

HOUSE OF ASSEMBLY

Tuesday 24 October 2006

ESTIMATES COMMITTEE B**Chair:**

Mr T. Koutsantonis

Members:

Mr S.P. Griffiths
 The Hon. R.G. Kerin
 The Hon. S.W. Key
 Mr T. Piccolo
 Ms L.A. Simmons
 Mr M.R. Williams

The committee met at 11 a.m.

Department for Administrative and Information Services,
 \$156 517 000
 Administered Items for the Department for Administrative
 and Information Services, \$6 789 000

Witness:

The Hon J.D. Hill, Acting Minister for Administrative Services and Government Enterprises, Acting Minister for Industrial Relations, Acting Minister for Recreation, Sport and Racing.

Departmental Advisers:

Mr D. Harvey, Director, Office for Racing.
 Mr R. Ruse, Chief Financial Officer, Department for Administrative and Information Services.
 Mr G. Baynes, Chief of Staff.

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 2, page 8. When I have completed my statement, I will call on the minister to make an opening statement, if he wishes. I will afford the lead speaker for the opposition the opportunity to make an opening statement, if the member wishes. All questions taken on notice, given that the minister is representing the minister here today, must be tabled with the secretary of the committee no later than Friday 17 November.

A member who is not a member 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. We allow for unanswered questions to be tabled and appear on the *Notice Paper*. There is no formal facility for the tabling of documents, other than as is allowed in the house. All questions are to be directed to the minister, not the minister's advisers. The minister may then refer questions to his advisers for a response. I will allow the media to film from the northern gallery for a short period.

The Hon. J.D. HILL: First, I pass on the apologies of the minister responsible for these lines. As members would know, the Hon. Michael Wright is recovering from a viral infection which affected him a couple of weeks ago. He is unwell and, while he is recovering, he is unable to be here

today. I am sure that he would want me to pass on his apologies to the committee. In relation to the program for today, I thank the opposition for agreeing to a late-minute change at my request to allow me to leave the parliament at 5.15 in order to catch a flight to Sydney for a ministerial council. I thank you for that.

The Office for Racing is part of the Department of the Premier and Cabinet. It acts as the administrative vehicle through which the government works to initiate and develop strategies designed to assist key stakeholders in the racing industry to operate successfully within an environment that promotes public confidence. The government has an ongoing commitment to the role of the Office for Racing. The office works closely with key industry stakeholders, including each of the three controlling authorities: the SA TAB, the South Australian Bookmakers League and the Breeders, Owners and Trainers Association. The office also liaises closely with the Gambling Policy Unit within the Department of Treasury and Finance, the Independent Gambling Authority and the Office of the Liquor and Gambling Commissioner.

This financial year, Thoroughbred Racing SA received approval for funding assistance totalling \$513 000 towards the promotion and marketing of the 2007 Magic Millions and Adelaide Cup carnivals. Included in this amount is funding approval for a number of targeted regional racing carnivals, including those conducted by the Oakbank, Port Lincoln and Kangaroo Island racing clubs during autumn. Harness Racing SA and the SA Harness Club have been allocated a total of \$250 000 to assist with the promotion and marketing of the 2007 Interdominion Pacing and Trotting Championships to be conducted at Globe Derby Park next January. The Interdominion championships rank as one of the premier harness racing events in the world and are certainly the pinnacle of the sport of harness racing in the southern hemisphere.

The Harness Racing Board and the club have an enviable record of hosting these prestigious events. Each of the three codes of racing have also been successful in accessing grants under funding program guidelines administered by the Office of Recreation and Sport. The minister for recreation and sport has established regular meetings with the industry's representative corporate structure and Racing SA, which comprises collectively the chairs and chief executives of the three codes. The minister has also met regularly with the chairs and chief executives of the three codes separately, including the representatives of the code's key stakeholder groups.

As was reported last year, a number of local, national and international pressures continue to challenge the racing industry. These influences—largely relating to the impact of advances in internet wagering systems and technologies—are not isolated to South Australia and, in fact, are common to most of the advanced racing jurisdictions around the world. The Office for Racing, in consultation with the gambling policy unit and the Crown Solicitor's Office, is taking a lead role in developing draft legislation in relation to both the operation of betting exchanges in this state and the unauthorised publication of South Australian race fields.

The 31st Asian Racing Conference, to be held in Dubai in January next year, is expected to attract in excess of 1 000 registrations around the world. It has as its theme 'Racing Without Borders', which is highly significant as an illustration of the impact of the influence of wagering developments upon revenue streams available to the racing industry. In relation to this conference theme, the office continues to monitor wagering issues around the globe and, in particular,

legislation recently passed in the USA which will see regulations introduced in mid-2007 that will target US based banks, credit card companies and other internet payment systems, prohibiting them from processing payments for online gambling sites.

The legislation demonstrates the concern the racing industry worldwide has in relation to unauthorised internet wagering providers targeting their citizens. This matter has been raised with the federal government by the Australasian racing ministers with a view to introducing similar legislation. At this point in time the federal government does not propose to introduce such legislation. There is a need to remain vigilant to these influences and to work with the key stakeholders of the racing industry in South Australia in developing solutions to ensure the industry's continued viability.

Earlier this year, the long-running dispute between Sky Channel and ThoroughVision, involving broadcasting rights over interstate thoroughbred racing events, was resolved. This dispute, which saw television coverage of Australian thoroughbred racing events split between the two carriers, caused a great deal of frustration to punters, resulting in decreased TAB turnover in most, if not all, states and territories. Revenues to each of the racing codes was adversely affected by this dispute, which persisted for over 12 months. I am pleased to report that, following resolution of this dispute, TAB turnover is now showing very positive signs of growth. The government remains committed to the role of the Office for Racing, and to the maintenance of ongoing constructive relationships with key stakeholders within the racing industry.

The ACTING CHAIR (Hon. S.W. Key): Does the shadow minister want to make an opening statement?

The Hon. R.G. KERIN: My first question has an explanation which probably sums up some of the issues for the racing industry, so I will defer from that and wish the minister well, and hope he is back on his feet soon. I realise this is going to be a difficult task for the acting minister today to step into the fray.

The Hon. J.D. HILL: My passion for racing knows no bounds.

The Hon. R.G. KERIN: I am sure that, given that difficulty, he will still steer us all towards a Melbourne Cup winner for the week after next. Minister, will the government revisit its current attitude to insisting on clawback from the racing industry, given the disappointing turnover figures and the current financial state of the industry? The government's demands for the racing industry to pay clawback has been felt throughout the industry. Many in the industry feel that they are suffering because of some friction left over from the TAB sale. A letter from one of the country clubs summarises the feelings within the industry, as follows:

Our club, like all of the twenty four country and provincial clubs active in SA, is run by a committee of volunteers who are finding it impossible to manage the business of horseracing under the current funding arrangements. Increasing fixed costs and inadequate income will result in most clubs showing substantial losses for the 2005-2006 season. The Thoroughbred Racing South Australia reported loss of \$2.4 million does not reflect these further losses across the State. The claw back tax is crippling racing and making it impossible for TRSA to support these clubs as it would like. This was an unjust impost on the industry and was done without providing any safeguards against failure to achieve projected returns or against the impact of a massive increase in poker machine wagering.

An increase in gaming turnover from around \$1.5 billion to more than \$7 billion per annum since 2001 has had a huge impact on racing revenue and the industry should have been better insulated

against this foreseeable eventuality. In Victoria more than \$60 million per annum is injected into racing from poker machine revenue. How can we possibly compete? A significant factor in the booming Western Australian racing industry is the limited presence of poker machines. Recent budget documents show your government will gain revenue of over \$307 million from poker machines in this financial year but you continue to show no regard for the impact this windfall is having on racing revenue.

Surely your government is aware of the large number of employed participants in racing. A well documented scoping study has shown that there are more than 25 000 participants in the racing industry (including harness and greyhounds) equating to over 3 000 full time equivalent jobs. Yet the South Australian industry would appear to be unique in Australia as the only one not recognised by government as a key contributor to the state economy and a major employer. What is even worse is that the biggest handicap the industry has is an unjust claw back tax from that same government.

The vast majority of employed participants in this industry are battlers and ordinary workers, the rank and file of racing. Their jobs are increasingly at risk and the disinterest of the Minister for Racing toward their situation is scandalous. What possible agenda can a government have that would cause it to turn a blind eye to such an obvious problem? Our Club has been forced to cut casual race day staff recently and other clubs are also facing similar decisions. One high profile stable has closed its South Australian operation (Hawkes) and others must surely follow.

Will the minister advise whether the government will revisit the issue of clawback from the racing industry?

The Hon. J.D. HILL: While I know very little about racing, I do recognise spin when I hear it, and the letter the member read contains a fair amount. There are two points I want particularly to comment on, one being the reference to the clawback as a tax. As the member would know, because I think it was his government that reached the agreement, although I could be wrong on that, this is not a tax but is, in fact, a debt that is being repaid by the industry to the government following the TAB transfer. So, that was an agreement voluntarily entered into, and to call it ex post facto a tax is just playing with the truth, to be perfectly frank.

The second point is that the claim that the minister and the government are uninterested in racing unequally untrue. The fact that we have an Office for Racing and a minister for racing indicates a very strong commitment to the racing industry. I would also say, in setting the record straight, that, in terms of government taxes, I am advised that the South Australian government taxes the racing industry at a lower rate than applies in any of the other mainland states or territories. We can have a discussion about it, but it is important to understand the facts.

I am advised that the clawback was introduced as a means by which the former government proposed to progressively recover some of the up-front benefits provided to the South Australian racing industry following its agreement to the sale of the South Australian TAB. The codes received an amount of \$42 million per annum, indexed for the first three years, in lieu of 39 per cent of South Australian TAB net wagering revenue, which would have provided approximately \$38 million to \$39 million per annum during this period. The codes agreed to repay the clawback amount of \$34 million over 12 years, commencing the financial year 2004-05. It was believed that, four years after the sale, SA TAB profits would be sufficient to maintain healthy revenue flows. The individual codes' contribution to the annual amount of the clawback is based on relative market shares of South Australian TAB turnover.

In August 2004, the codes proposed to make a one-off payment to the government, which involved a substantial discount of the net present value of the clawback debt of \$34 million. The codes originally offered to pay \$7.5 million

and further sought to have the government give this back to the industry to assist with capital infrastructure requirements. This offer amounted to a request to write off a \$34 million debt. This proposal was rejected.

At an industry meeting in April 2005, the codes were advised that the government was prepared to accept a submission from them with respect to negotiating a one-off offer of a lump sum amount to extinguish the clawback debt. The codes' offer would need to be reasonable and represent a win-win outcome for the racing industry and government. The codes undertook to investigate their financial capacity to make a reasonable offer for the clawback debt. In December 2005, I am advised that an offer of a one-off payment of \$12.5 million to extinguish the clawback debt was proposed by the codes. While this offer was rejected, an option was discussed as to whether there may be some justification for the use of a higher discount rate that would result in a slightly lower valuation of the debt in net present values. Following further discussions, it was proposed that an offer of \$20 million by the codes would be required to extinguish the clawback debt.

On 29 May 2006, Racing SA responded to this proposal of \$20 million to extinguish the clawback debt. Racing SA offered a lump sum settlement figure of \$13.5 million and, if the government was so minded, Racing SA could restructure the offer to be paid in two equal instalments over the next two financial years. Alternatively, Racing SA requested that the government give consideration to providing the racing industry with some short-term relief in the form of deferring clawback repayments for three years. The government rejected both requests from the codes.

Despite some claims that have been made, the racing industry did not make an offer to pay interest only on a suggested deferral of the clawback debt. Such a proposition would not have been supported. The government will not be providing relief to the racing industry with respect to clawback. The government has considered numerous offers from Racing SA for relief to repay the clawback debt. However, its propositions did not represent a win-win outcome for both the racing industry and for government.

The Hon. R.G. KERIN: Minister, besides the money to run the Office for Racing, what direct financial assistance was given to racing in the 2005-06 financial year and will be given in the 2006-07 financial year?

The Hon. J.D. HILL: Can you repeat the second part of your question?

The Hon. R.G. KERIN: What assistance was given in 2005-06 and what is the proposed assistance in 2006-07?

The Hon. J.D. HILL: I think in my opening remarks I indicated some of the benefits that were paid to the industry in 2005-06 and also 2006-07. For example, I said that this financial year Thoroughbred Racing SA has received approval for funding assistance totalling \$513 000 for the Magic Millions, and I also mentioned other things. I have some information here but, if we do not give you sufficient information here, we will get further information for you.

Specific examples of the nature of direct assistance provided by government, which has been gratefully acknowledged, include: abolition of on-course totalisator turnover tax from 1 July 2005, which is worth about \$600 000 per annum; the 2005 Adelaide Cup and Magic Millions events promotion of \$205 000; the 2006 and 2007 Adelaide Cup and Magic Millions events, \$513 000 each year; the 2007 Interdominion Championships' marketing assistance, \$250 000; and the economic assessment report, \$45 000. There is also \$175 000

from the Be Active program from Recreation and Sport, which is also channelled.

The Hon. R.G. KERIN: Will the minister reconsider support for the Oakbank Racing Club and acknowledge the importance of the Easter Carnival to the South Australian community? The state government no longer financially supports the Oakbank Easter Carnival and does not even include it on the government's list of major sporting and tourism events. The Oakbank club has raised a number of issues with the government, but to date it has received no meaningful response.

The Hon. J.D. HILL: I am advised that minister Foley has suggested to the industry that Oakbank make representations to him. I understand they have done that, and he will consider their request.

Mr PICCOLO: I refer to Budget Paper 4, Volume 2, page 8.16. Apart from the financial assistance that the minister has already advised the government has granted, can the minister advise whether the racing industry has sought any other financial assistance from the government during the 2005-06 financial year?

The Hon. J.D. HILL: In December last year the three codes of the racing industry (represented by the umbrella organisation Racing SA) lodged a submission to government seeking financial assistance in excess of \$20 million over the next three years. At that time there were a number of issues impacting on the financial well-being and stability of the racing industry—particularly the SKY Channel and TVN broadcasting dispute. Of course, there are other issues still confronting the racing industry, including the proposed sale of the Cheltenham Park racecourse and the proposed sale and redevelopment of the Murray Bridge racecourse.

In the event that there is a favourable resolution of all, or at least some, of these issues, there will be a flow on of financial benefit to the industry. Since the resolution of the SKY Channel/TVN broadcasting dispute in May this year I am advised that TAB turnover has shown very positive signs of growth, along with the entire racing industry. In addition to the potential capital opportunities identified above, the codes have been advised that additional revenues resulting from product fees (to be negotiated with corporate bookmakers) may soon be available. Government is assisting this process through proposed amendments to the Lottery and Gaming Act that, in part, provide for publication of race-field information to be authorised.

In recognition, therefore, of these issues and of future opportunities, minister Wright advised Racing SA that the government did not support its submission seeking an additional \$20.5 million of taxpayers' money over the next three years. In the response to the codes, Racing SA was advised that, in future, the government is prepared to consider all options to assist the state's racing industry, provided that they are fully researched and proven to be of benefit to both racing and the state's economy. Requests for financial assistance will, of course, be subject to consideration and assessment in terms of their relative merit against other competing bids and current government spending priorities.

Mr PICCOLO: Thank you, minister, for that detailed response.

Ms SIMMONS: I refer to Budget Paper 4, Volume 2, page 8.16. Can the minister advise whether the Independent Gambling Authority has received any applications for a proprietary racing licence?

The Hon. J.D. HILL: The Office for Racing has recently received a number of inquiries from persons who have been

led to believe that a sprint horse racing business is soon to commence at a location on the outskirts of Adelaide. Under the terms of the relevant South Australian legislation—the Racing (Proprietary Business Licensing) Act 2000—any new racing business involving wagering activity requires an approved licensing agreement and a licence approved by the Governor upon the recommendation of the Independent Gambling Authority.

As of today, no person or organisation purporting to represent sprint or quarter horse racing interests has lodged a formal application for a licence (as required under the act) with the Independent Gambling Authority. In fact, no formal licence application has been received from any organisation; however, I am advised that the Office for Racing and the Independent Gambling Authority have met on one occasion with persons representing an organisation known as Super Sprint Horse Racing, and this may be the organisation that the member has in mind. Super Sprint Horse Racing proposes straight-line racing at distances ranging from 200 metres to 1 200 metres.

Following that meeting there have been a number of follow-up telephone conversations between representatives of Super Sprint Horse Racing and the Office for Racing. I am further advised that in August 2006 the Office for Racing, in viewing the Super Sprint Horse Racing web site, found that it contained a number of misleading statements. As a result, the office initiated discussions with the Crown Solicitor's Office concerning the impact of those statements. The Office for Racing subsequently advised representatives of Super Sprint Horse Racing that such misleading statements would be in breach of section 52 of the Trade Practices Act and section 56 of the Fair Trading Act. The words used gave the wrong impression to potential supporters in the proposed enterprise and had the potential to impact upon the process towards a future licence application. Super Sprint Horse Racing was further advised that, should a satisfactory response not be received, the matter may be referred to the Australian Competition and Consumer Commission. The web site has since been taken off-line and is currently under redevelopment.

Earlier this month another web site representing quarter horse racing interests carried a statement to the effect that all negotiations with respect to a proprietary racing licence had been finalised in September. The Office for Racing subsequently advised the Independent Gambling Authority of the contents of the web site and, as a result of this advice, the authority wrote to the person responsible for the contents displayed on the web site advising that no application for a licence had been received, and that if an application was to be received there would need to be substantial investigations undertaken prior to making any recommendations about the granting of a licence. The statement referred to above—'to the effect that all negotiations with respect to a proprietary racing licence had been finalised in September'—has been removed from the web site.

Mr PICCOLO: I refer to Budget Paper 4, Volume 2, page 8.16. As the minister would be aware, the Interdominion Championship is one of the premier trans-Tasman events. Can the minister advise whether the government will provide financial assistance towards the promotion and marketing of the 2007 Interdominion Championship to be held at Globe Derby Park?

The Hon. J.D. HILL: I thank the member for his question; I know it is an area of great interest to him and close to his electorate. The government has provided financial

assistance of \$250 000 towards the marketing and promotion of the South Australia Brilliant Blend 2007 Interdominion to be held at Globe Derby Park in Adelaide, and our contribution will help assist local harness-racing authorities to meet their \$550 000 sponsorship target for the event.

The 2007 Interdominion is one of the world's premier harness-racing events and the pinnacle of the sport of harness-racing in the southern hemisphere. The January 2007 Interdominion pacers format will comprise three heats and the final. The first heat will be held at Moonee Valley in Victoria, with the second and third heats and the final conducted at Globe Derby Park on 3 January, 6 January and 13 January. Attendance by overseas and interstate visitors at the 2007 event is expected to exceed that of 1997 Interdominion conducted in Adelaide. The event is expected to attract 35 000 to 40 000 people, with about 3 000 being from overseas and interstate. The consequent expenditure by these people is likely to be about \$5 million.

Mr GRIFFITHS: Minister, can you please advise the committee of the government's current attitude and position on the proposal to develop Victoria Park?

The Hon. J.D. HILL: This matter, of course, is primarily a matter which would relate to a number of other ministers. The planning minister obviously has a role in this, as does the Treasurer. I refer the member to comments made by the Treasurer on 18 October in estimates. He stated:

It is no secret that since 2004 the South Australian Motor Sport Board has been working with the Adelaide City Council and the South Australian Jockey Club on the potential future of the Victoria Park racecourse. The lease between the SAJC and the Adelaide City Council for the Victoria Park racecourse expired in August 2004, and it is understood that negotiations are taking place for the renewal of this lease between those entities. These negotiations have included the potential upgrade, improvement, and replacement of facilities for horse-racing at Victoria Park racecourse. The Motor Sport Board will continue to advise and assist the SAJC and ACC on the proposed redevelopment to ensure that any proposal which may be forthcoming will be suitable for all users of the Victoria Park racecourse. I do not think it is any secret that the Motor Sport Board's preference would be for fixed grandstand facilities in Victoria Park, and it has had various proposals for such before government, council and other bodies. However, we are not in a position to comment any further on this at the moment.

I will not add anything to that.

Additional Departmental Advisers:

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

Ms J. Hughes, Director.

The CHAIR: I remind members that the same protocols apply to these proceedings. All questions will be addressed to the minister and the minister will decide who will respond, either himself or an adviser. No questions will be asked directly of an adviser. Minister, do you have an opening statement?

The Hon. J.D. HILL: Yes, Mr Chair, I have a brief opening statement. It is widely acknowledged that sport and recreation provide extensive health and community benefits and opportunities to the individual. It also assists with building stronger and better communities by bringing people together and providing a medium for enjoyment, challenge and social interaction. Our participation and continued success in sport are part of our national heritage, and this in part defines us as a community and as a nation both at home and abroad. The government is committed to ensuring the long-term viability of the recreation and sport industry by

helping the sector respond to new and emerging challenges; supporting the industry's development and sustainability through key programs, services and grant programs; promoting the benefits of active recreation and sport to encourage greater participation by all South Australians; and supporting targeted initiatives for special needs populations through programs, services and grant programs.

The government's commitment to sport and active recreation is embedded in the South Australian Strategic Plan. The Office for Recreation and Sport provides services and resources to strengthen the positive contribution that active recreation and sport plays in our community. The Office for Recreation and Sport is the lead agency for the achievement of South Australia's strategic plan, sport and recreation target: that is, to exceed the Australian average for the participation in sport and physical activity within 10 years. The Office for Recreation and Sport has primary responsibility for the development and implementation of policy, strategy, programs and services to assist the sport and recreation industry and community in increasing the number of participants.

The Office for Recreation and Sport also provides a significant level of funding to the community and industry through a range of grant programs. In the last 12 months, the ORS considered over 1 400 applications for funding through its four grant programs, with over \$15 million being distributed. The government is also committed to assisting sectors of the community that have traditionally had minimal exposure to sport and active recreation activities. For example, the Office for Recreation and Sport conducted 175 community participation programs with groups such as people with a disability, Aboriginal and Torres Strait Islanders, and those from cultural and linguistically diverse backgrounds.

The government is committed to encouraging lifelong involvement and, through the Office for Recreation and Sport, supports a range of initiatives for children and young people as well as mature-aged participants. It is also very important that these activities are conducted in an environment free from harassment and abuse, with a particular emphasis on supporting the development of child-safe environments. The Office for Recreation and Sport works with industry and community organisations at all levels. In 2005-06, the office provided over 140 training and development services to the recreation and sport industry. A significant number of these focused on the needs of volunteers who fulfil the important roles of coaches, officials and administrators essential to the provision of sport and active recreation in this state.

The promotion and development of strategies that encourage participation in sport and physical activity is also supported by the activities of the South Australian Sports Institute. SASI's high-performance sports programs—18 in total—providing scholarships to over 630 athletes play a critical role in the development of the state's current and next-generation athletes across the full range of Olympic, Paralympic and Commonwealth Games sports. Sporting excellence and achievement remain a critical component of the fabric of our community and the state.

The Office for Recreation and Sport continues to support local and regional organisations to develop, enhance or improve sporting and recreation facilities through the Community Recreation and Sport Facilities Grant Program and the Active Club Grant Program. This support, combined with the development of the draft state sporting facilities strategic plan, will assist with ensuring that sport and

recreation have adequate infrastructure capacity to meet increased participation demands for all South Australians. Minister Wright has asked the office to seek feedback on the draft plan to enable its finalisation in 2006-07, and I am advised that the final phase of public consultation will begin within the next 12 months. Significant work has also been undertaken at the Eagle Mountain bike park with the development of the management plan and the mountain bike trails. This work will ensure that the park is available for public use in December 2006.

In conclusion, the key strategic priority for ORS in 2006-07 will be to further leverage the programs, services and grants available through the office to increase the capacity and capability of the recreation and sport industry to increase and sustain participation rates. The government will continue to support the sport and recreation sector and key partners and stakeholders (including local government) to assist them to enhance their capacity and capability to increase levels of participation in active recreation, sport and physical activity.

The Hon. R.G. KERIN: At the outset, I thank the Office for Recreation and Sport for the continuation of the way it has administered the Active Club grants. I think all local members appreciate those club grants—they are a huge boost for a lot of local clubs. We have done very well in Frome over the years, and I went to Manoora on Saturday and presented a cheque for \$20 000 to the netball/football club, and it was very welcome and very deserved. However, I think there continues to be a problem at the state level in respect of sporting facilities. My first question is about the plan that is about to go to consultation. I missed it in the minister's statement. Was that the sports facilities plan?

The Hon. J.D. HILL: The development of the draft state sporting facility strategic plan will assist with ensuring that sport and recreation have adequate infrastructure capacity to meet increased participation demands of all South Australians, and the minister—I signed the letter—has asked the office to seek feedback on the draft plan to enable its finalisation in 2006-07. Public consultation will begin in the next few weeks.

The Hon. R.G. KERIN: That changes my first question to some extent. So the draft strategy will come out soon. I have been given some advice that there had perhaps been a change and there would not be the release of the strategy and we would be going back to the state strategic plan.

The Hon. J.D. HILL: I am advised it is going out for full public consultation.

The Hon. R.G. KERIN: That is very good, and it answers my first couple of questions. Will the minister outline to the committee the time lines for the construction and opening of the state swimming centre at Marion?

The Hon. J.D. HILL: I thank the member for the question. I am advised that the minister who is responsible for the management of the project is the Minister for Infrastructure, and we are going through a process at the moment to determine the interest in the market. We hope that something will be out in the next several months.

Of course, this is a project that this government committed itself to for \$15 million based on a submission from the Marion council, which I think has put in the land and about \$5 million. I inspected the site a week ago, I think, with the mayor, because on that same site, or adjacent to it, we are planning to build the Marion GP Plus health care centre, so there will be integration, I hope, between a medical centre dealing with people with chronic disease (including young people) and a sporting facility, so that we can try to direct

some of those people with long-term illnesses such as overweight and heart problems and the rest of it into the swimming centre. So there will be a very nice synergy there.

Of course, I neglected to say that the commonwealth government eventually agreed to put in the \$15 million. I think it was an open secret that it would, but it was waiting for the state election to get out of the way before it did something because it obviously did not want to be seen to make a commitment that might be seen to favour the incumbent government. Active work is going on, but the Minister for Infrastructure is the responsible minister.

The Hon. R.G. KERIN: Why was there no tender process for the provision of Vacswim, the state's holiday learn to swim program, for the coming summer?

The Hon. J.D. HILL: I have just sought advice. It is complicated by legal parameters, but I understand the original contract was for three plus two years, and we have received Crown Law advice that we could roll it over for a further one year, and that is essentially what has been done. I understand the tender process is now being developed to allow it to go out to tender for the period after the one year extension concludes.

The Hon. R.G. KERIN: Given that the numbers attending Vacswim classes have dropped considerably in recent years and the education department has greatly reduced its commitment to water safety, what is being done to ensure the safety of young South Australians given that swimming and water sports are a major recreational pursuit? Contingent on that, will the government do something to well and truly promote Vacswim this coming summer to try to get children back and also to cover for the reduced program in the schools?

The Hon. J.D. HILL: I am seeking advice, but I challenge the assumption made in the member's statement about the reduction in water safety teaching in education. I believe the minister for education has said that she is looking at that whole area, but she wants to give strong emphasis to water safety, and it may well be that some other activities of a fun nature are not necessarily as strongly supported as in the past. However, she has not made any decisions about that matter.

In relation to Vacswim, I understand that there has been a marginal variation in the numbers over the past year or two. Possible reasons for that are varied. It can partly be explained by the fact that there are fewer young people around now than there were five or 10 years ago. We have a declining young population, which is one of the great issues for our state. In addition, the member will recall that there were a number of issues to do with sharks at the beach last season, and I gather that may well have had some influence on families allowing their children to go to the beach. I am advised that the government has just established a state safety water coordinating committee. I am happy to obtain more information for the member if I have not covered everything that he sought.

The Hon. R.G. KERIN: I think that it needs a lot more promotion than it receives.

The Hon. J.D. HILL: Certainly, the budget has not been cut. The funding for Vacswim has been maintained. There is a whole range of reasons why people do things. If there is a general fear about beaches over a particular summer, there are fewer people on the beaches. Everywhere last summer (and this was the case in my own electorate) fewer people were going to the beach. Perhaps it just means that people make decisions to do other things rather than have their children taught to swim, which would be a shame, because one would

think that that is one of the main reasons why parents would want their children to know about water safety.

Mr GRIFFITHS: Madam Chair, can I seek clarification about a comment by the minister?

The ACTING CHAIR (Hon. S.W. Key): It is the government's time to ask questions. If the government bench is happy for you to do so, go ahead.

Mr PICCOLO: If it is a supplementary question, that is fine.

Mr GRIFFITHS: It is clarification of an answer provided, so it is not a supplementary question. The minister made the comment that the education minister is reviewing the situation about aquatics lessons, and so on, provided as part of the school curriculum. As I understand it, \$6.8 million was taken out of the budget. Some funds must have been returned to allow swimming lessons to be part of the curriculum again. However, the aquatic opportunities that previously had been available to schools will no longer be funded.

The Hon. J.D. HILL: The member is asking me questions about another budget line. I was challenging the assumption and the comment made by the member. I was not going to start answering questions about someone else's budget line. I just said that the minister has said what I quoted her as saying. If the member has questions about education budget lines, he needs to raise them with the education minister.

Mr GRIFFITHS: I just wanted to clarify a comment that you made.

The Hon. J.D. HILL: The comment I made was that the Minister for Education and Children's Services has said that she was reviewing those areas and that she wanted to give priority to water safety.

Mr PICCOLO: I refer to Budget Paper 3, page 2.23. Can the minister advise the committee what the government is doing in relation to the provision of sport and active recreation opportunities for people with a disability?

The Hon. J.D. HILL: I thank the member for Light for that question: it is an important area of activity for government. We are committed to facilitating accessible sport, active recreation and physical activity opportunities for all South Australians. As a result of the development of the Framework and Strategic Plan for Physical Activity, Recreation and Sport for People with a Disability 2005-08, the government is able to respond to the needs of the recreation and sport industry, the community and people with a disability to facilitate opportunities in a coordinated and strategic manner.

In particular, in 2005-06, the following initiatives from the framework and strategic plan for physical activity have been implemented. A workplace physical activity pilot program has been established where the office is working closely with the Phoenix Society and the Royal Society for the Blind to implement the program. A deaf/hearing impaired DVD is being developed, which involves the office working with Deaf SA to develop a DVD promoting the range of accessible sport, active recreation and physical activity opportunities available. There is a program where disability sports specific equipment has been purchased for use by the disabled sector. We recognise that cost can sometimes be a barrier to participation for people with disabilities and, as such, the office has purchased a range of disability sports specific equipment for a whole range of sports. The sports ability kits provide a range of physical activity opportunities, including table cricket and accessible table tennis. The office has purchased 13 of these kits, which are available to loan.

The small initiative support program provides support to 27 organisations for amounts up to \$5 000 to assist with the provision of sport and active recreation and physical activity opportunities. In relation to education and training, a total of 77 education sessions involving over 1 600 participants have been conducted for sport and community personnel to assist them to provide inclusive opportunities for people with a disability. The office has also established the A Net, a disability recreation and sports network, with members including community disability organisations, disability recreation and sport organisations, sporting organisations and local government. That group meets quarterly and provides an avenue for consultation and a forum for sports, community disability groups and disability sports organisations to develop opportunities for people with disabilities.

Regional showcases of inclusive sport have been conducted in Mount Gambier, the Barossa and Port Lincoln. These showcases aim to demonstrate the range of activities available locally for people with disabilities and to promote the inclusion of people with disabilities in mainstream opportunities. In addition to the above projects implemented through the framework, the government is making a commitment for the next four years to allocate \$500 000 per year to physical activity and recreation and sport for people with a disability. Funds will be distributed by a grants program specifically for projects that increase resources, infrastructure, participation opportunities and choices for people with a disability. So, quite a lot is happening. It is good work.

Ms SIMMONS: I refer to Budget Paper 4, Volume 2, page 8.15. What is the government doing to assist the recreation and sport industry to implement changes relating to the bill to amend the Children's Protection Act 1993, which ensures children can participate in safe, supportive recreation and sport clubs?

The Hon. J.D. HILL: The amended child protection legislation means that recreation and sporting organisations that provide services to children and young people are now required to have strategies in place to prevent and minimise opportunities for child abuse and to appropriately respond when that abuse occurs or is suspected. Amendments to section 11 of the act—notification of abuse or neglect—now extend mandatory reporting provisions to staff and volunteers in sporting and recreation organisations. The greatest challenge at present is managing the impact of the mandated reporting requirement, and to date that has been the focus of the work being undertaken.

While the amendments do not require that training be provided, individual organisations will need to make their staff and volunteers aware of their legal responsibility. To facilitate this, the Office for Recreation and Sport has now developed a 'Keeping children safe, let's show we care' resource booklet, which in simple terms clarifies the child protection responsibilities of everyone involved. The resource is in the final stages of development and should be ready for distribution soon and will be provided to associations and clubs, which will be able to provide it to their volunteers. The office, in working with Families SA, has sought to provide the industry with a range of training packages to cater for the varying needs of organisations, both large and small, and the mandated reporter awareness course has been tailored so that it can be delivered effectively to these organisations. The office, in consultation with Families SA, has made contact with over 500 accredited mandated reporting trainers, who are on the Families SA database.

Over 50 accredited trainers have responded positively to the request to assist. These existing Families SA trainers have now attended an Office of Recreation and Sport sports specific update module to prepare them to present the modified workshops. State sport and recreation organisations will be able to choose to have their own selected staff and volunteers trained as mandated reporter/trainers or access an existing trainer from this pool to deliver training and voluntary members. SANFL is one organisation that has opted to have its own staff upskilled and will be providing train the trainer workshops for their officers.

SANFL has undertaken to use its networks in regional South Australia to provide awareness training as well, not just to its own volunteers but also to sporting and recreation groups in regional communities. The office is also consulting with local government to determine whether Recreation and Sport specific 'Keeping children safe' training packages will be suitable for their staff and volunteers as well. The office is also looking at providing on line training and taking advantage of the existing 'Play by the rules' web site, utilising this to disseminate guidelines and best practice.

The legislation, however, requires more than mandated reporting: it requires each organisation to have strategies in place to prevent and minimise opportunities for child abuse, to create a child safe environment. The office has developed a multi-step process for organisations and clubs to follow and utilises member protection and harassment free sports programs that most state recreation and sport organisations and clubs have already adopted.

The coming year will see the government move forward in this process by running more workshops for the industry to train contact officers and decision makers, develop additional resources and develop additional or upgraded codes of behaviour, providing additional information on effectively screening staff and volunteers. By the time the next section of the act is proclaimed and becomes law the government is confident the recreation and sport sector will be more than ready to take up the challenge. It is an enormous resource, but we have to put it in; it is sad that we live in a world where that has to happen.

Mr PICCOLO: I refer the minister to Budget Paper 4, Volume 2, pages 8.6 and 8.15. In 2005 the government officially opened the Aerial Sports High Performance Training Centre. Will the minister advise the committee of what progress has been made in this program?

The Hon. J.D. HILL: This is one of my favourite centres. I knew nothing about it until about five minutes ago. I am sure it is very good. Anything that has bounce I like. The South Australian Sports Institute Aerial Sports High Performance Training Centre was officially opened in December last year and it is now home to the national trampoline program. The national coach Nikolay Zhuravlev relocated to Adelaide from Gosford in early 2005 to head up the new program for SASI, Gymnastics Australia and Gymnastics South Australia. The 2000 Olympic silver medallist, Ji Wallace, came out of retirement to strive for Beijing selection when he heard that the national trampoline program was relocating to Adelaide, with the plans for the new facility well advanced at that time. Another four national squad athletes have also relocated to Adelaide.

The centre is also believed to be the only complex in the world combining the three coaching programs of SASI diving, the national trampoline program and SASI gymnastics. The SASI aerial sports program is an excellent example of the partnerships that the institute develops with both

national and state sporting organisations. The aerial sports program optimises the synergies between gymnastics, trampolining and diving and is underpinned by the aerial sports talent ID program, where young athletes are taught skills that reflect all three sports at a developmental level. The program is delivered by Gymnastics SA. There are currently six national team trampoline athletes on scholarships with SASI, including rising star, 14-year old Alexandra Freeman, who recently placed fifth in her first major international junior world cup competition in Sweden. This very successful SASI initiative was facilitated by the provision of the additional funding of \$1.2 million over four years by the government to support SASI's national high performance sport training centres strategy.

Mr PICCOLO: That is another example of where South Australia flies high.

The Hon. J.D. HILL: Absolutely. You have the jump on me there!

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 2, page 8.15, under the heading 'Award'. Will the minister provide us with the latest information he has regarding the implementation and impacts of the proposed industrial award for those people involved in various positions in sporting clubs?

The Hon. J.D. HILL: The proposal is to introduce an award for players, coaches, umpires and trainers under the Fair Work Act. This issue was listed for mention in the Industrial Commission, most recently on 28 July, and I think it is again listed today for a status conference.

A number of questions were initially raised in relation to the proposed award, including defining what constitutes an employee and what constitutes volunteering, as it would apply to this award; what constitutes hours of work and whether the award will apply to training for sport, as distinct from games and matches. I am advised that most of these issues have been satisfactorily resolved, although questions have been raised in relation to the impact of the commonwealth legislation on sport.

I am advised that it appears that most of the state's sporting bodies will be deemed to be constitutional corporations for the purposes of the WorkChoices Act, and these are the ones that engage most of the paid staff under contracts of employment. These will not be affected by the award. I am also advised that clubs and small organisations will not be affected by the act and therefore subject to the award. However, these are also unlikely to engage people under contracts of employment; they are mostly run by volunteers, so the impact will be minimal.

I understand that the South Australian Sports Federation and Sport SA, representing the sport industry, have prepared and will lodge a submission this afternoon on the matter to the Industrial Commission. The basis of this submission is to clarify the matters raised by Sport SA previously in relation to the impact of the award on sport and to point out that, in fact, very few employees are likely to be affected by the difficulties of framing and administering the award. Therefore, they will request that there should be a declaration exempting the award from the minimum standards requirement.

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 2, page 8.15. I know that, in your role as acting minister, this question will be very difficult. Do you know whether the minister, or his department, is aware of any national championships that have been lost to South Australia because of the lack of up-to-standard facilities? If so, in which sports?

The Hon. J.D. HILL: The only one I am aware of that could be put even partially into that category would be the loss of the hard court tennis championships from Adelaide in a few years' time. However, that is more as a result of money being paid from Queensland, rather than the facilities we have in South Australia. I understand that there may be an issue with rowing as part of the University Games. Those are all we are aware of.

Mr GRIFFITHS: The rowing component of the University Games was actually held in Sydney.

The Hon. J.D. HILL: That is what I am saying. That is an area that would have been lost to South Australia.

The ACTING CHAIR: Would the member for Goyder like to put his questions through the chair?

Mr GRIFFITHS: I apologise; I was just adding to the answer, Madam Acting Chair.

The ACTING CHAIR: I know, but it is not within the standing orders; however, I will allow it this time.

Mr GRIFFITHS: Thank you; it is very generous of you. I refer to Budget Paper 4, Volume 2, page 8.15: Indoor Courts. What has the government done to tackle the problem of the inequitable distribution of indoor courts in South Australia? The State Strategic Infrastructure Plan identifies a number of infrastructure needs in community level facilities. There are three indoor courts in the metropolitan area and inequitable distribution of 50 indoor courts within the state. There is an inequitable distribution of indoor courts for community use, for example, basketball, netball and badminton. Some areas lack such facilities; others have an oversupply, and this makes maintaining quality a challenge. New courts developed for schools are often three-quarter size, making them unsuitable for use in the broader community.

The Hon. J.D. HILL: Perhaps I can make some general comments on this issue. Recently, I know that the Premier wrote to the Prime Minister suggesting that, at the national level and perhaps through COAG, we establish a new sport and arts capital investment program, which could be jointly funded by the states and the commonwealth, to invest in the kind of infrastructure to which the member is referring in local communities. Unfortunately, the Prime Minister rejected the request; if he had accepted it, perhaps there would have been a new fund similar perhaps to the Federation Fund, which made funds available to communities to make that kind of investment. We have funding through the Community Recreation and Sport Facilities program to which local communities can apply. The responsibility for community recreation and sport really lies with local communities, particularly local councils. The state government is more involved in the provision of state sport facilities, though the grants program I referred, so that means that we do help.

Mr GRIFFITHS: As a supplementary question, minister, will the issue of some areas being oversupplied and some under-supplied be addressed in the state's sport facilities strategic plan?

The Hon. J.D. HILL: The state sport facilities strategic plan, to which we referred earlier, really looks at state level facilities, not community facilities. As I say, that is really up to local communities. I know that in my community the Onkaparinga council has done a lot of thinking about the provision of local sporting facilities and certainly has a strategic approach to it. Of course, as in many areas, the provision of services (and this applies in health as much as it does to anywhere else) is really as a result of historic decisions. Local communities get a head of steam, invest some money, get support from a benefactor, a sponsor or a

local council, or sometimes from the state government through the Communities Rec and Sport Fund, or equivalent programs in the past, and build something. If the community down the road did not do that, it is a bit hard to take that facility away from that community and give it to the one down the road.

Mr GRIFFITHS: Never do that.

The Hon. J.D. HILL: Well, that is kind of the point you are making in your question by saying that some communities have more than they need and others have less than they need. The implication is that you should take from those with more and give to—a sort of a Fabian kind of attitude that—

Mr GRIFFITHS: That was never my intention, minister.

The Hon. J.D. HILL: I am not suggesting it was. I am saying that one reading of what you were saying would be to do that and, of course, that is almost impossible to do. In some communities where those facilities are no longer used, I guess it is up to local councils or local authorities to say, 'Do we really need those tennis courts which nobody uses, when we have a perfectly good set down the road? Let's make them better and invest in them and use that other area for some other purpose.' That is what local councils have to do; that is their job.

Mr GRIFFITHS: There is an additional comment to that. I know the Department of Recreation and Sport in recent years has been quite active in trying to develop regional rec and sport open space strategy plans which determine where an opportunity might exist to collocate sports within one facility and consolidate in some areas. A key issue in the one that I was negotiating with was the fact that all sporting facilities perform such a vital social opportunity for people to mix and do things and be active that it is very difficult to suddenly say to a community, 'You can't have that tennis court or place because we just can't fund its repairs.' It is a difficult mix of trying to find funds locally to support it, but there is also very much a hope, within regional areas of South Australia especially, that rec and sport funds will always be available to help with the maintenance of those facilities.

The Hon. J.D. HILL: There is a variety of things to say in relation to that. It is true, I guess, that the Office for Recreation and Sport is quite sensibly trying to help develop strategic planning as a way of looking at these facilities. I think everybody would agree that is logical but, of course, it is up to the local communities to determine what to do with those strategic planning ideas and, ultimately, maintenance issues. It would be foolish for any level of government—whether it be local council, state government or federal government—to initiate something without having properly thought through the maintenance issues. That needs to be worked out. I will refer to the council where I live (Onkaparinga) where, over recent years, it has very comprehensively thought through how to manage the maintenance of the buildings which are owned by clubs, or owned by council and leased out to clubs. They really thought through that in a very comprehensive way and, I think, very professionally. That is an advantage you have when you have a larger council. It is a good reason to develop larger councils.

It is not the state's responsibility to take on the maintenance of every clubhouse and every sporting field in the state; it is just beyond its capacity and its remit. We do, however, through the Active Clubs program, have a fund to which clubs can apply for funding. Just recently I opened the Port Noarlunga Bowling Club's annual greens day, or whatever it was, and they told me—

Mr GRIFFITHS: Opening day of the season.

The Hon. J.D. HILL: Opening day of the season, yes. They told me they needed a new surface at one of the clubs and had received some funding from Active Clubs which they were very pleased about. I think I had written a letter in support. There are avenues through the state where they can apply but, essentially, those facilities belong to communities and belong to local government, and they really need to think through how they are going to manage them.

The Hon. R.G. KERIN: I would like to continue on with that theme about facilities. In regional areas it is a lot easier to identify which community is going to play in which particular area; out there it is a lot more identifiable. In the State Strategic Plan there was an identified deficiency in the number of soccer pitches. I know from approaches made to me that there have been individuals and teams who cannot find an available soccer pitch—sorry, a world game pitch.

The CHAIR: International football pitch. The word 'soccer' is unparliamentary.

The Hon. R.G. KERIN: That is right. That has been identified as a problem, and it is a problem which impacts on some of the other Strategic Plan aims, such as obesity and kids having exercise, social activity and whatever. At the end of the day that leads to a market failure there. I agree that local government has a big role to play but, where there is market failure and a city like Adelaide finds itself in a position where there are not enough soccer pitches available for everyone who wants to play and to actually get a game—and it might not be the actual provision—is there a role for government in trying to make sure that strategically things come together so that we do not have kids slipping through the loop and not having the opportunity for both exercise and to take part in competitive sport?

The Hon. J.D. HILL: We might try to get a more comprehensive answer for you, if this does not satisfy you. I think you would agree that there is an issue with the world game (I do not want to be unparliamentary here). I got up in the middle of the night every night to watch Australia play. My wife got me up; she is the big fan. There is an explosion in popularity of that game and, from time to time, it is logical that certain sports will be more popular than they were in the previous generation and other sports will be less popular. What do you do with the facilities? How do you quickly turn tennis courts into soccer pitches? It becomes a difficult issue.

There is a role the state has at state level to make sure that there are facilities there, and that is the strategic directions thing, whatever it is called—we were talking about it before. Essentially, it is up to local communities to work out how to respond. I guess it is a marketplace and, if enough voters want soccer pitches, local councils will have to work out how to deliver them, through education, of course, with fields in schools. If more kids want to play soccer than footy, I guess the schools will provide the grounds for those purposes. But I guess there is no state implementation plan to make sure there is a world game pitch for every 10 000 or 20 000 kids; we do not work on that level.

The Hon. R.G. KERIN: I hear what the minister is saying, but I suggest that one of the issues we do have in the metropolitan area is that quite a bit of the available land sits within the Adelaide City Council, which, in comparison with most of the other councils, would have very few young people playing soccer, yet the Adelaide Parklands is probably the prime spot for the addition of extra pitches at a very low cost because of the available land. That brings me to the point that perhaps the office may have a role in bringing the Adelaide City Council's land together with where the demand

is—because the demand is in a lot of other areas. If you go to Payneham, or wherever, there is probably very little available land for them to provide the facilities.

The Hon. J.D. HILL: I know what you mean. It is interesting. Before I moved to the great, glorious southern suburbs, I lived in Goodwood. Our kids both played soccer and played soccer in the Parklands quite a lot of the time, as did many people who obviously did not live in the City of Adelaide. One of the great issues about the Parklands is that surrounding councils do not contribute anything to the upkeep and maintenance, but their communities use quite extensively those parklands. Perhaps if Parkside and Unley felt there were not enough soccer pitches, they should consider tipping some cash into the city council's parkland management to help provide those facilities; I think that would be a reasonable thing.

Of course, we are in the process of setting up, under the Park Lands Act, a parklands trust, which will have joint membership of state, local government and community. That might be the appropriate body to start thinking about some of these things. One of the things we wanted to do in the parklands legislation was to develop a strategic approach to the management of the parklands and understand what they are trying to do there rather than just do bits and pieces without any plan. I think the idea the member has put is reasonable.

The Hon. R.G. KERIN: I thank the minister for that answer, because I think there needs to be some coordination there. My next question is basically a question on notice; I realise the minister will need to take it on notice. Will the minister supply a list of clubs and community groups that have received grants for each of the four financial years from 2002-03 to 2005-06?

The Hon. J.D. HILL: If you have 2½ hours, I will read it to you.

The Hon. R.G. KERIN: No, I do not want you to read them out. The Premier pulled that one on me a couple of years ago, and out the window went the estimates time. My other question on notice is in reference to the proposed shared services reforms across government. Will the minister outline what the baseline costs are for the provision of corporate services in the Office for Recreation and Sport, the baseline costs to include the current total cost of provision of payroll, finance, human resources, procurement, records management, and information technology services? Will the minister also include the full-time staffing equivalent staffing numbers involved? Supplementary to that, will the minister advise what particular issues from the viewpoint of the Office for Recreation and Sport need to be resolved with the proposed centralised shared services unit?

The Hon. J.D. HILL: I would love to give the answers to the member now, but I think I will take them on notice.

The CHAIR: There being no further questions, this concludes the inquiry into the Minister for Recreation, Sport and Racing.

[Sitting suspended from 12.20 to 1.30 p.m.]

Additional Departmental Advisers:

Ms J. Carr, Executive Director, Building Management, Department for Administrative and Information Services.

Mr K. O'Callaghan, Executive Director, Policy Planning and Community Services.

Mr R. Ruse, Chief Financial Officer.

Mr Brett Norris, Acting Executive Director, State Procurement and Business Development.

Mr M. Grillo, Executive Director, Government ICT.

Ms J. Dunstan, Senior Officer.

The CHAIR: I call on the Minister for Health, who is representing the Minister for Administrative Services and Government Enterprises, to make a statement if he so wishes.

The Hon. J.D. HILL: The Department for Administrative and Information Services was a diverse organisation. DAIS provided specialist government and community services, developed and maintained quality infrastructure, and provided information and policy advice. DAIS had a total annual expenditure exceeding \$640 million. This large expenditure was matched by significant revenues from other government agencies that purchased a wide range of services from DAIS in such areas as office accommodation, car hire, information technology, building maintenance, accounting and payroll services. Given its 'throughput' nature, as demand for DAIS' services grew so did its expenditure requirements. This meant that budgeted and actual expenditure was often very much more than other agencies with full appropriation funding.

DAIS provided leadership in delivering excellent service provision to communities and in supporting government agencies to fulfil their designated roles. DAIS is now dissolved with its many business units realigned to other portfolios; however, these business units will continue to deliver assistance to the wider public sector. I take this opportunity to convey the government's thanks to the staff of DAIS for the work they have provided over the years during the existence of that organisation and, in particular, I thank them for the assistance they are giving the government during the transition to new arrangements. I particularly pay tribute to Mr Paul Case, the former CE of DAIS, for the outstanding leadership he gave during his relatively short term in that position—and I am glad to see he has been provided with an interesting new challenge in the government.

Service provision to the South Australian community was boosted with the expansion of Service SA. The transition to Service SA was staged over a six-month period with one customer service centre opening as Service SA every six weeks at Mount Gambier, Naracoorte, Berri, Port Pirie, Murray Bridge, Adelaide and Kadina. This expansion has provided a cohesive and broader statewide customer service network, delivering a range of government information and services to the South Australian community.

The Building Management Directorate played a major role in ensuring that the construction of the Adelaide-based campus of the Carnegie Mellon University was completed before the commencement of its 2006 courses. The \$4 million project met the tight time frame announced by the Premier in April 2005. Building Management also project-managed the \$90 million stage A redevelopment of the Lyell McEwin Hospital for the South Australian Department of Health. That redevelopment won awards from the Property Council and the National Master Builders Association and, as Minister for Health, I congratulate DAIS for the fine job it did.

Highlights for DAIS in 2005-06 included Service SA expansion with further consolidation of DTEI/Transport and DAIS/Service SA customer service centres and call centres; an electronic plan lodgment system which was developed to enable surveyors to lodge their plans electronically to the Land Titles Office through the internet; the Across Govern-

ment Records Management Strategy, which was implemented across government (auditing of state and local government agency records management commenced this year with 20 audits completed; PropertyAssist was enhanced to include email delivery of register searches and on-line access to imaged documents across the internet; and the Mimili community swimming pool was completed for the local Aboriginal community, who contributed to the design, construction and landscaping of the project (the Premier, who was in the APY lands last weekend, told me how brilliantly that particular project has gone and how attendance and behaviour at school has improved quite dramatically in that community).

In addition, a number of significant government office accommodation projects were progressed. These included completing the refit of the education centre for DECS, obtaining approval for commercial construction of City Central Tower 1 for DEFEST and DTEI, obtaining approval and establishing agreements with the Catholic Church for the construction of a six-star green star building and associated fit out for SA Water, and progressing strategy for the provision of new accommodation for the South Australia Police headquarters.

New government employee housing was provided, including 11 new units on the APY lands and new housing at Coober Pedy and Port Augusta. New housing stock was procured at Whyalla, Cowell, Murray Bridge, Port Pirie, Millicent, Pinnaroo, Victor Harbor, Hamley Bridge and Bordertown. Real time online auction facilities for Government Auctions SA was established and is operating successfully. Contract services responded to the Virginia floods by providing timely and comprehensive support to the emergency services mobilised to deal with the incident.

A strategy was endorsed for the future management of long-term redeployees and the closure of accommodation for existing redeployees. Fleet SA achieved the 20 per cent alternative fuel target. Fleet SA also purchased 200 additional Mitsubishi Magnas and 500 Mitsubishi 380s, supporting local manufacturing. Forensic Science South Australia achieved timely implementation of resources in preparation for the introduction of the drugs in drivers legislation on 1 July 2006. Excellent progress has been made in transitioning to new multi-supplier ICT service arrangements. Mechanisms, including a vendor cooperation council and the across government service desk, assisted in the smooth transition.

With the disaggregation of DAIS business units, we will focus our efforts on a number of priority areas, such as technology through DTEI, where a high-speed telecommunications link is being established to Port Lincoln. This is a joint \$4.6 million state-federal government project, which includes the establishment of new broadband infrastructure at Port Lincoln, Whyalla and Port Augusta. The department will also upgrade the government's fixed voice (PABX) telephone network and StateNet core data network during the next three years. The new FICT Services arrangements will be transitioned for distributed computing support services, messaging and ICT equipment. The building program through DTEI includes the following. In accordance with South Australia's Strategic Plan, building management will promote and implement a plan to meet the government target for a 25 per cent reduction of energy consumption in government office buildings within 10 years. This will include a plan for five-star energy rating office accommodation.

Service SA, again through DTEI, will undergo a consolidation of its online channel. Forensic Science SA, in the

Attorney-General's Department, will develop procedures for disaster victim identification incidents. Public sector injury management initiatives, through DPC, will be further refined and implemented. Fleet SA, through DTF, will build on green initiatives in its environmental strategy to reduce the impact of climate change. Fleet SA will deliver on the 50 per cent green fleet target. Half the government's fleet cars will be more environmentally friendly by 2010. Development of the fleet management system will enhance direct customer access to vehicle information and to support reporting fuel usage and energy consumption. I note that on 18 October 2006 the Treasurer provided answers in relation to savings from the disaggregation of DAIS.

The Hon. R.G. KERIN: Thank you, minister. That was a bit like an obituary to DAIS and almost a plea for mercy as far as the questioning goes. I certainly support your comments about Mr Paul Case, who I think is an outstanding public servant. He has served this administration and the previous one extremely well. I have received several serious complaints regarding plan and document delays experienced through the Lands Titles Office. These delays have serious ramifications as settlements are delayed. In fact, some industry people gave me an example: the cost of a delay of 75 working days or 15 weeks, which is presently typical, would, on a \$550 000 property, be in the region of \$15 000 holding cost or interest cost. This is of major concern to the property industry, which has raised the issue with the government. A stark contrast is Queensland, where it takes three days rather than 75 days. Footnote (b) on page 8.24 of Budget Paper 4, Volume 2 acknowledges that resource levels in this area continue to present a challenge, yet it appears that there are further cuts in this area. What action has the minister taken to ensure that this totally unsatisfactory situation is addressed and good South Australians are not being penalised huge amounts of money, over and above stamp duty, on the transfer of properties?

The Hon. J.D. HILL: I am advised that all property transactions are lodged and registered with the Lands Titles Office within the Land Services Group. The division process involves processing applications pursuant to the Real Property Act 1886 and Community Titles Act 1996, where land can be divided and, as a result, more allotments are created. The registration process involves processing applications pursuant to the Real Property Act 1886 for the buying and selling of existing properties. Staffing levels allocated to process division applications is 27 full-time equivalents. Given our buoyant economy, land division applications increased in 2003-04 and again in 2004-05. Obviously, that is putting on some pressure. However, 2005-06 has seen levels remain at the 2004-05 figures. I said, it indicates a levelling out.

The increase in lodgment levels has resulted in some delays; however, with the levelling off of applications, improvements should be forthcoming. The Lands Titles Office has used a number of measures in 2005-06 to improve services: the use of unfunded overtime; assistance of staff from other core LTO functions; and the use of one-off funding from the Department for Administrative and Information Services. Strategies being implemented for 2006-07 include: continued assistance of staff from other core LTO functions; continuous assessment of processes to result in improved handling; and registration lodgments remained steady and were processed within the industry accepted standard of seven working days.

For the future, the Land Services Group is currently developing an electronic plan lodgment system (EPL)—I guess that is what the member was referring to—that will enable survey industry to create, lodge and track plans online. This ATLAS project is funded for \$1.2 million in this financial year and is scheduled to be completed by mid-2007. The project has the potential to significantly reduce elapsed processing times once plans are taken for examination.

The Hon. R.G. KERIN: During last year's estimates, when the same issue was being discussed, the minister stated in relation to delays within the Lands Titles Office, 'If that level of demand continues as it is at the moment, obviously, as minister, I will need to consider our position and may need to go forward with a budget bid to take account of that.' Do you know whether the minister has done so, and why have we seen longer delays?

The Hon. J.D. HILL: In the end, the minister dealt with the issue in the ways I have just described, and the expectation is that that will considerably address the issues that have been felt. I think it is acknowledged that the increased demand in the property market put pressure on, and those measures which I have described dealt with the pressure.

The Hon. R.G. KERIN: That being the case, certainly talking to industry, the waiting time has blown out, particularly over the last couple of months, and I am told that, due to the budget, there has been a cutback in overtime. Overtime was being worked in the first part of the year, and the staff were trying to keep it in check, but I am told that since then overtime has become unavailable. Can the minister confirm whether or not there has been a cut to overtime which has caused the waiting times to blow out, which is a huge expense for those selling property?

The Hon. J.D. HILL: I understand the member is asking the same question on behalf of constituents who brought the matters to his attention, but I think the point I was trying to make is that the government acknowledges that there have been issues and that a range of things have been done to address it. In particular, I think the investment in the IT area is the long-term solution to the problem. If you can get an online processing system in place, that will obviously take out a lot of the delays and allow people to apply for processing very quickly. I think that is about all I can say in answer to the question. The member is making a political point, I think, and that is fair enough, but that is the answer to the question.

The Hon. R.G. KERIN: Can the minister tell us what moneys were raised by Land Services in 2005-06 from registration fees on real estate transactions?

The Hon. J.D. HILL: I understand the figures are in the budget papers, but I am advised the actual revenue from the Land Services Group (LSG) administered items was \$100.377 million. That is on page 8.42 of the budget papers.

The Hon. S.W. KEY: I would like to ask the minister about broadband development in regional and remote South Australia. I refer the minister to Budget Paper 4, Volume 2, pages 8.6 and 8.31. Can the minister tell the committee what the government is doing to help remote and regional areas with regard to access to broadband services?

The Hon. J.D. HILL: I thank the member for Ashford for her question. The state government has established a broadband development fund to facilitate investment in broadband infrastructure under the Minister for Science and Information Economy. It is aimed at businesses and key industry sectors with flow benefits to the general community in both metropolitan and regional South Australia. Some \$7 million will be allocated over four years, commencing in

March 2004, to assist worthy broadband infrastructure projects, and the fund has gone through several public invitation rounds. As a result of funding, the state government has assisted broadband initiatives for councils on Yorke Peninsula—

Mr Griffiths: And that was a good project.

The Hon. J.D. HILL: The member says that was a good project, and I am glad he acknowledges that.

Mr Griffiths: The second stage is happening now.

The Hon. J.D. HILL: It has also assisted broadband initiatives on Eyre Peninsula, the Coorong and Kangaroo Island, and in June 2006 DAIS was granted \$280 000 to establish broadband services at Mount Gambier. That project aims to facilitate improved broadband infrastructure for the Mount and surrounding areas. The total project is valued at \$1.95 million and includes contributions from the previous Department for Administration and Information Services (\$475 000 as the lead government proponent), the Department of Health, the Department of Education and Children's Services, the Department of Primary Industries and Resources, SA Water and SAFECOM, as well as contributions from the project's carrier partner ETSA Telecom (recently renamed Silk Telecom).

The Mount Gambier broadband project contract is in the final stage of negotiations, and it is expected to be executed in early November 2006, with construction of broadband infrastructure commencing soon after that and due for completion around the middle of next year. The Mount Gambier project aims to deliver a significant increase in bandwidth at reduced costs and will provide major benefits to government agencies, local businesses and communities in the South-East of the state.

In a similar approach to the BDF, the commonwealth government has previously established a Coordinated Communications Infrastructure Fund (known as CCIF) as part of its national broadband strategy, valued at \$23.7 million. This fund supports investment in broadband infrastructure to improve health, education and government services in regional areas. The new commonwealth Connect Australia initiative, valued at \$1.1 billion, will subsume the CCIF program. The then DAIS was successful in gaining CCIF funding valued at \$1.5 million in early April 2005 to establish a new high-speed communications link between Port Lincoln and Adelaide which will deliver improved broadband services to Lower Eyre Peninsula.

The CCIF grant was subsequently expanded to \$2 million to include Whyalla and Port Augusta, and construction is currently under way. An optical fibre rollout has already been completed at Port Lincoln and Port Augusta. The overall project is due for completion in February next year. Initial funding estimates and preliminary connection points have been prepared to develop broadband services in Port Pirie, Murray Bridge and Berri. Progress of the broadband projects serving each of the townships concerned will depend on the availability of agency consortia funds and favourable supplementary broadband project submission outcomes, including Connect Australia funds.

The then DAIS received cabinet approval in July 2006—this gets to the point of the member's question—to contribute \$440 000 in project funds to establish upgraded telecommunications infrastructure in the Anangu Pitjantjatjara Yankunytjatjara (APY) lands. An initial eight APY community centres have been selected for the upgraded infrastructure, which will enable improved government, small business and community

access to adequate data communications and internet-based services.

Mr PICCOLO: I refer to Budget Paper 4, Volume 2, page 8.18. Can the minister explain the government's performance on managing the cost of major building projects?

The Hon. J.D. HILL: I thank the member for the question: this is an important area, obviously, for government and for budgeting. The previous DAIS (now DTEI), through its building management directorate, has a mandated role under the cabinet approved project implementation process to assist agencies in the delivery of major building projects over \$150 000 in value by identifying and managing key procurement risks. Once a building construction project over \$150 000 is approved on the capital investment program, building management works with the lead agency in its infrastructure management role to guide the project through the project implementation process.

The South Australian building and construction industry strongly supports the centralised infrastructure role performed by building management. The Master Builders SA Construction Industry Forum and the Australian Council of Building Design Professions have all expressed to government ministers that this system needs to be retained. The Chief Executive Officer of the Master Builders Association of SA recently advised that the retention of a central agency for projects is critical for the cost-effective and efficient delivery of government department projects. The process incorporates key milestones and approvals that must be achieved, and specifies a series of risk managed steps that the project must follow. In particular, there is a specified review of scope against budget at the completion of concept design and documentation phases.

The application of the project implementation process and the risk and project management processes of the business unit will keep tight control over the scope, budget and programs of major building projects. Analysis of the then DAIS managed building projects valued at over \$1 million (completed in 2005 and the first half of 2006) showed that the average variance of the final project expenditure from the pre-tender budget was only 3.7 per cent, and final project expenditure was 0.17 per cent under final approved budget at contract award; for example, the program was delivered to budget. In dollar figures, the actual expenditure on completed projects valued at over \$1 million during the period was \$109.85 million, compared with approved budgets at contract award of \$110.04 million and pre-tender budgets of \$105.95 million. These results have been achieved through a period since 2003, when the construction tender market has experienced high rates of growth and some volatility, with shortages in some trades adding to increased prices in the marketplace.

Not all building construction projects over \$150 000 are referred to building management for assistance with the management of risk and the application of the project implementation process. Some lead agencies choose independently to undertake projects. Generally, the decision to be independent relates to the full cost recovery funding model supporting risk management by building management, which requires fees to be charged to the project's budget.

Major building projects delivered independently from the department have not been factored into the budget performance figure reported here. The volume of work reaching the tender market during 2005 continued to be relatively high, resulting at times in an over-heated market, which often

produced significantly varying tender outcomes. During 2006, there has been an easing in the previously experienced high rate of tender price growth, although the current market remains busy and is anticipated to remain so in the short to medium term. Discussion with building construction industry representatives suggests a slowing in new work. It is anticipated that the market will remain relatively strong during 2007, but will continue to stabilise, with increasing tender competition at both main contractor and subcontractor level.

In addition to sound budget risk management of the program of building construction projects, building management has also achieved excellent results regarding the quality of the building assets provided for government and the community. This includes the Lyell McEwin Hospital, which has set a benchmark in construction procurement following its award-winning Stage A redevelopment which won a series of excellence in energy efficiency sustainability awards, including the National Master Builders and Property Council Awards. The \$90 million five-year redevelopment was project managed by building management for the SA Department of Health.

Other projects of note successfully delivered in this period include the Adelaide-based campus of the Carnegie Mellon University in the redeveloped Torrens Building, the Savings and Loans Women's and Children's Hospital Emergency Department upgrade, the Botanic Garden Schomburgk Pavilion and the SA Water Mediterranean Garden, all of which I am familiar with—they are all wonderful pieces of work.

Ms SIMMONS: I refer to Budget Paper 4, Volume 2, page 8.21. The South Australian government is one of the largest purchasers of goods, services and works in South Australia. How is the government using these significant expenditures strategically, and in accordance with the South Australian Strategic Plan, to ensure that the greatest possible benefit to the South Australian community is achieved?

The Hon. J.D. HILL: The minister for this portfolio, my colleague the Hon. Michael Wright MP, recently met with John Oughton, the Chief Executive Officer of the British government's Office of Government Commerce and had the opportunity to discuss emerging public procurement best practice with him. The South Australian government recognises that it is no longer sufficient for its procurement of goods, services and works only to achieve low prices and on-time delivery. Successful public sector procurement needs to deliver a range of benefits to the entire community. The government is so committed to this view that we have made it a legislative requirement. I refer the committee to the State Procurement Act 2004. This act has as its objective the advancement of government priorities through a system of procurement that also seeks value for money and the ethical and fair treatment of participants, while ensuring probity and accountability.

To support the State Procurement Board and individual agencies in implementing this requirement and advance government priorities, the minister has asked the Director, State Procurement and Support Operations at the Department of Treasury and Finance to develop an ethical procurement framework. This policy framework will draw together the existing disparate range of policies, codes of practice and codes of conduct that implement ethical public procurement in South Australia. It will also develop additional requirements that extend ethical procurement to meet other targets.

A good example of the existing policies is the government contracting policy which the minister introduced in May this year. It is designed to ensure that the wages and conditions under which the employees of South Australian contractors are employed today are no less favourable than they were before the Work Choices amendments came into effect in March. It supports the government's zero harm at work target under the South Australian Strategic Plan policy, as well as encouraging the development of family friendly workplaces.

Another policy already in place is the requirement that government buildings be built to environmentally sustainable standards, including the green rating system to ensure that energy use and the ecological footprint of the buildings are minimised. It is my expectation that the ethical procurement policy when implemented will use similar mechanisms to address SA Strategic Plan targets associated with industrial relations workplace safety, cost effectiveness of government services, security of payment, quick decision making, energy consumption, emissions and waste, native vegetation preservation, and water usage. It is good to see that all the other government departments are becoming green, member for Frome. Such a policy will help to fulfil the potential of the State Procurement Act 2004 and to cement the linkage between the act and the South Australian Strategic Plan in order to directly contribute to increased living standards for all South Australians.

The Hon. R.G. KERIN: The delays we are talking about are serious delays and are resource related. It is an enormous cost to the South Australian business community and the community, probably in the vicinity of millions of dollars. It is very costly for government and for some businesses where cash flow is important it really is a major issue. We are here to help the government, as always, but if we look at what the delays are costing government it involves a lot of stamp duty plus registration fees. The delay in collecting those fees would also mean that the interest cost to government would be in the millions of dollars. It makes a lot of sense to get rid of these delays. The government and the community would be a lot better off and it would certainly help with development. Has the minister and the department looked at adopting the system used in Queensland of private certification of documentation for land transfers as a means of reducing the inordinate delays we are currently experiencing?

The Hon. J.D. HILL: The member makes a strong plea in this area, and he has made it two or three times. It is recognised that there is a growth in that area and the best way of handling it is by investment in IT, which I have referred him to.

The Hon. R.G. KERIN: It is an important issue and it is hurting out there. We do not need long-term solutions but an immediate solution, otherwise developers will walk. Will the government commit to holding a review into the operations of the Land Services section and how delays can be eliminated? Such a review should include public hearings to allow industry and affected individuals to have their say.

The Hon. J.D. HILL: We are doing reviews of the IT systems and cooperating with national bodies. I will refer the question to the minister, who may wish to add to that. That is as about as far as I can go.

The Hon. R.G. KERIN: No doubt he will agree with me.

The Hon. J.D. HILL: I am advised that there are something like 28 legacy information systems that they are trying to work out how to integrate. Coming from health, that is nothing. I was told there are something like 599 in the health system. It bedevil's government and, I am sure,

industry. About 20 or 30 years ago, when computers came in, there was no overall strategy for dealing with them. Every unit of every department of every government had enthusiastic people who developed their own systems and 20 or 30 years later we are left with these legacies. How do you unscramble it all and make a new system out of it. It occurs right across government and industry: big private enterprises would face similar issues.

The Hon. R.G. KERIN: I know computer systems can be improved, but my information is that a big part of the problem is the lack of people. The cut back in overtime has caused a big increase in waiting times or delays. Can anyone within the department tell the minister how many extra FTEs are required in that section to at least start bringing down the delay times?

The Hon. J.D. HILL: You have drawn this matter to my attention and I will draw it to the attention of the minister and ask him to provide a report to you about other actions that might be taken. This area, like all other areas in government, has to compete for resources—and every section of every government department would like extra resources. We are taking steps to try to deal with the problem in the longer term. Whether anything else can be done in the shorter term I cannot answer, but I will take the question on notice and refer it to the minister.

The Hon. R.G. KERIN: That would be extremely helpful. I think a fixed system would help create rather than cost resources.

The Hon. J.D. HILL: I will also pass that comment on to the minister.

The Hon. R.G. KERIN: I refer to Budget Paper 3, page 2.22. It states that the restructure of DAIS roles to other departments is expected to be put in place during the current financial year. Given that it is now October (and I heard what the minister said in his opening statement), what is the time line for the break-up of DAIS? At the moment, is there a predicted time when DAIS will cease operations?

The Hon. J.D. HILL: I am advised that staff transferred into their new administrative arrangements from 1 October. As a legal entity for accounting purposes, DAIS will cease to exist at the end of this calendar year.

Mr GRIFFITHS: Given that answer, has the government set in place a target number for the reduction of public servants through the break-up of DAIS?

The Hon. J.D. HILL: There is no specific target that I am aware of. I am advised that it depends on the particular model for shared services that is eventually developed as to what savings may follow. I understand that the Treasurer has talked about this in general terms, and I refer the member to his comments. I am happy to take on notice any specific questions he may have in this regard, but I do not have any advice about individual targets at this stage.

Mr GRIFFITHS: I refer to Budget Paper 3, page 2.22. After the break-up of DAIS is complete, will any ministerial responsibilities transfer to other ministers, or will the current DAIS portfolio responsibilities stay with the minister?

The Hon. J.D. HILL: As I understand it, there will be a transfer of some responsibilities to other ministers.

Mr GRIFFITHS: Can we take on notice—

The Hon. J.D. HILL: Well, eventually, it will be sorted through, and there will be a statement that will let people know. I can give you one example. I know that Forensic Services has been transferred from DAIS to the Attorney-General's Department, and I assume that the Attorney-General will take on that responsibility. There will be other

bits and pieces like that. We have some provisional work, and this is subject to last-minute changes and so on. As I said, the Attorney-General has the forensic science business unit. Minister Conlon will take over building management, which covers building services, commercial properties and residential property management. He will also take on the government ICT services business unit, as that fits in with his general responsibilities in that area, and that includes the future ICT business units. He also takes over the Parliamentary Network Support Group (PNSG) which, once again, fits in with his IT infrastructure role. He will also take over the land services business unit, which includes the Registrar-General, the Surveyor-General and the Value-General. As I say, there may be other bits and pieces that move around, too.

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 2, page 8.31: EDS Contract. What is the latest information you have on the potential disengagement costs to be paid to EDS on the termination of its contract?

The Hon. J.D. HILL: I understand that the information is in the budget somewhere but, as you know, it is a complex thing in which to seek information. I am advised that, to date (that is, year ended 30 June 2006) until this budget, \$5 million has been budgeted, and the actual cost was just over \$4 million (\$4 837 006). There is an additional budget of \$5 008 000 for 2007-10. So, the bottom line is that just over \$10 million has been budgeted right through to 2010, and just over \$4 million has currently been spent.

The Hon. R.G. KERIN: The fleet replacement costs revealed in the capital investment statement show that there has been a reduction from \$118 million in 2005-06 to \$101 million in 2006-07. What is the current size of the fleet compared with last year?

The Hon. J.D. HILL: I think that I have made some comment about the fleet and our moving towards greener and smaller vehicles. I advise that, over the past two years, the size of the government vehicle fleet has grown by approximately 4 per cent each year: in 2004-05, there were 7 745 vehicles (4.7 per cent growth, 348 vehicles), and in 2005-06 there were 8 029 vehicles (3.7 per cent growth, 284 extra vehicles). The majority of this has been due to increased service provision within the Department of Health (I am neither pleased nor unhappy to say; it is obviously a lot of nurses and others providing services). There has been an increase of 53 vehicles in the number of salary remuneration vehicles, from 705 to 758. There has been a reduction in the government's short-term hire pool of 24 vehicles, with a total pool now of 244. All additional vehicles are requested and provided upon the approval of each agency's respective chief executive.

The Hon. R.G. KERIN: The predicted reduction in the amount—there is about a 15 per cent plus reduction in the cost of fleet replacement in the coming year—is that still the change of policy for kilometres taking hold?

The Hon. J.D. HILL: I am advised that the two main reasons are associated with the holding decision, so that vehicles are held now generally for 60 000 kilometres rather than 40 000 kilometres and turned over at that rate; and, also, a decision to have up to 25 per cent of the vehicles using alternative fuels—so that would be LPG and other hybrid cars and so on and, of course, that produces lower running costs. Interestingly, as I understand it, that may even produce a better resale value. I suppose it depends, when they sell them, on what the price of petrol is.

The Hon. R.G. KERIN: My understanding is that the running costs would not come into the capital cost.

The Hon. J.D. HILL: That is probably true. I will just check. I am adding things I do not really know here, so I am glad you corrected me.

The Hon. R.G. KERIN: Just getting a grip on this: how many cars were purchased in the 2005-06 year, and how many cars will be purchased in 2006-07?

The Hon. J.D. HILL: How many new cars?

The Hon. R.G. KERIN: Yes.

The CHAIR: I think the minister already provided the 2005-06 figure in the answer.

The Hon. J.D. HILL: I am advised that, if you turn to page 828, under the performance indicators it lists the number of new vehicles purchased. So, in 2005-06, the target was 4 000 and the estimated result is 4 254; the target for 2006-07 is 3 000. The actual for 2004-05 was 4 132, so the target has gone from 4 000 to 3 000. I guess that is associated with extending the turnover.

The Hon. R.G. KERIN: Yes, it is a huge drop. Given the public statements of the Premier, has there been an increase—I notice you did mention the figure for Mitsubishi before—in the number of Mitsubishis in the fleet? What percentage of Mitsubishis were purchased in 2005-06, and how does that compare with previous years?

The Hon. J.D. HILL: I will tell you what information we have. If we do not have everything you want, we can follow it up. On 13 October the Premier announced a target of 500 Mitsubishi 380s for the government fleet by the end of the 2005-06 financial year. This was achieved, as Fleet SA purchased 580 380s by the end of the financial year. As at 1 September this year the government's large six to eight-cylinder passenger fleet contained approximately 31 per cent Mitsubishi, compared to 10 per cent Ford, 55 per cent Holden, and 4 per cent Toyota. Orders placed for the 2006 calendar year to date—that is, 1 August 2006—for six to eight-cylinder passenger vehicles were (approximately) Ford 9 per cent, Holden 59 per cent, Mitsubishi 30 per cent, and Toyota 2 per cent.

In comparison, I am advised that for the 2006 calendar year, including August 06—national sales figures for July are not available at present—the Mitsubishi six-cylinder vehicles comprised 10 per cent of the national large passenger vehicle sales. That clearly demonstrates that we are purchasing well in advance of national sales figures. As at 1 September this year, since the introduction of the 380 in late 2005, 828 Mitsubishi 380 vehicles have been ordered and 674 have been delivered.

The Hon. R.G. KERIN: Thank you for those comments. In case you were wondering where we were going with that, at the time we spoke about the impact it would have on Mitsubishi and Holden and the change in policy. As I do not have all the figures it may well make sense to have gone from 40 000 kilometres to 60 000 kilometres, but it does have an impact. That will be 600 fewer Holdens and 400 fewer Mitsubishis at a time when they are battling—but it may make financial sense. Without knowing the resale values and savings—

The Hon. J.D. HILL: Yes. Governments have to make decisions in the best interests of the taxpayers. While you are purchasing you may try to do ancillary things, such as help the car industry, but if it made the prime purpose helping the car industry it would just be—

The Hon. R.G. KERIN: Yes, and without knowing running costs and resale.

Mr GRIFFITHS: Minister, I refer to Budget Paper 4, Volume 2, page 8.23, headed Service SA, and I note your

previous comments in this area. You mentioned, I believe, that seven new Service SA customer service centres were opened during the 2005-06 financial year. Minister, can you detail to the committee how many of these were actually new offices and how many were, in fact, just the rebadging of existing state government offices, with an expansion of the transaction services they supply?

The Hon. J.D. HILL: I can advise the committee that the initial roll-out was the rebadging of Transport SA offices. However, the service centres now enable customers to pay bills, including SA Water, the emergency services levy and land tax; obtain government information on a broad range of other topics; carry out motor registration licensing transactions; obtain and lodge a range of application forms; purchase government products, including power of attorney and guardianship kits and state and commonwealth legislation; and obtain referrals for appropriate government agencies.

Mr GRIFFITHS: Minister, is there an intention to open any more Service SA offices in regional areas in the coming year?

The Hon. J.D. HILL: Yes. It will be a matter of looking for opportunities, taking into account the need and also the budget that is available. However, it is a broad commitment to try to use this efficient way of providing services and, in fact, expanding services, in regional South Australia.

Mr GRIFFITHS: Minister, I again refer to page 8.23. Under the Service SA Customer Service Centres, there is a reference to 10 rural agents in the 2004-05 year and seven rural agents in 2005-06. Will the minister explain to us what the role played by rural agents is and why apparently there is a reduction from 10 to seven?

The Hon. J.D. HILL: We will take that question on notice. I am sorry; I just do not have that information with me.

Mr GRIFFITHS: I again refer to page 8.23. I note the transfer of 120 staff from the transport department to Service SA. In that case, were the transport department regional offices—and they were rebadged as Service SA—existing staff levels increased to provide the services provided?

The Hon. J.D. HILL: I am advised that the services have been able to be provided with the existing level of staff, which is an efficient use of resources. So, that means more services with an existing level of staff. I am further advised that, if the demand increases, there is a capacity for the service centres to take on temporary staff through the Customer Contact Centre in the city. So, there is a back-up service provided.

The Hon. R.G. KERIN: The capital works statement on page 55 identifies expenditure of \$3.2 million in the 2005-06 financial year for the refurbishment of the Torrens Building to accommodate the stage 1 requirements of the Carnegie Mellon University and a further expenditure of \$355 000 this financial year. Is this \$3.5 million expenditure part of the government's \$20 million commitment to Carnegie Mellon?

The Hon. J.D. HILL: We will have to seek advice in relation to that question. We believe it does, but we are not 100 per cent certain, so we will need to come back to you with an answer.

The Hon. R.G. KERIN: I am sorry; I did not get the first part of the answer.

The Hon. J.D. HILL: I cannot answer that question directly. We believe it does, but I am not 100 per cent certain, so we will have to get back to you with a definitive answer. We will try to do that today if we can.

The Hon. R.G. KERIN: The minister may need to take my next question on notice, or he may know the answer. Is there a rental or leasing agreement with Carnegie Mellon whereby the government would receive income from Carnegie Mellon for the use of the Torrens Building?

The Hon. J.D. HILL: I am happy to take that on notice, too. In fact, I am not even sure that DAIS is responsible for those elements of it; I think DPC is. However, we will try to get advice for you.

The Hon. R.G. KERIN: In relation to the Torrens Building, can the minister also advise whether they are a part tenant now? There are still some of the—

The Hon. J.D. HILL: There are other people in that building, yes.

The Hon. R.G. KERIN: So, there are still others in there as well. The capital investment statement shows that the GRN project estimated total cost has increased by \$6 million since last year's estimate. Will the minister explain the increase in cost to the committee?

The Hon. J.D. HILL: I ask the member for Frome: in the investment statement on page 55, where it talks about reclassification, is the \$3.2 million of expenditure from operating to investing for the GRN what you are referring to?

The Hon. R.G. KERIN: That may well be part of the total.

The Hon. J.D. HILL: Can you point to the line you are referring to?

The Hon. R.G. KERIN: It is in the capital works on page 35.

The Hon. J.D. HILL: GRN?

The Hon. R.G. KERIN: You need to put it together with last year's. Last year it was \$109 million; this year it is \$116 million.

The Hon. J.D. HILL: That is the total.

The Hon. R.G. KERIN: That is talking about the total cost of the project.

The Hon. J.D. HILL: I see what you are saying; yes. I am advised that last year there was approval for \$5.8 million for the upgrading of the system, and that is to be spent over two financial years.

The Hon. R.G. KERIN: Is the minister confident that the GRN installation will be completed by 2006, as stated in the capital investment statement? Of course, that is next month; has it been completed?

The Hon. J.D. HILL: I can tell you what I do know about the GRN. Coverage analysis reviews indicate that Telstra is close to meeting its coverage compliance obligations in the majority of areas specified in the contract, although I am told that there are a few areas that require remediation. We have been negotiating with Telstra to effect improvements at a number of sites where as-built SA-GRN coverage is contractually compliant but insufficient to meet some agency operational requirements.

Coverage map information data files provided by Telstra have been used for a more detailed examination of Telstra's coverage compliance, and analysis of the map information files has been undertaken with the assistance of spatial information specialists from the Department for Environment and Heritage. The state has executed an agreement with Telstra as part of the final SA-GRN acceptance negotiations to rectify coverage problems that have arisen among users. Areas that have been addressed included Houghton and Gorge Road and the Marion Shopping Centre. Other areas currently being addressed include wide area coverage in the South-East, Carpenter Rocks, Kongorong and Donovans,

Moonta, Mannum, Morgan, Lucindale and Mount Remarkable as well as miscellaneous below-target paging areas and hand-portable coverage in a number of nominated towns. The coverage enhancement for the Grant Council and Lucindale was completed in November 2004, and enhancements at Morgan, Mannum, Moonta and Mount Remarkable were completed in July 2005.

The final Department for Environment and Heritage spatial analysis of the coverage, excluding region 4A (Flinders National Park), was received on 4 April 2006, and the South Australia-wide area coverage outcomes against the joint target of nearly 95 per cent are summarised as voice coverage level, 94.46 per cent and paging coverage level, 94.7 per cent—so, very close to that target. I am advised that construction is complete except for the Adelaide Airport upgrade, which is yet to be done, and the recent negotiation for extension of the GRN to May 2009 has also resulted in some minor coverage enhancements to Clare (about which I am sure the honourable member will be pleased), Ardrossan, Port Victoria and the Mid-North. Radio coverage has recently been upgraded at the Adelaide Railway Station, and radio coverage enhancement work has been committed at Yatala Labour Prison. Coverage enhancement work is also progressing on the implementation of mast-head amplifiers at selected sites to improve the SA-GRN talk in-talk out balance.

Initial assessments of sites completed have produced favourable results, and negotiations have been completed with the airport authority to facilitate upgraded SA-GRN coverage at the recently constructed airport terminal. Funding approval is currently being sought to allow the necessary work to proceed. It is a lot of work, by the look of it.

The Hon. R.G. KERIN: This may be a little difficult for DAIS, being at the stage it is at; however, I refer to the proposed shared services reforms across government. Can the minister outline the baseline costs for the provision of corporate services in DAIS—and you may wish to take this on notice? These baseline costs are to include the current total cost of the provision of payroll, finance, human resources, procurement, records management and information technology services. It should also include full-time equivalent staffing numbers involved. Of course, in your case, last year's is the only figure you will be able to sensibly come up with. Supplementary to that, what particular issues from DAIS's point of view need to be resolved with the proposed centralised shared services unit—which, I guess, is probably like a dead man looking at the coffin?

The Hon. J.D. HILL: I will take that on notice.

The Hon. R.G. KERIN: I will read in the omnibus questions:

1. Will the minister provide a detailed breakdown for each of the forward estimate years of the specific administration measures as listed in Budget Paper 3, Chapter 2: Expenditure, which will lead to a reduction in operation costs in the portfolio?

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

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

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

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

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

(ii) 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?

Additional Departmental Advisers:

Ms A. Howe, Chief Executive, SA Water.

Mr P. Prodanovski, Financial Controller, SA Water.

Mr A. Katic, Ministerial Adviser.

Mr J. Ringham, Chief Operating Officer, SA Water.

The CHAIR: We will now deal with SA Water.

The Hon. J.D. HILL: The long-term sustainability of our precious water resources will be a focus for the year ahead as we once again approach summer with drought affecting most Australian states. The responsible management of our water supply will be critical to the drought, and the introduction of water restrictions will have an adverse impact on SA Water's income, as demand for water is restricted and additional expenditure will be required in the form of water restrictions, communication, administration and enforcement. Potentially, SA Water's revenue could be reduced by \$14 million as a result of the drought and, in particular, the water restrictions.

Looking to a sustainable future, SA Water will continue to implement the Water Proofing Adelaide strategies to reduce our reliance on the River Murray and also reduce our water consumption in the longer term. The \$21.5 million upgrade of the Torrens aqueduct, which supplies water from the Gorge Weir to the Hope Valley Reservoir, commenced its design work just recently. Approximately \$2.5 million will be spent during the coming financial year and, subject to detailed design, it will be completed by January 2007; preliminary site works can commence by March next year.

The new pipeline will be designed as a gravity flow system, so there is no need for additional power supplies or pumps and, therefore, no greenhouse gas emissions. This project, which is one of the Water Proofing Adelaide strategies, will reduce water loss through evaporation and leakage from the open channel. Options for the upgrade of the Christie's Beach waste water treatment plant are currently being evaluated. During the financial year 2006-07, approximately \$3 million will be invested in developing concepts which will also incorporate sustainability outcomes. The project aims to develop options for the removal of the sludge lagoons adjacent to the Onkaparinga River. And, as a local member, I am absolutely delighted by SA Water's intention to do this, as is the community that lives nearby.

Community consultation will also take place to help determine future uses for the lagoon site. During the financial year 2006-07, SA Water will complete the construction of the

\$48.5 million Eyre Peninsula water supply upgrade. This will supply a minimum of 1.4 gigalitres per annum to augment the existing ground water supplies in the Eyre region. Planned expenditure for 2006-07 is in excess of \$27 million, and the project is on track to reach construction completion by February 2007. Project hand over for normal operation is planned for June 2007. SA Water will continue its program to bring our reservoirs to world's best practice in terms of dam safety.

In 2006-07, \$3.1 million will be spent on the upgrade of the Millbrook reservoir wall. The \$8.5 million project will improve the dam wall's resistance to core leakage, earthquake and extreme floods. Projects will be completed by April 2007. SA Water's move from the Parklands at Thebarton is on schedule to occur by late 2008. In 2006-07, about \$4.5 million will be spent on the project to relocate three SA Water metropolitan sites at Thebarton, Grenfell Street and Bolivar to the former barn site on Victoria Square.

A commercial building with a minimum five green star rating is being constructed on the site, and SA Water will lease space in the building when it is completed in September 2008. I understand that it will actually be a six-star rated building. That is the target. SA Water's borrowing levels are agreed with government and are set at a current debt to asset ratio of around 18 per cent to 20 per cent to be maintained over the next four years. SA Water's borrowing levels are strictly controlled by the government through the budget process. SA Water does not undertake borrowings for specific projects or undertakings. Borrowings are identified as part of the overall budgetary process.

In the coming year, SA Water will be focusing on longer term strategies to attract and retain skills critical to the sustainability of the organisation. In particular, SA Water recognises the need to expand the number of apprentices and other trainees, particularly in regional areas, to ensure we can manage issues relating to an ageing workforce. This may entail a considerable increase in head count and, therefore, labour costs.

The Hon. R.G. KERIN: Given the state's desperate need for water infrastructure and its ageing water assets, does the minister agree that the Treasury take from SA Water of \$217 million last year was excessive? I will give a quick explanation, and I might say we are trying to protect SA Water from the greedy Treasurer. The dividend take from SA Water last year was \$217 million, up from \$174 million in the previous year. This \$43 million increased take coincided with a \$63 million underspend of the capital investment budget.

The Hon. J.D. HILL: I thank the member for that question.

The Hon. R.G. KERIN: Have a crack at the Treasurer.

The Hon. J.D. HILL: The member says to have a crack at the Treasurer. The Treasurer takes money in but does not use it for his own purposes. He then hands it out to other agencies, and that money helps pay for schools, hospitals, police and all the other services we provide to the public of South Australia. I heard the shadow minister for education on the radio this morning complaining about cuts to schools and he said we should be putting more money into the schools program. You cannot spend SA Water's money on more infrastructure, take it out of the general revenue and also put more money into education, health and all the other services. It does not add up.

The system we have in place is substantially the same system that was in place when the Liberal Party was in

government, so it is a bit rich to come here and make suggestions along those lines, it seems to me, when the member (the former premier) knows perfectly well that the government has to take its revenue and allocate it according to demand. We do not work on the basis that the enterprises that make profits get to spend all of their profits and the school, health and police systems, which do not make profits (and we would be horrified if they did), are allowed to run down. That is always the way it has been, and it is the way it will always be. We used to have another revenue source, and it is called ETSA, but unfortunately you took that away from us.

The Hon. R.G. KERIN: I might add that there was actually a budget of \$63 million more for infrastructure than was actually spent last year. Is the minister concerned that there was again a significant underspend of the SA Water capital investment program? Despite the 2005-06 budget being \$180 million, only \$117 million was spent, and it appears that, despite the huge slippage of \$63 million, this current year sees the budgeted figure reduced by \$15 million, whereas given last year's underspend one would have expected an increase in the capital investment budget.

The Hon. J.D. HILL: The corporation's expenditure on capital projects over the past five years, 2001-02 to 2005-06, amounted to around \$660 million, representing an increase of 52 per cent on the prior five years expenditure level. So, if you compare our government with your government, we spent almost 50 per cent plus more on capital. The SA Water capital budget for 2005-06 was \$180 million, with an actual expenditure of \$127 million, and the difference is represented by the following: savings generated through favourable tender results or budget allocation contingency not being required, \$25 million (so, in other words, we were able to get the same goods for a lower price, and that is something for celebration, not attack); timing of expenditure, \$42 million, as a result of deferring works due to additional time required to consider options that deliver improved value for money outcomes and review the scope or re-tender due to higher than expected tender prices (in other words, we reconsidered a number of projects); and that was offset by continued high levels of development activity resulting in higher than budget extensions and connections, and that was about \$14 million. So, that is there as well.

Given the nature and timing of large infrastructure projects, total capital expenditure can vary from year to year, as can be seen with the budget levels for 2005-06 of \$180 million and for 2006-07 of \$165 million. However, the overall level of capital spending is projected to continue to increase, with an indicative estimate for spending for the five years from 2006-07 to 2010-11 of \$880 million. This represents an increase of 33 per cent in comparison with the previous five-year period.

The Hon. R.G. KERIN: Given the underspend on capital works and maintenance, is the minister concerned about the huge loss of water from the mains network, which is occurring at the same time as South Australians have been asked and regulated to conserve water? Other members and I are constantly receiving complaints of leaking pipes. A constituent last week reported two serious leaks in the Koolunga area in the Mid North. Apparently, he was advised by SA Water that the leaks cannot be fixed, because there is a chance that the main will then blow. So, it is just allowing the leaks to continue.

Also, on the weekend I visited a property where folklore has it that, earlier this year, the farmer almost lost his tractor

and seeder into a huge bog created by a leaking main. So, I thought I had better go and investigate. The farmer is probably now very grateful for the persistent leaks because, whereas the rest of his drought-stricken crop is looking awful, where the main runs through the property there is a good acre or two here and there where there are some major leaks from that main. Such stories are becoming pretty common. Is the minister concerned about the fact that we are losing a lot of water from our mains at the same time as we are restricting use by householders?

The Hon. J.D. HILL: The opposition has chosen to highlight this issue for reasons that I suppose suit its political purposes. The member made a number of claims that contain value judgments. The facts are that SA Water looks after 28 000 kilometres of pipes. It would be a rare day, indeed, when there was not a leak somewhere in that 28 000 kilometre pipe system—and, in fact, there would be no system in the world where there were never leaks.

Members interjecting:

The Hon. J.D. HILL: It is a bit like the Liberal Party, as my friend said. It is a little like the health system. Public hospitals have 2.4 million people using them every year, and there will always be someone who has a complaint. It is the same with the water system: it is a large system. Clearly, we do not want to see leaks in the system but, obviously, they occur from time to time. Let me provide some very good information about how we manage leaks.

For the past four years, SA Water has been using the standard Water Services Association of Australia (WSAA) methodology to quantify and benchmark leakage. The WSAA method involves a desktop comparison of current actual real losses and technical minimum real losses to determine an infrastructure leakage index (ILI). Factors taken into account include accuracy of customer meters, water used for operational and firefighting purposes, water theft, length of main, number of customer connections and system pressures. An ILI of 1.0 indicates that system leakage is at a practical minimum level. The ILI for Adelaide for the past four years (2001-02 to 2004-05) has been 1.2. From international benchmarking data, an ILI in the range of 1.0 to 1.5 is in the best 25 per cent of water authorities in the world and is classified as excellent, and we are in the top part of that excellent range.

Key inputs to the 2004-05 ILI calculations were as follows. Bulk water supplied, 164.8 gegalitres; metered customer consumption, 149.0 gegalitres; adjustments for meter inaccuracy, operational use and theft, 3.6 gegalitres; calculated leakage, 12.2 gegalitres (that is 7.4 per cent of water supplied); technical minimum real loss, 10 gegalitres. Factors contributing to Adelaide's very low level of leakage include the following. Water has always been a valued resource in South Australia. All usage is metered, and customers pay for use. The infrastructure is relatively young and in good condition. Many slow leaks are readily identified by green or wet patches during the dry summers, and are consequently reported and repaired. Much of the soil is clay, and leakage comes to the surface rather than soaking away underground.

In the United Kingdom, major water authorities have leakage of the order of 25 per cent, three times the level in Adelaide. The systems are largely unmetered, customers do not pay for use, water is much more plentiful and mains are laid deeper, as protection against freezing. SA Water has undertaken leak detection and repair trials, and is currently negotiating with United Water a larger scale leakage reduc-

tion program. Waterproofing Adelaide includes a leakage reduction target of 1 gegalitre per annum by 2025. The SA Water board has endorsed additional expenditure of \$300 000 per annum on initiatives designed to meet this target. Leakage from water networks contributes to total water use and increases demand on the River Murray.

Obviously, the Adelaide water network does not have a major leakage problem when benchmarked against other water authorities in Australia and overseas, and SA Water will continue to pursue leakage reduction opportunities. I have also been advised that national benchmarking shows that we are in the top two or three in Australia. I think that what SA Water does is very good. Obviously, it wants to reduce leakage, and that is what I indicated SA Water is prepared to do. Obviously, it does not want to see water leaking.

Ms SIMMONS: I am delighted to hear that the new shorthand for controlled minimum leaks is ILI. That will make it so much easier to SMS. I refer to Budget Paper 5, page 51. Can the minister provide an update and current status on SA Water's new accommodation project?

The Hon. J.D. HILL: In February 2006, a project deed was signed with the Catholic Church for the development of a building at the former tram barn site, 250 Victoria Square, for lease to SA Water for office and laboratory accommodation. The building is scheduled for completion in September 2008, at which time SA Water will relocate its Grenfell Street, Thebarton and Bolivar offices and laboratories to the new building. Both the church and SA Water will benefit from savings through integration of the procurement of the fit-out with the base building to allow joint tendering and subcontract letting of some key trade packages. The building's practical completion date of September 2008 that is specified in the project deed allows sufficient time for this to be achieved.

The building will be one of Adelaide's most innovative and energy efficient developments and is targeting a six green star rating from the Building Council of Australia rating for office design. The fit-out is being designed in accordance with standards for office accommodation for government agencies and is also targeting a six star rating. Cabinet has approved a capital expenditure of up to \$46.1 million for the fit-out. The office fit-out rate is within the government office accommodation committee fit-out cost benchmark rate for offices and, while there is no government benchmark for laboratories, the SA Water laboratory fit-out rate compares favourably with recent fit-out rates for Australian labs. A Public Works Committee hearing on expenditure on the capital works for the fit-out was held on 4 October this year. A report is pending.

Construction of the base building by the church is progressing well, with bulk earth works and piling completed, and construction of the concrete substructure in progress. Design and specification of the fit-out is proceeding to program. The first integrated tendering for the fit-out work is scheduled for early November this year.

The Hon. S.W. KEY: I am interested in the minister's opening statement where he talked about the Christies Beach waste water treatment plant. As the Minister for the Southern Suburbs, I am sure he finds this quite exciting. I would like to know more about the options being looked at, particularly the sludge lagoons. Will the minister provide more detail about the Christies Beach waste water treatment plant?

The Hon. J.D. HILL: I am happy to share my excitement with the member for Ashford. The current Christies Beach waste water treatment plant is currently processing waste

water. A 50 per cent increase in capacity is recommended to accommodate the projected growth to 2030 in the southern suburbs, which is why the upgrade is being considered. A decision by the SA Water Board to decommission the sludge lagoons on the banks of the Onkaparinga River was jointly announced by the Minister for Administrative Services and Government Enterprises and me as Minister for the Southern Suburbs on 14 September last year.

On 6 February this year cabinet approved funding of up to \$8 million for project development. The consultation process for the treatment plan upgrade started in February 2005, identifying issues to be taken into account when considering options for the upgrade. A community open day was held at the plant on 5 November 2005, which was well attended, including by me. It is not the most pleasant place necessarily to have an open day consultation, but the local community and I were fascinated to be shown around the various lagoons and processes associated with an SA Water plant.

The consultation report was issued in late March 2006. A community consultation process on the potential future use of the sludge lagoon site will commence in late 2006. Two of my constituents—Val and Mick Lewen—will be cheering loudly when that happens. The outcomes of the consultation process will be taken into account when determining the potential future use of the sludge lagoon site. Initial environmental investigations commenced on the site in June of this year and will continue with individual lagoons as they are brought off line and the sludge removed as part of normal operations. When completed, a report that provides the next steps to determine the extent of site rehabilitation required appropriate for its future use will be issued.

Once the new sludge management system is constructed by late 2009, the existing sludge lagoons will be decommissioned and the site rehabilitated. SA Water is evaluating a wide range of options for both treatment technology and sludge management that take into account issues and matters raised during the consultation process. Each option has been developed to a point where the absolute outcomes, such as greenhouse gas impacts and impacts on the marine environment and capital and operating costs of each option, are identified. SA Water plans to identify the preferred option and appropriate budget by December this year and will then commence work on developing the concept for a formal submission.

Mr PICCOLO: I refer the minister to Budget Paper 5, page 51. As part of my electorate is a country electorate, I am interested in country issues. Will the minister provide to the committee an update and progress report on the country water quality improvement program?

The Hon. J.D. HILL: I thank the honourable member for the question. It is a good news story. In 1995 SA Water developed a country water quality improvement program to be developed in a number of stages. Stage 1, 1996-99, included an extension of filtered water through the construction of 10 treatment plants by Riverland Water, new treatment plants for Kingscote and Penneshaw, and new or upgraded disinfection facilities for a further 35 supply systems. That was \$154 million. Stage 2, 2000-06, included extension of filtered water to various Adelaide Hills communities and Paringa (one of the many places my wife lived as a little girl). The lining and covering of five major earth and distribution storages, iron removal plants at Kalangadoo and Lameroo and additional disinfection and water quality improvements are currently in progress. The total endorsed cost was

\$36 million. This stage is virtually completed at a cost of \$31 million.

Prior to commencement of the program, 84 per cent of the state's water users received filtered water, and this has now reached 93 per cent. Another 5 per cent of customers received clean, disinfected, unfiltered ground water—Mount Gambier and Port Lincoln—and SA Water is implementing a number of projects to address the water quality issues for 2 100 customers in 19 small communities currently receiving disinfected, unfiltered River Murray water. The program is due for completion by 2010, and progress to date is outlined below.

The water supply to Jervois by connection to the Taillem Bend water filtration plant has been approved and is under construction, and filtered water supply to Monarto by connection with the Murray Bridge WFP has been approved by the SA Water Board and is currently in detailed design phase. Preliminary design has commenced on supplies to Callington, Kanmantoo, Mypolonga, Pompoota, Cowirra, Wall Flat, Mannum country lands, Palmer, Tungkillo, Swan Reach, Blanchetown, Monash and Glossop. These supplies may include new WFP facilities or connection to an existing WFP, and completion is planned by 2008. Supply to Cadell, Kingston and Moorook are due for completion in 2010. However, SA Water is investigating ways to deliver filtered water to these towns earlier, and options are also being investigated for supplies to Cooltong and Moorook country lands.

Mr PICCOLO: I thank the minister for his answer, which demonstrates that the government does care about the country.

The CHAIR: Order!

Mr GRIFFITHS: He has made comments like that three times today.

The CHAIR: The member for Light should not make those comments.

Mr PICCOLO: I am suitably chastised, Mr Chair.

The CHAIR: I will be equally as hard on the opposition if they have any more loaded questions.

Mr GRIFFITHS: I refer to the government's energy targets. Will SA Water be included in the Premier's energy targets, which aim for a reduction in energy use of 25 per cent by 2010 and an increase in the proportion of green energy to 20 per cent by 2014?

The Hon. J.D. HILL: I am advised that, on 18 October in Estimates Committee A, the Leader of the Opposition asked the following question:

... the government has set a target of reducing energy consumption by 25 per cent by 2010. Does this target include the power consumed by government corporations, such as SA Water? In other words, is SA Water's power purchase included in the calculation that you are seeking to reduce?

The Leader of the Opposition later clarified his question by asking whether 'SA Water is included in your definition of "government" for the target?' In reply, the Premier advised that he would check that, and he then proceeded to provide some general information about energy reduction targets across government, including SA Water. The target referred to in the Leader of the Opposition's question is part of target 3.2 in the South Australian State Strategic Plan, published on 29 March 2004. The relevant target is to reduce energy consumption in government buildings by 25 per cent within 10 years.

It should be noted that the target relates to energy consumption in buildings, not other forms of energy con-

sumption by government. It should also be noted that the target date is 2014, not 2010, as indicated in the question. I am advised that, in keeping with longstanding practice, public corporations (non-financial) are not included in the general government sector. I understand that that practice was followed when the former Liberal government established the agency greenhouse targets program in July 1997 and again when it approved the energy efficiency action plan in November 2001.

The practice was continued when the energy efficiency action plan was launched in May 2002. Under that plan, targets applied to non-commercial agencies defined as any agency in the general government sector of the South Australian budget papers published annually by the Department of Treasury and Finance. I am also informed that, although not part of the EEAP, SA Water is a member of the Greenhouse Challenge Plus program, which enables Australian companies to work with the Australian Greenhouse Office to improve energy efficiency and reduce greenhouse gas emissions. As a member, SA Water reports its energy use and emissions for inclusion in the national database. I understand that SA Water has also been reporting annual energy use to the Department of Transport, Energy and Infrastructure on an informal basis.

The primary use of energy consumed by SA Water is for pumping water from the River Murray to Adelaide and country regions—for example, Whyalla and the Upper South-East. Electricity used for major pumping can be affected by seasonal variations in weather and, therefore, consumption can vary significantly from year to year. Although not included in the government target, SA Water will contribute to energy efficiency in buildings across government. Following its completion in September 2008, SA Water will occupy, we hope, the first six-star rated building in South Australia. The building on the former tram barn site will accommodate SA Water employees currently distributed across several city and metropolitan work sites.

The building will incorporate energy efficiency measures, including a veil on the western facade to reduce solar loads, while still returning views and daylight; high-performance glazing to the north, south and east facades; displacement ventilation systems using raised floors to give individual control to occupants; a high percentage of outside air provided to building occupants; carbon dioxide monitoring on each floor to increase outside air rates when required; a full height atrium to allow natural light into the heart of the building; an energy efficient lighting system, with automatic dimming control; automated internal blinds, with manual override; recycling of over 80 per cent of construction demolition waste; and extensive metering and monitoring of energy and water.

Mr GRIFFITHS: Therefore, included in the detail of the answer was that the targets relate only to the administrative uses of energy by SA Water.

The Hon. J.D. HILL: All I can do is refer you to the statement I made. I was talking about buildings generally across government and also about the commitment of SA Water to its own building program (which will be a green building) and the fact that its energy use is highly variable as a result of its pumping needs associated with weather conditions. It is a bit hard to set a particular target.

Mr GRIFFITHS: I refer to Budget Paper 5, page 57: capital investment and savings in the cost of purchasing additional permanent water licences. Yesterday, the Minister for the River Murray told the committee that 13 gigalitres had

already been put towards the Living Murray initiative. Minister Maywald informed the committee that 10 gigalitres of this water was from water licences that had been purchased by SA Water. What portion of this water was purchased from the Lower Murray irrigation area?

The Hon. J.D. HILL: I am advised that it was almost all of it. I think that the 10 gigalitres to which the member refers was exclusively from the Lower Lakes.

Mr GRIFFITHS: As a supplementary question, was SA Water reimbursed by the government for the 10 gigalitres? If so, was it at a higher price than it paid for the licences?

The Hon. J.D. HILL: I am advised that it was reimbursed at cost.

The Hon. R.G. KERIN: On the same line, were the savings referred to in the budget papers because fewer water licences were purchased or because the price of the water licences was lower than before?

The Hon. J.D. HILL: I am advised that there was a provision of about \$5 million to purchase water and no additional water was purchased.

The Hon. R.G. KERIN: Is the minister concerned about the long delay in the announcement of the implementation of this season's water restrictions and—

The CHAIR: The member made a comment in his question. 'Long delay' is a comment.

The Hon. R.G. KERIN: I am sorry. Is the minister concerned at the timing of the announcement and the implementation of this season's water restrictions? There were long delays in the government's announcing the restrictions, with many commenting that it was most unusual to have fire bans before water restrictions. Many feel that the late announcement has seen us forgo significant savings in September and October.

The Hon. J.D. HILL: It is always difficult for governments to work out when to put water restrictions in place. I do not think there was a delay—we thought carefully about when to do it. When you put water restrictions in place, you want to make sure that you absolutely need to do so. There was some hope that we would have spring rains after a very dry winter, as happened last year. If the member recalls, last year we had a pretty dry winter and then a pretty wet spring, so we did not need water restrictions. In fact, on balance, we had a pretty good year last year, and we got out of the poo, as it were, because of those spring rains.

The Hon. S.W. KEY: Out of the sludge.

The Hon. J.D. HILL: Yes. This year we waited to see what would happen, but there were no spring rains and so we had to go through that process. I think the timing of it was fine. I think you also have to understand the psychology of the community. If you put something in place before people are really conscious of the need for it, then you get cynicism and a kind of controversy but, as to what we have in place at the moment, people are saying it could have been harsher. I think the community generally has accepted the need and has responded. I was told that just yesterday there was a big drop in the amount of water used. It was something like a 20 per cent drop in water use, as the result of just that one day, I am advised. So, the community has responded fantastically.

There is all sorts of stuff in the media and on talkback saying people are confused, but that is just tosh, in my opinion. There might be a few confused people, but those people are confused about everything that goes on in life. Most people understand it, people who have gardens understand it, and we expect high compliance without any

punitive regime. In addition, I know that South Australians do not only what is required by the law but also everything else that is not required but is within the spirit of the law: people have shorter showers, they turn the taps off when they are cleaning their teeth, and most have dual-flush toilets. We are not water wasters in this state.

The CHAIR: Are there any omnibus questions?

The Hon. R.G. KERIN: No, the omnibus questions have been asked.

Mr GRIFFITHS: Minister, I apologise for the fact that I am not aware of a reference number for this, but it relates to the augmentation policy that exists within SA Water, especially as it relates to regional areas. Opportunities for economic growth in the regions are very much dependent upon the availability of water supply. In some areas the augmentation contribution requirement, I believe, is on a full recovery basis, and I seek clarification of that.

I also ask whether there is an acknowledgment within SA Water that there may be opportunities in relation to reducing the augmentation cost in recognition of the future use of the water supply and, therefore, the profit that that consumption in future years will generate. At the moment we are being told in the region that I represent that augmentation contributions are between 4 500 (for some areas) and 15 000 in others.

The Hon. J.D. HILL: Let me tell the member what I know and if there is further information required we can get back to him. Land developers in South Australia have been required to pay augmentation charges for approximately 30 years. That is the first point: there is nothing new about this. Approval by the Minister for Administrative Services and Government Enterprises of an augmentation charge is in accordance with section 109B of the Waterworks Act 1932 and section 47 of the Sewerage Act 1929, two acts with which I am sure the member is intimately familiar.

There are currently 45 defined areas where a charge applies; the majority are in country townships, with a few in fringe metropolitan suburbs. My suburb is included in that, so I understand these issues very well. It is necessary to impose an augmentation charge when the existing water or waste water infrastructure in the area does not have the capacity to serve additional new allotments. This may occur as the result of new land development or the local council rezoning land for residential purposes. When the area being developed is within a larger area that can be further developed, SA Water determines the upgrade works that are required to serve the whole area rather than only considering the works needed for each specific development.

To fairly and equitably recover the cost of the upgrade works for the whole area from several developers, an augmentation charge is established. The charge is based upon the cost of the required infrastructure and the size of the area to be served or the number of potential allotments that can be served. Augmentation works can include, for example, the duplication of a water main, the installation of a sewage pumping station, or the construction of large diameter sewers.

The augmentation works may be staged or delayed until the existing infrastructure is no longer able to serve the level of new development that is taking place. The payment of an augmentation charge is in addition to the normal costs associated with extending any new mains to a land development and the payment of stamp and capital contributions. The augmentation charge can be either a set amount per additional allotment being created, or a cost per hectare. The majority of augmentation charges are revised by a cost index factor at

the end of each financial year. If an augmentation charge was not imposed SA Water could be accused of either stifling land development if the works were not constructed or wasting government funds for subsidising profit-making private enterprise.

On 6 September 2006, SA Water officers met with officers from the District Council of Yorke Peninsula, the mayor, local business reps and the economic development officer and it was resolved that a solution could be achieved. However, a commitment from developers was needed for the solution to whatever the problem was—this was about the Ardrossan augmentation charges. Council would follow this up. It now appears there may be sufficient interest from some developers to the point that combining their financial contributions with an amount from council and SA Water should enable a solution to be achieved. SA Water officers are meeting with the council and developers on 2 November this year and it is anticipated that a mutually acceptable outcome may be achieved for all parties.

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

Departmental Advisers:

Ms J. Davidson, Chief Executive, WorkCover.

Mr I. Rhodes, Chief Financial Officer, WorkCover.

Mr P. McEvoy, Manager, Policy and Government Relations, WorkCover.

Mr P. Hoppo, Ministerial Adviser.

Membership:

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

The CHAIR: I will call on the minister to make an opening statement, if he wishes, and I will then afford the same opportunity to the lead speaker for the opposition. I will just paraphrase our standing orders. There is no need to stand to ask questions. Members who are not members of the committee may ask questions if they choose. Any questions taken on notice must be responded to and submitted to the committee secretary by no later than Friday 17 November. There will be a flexible approach to asking questions—three questions per side. Questions must be based on lines of expenditure in the budget and must be identified or referenced. All questions must be directed to the minister, not the minister's advisers, and only the minister shall respond. There is no formal facility for the tabling of documents other than that which occurs in the house. There will be some freedom to allow television coverage from the northern gallery, if the media wishes, for a short period of time.

The Hon. J.D. HILL: I will start by making a brief comment. As the acting minister for industrial relations, I am pleased to appear before the committee, once again on behalf of my colleague the Hon. Michael Wright. Workers compensation schemes are long-term schemes. It can take many years for the impact of changes, both positive and negative, to be truly felt. The past year has seen some very substantial changes to our workers compensation system. Clearly, the centrepiece of the reforms is the decision to move away from multiple insurance companies managing workers compensation claims to a single specialist claims management company. This decision brings a host of benefits. It makes it

simpler for employers and employees, and it makes it more efficient in terms of WorkCover's overall leadership and management and, of course, it brings in the expertise that has driven Employers Mutuals' success in New South Wales.

While the scheme's overall funding position has improved from 63.2 per cent to 65 per cent, the raw unfunded liability figure has gone from \$652 million to \$694 million. At first glance, it is easy to see how this can appear confusing. The simple explanation for this is that both WorkCover's assets and liabilities are growing, but the assets are growing faster. This reflects WorkCover's continuing outstanding results in terms of its investment strategies. However, we must remember that in workers compensation there is almost always a lag between the good work being done and the results flowing through. For example, the vast majority of last year's financial results relate to a period when the various insurance companies were administering claims on behalf of WorkCover.

From 1 July this year Employers Mutual became the sole claims agent in our workers compensation scheme. So, in many ways, we need to draw a line at 1 July 2006 and start looking forward, not backwards. But, let us not be confused, getting the best results for injured workers, employers and the community is no easy task. As I know minister Wright has said before, the key to delivering a better workers compensation system for all South Australians is improving our performance in getting people back to work, and I know this is a major focus for WorkCover, and certainly a major focus for Employers Mutual.

We must continue to work together to achieve the results that we all want to see. Fundamentally, workers compensation is about dealing with people—people who often have had their life severely affected by an injury at work, and I am sure all of us, as members of the lower of house, have seen plenty of people in this situation. Businesses are severely affected by the loss of a key member of the team due to an injury at work. So, for WorkCover and Employers Mutual to get in the middle of these sorts of situations and bring about good outcomes is no easy thing.

Just like the government, they are committed to doing it and I think we can all have some confidence in the major changes that have been implemented to deliver a better workers compensation scheme for all South Australians. Another area of reform that WorkCover has instituted is in its legal representation. WorkCover has moved away from the panel of legal providers that it operated in the past and has moved to a single provider system. As a result, I am advised that not only have there been major savings in legal costs but dispute resolution times are improving as well.

We need the key players in the system all pulling in the same direction, and WorkCover has put in place the sorts of structures that are needed to achieve this. I am sure that WorkCover will continue to work with all stakeholders to keep improving the system and will continue to look for ways to work collaboratively with everyone involved in the system to drive the changes everyone wants to see—that is, better results in return to work and the most efficient and effective workers compensation scheme possible.

Mr WILLIAMS: Minister, the WorkCover 2004-05 annual report (the latest report) claims that 'one of the major contributors to the recent poor scheme performance was the failure to achieve earlier or sustained return to work for injured workers.' It goes on to suggest that the contracts with claims agents 'need to change markedly to achieve real and sustained improvements in scheme performance.' Given that

the report also noted that the then claims agents had 'agreed to a new financial schedule for the 2005-06 claims management agreement that alters the manner in which agent performance fees and incentives will be calculated', why has the unfunded liability continued to grow at a rate of over \$11 million per month during the first six months of 2006?

The Hon. J.D. HILL: I hear the question the member is asking, but I refer him to the statement I made that liabilities are growing but not as fast as the asset base. As I understand it, there was a recalculation of risk by the scheme actuary which, I guess, provided a more realistic statement of the risk associated with the existing client base for WorkCover. As you know, WorkCover has made a number of major changes, and I have just gone through those. A new way of operating has been set up which really came into effect at the beginning of this financial year, so you are raising issues which relate to conditions that existed in the past.

I have said (and I am sure WorkCover would say this as well) that the key issue is to get workers back to safe work as speedily as possible—and I am advised that the arrangements that have now been put in place will assist us to do that. That is the key issue, as well as getting liability down and getting the levy rates down.

Mr WILLIAMS: By way of clarification of that answer, did you say that the income was rising at a faster rate than the liabilities?

The Hon. J.D. HILL: The assets.

Mr WILLIAMS: That the assets were rising at a faster rate than the liabilities?

The Hon. J.D. HILL: Yes.

Mr WILLIAMS: If that is the case, why is the unfunded liability growing?

The Hon. J.D. HILL: I will try to explain it again. The relationship between the assets and liabilities is 65 per cent funded at the moment; a year ago it was 63.2 per cent. Two things have happened. First, the asset base has improved as a result of the investment strategy the WorkCover board has pursued; the asset base has gone from \$1 billion to \$1.2 billion, so the assets are doing well. On the other side of the ledger, the liability for individual workers who are under the WorkCover provisions has also expanded, largely due to an actuarial evaluation of the existing group of people who are WorkCover customers (or clients, or whatever the language is that we use). They have also expanded but not at the same rate as the assets—in other words, there is an improvement in the position.

Mr WILLIAMS: Given the escalating unfunded liability of WorkCover and the inability of the—

The Hon. J.D. HILL: I have just told you that it is not escalating; I have just demonstrated to you that it is the reverse of what you just said.

The CHAIR: Order! I remind members that they are entitled to make their points; however, comments in questions that invite debate are out of order. I ask the honourable member to rephrase his question so that it does not involve debate.

Mr WILLIAMS: The press release dated 28 September 2006 states, 'However, the unfunded liability increased to \$694 million after a loss of \$42 million.' That is from a press release issued by WorkCover.

The Hon. J.D. HILL: Nobody is denying it; I will try to explain why. The liability has increased, and that is primarily due, as I have said on two occasions, to the actuarial survey of the people who are currently within the WorkCover scheme, that is, the estimation of the amount of time to get

them back to work under the existing arrangements, as I understand it, being expanded. However, the proportion of unfunded liability has, in fact, declined as a result of the growth in assets. That is a reflection of the status quo, if you like.

Since that occurred, WorkCover has embraced a whole series of reforms, including the insurance and legal arrangements that I described, and it is anticipated, given the work that that insurance company did in New South Wales, that there will be replication in South Australia of the achievements that occurred in New South Wales. In other words, the amount of time that people are kept in the WorkCover system before returning to work will decline because of those reforms. I am advised that, when that comes into play, we can get a pretty fast turnaround. We are talking years rather than months, but there is a fair amount of optimism that the parameters are now in place to achieve those goals. Nobody is trying to pretend that the liabilities have not expanded: it is just the ratio between the liability and the assets which has improved.

Mr WILLIAMS: Thank you. Now I can get to ask my second question.

The CHAIR: Third.

Mr WILLIAMS: Second; I have not asked the second question.

The CHAIR: Order! I have been very patient. You have not made a single budget reference in your first three questions and supplementary. This is your third question.

Mr WILLIAMS: The Minister cut me off halfway through my question, and gave a longer—

The CHAIR: The member for MacKillop is big enough and ugly enough to look after himself; he does not need me to protect him.

Mr WILLIAMS: Given the escalating unfunded liability of WorkCover and the inability of the corporation to meet its own performance targets, particularly when compared with the success of the exempt employers, and the ongoing risk to the South Australian taxpayer, why has the government not reintroduced into parliament a bill to give the Auditor-General an ongoing role in reviewing WorkCover? In May 2003, the Minister for Industrial Relations introduced the Statutes Amendment (WorkCover Governance Reform) Bill, which included such a provision. This bill lapsed.

In his most recent report the Auditor-General compared this state of affairs with the former State Bank, highlighting that he had raised the issue with regard to that organisation prior to its ultimate demise. Given that as far back as 2002-03 WorkCover annual report predictions were made that unfunded liability of the scheme would decrease, why has the unfunded liability continued to increase, and will the Auditor-General be allowed to look at the books?

The CHAIR: I remind the member for MacKillop that we are not debating the Auditor-General's Report nor his recommendations. We are looking at budget estimates 2006-07. If the member wishes to engage about what powers the minister should give to the Auditor-General, that is a matter for the parliament when we review and debate the Auditor-General's annual report, not budget estimates. So, I will not allow that question. I am happy for him to make budget reference and ask the minister a question about the budget. If he wants to raise Auditor-General issues, the parliament is the place for that. The member for MacKillop may ask his third question.

Mr WILLIAMS: The most recent WorkCover annual report gives the 30 June 2005 total liability figure for all

funds as \$1.723 billion, some \$239 million more than the June 2004 figure. What is the total liability figure for 30 June 2006?

The Hon. J.D. HILL: The advice that I am given is that the board has yet to technically approve the accounts. Unfortunately, that occurs this Thursday, so I cannot give that information to the member, because they are not approved accounts. It is not that I do not want to give it. It becomes public after it is tabled in parliament.

Mr WILLIAMS: Is the minister able to indicate whether that figure has grown or shrunk?

The Hon. J.D. HILL: Repeating what I said before, the liabilities have generally grown, as has the asset base. It is just that the rate of growth in the assets is greater than rate of growth in the liability. I guess you could almost work it out from the figures that you have had yourself. If you have the value of assets at whatever you said they were and there is unfunded liability of a certain amount, you could probably be pretty close to working out the total liabilities.

Ms SIMMONS: I refer to Budget Paper 3, chapter 5, page 5.3. Can the minister inform the committee of details relating to the appointment of Employers Mutual, a sole WorkCover claims agent, and details of transition arrangements put in place by WorkCover?

The Hon. J.D. HILL: In January this year, the WorkCover board announced that Employers Mutual had been appointed as sole WorkCover claims agent. The strategic partnership between WorkCover and Employers Mutual marks the most significant change in the scheme for over 10 years in taking this step to appoint a single claims agent. The board clearly recognises Employers Mutual's proven and consistent track record for delivering results. Not only has Employers Mutual impressed New South Wales scheme managers by meeting and exceeding the scheme's targets and outperforming its peers but it has similarly impressed the employers who fund the scheme and the injured workers who are protected by the essential safety net of a workers compensation scheme.

As stated in my opening statement, I am advised that, during the selection process, it became overwhelmingly evident that Employers Mutual had the respect and support of employer associations, trade unions, worker representatives and the managers of the three separate schemes in which they operate in New South Wales. The government and its WorkCover board has every confidence that Employers Mutual will achieve similarly impressive results in South Australia.

Today, Employers Mutual has been the sole claims agent in South Australia for less than four months. It is also worth recalling that it is a little over nine months since the announcement by the WorkCover board in January that Employers Mutual would enter the South Australian market, and much has been achieved in this time. From the week of the board announcement, Employers Mutual established a strong management presence in this state and has worked closely with WorkCover to establish a genuine partnership. It has recruited strongly and has in place a talented and committed team across all levels of its organisation and, consistent with the organisation's culture of accountability and performance development, Employers Mutual has already made significant investments in staff training.

Working closely with WorkCover and existing claims agents, Employers Mutual has worked tirelessly to manage the transition from four agents to a single operation. In order to minimise the transition risks, WorkCover implemented a

staggered transition in which about 50 per cent of the market transitioned to Employers Mutual with effect from 31 March this year, with the remainder of the market moving on 1 July this year. The importance and magnitude of the transition cannot be overstated, and the way in which the transition process has been managed is a credit to all those involved. Clearly, much has been achieved already. There are, of course, still many challenges to face, and many opportunities as well.

The move to a single claims agent allows for the development of a strategic partnership that is fundamentally different from the arrangements that have previously been in place between WorkCover and its multiple agents, and there is a significant opportunity for WorkCover/Employers Mutual to work differently and to review the range of functions involved in rehabilitation and claims management to ensure that functions and efforts are not duplicated. WorkCover is strongly committed to its role as the regulator of the scheme and is implementing robust contract governance arrangements which will build on and encourage the spirit of partnership between the two organisations. Both organisations will not deliver improvements to the scheme alone. Real and sustainable improvements will only be delivered through all scheme participants working together.

Mr PICCOLO: I refer the minister to Budget Paper 3, page 5.3. Can the minister advise the committee about the details of the WorkCover return to work awareness campaign and its impact to date?

The Hon. J.D. HILL: I thank the member for Light for the question. As members would be aware, late last year WorkCover launched a very significant awareness raising campaign with the very simple message that getting people back to work sooner is better for everyone. Indeed, when one considers the current position of the WorkCover scheme, the key driver of increasing liability estimates is more people staying on the scheme for longer. This is a very important and powerful message. The return to work awareness campaign is one of a number of initiatives being undertaken by WorkCover to improve return to work outcomes.

WorkCover has taken a very innovative approach to communicate the importance of safe and prompt return to work from a child's point of view and, using animation, emphasising the powerful point that early and safe return to work is better for everyone. The campaign reinforces that return to work is not an end point but an important part of a person's recovery from work injury. The campaign highlights that all South Australians are hurt by work injury and that we all have a role to play in a person's recovery, including the injured worker, their employer, doctors and other health professionals, rehabilitation providers, claims managers and, importantly, family and friends.

The campaign consists of television, press and direct mail. The campaign was run through November 2005 to obtain maximum effective exposure to the working community of South Australia. In addition, there was a two-week follow-up campaign conducted in late January and early February this year. This follow-up campaign also included direct mail that was targeted towards injured workers, employers of injured workers and doctors, and I am very pleased to note that the results of the campaign have been very positive. Market research undertaken shows that of the people surveyed 50 per cent could recall having seen the campaign, both prompted and unprompted, and of those 50 per cent a very encouraging 70 per cent were able to specifically recall the key underlying message.

The Hon. S.W. KEY: I am interested in hearing about the regulated fees for medical providers. A lot of local members have received complaints from constituents in this area. I refer the minister to Budget Paper 3, page 5.3. Can the minister inform the committee of steps being taken by WorkCover and the government to create a simpler process for establishing the rates that medical and allied health providers can charge for services provided to injured workers?

The Hon. J.D. HILL: I thank the member for Ashford for her question. The question considers the way in which medical and allied health workers are remunerated for the valuable services they provide to injured workers. Medical providers play a central role in the workers' compensation scheme, an obviously important part of the whole process. Since 1995, when the former government amended the legislation, fees for services provided by medical providers are regulated and are linked to the average charged to private patients for that service. Over the years, these provisions have proved very difficult to administer, and the fee setting process has been considered to be arduous and inefficient. With the significant changes in health care practices and the increasing focus on privacy and confidentiality by health insurers, the ability to obtain realistic data on private patient rates has weakened over time. In the past there has been a lack of structured process with set time frames for review, and it has not been uncommon for provider groups to wait several years for an increase in the regulated fees.

I am advised that the fee setting process has been characterised by protracted discussions between WorkCover and the relevant provider association regarding the approach to fee setting, the methodology to be used and the resultant fees. Indeed, in the past, the dialogue between WorkCover and the groups representing health providers has been dominated by fee discussions rather than focusing on matters of training, best practice and service delivery that would genuinely improve the experience of injured workers. Under the leadership of the current CEO (Julia Davidson), WorkCover has recognised deficiencies in the past approach and is tackling this challenge head on. This year, following the findings of a report by Associate Professor Kathy Alexander, WorkCover engaged the services of an independent and highly regarded health economist to fundamentally review the approach to fee setting. The resultant model is essentially a much more sophisticated and objective way in which WorkCover can ascertain the average private patient rate, which is what all regulated WorkCover medical fees must be based upon.

The model that was born from that review has been the subject of considerable consultation with a number of medical and allied health provider associations and other scheme stakeholders. The model delivers a robust, transparent and agreed methodology for determining the private patient rate as required by the legislation. The model is based on an analysis of costs and revenues of providers in private practice to identify reasonable hourly rates for each provider group. The aims of the model, consistent with the Alexander review, are to determine a series of immediate fee increases for most provider groups across the board and entrench a durable model under which future fee calculations and determinations are simpler and fairer and can be undertaken more efficiently.

A key part of the model is the capacity for fee increases to be indexed for up to five years once an original baseline schedule is determined under the model. The model has been widely supported by stakeholders and, in some cases, has

delivered long overdue increases in fees for a wide range of provider groups. The increase in fees associated with the adoption of this model are measured and appropriate and can be met by the WorkCover scheme. I am pleased to note that, on 28 September this year, Her Excellency the Governor, in Executive Council, approved the necessary regulatory amendments to give effect to this model with respect to fees for doctors, specialists and a number of other allied health workers. I welcome that change in process and the efficiency improvements that it brings. I also know that relations between WorkCover and the professional associations representing providers is strong, and I look forward to those relations continuing to improve.

Mr WILLIAMS: I refer to Budget Paper 3, chapter 5, page 5.3. Can the minister explain why the quarterly costs of claim payments, which seem to have hovered around \$100 million for the past few years, climbed dramatically to \$156 million for the June 2006 quarter? How many redemptions were made during this quarter, and how does that compare with the previous six quarters, what was the cost of redemptions during this quarter and what was the average cost of redemptions for each of the previous six quarters?

The Hon. J.D. HILL: I will have to obtain most of that information for the member. We do not have all that detail. One of the main reasons, I am advised, for the increase from \$100 million-odd to \$150 million-odd is that a targeted redemption program was implemented by WorkCover, I suppose, to get a number of people off the books and also to tie in with the transition to the new claims agent. We will obtain the detail for the member.

Mr WILLIAMS: As of 20 June 2006, WorkCover ceased taking new clients through its Employee Advocate Unit. At the time, WorkCover claimed that the functions would be picked up by Business SA and SA unions. I understand that the new service has, indeed, commenced within the past few days. Why did WorkCover privatise this function, when its own consultation indicated that all the stakeholders argued for it to remain within WorkCover? I am also told that, since 30 June, injured workers have been referred to independent lawyers to source advocacy services. Has WorkCover provided the cost for these services, and what has been the cost thereof?

The Hon. J.D. HILL: The WorkCover system involves a number of different external providers delivering services for injured workers—that is, doctors, allied health professionals, rehabilitation providers and lawyers. The delivery of advocacy services through an external provider is not a departure from this fundamental approach. WorkCover is retaining a significant advisory service, in which it will continue to provide injured workers and employers with quality assistance to help people navigate through the WorkCover system.

I am also advised that the WorkCover board was concerned about conflicts associated with employers of WorkCover through the Employee Advocate Unit's being engaged in advocacy roles challenging decisions made by WorkCover claims agents. Indeed, the Stanley Review also recommended that the EAU have a higher degree of independence from WorkCover, and I understand that the minister is very confident in the WorkCover board's approach to corporate governance. It has already been recognised that there will be future opportunities to broaden the scope for service delivery and consider additional organisations. It is important to note that the board members from these two organisations excused themselves from the decision making process with respect to

this matter. A contract was entered into with both those organisations for three years, with a 12-monthly review.

Mr WILLIAMS: The Grellman report in the late 1990s into the New South Wales workers compensation scheme cited the main problem with the scheme as being the secrecy and lack of involvement of the stakeholders in the decision making processes of the scheme's operation. The WorkCover board used to publish a list of its decisions so that stakeholders could follow what was happening, and the quarterly reporting used to make available a full range of quarterly statistics, whereas the current reporting regime seems to be designed to hide rather than to illuminate. Why has the South Australian government allowed the same closed management style to become part of the South Australian scheme, which seemed to cause problems in the 1990s in New South Wales?

The CHAIR: Order! Before I call on the minister, I seek clarification from the member. He is quoting a 1990 New South Wales report—

Mr WILLIAMS: I think it was 1999.

The CHAIR:—which reported into the New South Wales WorkCover system, and then extrapolating that into our system—

Mr WILLIAMS: I understand that our system has taken heed of that report.

The CHAIR: Is the member asking whether the department has used that report as a base for its current WorkCover operations?

Mr WILLIAMS: I am probably asking why it has not, because I understand that the South Australian WorkCover scheme has extensively taken on board a lot of what was in that report.

The CHAIR: I think it is a very long bow. I will leave it up to the minister to decide how he can answer that question.

The Hon. J.D. HILL: Given that there is an implied attack on WorkCover in the question, I think it is important that I raise a couple of issues. No-one at the table is aware of the Grellman report, so I cannot comment about what it recommended. However, I am advised that WorkCover produces a fairly extensive quarterly report, which is available on its website, as well as an annual report. I am not aware of there being any claims of any problems about transparency and openness in our scheme, but if the member has some evidence of that we would be happy to look at it.

Mr WILLIAMS: Rumours within the industry suggest that WorkCover is negotiating with EML for EML to take over the responsibility for managing functions under section—

The CHAIR: Order! The member cannot ask questions about rumours. Does the member have a budget line? The member can rephrase the question. Standing orders cannot be flouted to that extent.

Mr WILLIAMS: Is WorkCover negotiating with EML to transfer the responsibility for managing functions under sections 58B and 58C of the Workers Rehabilitation and Compensation Act 1986, and also the functions under the scheme known as RISE, where willing employers are found to employ rehabilitated workers unable to return to their former workplace?

Ms SIMMONS: Mr Chair, I have a point of order. Which budget line are we discussing now?

Mr WILLIAMS: I am referring to Budget Paper 3, chapter 5, page 5.3.

Ms SIMMONS: It was not clarified at the beginning of the question.

Mr WILLIAMS: I am sorry.

The Hon. J.D. HILL: The advice I have is that the board is reviewing all operations to ensure it does things as efficiently as possible and to ensure that there is no overlap with Employers Mutual.

Mr WILLIAMS: This is being negotiated?

The Hon. J.D. HILL: No, that is the negotiation. I am confirming that the board is considering a whole range of things to ensure that it runs its operations in such a way that it can bring down its liabilities, get more workers back to work safely and have an efficient operation, which I would have thought everybody in South Australia would want.

The Hon. S.W. KEY: I refer to the sort of questions I get from constituents. I refer to the employer compliance program, outlined in Budget Paper 3, chapter 5, page 5.3. Will the minister inform the committee of the steps being taken by WorkCover to ensure that employers comply with their obligations related to workers compensation? The member for Unley will be interested in this.

The Hon. J.D. HILL: I thank the honourable member for her question. It considers the vital role employers have in the workers compensation scheme and the critical role WorkCover plays as a regulator of the scheme to ensure that all employers comply with their legislative obligations. There are two critical areas of interface between WorkCover and employers. First, employers must register with WorkCover and contribute the appropriate amount of levy based on their own specific circumstance, as the member would know. In some instances an employer is required to comply with certain obligations that arise out of one of their employees being injured at work. From time to time WorkCover targets specific geographic areas of the state to determine whether or not the employers in those areas are complying with workers compensation legislation, including the requirement to register with WorkCover.

Recently a compliance program was conducted by WorkCover in the areas of Salisbury South and Parafield. The goals of the program were to identify businesses in the target area that are not registered with WorkCover but are employing and therefore have a requirement to register their business and ensure that their registration details, such as industry classifications of registered employers, are consistent with business activities, and ensure that correct remuneration levels are being declared.

Previous projects targeting Mount Gambier and Mount Barker identified that about 11 per cent of employers were not complying with their workers compensation requirements. These investigations generated an extra \$40 000 and \$47 000 respectively in annual levies. The Workers Rehabilitation and Compensation Act 1986 requires employers to lodge claims for compensation within five business days of receiving the claim. There is compelling evidence from a range of sources that early reporting of claims leads to better return to work outcomes. Statistics show that reporting an injury and making a workers compensation claim within 24 hours of a workplace injury can reduce claims costs by up to 45 per cent and significantly speed up recovery.

WorkCover's data on claims lodged by employers in the 2005-06 financial year show that at least 30 per cent of claims were lodged outside the five day time frame required by legislation, with at least 11 per cent being lodged more than 10 days after receipt. The actual extent of late lodgment could be higher because about 25 per cent of all claims lodged did not have a clear date of lodgment and therefore could not be measured. In order to improve employer compliance in this

important area, the WorkCover Board has endorsed amendments to its levy adjustment scheme determination.

WorkCover now has the ability to impose supplementary levies on employers who consistently lodge late claims. WorkCover is taking an active role in monitoring employer behaviour relating to claims lodgment and will contact employers where there are instances of identified non-compliance. In cases of repeated non-compliance employers will be liable for a supplementary levy, which initially will be suspended to allow employers to improve the timeliness of claims reporting before receiving a financial penalty. Employers will be considered for prosecution if they continue to lodge claims late after a supplementary levy has been imposed and permitted.

I am advised that a total of 218 employers have been identified as lodging time lost claims late in the June 2006 quarter. Of these employers 191 received a letter from WorkCover reminding them of their legislative obligations to lodge claims within five business days, and 24 employers who lodged time lost claims late in either the December 2005 quarter or the March 2006 quarter lodged claims late in the June 2006 quarter, resulting in a supplementary levy being imposed. The implementation of the supplementary levy has been suspended for 12 months to allow employers to demonstrate that they have the ability to lodge claims within the prescribed time frame. Three employers who lodged claims late in the December 2005 quarter and the March 2006 quarter have had a supplementary levy imposed. The supplementary levy imposed on employers ranges between 10 and 25 per cent in addition to the levy otherwise payable.

Mr PISONI: The minister raised a number of points about supplementary levies and additional fees. Does WorkCover have a scheme in place to counsel or train businesses that are serial offenders so they can be responsible citizens and employers? Many small business people are not necessarily university educated—they may be tradespeople or people who have started from a humble beginning and ended up with quite a strong enterprise or, alternatively, they may work on the tools with an apprentice and may find it quite daunting to understand their obligations. Does WorkCover offer a service of training and advice for such employers?

The Hon. J.D. HILL: WorkCover assists employers in the way the honourable member suggests. One is directly as a call centre that provides advice to people. In addition, there is a grant to Business SA, part of which will be used to create an advisory service for employers.

Mr PISONI: Do they need to be members of Business SA to access that advice?

The Hon. J.D. HILL: I do not believe so.

Mr WILLIAMS: I refer to Budget Paper 4, Volume 2, chapter 8, page 8.5. Given that the key to the sustainability of the WorkCover scheme is the reduction in the new income maintenance claims rate (and I think that you have alluded to that in some of your answers today), and WorkCover has—

The Hon. J.D. HILL: I am sorry; can you repeat the question?

Mr WILLIAMS: One of the keys to the sustainability of the WorkCover scheme is the reduction in the new income maintenance claims rate. Indeed, in the quarterly reports that WorkCover produces it has set a target of a reduction of at least 4 per cent per annum. As of December last year, the target was not met and, in fact, it ran at an increase of about 1.1 per cent. However, between December last year and March this year, that increase jumped to 5.7 per cent. Can

you offer the committee an explanation for the increase? What action has WorkCover taken, if any, to address that increase?

The CHAIR: That is an excellent question, but the pages the member has referenced relate to building maintenance. I am sure that it is an excellent question, and the minister will have an excellent answer, but perhaps a bit more homework might be in order.

The Hon. J.D. HILL: I asked the member to repeat his question, and he put it slightly differently the second time, when he said 'one of the keys', and I think that was appropriate. The principal way, in fact, is to get people back into safe work more quickly but, obviously, keeping people off the scheme is important, and there are targets. The member does not have the benefit of the most recent targets, but I do, and I thought I would let him know them.

Mr WILLIAMS: When I asked you a minute ago, you were not prepared to divulge them.

The Hon. J.D. HILL: They are on the web site, and what I have here are the June 2006 figures.

Mr WILLIAMS: Those are the figures I am using.

The Hon. J.D. HILL: The quarterly target for zero to six months was a reduction of at least 0.5 per cent; in fact, the result was 2.6 per cent, so that is more than five times the target. The six to 12 months target was a reduction of at least 4.7 per cent. The result was not so good and was 0.5 per cent, so it was the reverse. The one to three years target was 6.3 per cent, and WorkCover achieved a 5.7 per cent reduction. The three-plus years was a target of at least 3.7 per cent and, in fact, the result was 6.2 per cent. So, with the exception of the six to 12 months period—

Mr WILLIAMS: I am referring to the next figure in the box, CSI 13. That figure has increased from 1.1 per cent in December last year to 4.7 per cent in March this year. That is quite a dramatic jump.

The Hon. J.D. HILL: Obviously, there are a number of possible explanations; rather than try to summarise them, I will take the question on notice and get a report for you.

The CHAIR: We will now move to SafeWork SA.

Additional Departmental Advisers:

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

Ms M. Patterson, Executive Director, SafeWork SA.

Mr R. Ruse, Chief Financial Officer, Department for Administrative and Information Services.

Mr N. Champion, Ministerial Adviser.

Ms J. Dunstan, Senior Officer.

The CHAIR: I call on the minister to introduce his new advisers and to make a statement, if he wishes.

The Hon. J.D. HILL: The industrial relations budget program is made up of SafeWork SA, Public Sector Workforce Relations, the Industrial Relations Court/Commission and Workers Compensation Tribunal, and the Office of the Employee Ombudsman. SafeWork SA plays a very important role in the state's new occupational health, safety and welfare agency. It promotes and encourages safe, fair and productive working lives and high standards of public safety for all South Australians through the provision of a range of services, including information, assistance, compliance and enforcement activities.

In the past year, SafeWork SA has redefined its role, with significant amendments to the Occupational Health, Safety and Welfare Act 1986. In the process, it has been involved

in a number of significant achievements, the most significant of which is the transfer of OHS functions and resources from WorkCover to SafeWork SA which took effect on 1 January 2006. This removed the duplication caused by a split in occupational health and safety responsibilities between SafeWork SA and WorkCover.

The benefits include reduced duplication, improved accessibility, streamlined service delivery and a strategic focus on occupational health and safety in the state. To achieve this strategic focus, SafeWork SA has developed the Occupational Health and Safety Strategic Framework for South Australia, which has been endorsed by key stakeholders. The framework informs and directs the actions of SafeWork SA by setting targets for reducing workplace injuries, priority industries, workplace risks and public safety hazards. The framework supports the targets of the State Strategic Plan of a 10 per cent reduction in work fatalities by June 2007; a 20 per cent reduction in fatalities by June 2012; a 20 per cent reduction in workplace injury by June 2007; and a 40 per cent reduction in workplace injury by June 2012. An Industrial Relations Strategic Framework for South Australia is also being finalised. SafeWork SA also engaged workplaces, through Safe Work 2005, the major occupational health and safety event held annually. With over 100 workshops on offer in both metro and regional areas, the program attracted over 3 500 participants.

Another achievement (as part of the government's response to reduce the risk of possible misuse of ammonium nitrate and a COAG review of ammonium nitrate) is that regulations were developed under the Explosives Act that proclaimed ammonium nitrate as an explosive. Considerable consultation occurred with representatives of agricultural and horticultural industry associations in the development of these regulations. A licensing and permit system was implemented as a means of restricting access to this substance and to make its transport, storage and use more secure. The government committed funding for licence and permit applicants to receive advice and assistance about the system. Training workshops focused on horticulturists have been held in various regions. Approximately 200 people in the industry have attended the workshops or received information packs.

In addition to its occupational health and safety functions, SafeWork SA is also responsible for industrial relations legislation. The legislation amending the Fair Work Act 1994 introduced in May last year has seen significant changes to the industrial relations landscape in South Australia. SafeWork SA has been involved in establishing these changes and ensuring they are passed on to workplaces. A flow-on from the Fair Work Act 1994 has been the establishment of minimum conditions of employment for South Australians who are not covered by the federal industrial relations system. Since 17 April 2006 a new minimum wage has provided an appropriate safety net for South Australian employees not covered by an award or enterprise agreement, such as fruit pickers, trolley collectors, and those in the aquaculture industry. I must say one of my first jobs was that of a trolley collector.

On 4 May 2006 a minimum standard for severance pay was also established, providing for a minimum severance payment on termination of employment for redundancy, based on time served in employment. Other work being conducted by the Industrial Relations Commission to support SafeWork SA in its role is the hearing of an application for an award specifically covering child labour. This application is only possible due to the Fair Work Act 1994 amendments.

It is proposed that this new award for children under 18 would contain provisions such as limiting hours of employment, special rest periods, supervisory arrangements, impact on schooling and prohibiting children from working in certain occupations.

The amendments to the act also provide a greater protection for outworkers in South Australia, and SafeWork SA is facilitating the establishment of an outworkers code of practice to ensure that outworkers are treated fairly and in a manner consistent with the objectives of the act. These developments are impacting on the working lives of South Australians and show the commitment of the government to ensuring that South Australian workplaces are safe and fair.

I would also like to make some brief opening comments in relation to Public Sector Workforce Relations. The function of the PSWR is to provide government and chief executives of government agencies and statutory authorities with industrial relations, occupational health and injury management policy and advisory services, in relation to the South Australian public sector workforce. This includes: negotiating on behalf of government with unions and employees in relation to enterprise bargaining and other employment matters; tribunal and industrial commission advocacy; industrial dispute management and resolution; promotion of strategic initiatives to foster a public sector workplace safety culture; and monitoring of the workers compensation performance of public sector agencies.

The government, as the employer of approximately 90 000 South Australians, has a responsibility to set a best practice example in workplace safety management that will influence and encourage others. The Workplace Safety Management Strategy in the Public Sector was launched in 2004, and a review of the strategy's implementation plan is currently being undertaken by Public Sector Workforce Relations in consultation with agencies. To assist chief executives to fulfil their commitment under the Workplace Safety Management Strategy, Public Sector Workforce Relations has facilitated the delivery of nationally accredited qualifications in occupational health and safety and also injury management. Over 100 public sector injury management practitioners and 80 injury prevention practitioners are currently enrolled in these programs. The development of these practitioners will build the SA public sector's capacity to support the achievement of the South Australian Strategic Plan Target 2.10: Greater Safety at Work.

As you would be aware, the government has had legislation developed to negate the impact of the federal Work-Choices legislation and to provide public sector employees with certainty and access to a fair, independent industrial umpire. The government, through the PSWR, will continue working to provide fair wages and conditions of employment, as well as improved workplace safety for all public sector employees.

The ACTING CHAIR (Hon. S.W. Key): Thank you, minister. The member for McKillop.

Mr WILLIAMS: I will go straight into questions. I also note that, for the convenience of the minister's advisers, I have agreed to ask my questions with regard to Public Sector Workforce Relations first, and there will be three questions on that. I refer to Budget Paper 4, Volume 2, page 811. The objectives statement claims that the unit provides 'strategic workforce policy and projects, developing high level human resource management policy advice and initiating and managing significant projects, involving public sector-wide outcomes.' Does the fact that over the past four years the

public sector has ballooned by about 8 000 full-time equivalents above budget numbers mean that this unit has failed this objective?

The Hon. J.D. HILL: The member is making politically charged comments, using emotive language, tendentious argument and a whole range of other things which are terribly unpleasant. All I can say to him is that the answer is no.

Mr WILLIAMS: All based on fact, minister.

The ACTING CHAIR: Thank you to the minister for answering that question. I probably should have ruled it out of order. Your second question, member for MacKillop.

Mr WILLIAMS: Is that all the answer I am going to get, minister?

The CHAIR: Ask the question.

Mr WILLIAMS: The net cost of the Public Sector Workforce Relations program has reduced from \$9.8 million in the 2004-05 year and \$8.9 million in the 2005-06 year to \$5.1 million in the current year. What is the explanation for this reduction? How many full-time equivalents are employed in the unit, and have these numbers changed over the past 18 months? Are employee benefits and costs the main expense of the unit?

The Hon. J.D. HILL: As I understand it, the number of employees has not changed. It is really a technical explanation. I am advised that there has been a \$3.882 million transfer of appropriation from Public Sector Work Force Relations to the administered item Government Workers Rehabilitation and Compensation Fund included in the 2005-06 estimated results but not the 2006-07 budget. Appropriation is now able to be received by the administered item Government Workers Rehabilitation and Compensation Fund directly offset by general CPI increases. As I understand it, it is just the way in which the budget papers are describing these events. It is explained on page 8.45 'Income statement—Administered Items', which states:

Total income and total expenses are expected to increase only marginally from 2005-06 to 2006-07. However, income from intra-government transfers will decrease and income from appropriation will increase. This reflects the direct receipt of appropriation by the Government Workers Rehabilitation and Compensation Fund in 2006-07 that was received in 2005-06 as an intra-government transfer.

It is an administrative arrangement.

Mr WILLIAMS: Minister, given your answer, it seems I will now have four questions for this area instead of three. I was unaware that the Government Workers Rehabilitation and Compensation Fund was a part of Public Sector Work Force Relations. Notwithstanding your answer to my first question, my question is about the reduction in public sector employment numbers which the government has flagged in this budget. Will the Public Sector Work Force Relations Unit be involved in the process of reducing public sector numbers? Will the targeted voluntary separation packages, which have been highlighted throughout the budget, be managed within each agency or will this unit have a role in the process and what will that role be?

The ACTING CHAIR: I am being very lenient here, member for MacKillop. I do not recall a budget reference in that question.

The Hon. J.D. HILL: Without getting into the political content of the question, to answer in a formal sense, the PSWR provides advice to agencies in relation to industrial relations, and the agencies then make the decisions they need to make. From time to time, the government introduces programs to encourage separations and various packages—

TVSPs, and all the rest of it—but the PSWR does not have carriage of that, as I understand it. The PSWR's job is to give advice in relation to industrial relations. That is what it does; it does not have a broader role.

Mr PICCOLO: I refer the minister to Budget Paper 4, Volume 2, page 8.10. Minister, as you would be aware, because I have mentioned it in the house the federal Work Choices legislation increases the likelihood of exploitation by unscrupulous employers for outworkers, who are mainly women, particularly migrant women, and young people. Will the minister—

The ACTING CHAIR: I warn the member that that could be viewed as politically charged as well. So, just be careful when asking your question.

Mr PICCOLO: I will be very careful, Madam Acting Chair. I will rephrase the rest of the question. Will the minister please report to this committee on the progress of the South Australian draft clothing outworker code of practice?

The Hon. J.D. HILL: I thank the member for his question. It is quite hard that we cannot be political in our questions in here, but it is the convention, is it?

An honourable member interjecting:

The Hon. J.D. HILL: That is for sure; on either side, I agree. I am pleased to inform members that the draft outworker code of practice (the draft code) will soon be released for public consultation. The draft code endeavours to secure the fair treatment of outworkers consistent with best practice in the industry and the principles and objectives of the Fair Work Act 1994.

Often a largely invisible workforce, outworkers are one of the most vulnerable groups in the South Australian workforce. Many outworkers are from non-English speaking backgrounds and are paid as little as \$2 per hour to sew garments. The fact that they are outside the conventional industrial relations framework means that they are often left vulnerable to exploitation. The nature of the clothing industry means that often outworkers are engaged through a long chain of contractors. The draft code will strengthen protections for clothing outworkers by creating greater transparency in the supply and production of clothing. Retailers, suppliers and contractors will be required to maintain and provide information and records relating to the engagement of these workers.

Those retailers who act honestly and responsibly are often undercut by rogue employers who hide behind these complex chains to deny outworkers proper remuneration and entitlements. The draft code will provide a level playing field for all retailers. It will offer reassurance to employers who do the right thing and protect South Australian clothing outworkers from those attempting to evade their obligations. There is a whole range of other stuff, but that is probably sufficient.

Ms SIMMONS: I refer the minister to Budget Paper 4, Volume 2, page 8.10. Will the minister explain the outcome of the events and programs that took place during Safe Work Week 2005 and advise what is planned for 2006?

The Hon. J.D. HILL: Since 2004, SafeWork has been responsible for coordinating the Safe Work Week event, which includes the Safe Work Awards. A whole range of stakeholder groups, including Business SA, SA Unions, the WorkCover Corporation, and so on, work together to develop and coordinate a relevant quality program. Led by the Australian Security Compensation Council, the Safe Work event went national for the first time in 2005, and there were events all over Australia in October 2005.

The program was pretty impressive and addressed all the major issues relevant to contemporary workplace health, safety and welfare practice. With over 100 workshops on offer in both metropolitan and regional areas, Safe Work 2005 provided something of interest to every workplace. Workshops covered farm safety, manual handling, first aid, managing stress, the accident investigation process, what happens when an inspector calls, and major public event safety.

The marketing campaign attracted over 3 500 attendees to workshops and events held throughout the fortnight. The McGregor survey results identified that 71 per cent indicated that they had implemented improvements in health and safety as a result of attending the previous Safe Work program of events—up from 58 per cent. In addition, 75 per cent of workshop event attendees indicated that they had not attended Safe Work Week in 2004 and 81 per cent of those surveyed stated that the workshop event they attended would likely influence them to make workplace changes. So, some pretty good results across the board.

Mr PICCOLO: Again in the area of employment, I refer the minister to Budget Paper 4, Volume 2, page 8.10. Can the minister report on the government's awareness and compliance project in the hair and beauty industry?

The Hon. J.D. HILL: The hair and beauty industry awareness and compliance project commenced in February this year and is currently in its third stage. The aim of the project is to promote safe, fair and productive working lives by creating awareness amongst employers and employees, particularly apprentices, about industrial relations and occupational health, safety and welfare within a particular industry. The new industrial relations inspectors have been instrumental in the design, preparation and implementation of the project, and 15 inspectors have been involved in the project—seven across metropolitan Adelaide and across a whole range of regional areas as well.

The first stage of the project involved the distribution of a survey to over 2 000 employees and employers, and that was able to gauge the level of understanding about employer and employee responsibilities. Interestingly, of the 470 responses received from employers and employees almost all requested additional information. Of the employers who responded, 60 per cent wanted more information about the award, 32 per cent requested information about enterprise bargaining agreements, 47 per cent sought information about leave entitlements, and 32 per cent required occupational health, safety and welfare information. Of the employees, 62 per cent wanted to know about rates of pay and 54 per cent requested details on leave. Information packages were distributed by SafeWork SA to workplaces and the employees who responded to the survey and this, hopefully, will be of assistance to them. The survey results will also help SafeWork SA to undertake targeted activity in the hairdressing and beauty industry to address identified knowledge gaps.

Another key stage was the inaugural Hair and Beauty Expo held in March 2006, which was attended by 2 800 people—another good opportunity for SafeWork SA inspectors to pass on information. The second stage occurred in May 2006 and involved auditing a number of randomly selected hairdressing and beauty salons focusing on ensuring the accuracy of time and wage records, including pay rates and so on. The third stage, in July this year, involved follow-up visits by inspectors focusing on the outcomes of the auditing processes. As at 12 October 2006, 201 follow-up

visits had been completed and the remaining 25 will be completed in the near future.

Mr WILLIAMS: I refer to the government's Workers Rehabilitation and Compensation Fund, which the minister himself mentioned a few minutes ago in answer to another question. It is my understanding that the fund has, in fact, been closed to new claims since 30 June 2004 and that the responsibility for new claims is now being met by individual agencies. Curiously, though, the liability provision of the fund grew from \$344.2 million as at 30 June 2004 to \$338 million as at 30 June 2005, and that has sparked my curiosity. Also, since the change of the process with claims now being met by individual agencies, is there a central monitoring of those claims for each agency? If so, where is that monitoring function located and what is the estimate of the total cost of claims as at 30 June 2006?

The Hon. J.D. HILL: There are multiple parts to that question and I am not sure whether I will get to all of it; however, I will give you an undertaking that I will get back to those bits. Certainly, the scheme has closed. The actuarial evaluation for the provision of gross outstanding liability, excluding from third-party, as at 30 June was \$344.2 million, which the member mentioned. This is an increase of \$5.5 million from the previous year's assessment. The basis of the assessment is by the actuary, so it is determined by the actuarial process—it is a similar issue, I guess, as when we were talking about WorkCover. It varies from time to time and I guess the answer is the same: the goal is to get people back to work as quickly as possible. There is monitoring of claims across government. This is done by the Public Sector Work Force Relations Unit—which is, I guess, the point you were making. There was one other part of your question.

Mr WILLIAMS: It was about what those figures are across government.

The Hon. J.D. HILL: The \$344.2 million covers all claims that are outstanding at the moment, including the fund that has been closed. That figure is across government, so it includes things like—

Mr WILLIAMS: So it is the total liability to the government at this point.

The Hon. J.D. HILL: Yes.

Mr PISONI: I refer to Budget Paper 4, Volume 2, page 8.10: performance indicators. I note that, in the performance indicators for Work SA, the number of work place inspection visits estimated result for 2005-06 is 18 908, and that the more detailed and time-consuming inspections, with a focus on occupational health and management systems, accounts for this being less than the target of 21 000. How many of these visits were for advisers to show employers how to make their workplace safer as a result of small business approaches to the Occupational Health and Safety Advisory Service? How many of the advisers are available or dedicated to this role?

The Hon. J.D. HILL: I am not sure that we have that detailed advice. I am not sure that, even if I took it on notice, I would be able to provide you with that detailed advice. The advice I am given is that just about every visit to a workplace involves advice to the proprietor about how to better comply with the appropriate standards. I can take it on notice and see whether there is anything in addition that I can find for you. Do you have a definition of small business that you would care to provide? Is it the standard, under 20 employees, or something?

Mr PISONI: Under 20 is fine.

The Hon. J.D. HILL: There may be more information that we can obtain. I am not sure whether they collect the statistics under the headings for which you are requesting information.

Mr PISONI: Perhaps if you cannot provide it you can get back to me. How many of the inspections resulted in fines, infringement notices or prosecutions of small business?

The Hon. J.D. HILL: We can give some total numbers to the member. I understand that the agency does not collect information in relation to this size of operation. They do not ask, 'How many people work here?' when they go through that process. We will get that information for you.

Mr PISONI: I refer to Budget Paper 4, Volume 2, page 8.10. I note that in the performance indicators for SafeWork SA footnote (d) states that the telephone information advisory service capability and the capacity of the centre are being built. When will this service be at its full operational capacity, and, when it is, how many advisers will be available to assist business operators to meet their occupational health and safety responsibilities? Will they be held accountable for the information that they give to small businesses over the phone?

The Hon. J.D. HILL: I understand that it is pretty well staffed now. There are, I gather, some 12 people attending to the phones, and I will correct that if it is not correct. There are four others who are providing early intervention services, and they are all accountable for what they say. I have further information relating to the previous question that the member asked, which was about work site visits and investigations, and the 2005-06 numbers. The number of work site visits was 18 908; the number of investigations was 2 063; the improvement notices were 3 573; and the prohibition notices were 623. There was other information that you asked for in your question; we will get that for you.

Mr PISONI: I refer to Budget Paper 4, Volume 2, page 8.10. I note that the performance commentary states that a help and early intervention centre has been established to provide information on industrial relations and occupational health and safety for the public. How many advisers are available to visit workplaces to assist employers to meet their obligations? What is the ratio compared with the number of inspectors who are provided, in their role, to impose fees, fines and penalties? Are those inspectors required to work to a quota?

The Hon. J.D. HILL: The answer to the last part is no. I think the other information is a little bit complex, so I will get back to you about that. Generally, all inspectors provide advice and act as advisers. There is no quota system in place.

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 2, page 8.10. With WorkChoices now a reality, what percentage of the South Australian workforce now falls outside the state's industrial relations jurisdiction?

The Hon. J.D. HILL: I understand that there has not yet been a final determination in relation to this. There are a whole lot of clarifications still occurring. I think that the best thing I can do at this stage is to take the question on notice. I am sure that, when minister Wright returns, he will be able to give you further information.

Mr GRIFFITHS: The South Australian government has joined with other states in a High Court challenge to the federal WorkChoices legislation—a challenge no-one expects to win, but it is all about the politics of the federal election.

The ACTING CHAIR: I ask the member for Goyder to withdraw the comment and ask a question.

Mr GRIFFITHS: I am quite happy to withdraw that, Madam Acting Chair. Minister, what has been the true cost to the South Australian taxpayer as a result of mounting this challenge?

The Hon. J.D. HILL: I am advised that the total cost to date is below \$50 000, and I can give a detailed breakdown. The costs of mounting the challenge in the High Court are as follows: the court fees, plus the cost of Canberra accommodation, air fares, expenses and so on for the Solicitor General and other Crown staff were \$13 713; Professor Andrew Stuart, a consultant previously with Flinders University, has been contracted to provide research and advice at a cost of \$7 398; legal costs, being barristers and so on, have been paid \$11 808; and research through the University of SA undertaking a series of interviews to gauge the extent to which WorkChoices has impacted on workers' lives cost \$15 000. I make the point that we are doing it because we believe we have a chance of winning, not just to make a political point. It is less than \$50 000, a fairly modest amount when you consider what we are trying to protect.

Mr GRIFFITHS: Can I receive clarification on which budget line that would be under in the documents that we have? I realise it might be across a few different areas, with services and employment costs.

The Hon. J.D. HILL: It is within subprogram 1.1, net cost of subprogram, which is \$17 025 000. I guess these figures have such a low level you would not expect to see separate lines.

Mr WILLIAMS: I refer to a newspaper article of 14 March which raised allegations—

Ms SIMMONS: I have a point of order. Can we have the budget paper and page number first?

Mr WILLIAMS: I refer to Budget Paper 4, Volume 2, page 8.10 with regard to SafeWork SA. I will start again. On 14 March this year claims were published in the local Adelaide newspaper about the fabrication of cases by SafeWork SA. The minister at the time called for a report into those allegations. I have been trying to see whether there are any results of that report that have been published. Can the minister give the committee any information as a result of the inquiry that the minister instituted on that day?

The ACTING CHAIR: I think the reference that the member for MacKillop has made is certainly wide but, if the minister chooses to answer that question, that is up to him.

The Hon. J.D. HILL: I think it is important that I do because, once again, there is a negative reflection on the agencies—

Mr WILLIAMS: It was not meant to be. I was just seeking clarification.

The Hon. J.D. HILL: No, I was not suggesting that. There is a possibility that an objective reader of the transcript might take this as a negative imputation. I am not suggesting the member was doing that. I would not want to make a negative imputation myself. The advice I have is that the reports that you referred to in the media were, in fact, provided anonymously to a range of persons in the media, who then reported them, so that is the basis of the information. They were investigated by the former chief executive of DAIS, who found they were of no substance, and I understand he made a public statement to that effect about a month ago.

Mr WILLIAMS: I refer again to Budget Paper 4, Volume 2, page 8.10. What advice has the Minister for Industrial Relations received regarding the efficacy of using advertising campaigns to reduce workplace injuries? This was

raised some time ago and WorkCover has acknowledged that employee awareness of safety in workplace campaigns had declined due to a lack of advertising campaigns since June 2002. When asked about the issue minister Wright stated that he was awaiting advice from a committee. I wonder whether any advice has been forthcoming.

The Hon. J.D. HILL: I understand that work to develop an advertising campaign is proceeding at pace. Indeed, there was a meeting this morning of the SWSA advisory committee, which met with a number of advertising agents who, I guess, were pitching ideas for a campaign. I think some of the other answers I have given to questions indicate the efficacy of advertising promotions, and involvement with employers and employees is important in getting across an understanding of the rules. So, I think that point has been taken.

Mr WILLIAMS: I refer again to the same budget line. Footnote (a) to the performance commentary at the bottom of page 8.10 states that inspectors have given increased attention to an assessment of OH&S management systems by acknowledging that this is more time-consuming than hazard identification. My reading is that that implies that less attention has been given to the latter. On what basis has this change in emphasis occurred? That is, what evidence does SafeWork SA have to indicate that workplace injuries will be reduced more by getting the paperwork right than by identifying and eliminating hazards in the workplace? Has SafeWork SA found any significant level of poor OH&S management systems within South Australian workplaces? What types of deficiencies are being identified, and what outcomes are expected due to this change of emphasis?

The Hon. J.D. HILL: I will give a general statement and then get a report for the member, but the point is that this is not about paperwork. This is about making sure that workplaces are safer, and hazard identification is part of the inspection and investigation process that we are going through. The member asked a range of questions, which involve some detailed answers, and I will happily arrange for him to receive that information.

Mr PISONI: I refer to Budget Paper 4, Volume 2, page 8.9, the expense line 'Other' under 'Summary Income Statement, Program 1: Industrial Relations'. I note that the actual result for the year 2004-05 was almost \$6 million. The budget for 2005-06 was \$4 million, with an estimated result for that same year of \$4.5 million, yet there is a budgeted amount this year of only \$573 000. Can the minister explain what was happening in that line that is no longer happening?

The Hon. J.D. HILL: Is the member's question the difference between the budget for 2005-06, or the estimated result for 2005-06, with the budget for 2006-07, which decreases from \$4.5 million to \$500 000? Is that the question?

Mr PISONI: Yes. Basically, there is a \$4 million difference in this year's budget compared to—

The Hon. J.D. HILL: I am just clarifying the question. As I understand it, the \$4.594 million from last year included a \$4 million transfer from WorkCover to SafeWork SA. Those are the administrative arrangements that we have already talked about. There is a gazettal of \$9.5 million for a full year, which will occur.

Mr PISONI: So, it is the same expenditure in 2004-05 and 2005-06 that has been transferred?

The Hon. J.D. HILL: Yes; it is really a transfer of effort that was in WorkCover across to SafeWork SA—I think, primarily, the occupational health and safety functions. This reflects a half year result, and the full year result will be

added in to the 2006-07 budget. It is just the changing figures to reflect the changes in the composition of the two agencies.

Mr GRIFFITHS: I also refer to Budget Paper 4, Volume 2, page 8.9. I am seeking some clarification with respect to income. It appears that the sale of goods and services has traditionally been between \$1.8 million and \$1.2 million, but the estimated result for 2005-06 was \$4.645 million. Can the minister provide details on that matter?

The Hon. J.D. HILL: It is the same answer that I gave to the member for Unley. The transfer of the WorkCover money has been included in that. I believe those two figures cancel each other out.

Mr GRIFFITHS: Given that it states 'Sale of goods and services', it seems to be a rather interesting description.

The Hon. J.D. HILL: WorkCover is purchasing a service of SafeWork SA. They are the niceties of budgeting for you.

Mr WILLIAMS: I refer to Budget Paper 4, Volume 2, page 8.10, the performance indicators, which indicate a reduced target for the number of industrial relations investigations finalised. The footnote indicates that the targets have been reduced because of the impact of the federal WorkChoices legislation. Last year's estimates committee was told that the number of inspectors had been doubled. The minister at the time was unsure whether it was to 38 or 39, but there were 19 new inspectors. With the advent of WorkChoices, will the government now reduce the number of industrial relations inspectors? I also note that the committee last year was told that they cost the taxpayer about \$100 000 each per year.

The Hon. J.D. HILL: The member will be sorry that he asked this question. I have lots of information.

Mr WILLIAMS: A precis will do, minister.

The Hon. J.D. HILL: I refer to new provisions in the SA Fair Work Act 1994. The act provides for an expanded range of services to be planned and delivered, including workplace audits, inspections and promotional campaigns to improve awareness of the rights and obligations of employers and employees in the workplace. These changes are part of the broader range of initiatives that SafeWork SA is implementing to address industrial relations target 1.11 in South Australia's Strategic Plan. The March 2006 amendments to the federal Workplace Relations Act have complicated the industrial landscape.

Treasury targets for finalised industrial relations investigations went from 1 300 to 1 100 finalised investigations for 2006-07. That is a reduced target, as the member pointed out. SafeWork SA is currently conducting a number of targeted programs across the state, as follows: hair and beauty projects, which I have mentioned previously; and minimum wage projects, which includes the education and awareness stage of this project, which commenced in September this year. This will be followed in early October 2006 with auditing of 350 work sites in the fruit picking, aquaculture and trolley collecting industries—I never thought of it as a trolley collecting industry; that is good.

An honourable member interjecting:

The Hon. J.D. HILL: That is very amusing. Employers will be notified of any alleged non-payment of the minimum wage. Those matters that cannot be resolved through negotiation and mediation will be subject to enforcement action by way of expiation notice and, where appropriate, compliance notice. Some 10 IR inspectors are directly involved in this project.

With the clothing outworker code, a six-month amnesty period will apply prior to the commencement of the auditing stage of this project in July next year. During the amnesty period, an education and awareness campaign will be conducted, and three IR inspectors will be involved in the auditing and compliance stages of this project. The hospitality project will involve industrial relations and limited OHS audits in the hospitality industry. A project team has been established to implement and monitor this project.

It is anticipated that the audit process will commence in mid-November this year, with the hotel/motel section continuing into February next year. The audit process will include an educational component to assist employers and employees to achieve compliance in any area they are deemed non-compliant. An audit team of 10 IR inspectors, both metropolitan and regional, has been established. The final stage will be compliance activities with parties which may require prosecutions to proceed after continued non-compliance. With 457 visas in the meat industry, the primary objective of this project was to ensure compliance of host employers and employment agents with all of the relevant acts in South Australia. Investigations have already commenced regarding employment agents operating in the meat industry. Site visits of a number of host employer abattoirs in the South East of the state will commence late this month.

The youth action plan will be directed to students who are in the process of moving between school and work and apprentices, trainees and school students who are in the process of commencing work experience placements. This will involve presentations and workshops to ensure young workers are aware of and have access to information about their rights and provide avenues of support and assistance in relation to workforce matters. The required resources include three IR inspectors sharing two full-time equivalents, and help and early intervention centre HEIC rosters. Each inspector from the four SafeWork SA industry teams is rostered to work in the centre one half day per month. That indicates that our inspectors are very busy indeed.

Mr WILLIAMS: I cannot believe the member for Light did not ask that question. I will tip off the abattoir in my electorate that they are coming down to visit. I refer to Budget Paper 4, Volume 2, page 8.13, the Conciliation and Arbitration Court and Commission. Considering that the performance commentary suggests that the effect of the WorkChoices legislation will reduce the number of matters lodged with the court and commission, and that in anticipation of this impact it is my understanding that the government took the opportunity not to reappoint I think three commissioners on expiry of their terms earlier this year, why has there not been a significant reduction in the budgeted net cost of this program?

The Hon. J.D. HILL: I am advised that savings of \$100 000 will be achieved by the IR Court and Commission Workers Compensation Tribunal in 2006-07 as a result of the reduction in the administrative salaries budget. These savings will be increased to \$530 000 in the 2007-08 financial year when additional administrative salary and non-salary—court reporting accommodation cost reductions—are applied.

Mr WILLIAMS: I refer to Budget Paper 4, Volume 2, page 8.13, Employee Ombudsman services. Why, considering that the performance commentary indicates that 'the Employee Ombudsman is performing successfully', did the government take the decision not to renew the contract with former Employee Ombudsman, Gary Collis?

The CHAIR: Order! This is not a question on the budget. Government appointments are done on a completely different basis. This is a financial budget. Reappointing somebody has nothing to do with the budget lines, so I rule it out of order.

Mr WILLIAMS: A short list of one.

The Hon. J.D. HILL: A very short list.

Mr WILLIAMS: I refer to Budget Paper 4, Volume 2, page 8.12, the summary income statement. What goods and services are sold by this subprogram to generate \$5.5 million in income?

The Hon. J.D. HILL: We are not entirely sure, but I imagine that it is provision of service from one arm of government to another, but I may be wrong. We will get a more detailed explanation for the honourable member.

Mr WILLIAMS: I will read some omnibus questions into the record, as follows:

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

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

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

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

5. For all departments and agencies reporting to the minister, what is the estimated or actual level of under-expenditure for 2005-06 and has cabinet already approved any carry-over 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, as a subcategory of the total, the number of employees with a total employment cost of \$200 000 or more per employee for all departments and agencies reporting to the minister as at 30 June 2006? Between 30 June 2005 and 30 June 2006, will the minister list job title and total employment cost of each position with a total estimated cost of \$100 000 or more which (a) has been abolished and (b) has been created?

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

The Hon. J.D. HILL: I thank the members of the committee for their tolerance of a minister who did not know a lot of the detail. I thank all the officers and staff of minister Wright's office for their assistance. I thank you, sir, the clerks, the *Hansard* reporters and everybody else who makes our life tolerable.

ADJOURNMENT

At 5.16 p.m. the committee adjourned until Wednesday 25 October at 11 a.m.