A. MAYWALD: The survey was conducted early in 2006 and a report was prepared by Ehrenberg-Bass Institute for Marketing Science, University of South Australia. The report was publicly released on 29 August 2006, and the member can view the entire results on the web site of the Office of Small Business. Some 242 small and medium businesses responded to the survey, providing details of the hours they had spent dealing with various areas of government regulation in the past 12 months. Where appropriate, they also provided an estimate of the costs of having external providers assist with regulatory requirements.

Major concerns involved taxation and government charges, local government planning, business registrations and licensing. Overall taxation was the biggest area of concern. Other concerns or complaints included difficulty in locating relevant information, the level of charging for government services, reporting requirements and time commitment for superannuation (which is a federal matter). Respondents also provided ideas and comments on possible changes: for instance, road testing government forms, improving the building licensing system, simplifying the tendering process, improving government web sites, uniform payroll tax, OHS&W and WorkCover nationally.

The survey found that businesses had complaints about all levels of government—local, state and federal. I have written to the chief executives seeking a response to the seven general areas that have been raised and how their respective agencies can contribute to the target of a 25 per cent reduction in government red tape. Some 23 specific action items have been identified for immediate action, and these cover

things such as B-double permits. We believe it is desirable that the current permit system for B-doubles operating on South Australian roads be improved to minimise or remove the need for permits to be produced. It is recommended that the requirements for separate permits for certain small community events should be abolished—that is, from liquor licensing.

Also, it has been suggested that the Department for Transport, Energy and Infrastructure has foreshadowed a range of changes, including a process of email reminders, payment by direct debit and common registration dates. In relation to other compliance issues, hotels receive conflicting advice from different agencies on compliance issues: for example, the number of people who can be inside a hotel at any given time. There is a range of them, but the honourable member can access them through the web site. It is publicly available through the Office of Small Business. I think he will find the results are very interesting.

The Competitiveness Council is working on a number of the issues which have been raised by small business. We have established the Competitiveness Council as a subcommittee of the Economic Development Board. I chair the Competitiveness Council. Three members of the Economic Development Board are on the council. They are David Simmons, Wayne Jackson and Cheryl Bart. The membership has changed just recently. Those three members are working with me on how we will achieve results for small business. We are very small business focused. I do not know whether the member is aware, but I am from a small business background and have a very good understanding of small businesses. My previous life was all about small business before coming into politics, so I have a keen interest in this area also.

Mr PISONI: I refer to Budget Paper 4, Volume 1 page 2.21. Will the minister confirm the number of FTE staff dedicated to small business within her portfolio?

The Hon. K.A. MAYWALD: The total number of Public Sector Management Act approved positions for the Office of Small Business as at 30 June 2006 is 13 full-time equivalents, the same as for 30 June 2005. This number does not include long-term non-PSM Act contractors, which at 30 June 2006 was nil, anyway; and at 30 June the number of vacant positions was also nil.

Mr PISONI: Will the minister advise what percentage of her time is dedicated to the small business portfolio?

The Hon. K.A. MAYWALD: I do not have an accurate figure to give you, but a significant portion of my time is allocated to all my portfolio responsibilities, and I share equal concern on each of those portfolio responsibilities.

Mr PISONI: My question relates to Budget Paper 4, Volume 1, page 2.7: program net cost of services summary, small business growth. The reductions in costs mentioned by the Treasurer in *The Advertiser* of 10 March 2006 in the lead-up to the election included a 25 per cent reduction in red tape by 2008 in line with the recommendation by Business SA's *A Blueprint for South Australia's Future*. Will the minister give actual examples of the reductions in red tape that have been achieved and are expected to be achieved within the next 12 months and how they are to be achieved with reduced departmental expenditure?

The Hon. K.A. MAYWALD: As I indicated before, as a result of the small business survey, a number of areas where we believe departments can take some action relatively easily are being assessed at the moment. Through the Competitiveness Council we have also established an industry review process. We have written to each of the industry associations

across South Australia. We have set up a review process whereby John Rau, the member for Enfield, will chair the process and manage the review process with industry. Industry leaders, with a member of the board and also with John Rau, will go through where the major areas of concern are for industry and make recommendations to the Competitiveness Council, which will then make representations through the EDB to the government and cabinet for areas where we can apply the reduction in red tape. So it is a work in progress.

The other thing that we have achieved in making our government agencies far more aware of cost imposts on business is that the South Australian government was the first government to uptake the federal government's business cost calculator and mandate the business cost calculator. The business cost calculator identifies costs to business of decisions of government coming to cabinet, and each agency must run its proposal through the business cost calculator, therefore better informing cabinet and themselves about the imposts of decision-making of government on small business and business in general.

Mrs PENFOLD: My question to the minister refers to Budget Paper 4, Volume 1 page 2.7. Under the Program Net Cost of Services Summary, small business growth (No. 7) shows a reduction in expected expenditure of \$2 million over last year's budget, which was itself underspent by \$461 000. Can the minister justify this cut in departmental funding and give some examples of the departmental costs that have been reduced since the election and those that she expects to be reduced in the next 12 months?

The Hon. K.A. MAYWALD: This is about a timing issue in the payment of funds to the BECs. We pre-paid funding through to the BECs prior to 2005-06. If you average that out, it is the same consistent funding to the BECs. There is no savings targets in the BEC line.

Mrs PENFOLD: My question relates to Budget Paper 4, Volume 1, page 2.21, Program 7, small business growth. I understand that business investment is below other states and gross state product, jobs growth, export growth and population growth are all below the national average. Therefore, I ask the minister: given the apparent decrease in business confidence in South Australia, will the minister advise what has happened with small business bankruptcies over the past three years in South Australia and what, if anything, is being done to help businesses survive in drought-affected areas this year? How does South Australia compare with other states such as Western Australia and Queensland?

The Hon. K.A. MAYWALD: I will make some comments in relation to our economic performance and the outlook, first and foremost, using the key economic indicators including jobs, unemployment, industrial relations, economic growth, exports and investment. In September 2006, both total employment and full-time employment reached their highest level since data collection began in 1978. South Australia's trend unemployment rate was 4.7 per cent in September, lower than the national rate of 4.8 per cent. The ANZ Bank indicates that the number of trend job advertisements rose by 1.2 per cent in South Australia during September, while declining by .5 per cent nationally. According to Access Economics, South Australia's employment growth will be 1.4 per cent in 2006-07, higher than Australia's forecast of 1.2 per cent. The SA Treasury's budget forecast is for 1.5 per cent employment growth in 2006-07. South Australia lost .3 working days per one thousand employees due to industrial disputation in the June quarter 2006. Only

Tasmania had a better record during this period. The national average was 3.1 per cent. This continues South Australia's excellent industrial relations record of the past few years.

In trend terms, South Australian state final demand—a measure of total expenditure within the state—increased by 1.4 per cent from the June quarter 2005 to the June quarter 2006. During the same period Australian domestic final demand grew by 3.9 per cent. SA Treasury's budget forecast is for a 2.5 per cent growth in SFD as well as gross state product in 2006-07. Trend business investment grew by 2.4 per cent from the June quarter 2005 to the June quarter 2006, which was below the national growth of 12.4 per cent during the same period.

Quarterly business investment figures in a small state such as South Australia can be volatile. Despite disappointing numbers in the June quarter, South Australian business investment rose by 5.1 per cent in the full year 2005-06. After strong performances in 2002-03 and 2003-04, South Australian business expenditure on research and development weakened in 2004-05. In 2004-05 South Australian BERD represented .89 per cent of GSP. Of the states, this outperformed only Queensland at .65 per cent and Tasmania at .46 per cent. Victoria was 1.08 per cent, Western Australian 1.04 per cent and New South Wales 1.03 per cent.

In South Australia the machinery and equipment manufacturing and property and business services sectors together contributed 55 per cent of BERD in 2004-05. The decline in BERD in 2004-05 was due primarily to a fall in BERD in the machinery and equipment manufacturing sector. The value of South Australian overseas merchandise exports increased by 16 per cent in the 12 months to August 2006, compared with the 12 months to August 2005. Australian merchant price exports increased by 20 per cent over the same period. South Australian exports to the Middle East have started to recover after falling heavily in 2003 and 2004 but remain well below their level of four years ago. There has also been strong growth in the export of road vehicles, parts and accessories since early 2006—a marked turn around from the declines between late 2002 and mid 2005.

Wheat exports have also grown strongly in recent months. However, we have a situation where that will be affected by the drought, and following a decline of two thirds between 2001-02 and 2004-05. However, lower production forecast for wheat in 2006-07 largely resulting from drought conditions will dampen export growth in the future.

In relation to drought and its impact on regional South Australia and the implications for small business, as the dry seasonal conditions continue the potential overall impact on South Australia could be much worse than in 2002 when drought effectively reduced the gross state product by \$930 million. Substantial modelling around the potential extent and distribution of the economic impacts of the drought is currently being undertaken by PIRSA. The Office of Regional Affairs is involved in this modelling. Key impacts are expected to be in the areas of agricultural industries, broad acre cropping and livestock, irrigated sectors (River Murray users in particular) and intensive animal industries. Impacts may extend over several years. Flow on effects include social issues and mental health (already an issue for regional communities), rural adjustment and policy issues regarding recovery and preparedness. There is impact on primary industries, population and migration and small business.

The financial impact on regional communities will significantly affect small business. As the situation worsens,

strong pressure will be brought to bear on all levels of government to assist, and I cannot emphasise enough the importance of working together across all levels of government to assist our communities. It is about working together to ensure we can maximise our relief opportunities to assist our communities.

In 2005-06 the state government instigated a range of initiatives in response to the drought, including establishing a drought response subcommittee of cabinet, of which I am a member. We are having an industry leaders forum on drought next month on 14 November. A high level task force on drought and a South Australian drought response team has also been established. We have established a telephone information hotline, and printing and distribution of a publication for people in regional areas experiencing depression or other mental health issues has also received funding. The Department of Trade and Economic Development is represented on the task force.

DTED currently funds business advisory services, which are delivered through the 13 regional development boards. In 2006-07, DTED's targets and next steps include offering training in business continuity management to the regional business advisers employed by the regional development boards, consideration and review of DTED targets and strategic directions as a consequence of the drought, and business models and initiatives have been developed and are being revised around minimising the impact of drought in South Australia.

We are also undertaking the following: consideration of the role of DTED in mitigation, including policy considerations to support regional communities; stimulating economic development in areas less affected to offset the broad impact on communities; maintaining infrastructure, skills and connections to encourage people to stay or at least return to communities affected by drought; and reducing labour intensity of support programs to enable immediate outcomes for those in need. DTED's leadership team will work together to ensure that issues are addressed and monitored across the department, and I have asked the regional communities consultative committee to consider the implications for regional communities and report back following the November meeting.

The government is very concerned about the current outlook for our communities in South Australia. As a consequence of the drought, many communities are currently preparing EC applications. We now have agreement by the federal minister that they will review their interpretation of the current EC guidelines potentially to enable South Australian applications to be approved. Under the way in which the guidelines have been interpreted in the past, you have to have two consecutive years of drought before an area can be EC declared. Through negotiations between the state Minister for Agriculture and the federal Minister for Agriculture, the federal minister has agreed to review how they implement or interpret those guidelines. We are asking them to consider the guidelines as being three years in the past five years as drought affected to be acceptable for EC declaration. There are many applications now coming forward, and PIRSA is working with those communities to assist them in getting their applications together.

It is really important, though—and I cannot state it strongly enough—that it is about doing the best we can for our communities. Everyone needs to be tightening their belts. Local government, state government and the federal government need to look very closely at what we can do to help our

communities get through this, because there is no magic silver bullet and, unfortunately, the outlook is not good.

Mrs PENFOLD: Thank you, minister, for that comprehensive answer. I was distracted for a minute, so I ask whether the minister gave the figures on the bankruptcies over the past three years.

The Hon. K.A. MAYWALD: We took that question on notice earlier from a question by the member for Unley. We will get the bankruptcy and other information.

Mrs PENFOLD: I refer to Budget Paper 4, Volume 1, page 2.21: Small Business Growth. I note that, with concern, given the state of the drought, the estimated grants and subsidies have fallen to \$65 000 for 2006-07 compared with the estimated result in 2005-06 of \$1.6 million—a decline of 95 per cent—which, in itself, is down from the budget that was originally set at \$1.996 million. What grants and subsidies were cut to make the savings of \$396 000 in last year's budget? What was the \$1.6 million spent on? What is the \$65 000 anticipated—

The Hon. K.A. MAYWALD: Can I ask the member to ask one question at a time so that we can get the details.

Mrs PENFOLD: What grants and subsidies were cut to make the savings of \$396 000 in last year's budget?

The Hon. K.A. MAYWALD: There were no cuts. In fact, this is the same answer to the question previously. Pre-payments were made prior to the end of the financial year for the BECs. The 2005-06 estimated result is \$396 000, lower than the original budget, mainly due to adjustments to Business Enterprise Centre payments and the timing of those payments. The increase of \$476 000 from the 2004-05 actuals to the 2005-06 estimated results is due to a \$701 000 increase in payments for the business enterprise centres. It is offset by a once-off payment in 2004-05 of \$241 000 in relation to bushfire assistance of Lower Eyre Peninsula. The 2006-07 budget shows a decrease of \$1.535 million, which is due to the payment of 2006-07 financial year funding for business enterprise centres and the small business helpline in June 2006. So, it is a timing issue with the payments; it is certainly not a cut in any funding.

Mrs PENFOLD: The Premier stated that between 2004 and 2011 we will have cuts of \$1.5 billion in taxes, including payroll tax. Given that no payroll cuts are in this year's budget, can the minister explain why South Australia has the highest rate of payroll tax in the nation at 5.5 per cent as well as the lowest tax-free threshold in the nation at \$504 000? Can the minister ensure the state's 80 000 small business owners that future cuts to the nation's highest payroll tax rate and an increase in the threshold are still on the agenda, and when can they expect some relief?

The Hon. K.A. MAYWALD: As I mentioned in a previous answer, the Treasurer has made it quite clear that, as the budget allows, there will be opportunities for further cuts in taxes, but \$1.5 billion is a significant contribution to reducing taxes in this state. Any further questions on payroll tax need to be directed to the Treasurer as he is the minister responsible.

Mrs PENFOLD: But it does have a major effect on small business.

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 1, page 2.54: Program net cost of services summary. As to small business growth, it shows a reduction of expenditure of \$2 million over last year's budget which, in itself, was underspent by \$461 000.

The Hon. K.A. MAYWALD: I refer you to a previous question. That one has already been asked; I have already answered that one.

Mrs PENFOLD: I ask the following omnibus questions:

1. What is the total number of employees with a total employment cost of \$100 000 or more per employee and, as a sub-category, the total number of employees with a total employment cost of \$200 000 or more per employee within the regional development, small business, industry and trade portfolios, and any related agencies reporting to the minister as at 30 June 2006 and between 30 June 2005 and 30 June 2006?

2. Will the minister list job title and total employment costs of each position with a total estimated cost of \$100 000 or more? Which have been abolished and which have been created?

3. I refer to Budget Paper 3, Volume 2, page 2.40. What is the estimated or actual level of under expenditure within the regional development, small business, industry and trade portfolios, and any related agencies, for 2005-06? Has cabinet already approved any carryover expenditure in 2006-07 and, if so, how much?

4. In the financial year 2004-05, what underspending on projects and programs within the regional development and small business portfolios, and any related agencies, was not approved by cabinet for carryover expenditure in 2005-06?

5. How many surplus employees are there within the regional, small business and trade and industry development portfolios and any related agencies, as at 30 June 2006? For each surplus employee, what is the title or classification of the employee and the total employment cost of the employee?

6. Can the minister provide a detailed breakdown for each of the forward estimate years of specific administration measures as listed in Budget Paper 3, chapter 2, expenditure for trade and economic development, which will lead to a reduction in operating costs in the regional development portfolio, small business and trade and industry, and any related agencies?

7. Can the minister provide a detailed breakdown of expenditure on consultants and contractors in 2005-06 that relate to the regional development, small business, trade and industry portfolios, and any related agencies that report to the minister, listing the name of the consultants and the contractor, cost, work undertaken, and method of appointment?

The CHAIR: We are now changing portfolio to regional development. Just so that the opposition is aware, we had an agreement at the beginning of this session that the omnibus questions could be read in once for all three portfolio areas, so you do not have to read them out over and over again.

Mrs PENFOLD: I will save them.

The CHAIR: We are off now to regional development. Does the minister wish to make an opening statement?

The Hon. K.A. MAYWALD: Yes, I do, sir. I would also like to mention that I have had a discussion with the opposition, and the shadow minister has agreed that we will redefine the timetable. Given that no questions will be asked by the government side we may be able to conclude this area earlier and begin the next area and perhaps have an early minute. We will see how we go.

Additional Departmental Adviser:

Mr Phil Tyler, Executive Director, Office of Regional Affairs.

The Hon. K.A. MAYWALD: I would like to introduce Phil Tyler, who is the Executive Director of the Office of Regional Affairs. Allan Joy from small business has retired from the chamber. The regional development portfolio is situated within the Department of Trade and Economic Development as the Office of Regional Affairs. The Office of Regional Affairs has responsibility for the Regional Communities Consultative Council and the Regional Development Board framework, as well as a number of key programs, including the Regional Development Infrastructure Fund and Community Builders program.

The regional development boards are jointly funded by state and local government to attract business investment and generate employment outcomes in regional South Australia. Looking forward, the RDBs will continue to work on a diverse range of initiatives, including projects related to mineral development and exploration, marina development and value adding. The 13 regional development boards deliver a range of services on behalf of DTED and other state government agencies. These include the regional business advisers, regional migration, Trade Start officers, food industry development officers and the establishment of employment and skills formation networks.

The Regional Development Infrastructure Fund is an important tool in implementing the strategic infrastructure plan for SA and in meeting South Australia's Strategic Plan targets in regions, especially lowering regional unemployment, raising regional populations, encouraging regional investment, and increasing the state's export earnings. In 2005-06 the Regional Development Infrastructure Fund was committed against 14 projects generating 286 new jobs with a total project investment of approximately \$80 million. The government has made available \$9.6 million in this budget to extend RDIF until 2009-2010.

The Community Builders program is a program to encourage cooperation between towns, build the economic and social capital of the regions and train and motivate grassroots leadership. In 2005-06 the Community Builders program was delivered in the Eyre Peninsula, Northern Flinders and the Murray Mallee regions. There is a budget of \$110 000 to continue the Community Builders program in 2006-07 and outgoing years. A case management framework for the South Australian government has been established. The aim of case management is to ensure better coordination and timeliness in the facilitation of projects, especially for complex projects which involve multiple and competing priorities. Case management is used with projects that have significant complexity, sensitivity, and economic value.

The Young Indigenous Entrepreneur program delivers entrepreneurial skills to indigenous youth. Two programs were piloted in 2005-06 involving 30 participants. Five young indigenous entrepreneur programs are currently in operation for 2006-07. The Young Indigenous Entrepreneur program has three high profile indigenous ambassadors: Che Cockatoo-Collins, a former Essendon and Port Power player; Leah Torzyn from Oakdale Netball Club; and Travis Dodd from Adelaide United, and recent debutante with the Socceroos. BHP Billiton has sponsored expansion of the program to Port Augusta. We will continue to seek such high level corporate sponsorship and commitment from SA industry to increase the employment and welfare opportunities for indigenous South Australians.

The Rural Town Development Fund is also a new initiative, and the South Australian government is committed to the continued development of South Australia's major

regional centres, with the initiation of the Rural Town Development Fund. The fund has been allocated \$2 million over four years, from 2006-07 through 2009-10. In 2006-07 funds have been committed to Port Augusta. It is proposed that any incorporated body may apply for a Rural Town Development Fund grant. Funds must be applied to real or infrastructure development consistent with the objectives of the fund.

In response to the drought and regional development, the drought has raised a number of challenges for people in rural and regional South Australia. As dry seasonal conditions continue, the potential overall impact on South Australia could be much worse than in 2002, when drought effectively reduced gross state product by \$930 million. In my previous answers to questions on small business, I spoke about the establishment of the drought response subcommittee of cabinet, the industry leaders forum on drought, the high-level task force on drought, the SA drought response team, the establishment of the hotline and the publication for people in regional areas in relation to health issues.

Initiatives such as Community Builders, the case management framework and the Rural Town Development Fund will all be important to help tackle the social and economic impact of the drought. I have asked the Regional Communities Consultative Council, as the government's advisory body on rural and regional issues, to consider the implications for regional communities and report back to me following its November meeting. In addition, there are a number of areas where people can provide input to the government on ways and means in which we can assist communities. We welcome any input and, through these drought response teams that we have established, we will consider any program or potential opportunity to help our communities through that system. We are open to suggestions, because we are in this together and it is going to be a very difficult time for our communities.

Mrs PENFOLD: A Labor member once interjected across the house with a comment along the lines that I represented a wealthy farming community who were the most highly subsidised people in the state. The same kind of ignorant thinking is behind one of the first policies of the Labor government that came to my attention, namely, population-based funding. This translates as putting funding where the greatest number of people are (that is, Labor voters), and that is in the cities. The population-based funding model is the basis for this budget, which has next to nothing for the real regional people. I hope that the minister can tell regional people where is the equity and fairness, on which Labor claims the high moral ground, for regionally based people, unless, of course, they live in one of the larger regional cities with a high Labor vote.

The infrastructure budget says it all, with \$1.192 billion for property, plant and equipment, and almost nothing for the regions. Under 'Primary industries and resources', all that can be found is \$3.4 million over 11 years to rehabilitate a mine site. Under 'Prisons', we find \$2 million for upgrading kitchens in three regional centres, and in health there is \$3.5 million for a rural and remote mental health facility on the suburban Adelaide Glenside campus (with \$5.5 million for the total project).

With a drought on the land and problems with the Murray River, there is \$29.7 million for a \$48.5 million project (which I certainly did not want) for a pipeline bringing 1.4 gegalitres of River Murray water to Eyre Peninsula, and that will not even replace what SA Water has already overused and promised to replace. We actually need at least

5 to 10 gegalitres of water if we are to get mining happening in the area and do some value adding. There are private companies that will provide this water from desalination, on a cost neutral basis, using existing infrastructure and with less pumping and chemicals. The funding for this pipeline is a lost opportunity to provide badly needed infrastructure elsewhere (preferably in my electorate) for power and water where it is needed.

The sum of \$600 000 has been allocated for a rural road improvement program in the state's Outback and rural areas. At a cost of about \$120 000 to seal one kilometre of road, this will seal about five kilometres. There are over 12 000 unsealed dirt roads on Eyre Peninsula alone. I could go on, but I think that people get the picture. One thing that hurts me most is to see expensive retro-fitting of government buildings with wind turbines, solar panels, the installation of water tanks and expensive hydro turbines on pipes, all of which provides no multiplier effect on the economy or long-term jobs—only a high cost of fitting and ongoing maintenance in these buildings (mainly the city) that already have power and water.

The wasted millions of dollars by this government on what are just green gimmicks for media feel-good moments could be put where there are real regional communities that do not have power and water. This funding could be the stimulus for jobs and regional development and could even mean the survival of some communities. I think that if the people of South Australia understood the squandering of their money by this government they would be as angry as I am.

I refer to Budget Paper 4, Volume 1, Program 8: Regional Development; Expenses, item 2: Supplies and services. I note a sharp budget cut of just over \$1 million, leaving only a miserable \$636 000, at a time when the regions in the state are suffering one of the worst droughts in history and farming input costs have never been higher, impacting severely on all small businesses, not just the farming ones. Can the minister justify this massive cut to the budget for supplies and services for regional development and outline for all of those people who live in the regions and who provide invaluable wealth for this state what was cut last year that resulted in under-spending in the budget by \$1.21 million?

The CHAIR: Member for Flinders, the same standing orders that apply in the house apply in the committees. I have been very lenient—some would say over lenient—in the phrasing. When you include argument and words such as 'miserable' in your questions—

Mrs PENFOLD: I will delete 'miserable'.

The CHAIR: It is too late now; you have said it. When you include that sort of argument in your questions, it is very easy for the government to rule them out of order. When the minister responds without facts and figures and then debates the question, it does not get you to where you want to be, that is, to answers to your questions. When asking your questions in the future, rather than including argument to try to score whatever points you want to score, perhaps limit them to fact-finding measures relating to the budget. If you want to make an argument, you can do so during grievances in the parliament.

The Hon. K.A. MAYWALD: Thank you, sir, for your explanation. Budget Paper 4, Volume 1, page 2.23, Supplies and services, needs to be read in conjunction with the grants and subsidies line. There has been a transfer of some of the expenditure which was applied through the supplies and services line in previous years and which is now in the grants and subsidies. If you look at the total expenses at the bottom

of the page, you will see that there is an increase of \$2 million from the budget of 2005-06, from \$10.872 million to \$12.386 million, in relation to the Regional Development portfolio. The savings contribution the Office of Regional Affairs has been asked to deliver is a total cost of \$132 000. In addition to these savings, DTED has identified \$128 000 in savings through the cessation of the Building Positive Rural Futures Study Tours Program.

Mrs PENFOLD: I must have misread grants and subsidies. I refer to Budget Paper 4, Volume 1, regional development expenses. In item 3, 'Grants and Subsidies'. I note this overspent last year's budget by \$1.765 million and has an increased budget this year of \$520 000 more than the over-expenditure of last year's budget of \$10.3 million. Will the minister advise which electorates received this funding last financial year and what for? Also, which electorates will receive this year's budgeted projects and what for?

The Hon. K.A. MAYWALD: This relates to a timing issue in the payment of grants in relation to mostly the RDIF. The \$5.751 million increase relates to RDIF, which is due to carryover of funds from 2004-05 to 2005-06; a \$400 000 increase for the Murray-Darling Resource Information Centre, which is a new program which was approved in the 2005-06 state budget; a \$2 million decrease due to a once-off payment in 2004-05 relating to the Kangaroo Island Power Station; and a \$1.875 million decrease to the regional development boards due to part payments occurring in 2004-05 relating to the 2005-06 financial year payments.

The increase in the 2006-07 budget of \$520 000 compared with the 2005-06 estimated result is due to a \$500 000 increase relating to cabinet approval in the 2006-07 state budget for rural town development; \$579 000 increase, of which \$300 000 is committed, relating to the Upper Spencer Gulf and Enterprise Zone Fund, including approved carry-over; \$1.45 million increase for regional development boards due to part payments occurring in June 2005 relating to the 2005-06 financial year payments; and \$1.780 million decrease for RDIF, which relates to approved carryover of \$2.422 million in 2005-06, offset by increased funding of \$642 000 approved in the 2006-07 state budget. This means that the approved budget for 2006-07 is \$3.642 million, which is consistent with forward estimates of \$3 million for RDIF and carryover; and the Murray-Darling Resource Information Centre, \$120 000 difference between the 2005-06 estimated result of \$400 000.

The 2006-07 budget figure of \$280 000 is due to a lesser amount required for the second year following start up. The overall increase of \$1.765 million, in part from the 2005-06 budget to the 2005-06 estimated result; and \$2.422 million relates to the carryover funds from 2004-05 for RDIF.

Mrs PENFOLD: My question relates to the minister's commitment in her regional statement (page 4) to continue to invest in strategic infrastructure projects and to leverage substantial investment by other spheres of government and the private sector. Is the minister aware of the privately operated Lucky Bay to Wallaroo ferry that is due to begin in December this year, saving hundreds of tonnes of greenhouse gases and wear and tear on 400 kilometres of government roads and thousands of vehicles, which will contribute greatly to the safety of road users and which will improve the accessibility of people living in remote Eyre Peninsula and the far west-south regions? If so, will the minister explain why the government is not matching the federal grant of \$900 000 that is required so that the small council of Franklin Harbor can seal the road access between the Flinders

Highway and Lucky Bay before the ferry and the Christmas holiday traffic is upon it in the heat and dust of summer, when the Minister for Transport is due to open the ferry service?

The Hon. K.A. MAYWALD: There is no current application from that organisation or the council under the RDI Fund. The Minister for Transport may have an application, but, as Minister for Regional Development, I am advised there is no application under the RDI Fund for funding.

Mrs PENFOLD: The small business sector of grape growers has been struggling because of the grape glut, and many of them have scaled down their operations. However, with the drought and the low water levels in the Murray, it was disturbing to hear last week that, despite their not needing to use all of their water allocation because of red tape, growers were wasting their full water allocation to ensure that they received their total water allocation next year. Will the minister advise whether this is true and, if so, what is being done to address this issue?

The CHAIR: The budget line for water, land and biodiversity—

The Hon. K.A. MAYWALD: There is no budget line for water allocation under regional development.

The CHAIR: We had that earlier.

Mrs PENFOLD: That question was a ring in; I will leave that one.

Mr PISONI: I refer to Budget Paper 4, Volume 1, page 2.23, payments to consultants, regional development, expenses', item 4, 'Payment to consultants'. Considering that the increase in public servants is 8 000 over budget, will the minister explain why a 198 per cent increase in funding for consultants from \$87 000 to \$260 000 was required in this budget, what is the name of the consultants, what was their task and where are they located?

The Hon. K.A. MAYWALD: In part, the increase in consultancy fees has to do with the resource agreement requirements with the regional development boards, which require us to undertake an independent audit of their activities, in accordance with their resource agreement, and a consultant has been engaged to undertake that work. The 2006-07 year shows an increase of \$104 000 compared with the 2005-06 estimated result, which is related mainly to due diligence also surrounding the Regional Development Infrastructure Fund; and the increase of \$113 000 from 2004-05 actuals to the 2005-06 estimated result is due mainly to expected consultancy for the regional development board sector, as I suggested.

Mr PISONI: Are the consultants located in Adelaide?

The Hon. K.A. MAYWALD: PKF for the diligence on the RDI Fund, and Deloitte is undertaking the audit of the Regional Development Board resource agreements.

Mr PISONI: I refer to Budget Paper 4, Volume 1, page 2.23, program 8: Regional Development, Expenses, Payment to consultants. This appears to have increased by 604 per cent from \$43 000 in 2004-05 to \$260 000 in this year's budget. It is up by \$87 000 from last year's budget.

The Hon. K.A. MAYWALD: I respectfully refer the honourable member to my previous answer.

Mr GRIFFITHS: I have some questions, Mr Chair, and it is my great pleasure to ask these of the minister. It is an issue very close to my heart, coming as I do from a regional area and having previously been involved in the Yorke Regional Development Board. In these times especially, with the drought affecting so many regional communities in such a serious way, I see the Community Builders projects as

being very important and I therefore refer to Budget Paper 4, Volume 1, page 2.24, and the performance commentary attached to that. Could the minister provide details of Community Builders projects that were funded last year, in terms of locations and cost, and advise what programs are continuing this year?

The Hon. K.A. MAYWALD: It is indeed a great pleasure to receive this question from the honourable member, knowing his considerable interest in regional development issues and his significant contribution to the regional development board framework in the past. The Community Builders Program is a 6 month program committed annually. Each program involves four clusters of community groups across regional South Australia. Community Builders commenced in 1999-2000 and has been successfully delivered every year since then. The program involves four grants of \$25 000 backed up with specialised training for project facilitators. The grant is awarded to a local incorporated body and covers a stipend for a local facilitator, project materials and other expenses. The aim of the program is to encourage cooperation between towns, building the social capital of the regions, and to train and motivate grass roots leaders in these communities.

In 2005-06 the program was delivered in the Eyre Peninsula, Northern Flinders and Murray Mallee regions, with the individual projects run by the following organisations: Global Care Port Lincoln on Eyre Peninsula, the Outback Areas Community Development Trust in the Flinders region, the Murraylands Regional Development Board in the Murraylands and Mallee, and the District Council of Kimba for the Upper Eastern and Central Eyre Peninsula. Among the projects undertaken through the 2005-06 program were work towards starting a farmers market in the town of Parilla, the upgrading and modernisation of the Maree telecentre, the development of a playground area in Le Hunte and progress towards another in Parilla, refurbishment of the memorial gates in the town of Kimba, the development of a community radio station servicing the Northern Flinders region, and Beltana has used the opportunity to begin developing a strategic plan for the continuing development of the town with feedback from 50 locals. Our targets in 2006-07 include the next steps of providing the budget for \$1 10 000 to continue the community program in 2006-07 and outgoing years, and we have recently advertised for people to apply.

Mr GRIFFITHS: I have a supplementary question. From your answer it appears that you are targeting specific areas in each funding round—you talked about Eyre Peninsula and the Flinders Ranges. So I am incorrect. It is actually open and is entirely upon merit and communities that nominate.

The Hon. K.A. MAYWALD: That is exactly right, yes.

Mr GRIFFITHS: I am sorry if I was not listening properly, but is the minister able to announce any of the next round? Are any programs about to commence that have been funded?

The Hon. K.A. MAYWALD: We have advertised just recently for expressions of interest and they are being assessed at the moment.

Mr GRIFFITHS: This question refers to Budget Paper 4, Volume 1, page 2.24. SA Water has a charter to provide water to the people of South Australia, and I am advised that last year it returned back to state government Treasury a bit over \$200 million. On top of that, people are paying levies, and things like that. Can the minister advise what allocations were made from the Regional Development Infrastructure

Fund to augment water supplies or services? I know it is a considerable impost on regional South Australia and any support would be gratefully received.

The Hon. K.A. MAYWALD: The outcomes of the RDIF committed \$2.9 million against 14 projects with a total project investment of approximately \$80 million. That included \$800 000 towards waste water infrastructure to enable the Berri-Barmera waste water re-use scheme to treat and re-use industrial and residential waste water, removing a constraint to further development in the Riverland; \$750 000 towards electricity infrastructure to enable the new Australian zircon mining venture in the Mallee; \$650 000 towards gas infrastructure to enable the expansion of Teys Brothers abattoir near Naracoorte; and \$400 000 towards water treatment infrastructure to enable Tarac Technologies to continue to process liquid waste from the wine industry. So there are two projects that involve water re-use schemes.

Mr GRIFFITHS: What about the augmentation of supply services? I believe you made an announcement about Port Wakefield for a facility in July—actually, it may be in this current financial year.

The Hon. L. STEVENS: I move:

That the sitting of the committee be extended beyond 6 p.m.

Motion carried.

The Hon. K.A. MAYWALD: The RDIF is not a fund for government departments to use for government department responsibilities, so SA Water's augmentation of supply to water customers is the responsibility of SA Water, and they would not be eligible for access to funds under the Regional Development Infrastructure Fund.

Mr GRIFFITHS: Minister, I thought it was announced in regard to either Primo Abattoirs or one of the chicken farms in the Adelaide Plains area—

The Hon. K.A. MAYWALD: Primo Smallgoods owns and operates the Port Wakefield Primo abattoir. This is one of the two major pig processing plants in South Australia. Primo Smallgoods will spend \$13 million to upgrade the Port Wakefield abattoir to enable it to continue expansions. The processed meat will be for interstate markets. The upgrade will require an expansion in the work force with the development of a second shift, which would see 150 to 200 new jobs created plus flow-on to farms and associated industries, such as transport and feed. An RDIF grant of up \$293 000 has been offered to contribute to 50 per cent of the eligible infrastructure costs, including an electricity upgrade and an increased water supply.

Mr GRIFFITHS: Mr Chair, would you give me some liberty on this, because it is a promotion of a project within my area? I am aware that Primo was bought by the owners from Sydney in 1999. It had 40 employees. It now has up to 380 employees and over the next five years it has intentions to double that work force. They have invested \$34 million, so it is a fantastic example of regional development occurring in the area. I know some reviews have been undertaken of regional development board structures in the past. I would be negligent if I did not confirm with you today that there is an allocation in the forward estimates for continuing financial support for the boards.

The Hon. K.A. MAYWALD: There is, indeed.

Mr GRIFFITHS: I have a question in relation to aquaculture opportunities—and, I am sorry, I do not have a reference for this issue. The area I represent is quite envious

of the tremendous amount of aquaculture-based revenue that occurs on Eyre Peninsula and other places. While some boards have had a focus on aquaculture officers in the past, the difficulty is that the resources required to fund those positions make it very difficult to ensure that the early stage aquaculture developers receive all the support they can. Given the difficulty that land-based farming operations are having these days because of the drought, is there any opportunity to put some emphasis on aquaculture opportunities?

The Hon. K.A. MAYWALD: Aquaculture is an area of key interest for the government. We believe there are enormous opportunities in South Australia for aquaculture. Under the Regional Development Infrastructure Fund three aquaculture ventures have applied for funding and been successful in 2005-06. The Kangaroo Island abalone project has upgraded the ETSA Utilities main feeder from Kingscote to Smith Bay, Kangaroo Island; and that was an infrastructure grant of \$75 000, which is 50 per cent of the costs of the upgrade. Coorong Cockles is a company that received an RDIF grant of \$80 000 of dollar-for-dollar funding for necessary capital equipment and eligible infrastructure to meet its export standards.

Kinkawooka Mussels is a company that has been operating since 1976, producing mussels, Western King Prawns and calamari squid. The project will upgrade power supply to a mussel processing and new value adding facility at Kinkawooka Mussels. A new range of value-added mussel products will meet domestic and export market opportunities as a consequence. A grant of \$23 496 has been offered, but it is yet to be finalised. Kinkawooka Mussels is on Eyre Peninsula, as well.

In relation to the regional development boards' capacity to provide what services they can to the community you are talking about—which is Yorke Peninsula and beyond—

Mr GRIFFITHS: All of them really.

The Hon. K.A. MAYWALD: —I agree with your position. We need to look at strategic areas of support for specific industries in specific areas. In that regard we have been encouraging regional development boards to work together across regional development boundaries to ensure that they can maximise their opportunity to provide those services to communities. As the honourable member would be aware, some of the regional development boards' resource agreements come up for renewal on 1 July 2007; the rest of them on 1 July 2008. They run out on 30 June. During that discussion on how we look to provide the substantial funding that we do provide to regional development boards into the future, we will be talking to regional development boards about better ways in which we can have a more strategic approach to those kinds of areas where you have a key interest that may have something in common with other boards and how you might work together to best deliver those services to your region. I agree with you that there are enormous opportunities right across the board for aquaculture. It would be useful to have more collaboration across the regional development boards to ensure that each and every area can benefit from the investment in aquaculture advice.

Mr GRIFFITHS: I believe the only local government authority that is not a member of a regional development board is in my electorate. I am aware of some of its history, and I do not wish to comment about the council's decision. Is dialogue occurring from your level to try to encourage a collaborative approach between council and the development board and to ensure that there is knowledge of what both

groups are doing to encourage the greatest potential for development to occur in that area?

The Hon. K.A. MAYWALD: Historically, we have had dialogue but not in recent times. I would expect that through the review process the department would be engaging with local government. I am engaging with the Local Government Association to assist in that review, as partners in the funding of regional development boards. I am certain that question will be discussed at that level.

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

Additional Departmental Advisers:

Ms K. La Black, Executive Director, Population and Migration.

Ms S. Yang, Director, Immigration SA.

The CHAIR: I advise that the proposed payments for the Department for Trade and Economic Finance remain open. I refer members to the Portfolio Statement, Volume 1, Part 2. I call on the minister to make a statement if she wishes. I will afford the same opportunity to the lead spokesperson for the opposition.

The Hon. K.A. MAYWALD: I will begin with a brief statement. The state population policy is intended to build a stronger and more sustainable South Australia. There is no doubt that the state's population program is paying significant dividends. In the year to March 2006, South Australia's population growth was the highest 12-month period of growth since 1992, increasing by 0.8 per cent, or 11 927 persons, to a total of 1 552 324 people. In that same period, South Australia's net overseas migration had the highest 12-month total on record and was an increase of 31 per cent over the previous year to the state's population. That is 8 832 persons.

There has also been a significant downward reduction in the net outflow of population interstate, down 29 per cent. South Australia's share of Australia's settler arrivals reached 6.9 per cent in 2005-06. This means the state is firmly on track to achieve the overseas migration target contained in South Australia's Strategic Plan. The population policy targets for skilled independent migrants and business migrants were exceeded in 2005-06, and the target for humanitarian migrants is close to being met. If these trends continue, South Australia is on track to achieving our population target of 2 million by the year 2050.

This government has supported a number of activities to achieve its population targets, including Adelaide: Make the Move, which is the state government's major program to influence interstate migration. The program has been running for 102 weeks and has received 10 402 inquiries. In May and July 2006, South Australia participated with 22 employers in the national careers and employment expos in Melbourne and Sydney to promote opportunities in South Australia. South Australian university alumni have been targeted as a key group interstate and overseas to keep them informed and connected with jobs and economic achievements in South Australia. Events have been held in Melbourne, Sydney and London. Business SA is establishing a welcome service for business migrants to South Australia to link new business migrants with local business and investment opportunities.

The government has been actively promoting skilled and business migration opportunities in markets such as the UK, India and China. The state has also participated in immigration expos in London, Manchester and Dublin, with three living, working and studying migration education seminars

to be held in India, Chennai, Bangalore and Mumbai, and several migration, education and trade events in China—in Guangzhou, Shanghai and Beijing—in late October and early November this year.

The state government has been innovative in attracting interest in South Australian employment opportunities and economic success by making use of opportunities such as the Port Adelaide Football Club's promoting business opportunities and lifestyle in South Australia during its exhibition game with Geelong in the UK during the past weekend, 21 October. I now welcome questions from members.

Mr GRIFFITHS: I commend the government on the fact that it has set in its strategic plan the target to increase population by 2050 to 2 million. The obvious question, and I know it is for another minister, is that the infrastructure needs to support that 30 per cent increase in population. It will be very interesting to see that occur.

The details the opposition has been provided with very recently regarding population indicates a somewhat different picture, and I will take a few moments to read out some information. South Australian population growth is 0.71 per cent over the last year, which is the lowest level of population growth of all the states and territories, the Australian average being 1.3 per cent growth. South Australia has the lowest fertility rate of all states, with a natural increase rate of just 0.39 per cent compared to 0.66 per cent nationally. South Australia had the second biggest net loss of people moving between the states. 3 483 more people left the state than came in. This is an increase in the net interstate loss of 3 197 people in the 2003-04 year, and forward projections by the ABS show that South Australia's population will barely grow by 200 000 people by 2050. The ABS warns that there could be 9 000 fewer South Australians in 2050.

I will refer to some documentation from the ABS which shows that, with a current population of 1 545 000, at the best case scenario, assuming high levels of facility, a long life expectancy, overseas migration and interstate migration flows, the projection is that by 2051 our population will be 1 736 000. However, going down to another scale where it talks about, admittedly, the worst case scenario with low levels of facility, overseas migration and interstate migration flows and a medium level of life expectancy, the population could go from the current level of 1 546 000 down to 1 537 000. So it paints a somewhat different picture, and it is very challenging for the government to try to meet its expectations.

With those brief comments, I ask the minister a question relating to Budget Paper 4, Volume 1, page 2.25. What is the government doing to address the chronic increase that we have seen in the net exodus of South Australians out of the state to other states?

The Hon. K.A. MAYWALD: I thank the member for his question and also point out that some of the statistics that he referred to in his opening statement are a little bit out of date. There are some new ones coming in. And, yes, the government agrees we have a big task on our hands, and that is why we are introducing significant policy initiatives to continue the reversal of the trend that we have been able to establish in the last 12 months. We are now seeing the trend going in the right direction, and we believe that is a direct consequence of the policy initiatives we have introduced and will continue to support.

The question relates specifically to interstate migration. The interstate migration attraction program Adelaide: Make the Move contributes to South Australia's strategic plan, and

our target under the strategic plan is to reduce the net loss interstate to zero by 2008, with a positive inflow from 2009. In the year to March 2006, South Australia's net interstate migration outflow was 2 729, which is a 30 per cent improvement over the year to March 2005. That is a significant reversal. Net figures should be considered within the context of large cross border flows. In the same period 23 371 people came to South Australia and 26 100 departed.

The Make the Move program was launched in October 2004, with the primary objective of building positive awareness and perceptions of South Australia's job opportunities, housing affordability, education system, lifestyle and recreational advantages. The program targets 30 to 45-year-old family oriented professionals in Sydney and Melbourne. The program included an advertising campaign that ran in the metropolitan press and magazines in Melbourne, Sydney and New Zealand until June 2006. Television and radio commercials to the value of \$1 million ran free to air in regional Victoria, New South Wales and Tasmania. This attraction program includes promoting job opportunities interstate and improving job matching in order to fill skill shortages. It focuses on creating stronger links with employers, recruitment firms and industry groups in promoting interstate migration and matching migrants with job opportunities.

In refining the Make the Move program, jobs and opportunities in South Australia were promoted under the Adelaide Make the Move banner at the national careers and employment expos held in Sydney on 28 and 29 July. A purpose built stand reflected state branding and messages about new developments within the state and the job opportunities resulting from them. Twenty-two employers from government and industry partnered under the Make the Move banner on the stand to promote their jobs interstate. A total of 144 current jobs and vacancies in different sectors were available to be filled.

We also ran a series of illumini events to target interstate illumini as a key group to be informed of opportunities and developments within South Australia, with the primary objective of persuading them to relocate back to South Australia. They were held on the evening preceding each of the expos to build synergies and enable South Australian employers to target skilled interstate South Australian expatriates.

In 2006 the events were hosted by the Premier and Deputy Premier in Melbourne and Sydney respectively. In 2005-06 the Make the Move program had been running for 100 weeks and had received 10 298 inquiries. Since March 2005, 56 per cent of the respondents who volunteered personal details were within the target group and 49 per cent had a partner and children. Since employment status data was collected, starting in January 2006, 69 per cent of 2 535 inquiries were in full-time positions, 91 per cent indicated that they would like to move to South Australia within the year, and 14 per cent indicated that they would like to do so within three months. A recruitment firm was appointed by tender to assist people wanting to move to South Australia to find jobs in order to convert as many of the potential interstate and overseas migrants as possible.

Since this service began in July 2005, 65 per cent of inquiries consented to their details being sent for job placements. Since August 2005 the agency has responded to 4 288 inquiries, resulting in 3 690 resumes being received—86 per cent of the initial inquiries. Of these, 624 people have been interviewed for jobs and 1 288 referred to other recruitment firms. Some candidates are currently in the interview

consultation stage and 202 candidates have been placed for employment. That is probably around 500 people if you count their families.

The number of inquiries from people interested in their moving being tracked by the Make the Move program increased by 61 per cent following the Melbourne event and by 48 per cent following the Sydney event. There were 589 expressions of interest in moving with work to South Australia. Of these, 125 were high potential candidates for placement by the employers on the stand. The event reached 30 000 people in Melbourne and Sydney respectively. South Australia was the only state with a consolidated branded presence at both events.

The illumini events were attended by 281 people in Melbourne and 296 people in Sydney. Universities, employers and invitees expressed a high degree of satisfaction with the event and the forum that it provided to promote South Australia. Total expenditure for the year to date migration attraction program was \$1.763 million for 2005-06, including \$81 000 for the interstate illumini program, and \$290 000 for the national careers and employment expos. This expenditure also covered media spend, core marketing, brochures and materials, web site development and case studies for promotional purposes. It also supported the expo and illumini functions in following up inquiries arising from these events.

Mr GRIFFITHS: I seek clarification of one component. The minister talked about new policy initiatives. Was that new policy initiatives or the programs she spoke about? Will new efforts be made rather than just a continuation of the current initiatives?

The Hon. K.A. MAYWALD: In 2006-07 it is our intention to refine the Make the Move program to ensure we target specific skills areas to match up with our future growth opportunities.

Mr GRIFFITHS: Given that South Australia has an increasing net loss of population to other states up from 3 197 to 3 483 in the past year, has the government abandoned South Australia's strategic plan target, which requires a reduction in net population loss to interstate to zero by 2008?

The Hon. K.A. MAYWALD: No, we certainly have not abandoned any of our targets in South Australia's strategic plan. The idea is to set the bar high and keep working towards them. There is an old saying, 'Lies, damn lies and statistics': we look at it from a very different perspective. There has been a significant reduction in the new outflow of the population interstate—it is down 29 per cent. That is a huge trend in the right direction and we are still working on it. We have not abandoned our target at all.

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 1, page 2.26. Given the poor performance in reducing the level of interstate migration, does the minister concede that the \$4 million Make the Move campaign failed to attract young skilled people to South Australia?

The Hon. K.A. MAYWALD: I refer to my previous answer. We do not believe it is a poor result. We have a 29 per cent reduction in the net outflow, so we are trending in the right direction. The program is working. The statistics that I read out in my previous answer demonstrate that we are getting an enormous response to our Adelaide: Make the Move program, and it is certainly money well invested. The refining of the project this financial year will only improve and build on what we have learnt already and our success with the program in 2005-06.

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 1, page 2.26. I am not sure whether the minister detailed this in

a previous answer, but how many families have decided to make the move as a result of that program?

The Hon. K.A. MAYWALD: From the statistics we have been able to track—and we cannot track them all because we rely on people who are prepared to provide us with their personal data—we know that 202 people (or thereabouts) have actually been placed in positions, which is about 500 people (when you include their families) moving into South Australia. Many other contacts are made that result in people being employed in South Australia, but we are unable to track them all. In fact, 91 per cent of respondents since March 2005 have indicated that they would like to move to South Australia within the year and 14 per cent have indicated that they would move within three months.

Mr PISONI: Considering that the South Australian Health Commission is one of the largest users of 457 visas in Australia, what efforts has your department made in trying to convert those temporary residents on work visas to stay in South Australia?

The Hon. K.A. MAYWALD: The Department of Trade and Economic Development is not targeting 457 visa holders in the health commission specifically to convert to more permanent residency. The employment arrangements are through the health commission. We are running programs targeting students in trying to encourage them to apply for more permanent employment (those who are here on student visas). The Department of Health is doing all it can to ensure that we have an adequate health work force. I will refer the question to the Minister for Health.

Mr PISONI: So, that is not a population question?

The Hon. K.A. MAYWALD: The Department of Health manages its recruitment; it is not something that is managed by the Department of Trade and Economic Development. We run the information sessions for the Department of Health to assist it in its recruitment of migrants to fill job vacancies. As to the specific details of the programs that the health department may be undertaking, I will have to take that question on notice.

Mr PISONI: Minister, are you saying that any 457 visa program that is covered by any other ministry is not part of your portfolio? You do not target people, who are already here, to stay here. Is that what you are saying?

The Hon. K.A. MAYWALD: No, I did not say that at all; in fact, I said nothing like that.

Mr PISONI: I am sorry. That was my understanding of your answer.

The Hon. K.A. MAYWALD: You asked a question about the health commission and the 457 visas, and I responded on the basis that the health commission has the responsibility for employing those people. The Department of Trade and Economic Development runs workshops with other agencies, which are all the agencies involved in any way in supporting industry with 457 visa holders. The health commission itself is responsible for its own employment strategies. However, the Department of Trade and Economic Development provides advice through Immigration SA and Karen's department (the population and migration program) on opportunities for businesses to participate in the 457 visa program.

Mr GRIFFITHS: Continuing the theme of the Make the Move campaign, minister, can you confirm how much is budgeted in the 2006-07 year to continue this campaign? If so, at what line in the budget does it appear, because we have had difficulty in finding it?

The Hon. K.A. MAYWALD: As I mentioned in a previous answer, we are currently reviewing the performance of the Adelaide: Make the Move program from the 2005-06 year and refining the budget in relation to how we move forward. We will not be doing such a broad brush stroke as we did. We have learnt that it has provided us with a general awareness and we now believe that it is important that we hone that to specific skills in areas, so we will not be doing the broad brush stroke advertising. From within the budget lines of DTED, the Adelaide: Make the Move program will be redeveloped to ensure that we can deliver on specific outcomes. In terms of our marketing, we have a budget of \$804 000 for marketing within that program, which is part of the program, and it comes under the budget line of supplies and services.

Mrs PENFOLD: I refer to Budget Paper 4, Volume 1, page 2.25, Program 9: Population and Migration, under grants and subsidies. It appears to show a reduction in estimated expenditure from last year of \$317 000, which was down from the budget expenditure last year by \$115 000. On 10 March, just before the election, it was reported in *The Advertiser* that the Treasurer had stated that, to encourage more business migrants, there would be a \$500 000 grant over two years for a pilot program to develop a welcome service for immigration. Can the minister advise if this program is to go ahead? If so, what other existing programs have been cut to enable that budget cut?

The Hon. K.A. MAYWALD: The member is quite right; there was an election commitment that the state government would provide a total of \$500 000 for a program, as detailed. That \$500 000 is a grant that will be provided to Business SA. The contractual arrangements have been concluded between DTED and Business SA. The \$500 000 will be provided over 2006-07 and 2007-08 for a pilot program to establish a business-led welcome service for business migrants to South Australia.

The Department of Trade and Economic Development has been working with Business SA on the particulars of the program and, as I said, that was signed off in the past week. The state government desires to improve the investment and commercial outcomes of business migrants attracted to South Australia through better connecting business migrants with local business and investment opportunities. The Business SA pilot program primarily aims at assisting new business migrants arriving in SA on provisional business visa subclasses 160 to 165, and residence visas 132 and 890 to 893.

The program will also provide services and training to employers so that they may better attract and retain skilled recruits, and their families, from overseas. DTED will manage the grant program on behalf of the state government. The agreement has been signed between Business SA and DTED. A total of 179 business migrant families, representing 604 persons, arrived in SA in 2005-06. We are getting 14.6 per cent of total business migrants to Australia nationally—which is an absolutely fantastic result, I might add. For the 2006-07 targets, DTED and Business SA will run the pilot project, and we believe that will further enhance and grow our share of the total business migrants to Australia. Does that answer your question?

Mrs PENFOLD: I was just concerned about what was cut to provide for that new budget item.

The Hon. K.A. MAYWALD: There was no full-time equivalent reduction and no allocation of operating inefficiency dividend saving to the population and migration programs. However, the Parents Return to Work program was approved

to run for four years from 2004-05 to 2007-08. Surface funds transfer from DPC with Immigration SA—\$0.960 million in 2008-09 and 2009-10—will be transferred to consolidated account with DTED's forward estimates being adjusted accordingly.

Mr GRIFFITHS: You mentioned the Parents Return to Work program and I want to clarify whether that is still in the budget for the full four years.

The Hon. K.A. MAYWALD: Yes.

Mr GRIFFITHS: For the period it is funded.

The Hon. K.A. MAYWALD: Yes.

Mr GRIFFITHS: Fantastic; thank you. Another key target is to sustain fertility at around the Australian average or better. This is a difficult one for me to read. It says to 'at least match the Australian fertility levels'. Given that South Australia's natural birth rate is still declining and, at 1.79 per cent per woman, the natural increase rate for South Australia is 0.39 per cent (the lowest of all states), what is the government doing to encourage families to have more children?

The Hon. K.A. MAYWALD: I have to admit that I have not done my bit for the population growth of the state, having only one child myself, but I know that there are a number of members within this parliament who are doing their bit to help support us in our fertility targets. It is a difficult one, but what the government's migration—

Mr GRIFFITHS: So one for mum, one for dad, and one for the country.

The Hon. K.A. MAYWALD: And one for the country.

Mr GRIFFITHS: As per the Treasurer's comment. That is what we need.

The Hon. K.A. MAYWALD: That was our federal Treasurer, Peter Costello's comment—so one for the country. What we are actually doing is promoting South Australia very much. You have a little while to go, Mr Chair, before you need to actually contribute. The way in which the South Australian government is approaching this, through the Department of Trade and Economic Development's population and migrant unit, is to promote South Australia as a family-friendly state through our Adelaide Make the Move program.

You may recall, from a previous answer, that we are targeting specific age groups in our endeavour to bring them to South Australia, with the hope that they will bring with them their families and children and continue to produce when they get here. That is a significant program and we believe South Australia has a real advantage because, as a state, we are very much a family friendly state and it is a great place to bring up children. That is an advantage we are endeavouring to promote over our interstate counterparts.

Mr PISONI: This question relates to Budget Paper 4, Volume 1, page 2.2. Given the State Labor Convention's resolution to reject skilled migration as a solution to Australia's skill shortage—

The CHAIR: Order! The minister is not responsible for what happens at the ALP State Convention. Can you please rephrase your question to correspond to a specific budget line.

Mr PISONI: Perhaps I could seek clarification, Mr Chairman. I believe that the minister is a member of a Labor government, and Labor governments are bound by the motions that are passed on the convention floor. I think it is a relevant question. The question goes on about a resolution to reject skilled migration as a solution—

The CHAIR: I made a ruling and I am asking you to discard the part about the ALP convention and refer it to a

budget line. I am not trying to rule your question out of order; I am just—

Mr PISONI: Certainly, sir. How does the minister propose to continue to promote the entry of skilled and temporary migrants into South Australia? While we are waiting, perhaps I could read out the motion, Mr Chair.

The CHAIR: The member for Chaffey is an Independent member of parliament, a member of the National Party, and is not bound by any resolution of any ALP conference, state or national.

Mr PISONI: I understand that, sir, but she has a problem to deal with.

The Hon. K.A. MAYWALD: Thank you for your protection, Mr Chair. I bring to the member's attention that, if he wishes to review the agreement by which I operate in my capacity as a minister, it is available on my web site. Indeed, there is nothing in the agreement that binds me to the ALP convention or policy from its conventions.

Mr PISONI: What about cabinet decisions? Are you bound by cabinet decisions?

The Hon. K.A. MAYWALD: I think that you should read the agreement. It is not a matter for which I have responsibility under the budget line. If you read my agreement, it clearly identifies my association with the Labor government and how my agreement operates.

To return to the point about skilled migration and where South Australia is going, 9 099 settlers arrived in South Australia in 2005-06, more than 50 per cent of which were migrants in the skilled categories. This represents an 87 per cent increase on the 2004-05 figure in the skilled category, excluding business skills. The largest proportion of this increase occurred within the skilled independent regional visa category, which increased 462 per cent, to 1 490 people. This increase was due to rapid uptake of the visa since its implementation in 2004-05. There were 265 settler arrivals in this visa class in its first year.

The general independent skilled category also recorded a significant increase of 55 per cent. The skilled categories of designated area sponsored, employer nominated and skilled Aust linked/skilled Aust sponsored also showed increases. The business skills category also increased, and changes in the skilled categories are summarised as follows. There were 65 in the skilled Aust linked/skilled Aust sponsored program in 2004-05, and in 2005-06 there were 85, which is a 30.77 per cent change. Designated area sponsored settlers—

Mr PISONI: I have a point of order, Mr Chair. My question related to 'continue to promote' the entry of skilled migrants. I did not ask for a history.

The CHAIR: I think that the minister is getting to that.

The Hon. K.A. MAYWALD: We need to set some trend lines to demonstrate to you that there is a strong commitment to increase our skilled immigration. I will continue. The designated area sponsored settler category has had a 34.76 per cent increase; employer nomination scheme, a 38.86 per cent increase; distinguished talent, a 100 per cent change; independent, a 55.44 per cent increase; and the skilled

independent regional, as I mentioned before, a 462.26 per cent increase. In 2006-07, we have committed \$4.5 million to improve the targeting of skilled migration with specific industry requirements in defence, mining and construction, which is as reported in the Treasurer's press release of 21 September 2006, entitled 'Better Skills, Better Future'.

Mrs PENFOLD: I do not think this question has been asked, and it refers to Budget Paper 4, Volume 1, page 2.25. Why have supplies and services to this agency been cut by \$656 000?

The Hon. K.A. MAYWALD: That question has been answered.

Mrs PENFOLD: I apologise; I must have been out of the chamber.

Mr PISONI: I am happy for this question to be taken on notice. As to all the percentages you cited, can we have the number of people involved in each of those categories? Could we have that information before 17 November?

The Hon. K.A. MAYWALD: I am happy to table the exact figures now. In the skilled Aust linked/skilled Aust sponsored program, there were 65 people in 2004-05, and in 2005-06 there were 85. In the designated area sponsored category, there were 397 in 2004-05, and in 2005-06 there were 535. In the employer nomination scheme, there were 350 in 2004-05 and 486 in 2005-06. In the distinguished talent category, there was one in 2004-05 and none in 2005-06. In the independent category, there were 1 793 in 2004-05, and in 2005-06 there were 2 787. In the skilled independent regional category, there were 265 in 2004-05 and 1 490 in 2005-06. In the skilled category (excluding business skills), that is a total of 2 871 in 2004-05 and 5 383 in 2005-06. This is an 87 per cent increase, which is a good result.

Mr PISONI: Are you able to give any indication of the age groups of those people?

The Hon. K.A. MAYWALD: I will take that question on notice.

Mr PISONI: In addition, what family attachments did those people bring with them to the state?

The Hon. K.A. MAYWALD: Certainly, we will see whether we can provide that information. It will depend on how much information has been provided to us by the individuals and by DIMIA.

The CHAIR: I remind the minister that there was an agreement between the minister and the opposition that questions on notice and omnibus question apply to all three portfolio areas. There being no further questions, I adjourn for further consideration the proposed payments to Tuesday 24 October to Committee A for the examination of the Minister for Industry and Trade and declare the examination of the Minister Assisting the Minister for Industry and Trade completed.

ADJOURNMENT

At 6.45 p.m. the committee adjourned until Tuesday 24 October at 11 a.m.