

HOUSE OF ASSEMBLY**Tuesday 3 July 2007****ESTIMATES COMMITTEE B****Chair:**

Ms L.R. Breuer

Members:

Ms C.C. Fox
 The Hon. S.W. Key
 Ms E.M. Penfold
 The Hon. L. Stevens
 Mr I.H. Venning
 Mr M.R. Williams

The committee met at 11 a.m.

Department of Primary Industries and Resources,
 \$163 061 000
 Administered Items for the Department of Primary
 Industries and Resources, \$4 886 000

Witness:

The Hon. R.J. McEwen, Minister for Agriculture, Food
 and Fisheries, Minister for Forests.

Departmental Advisers:

Mr G. Knight, Acting Chief Executive, PIRSA.
 Mr S. Archer, Acting Executive Director, Corporate,
 PIRSA.
 Mr M. Williams, Acting Director, Finance and Shared
 Business Services, PIRSA.

The CHAIR: Changes to committee membership will be notified as they occur. Members should ensure that the chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 7 September.

I propose to allow both the minister and the lead speaker for the opposition to make opening statements of about 10 minutes each. There will be a flexible approach to giving the call for asking questions. The minister has indicated that there will be no questions from the government side. Supplementary questions will be the exception rather than the rule. 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. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the House of Assembly *Notice Paper*.

There is no formal facility for the tabling of documents before the committee. However, documents can be supplied to the chair for distribution to the committee. The incorporation of material in *Hansard* is permitted on the same basis as applies in the house, that is, it must be purely statistical and limited to one page in length. All questions are to be directed to the minister and not the minister's advisers, but the minister may refer questions to advisers for a response. I also

advise that for a trial period only, until the conclusion of the Estimates Committee hearings on 4 July, I am prepared to allow unlimited filming from the vantage points in the northern media gallery of the chamber, as well as the usual position in the public gallery of the chamber.

I declare the proposed payments open for examination and refer members to the Budget Statement, in particular pages 2.12 to 2.13 and Appendix C, and the Portfolio Statement, Volume 2, Part 5, pages 5.25 to 5.26. Does the minister wish to make an opening statement?

The Hon. R.J. McEWEN: Before that, I have a point of clarification. I understand that any omnibus questions from the opposition will need to be asked only once in the forestry, agriculture and resources sector. So, between myself and Paul, it would be done once because it would be captured within that line.

The CHAIR: Yes, that can be done.

The Hon. R.J. McEWEN: That is just a point of clarification to help the opposition.

The CHAIR: Yes.

The Hon. R.J. McEWEN: Grant Kensington, the Executive General Manager Corporate within Forestry SA, and Stuart West, who heads up the Forestry Policy Unit within Primary Industries, were expected to be here, but they are fog-bound at the moment.

I will give a very brief statement on forestry and a more extensive statement on primary industries. Forestry SA's 2006-07 contribution to government is expected to be above budget due to strong demand for most products in its range, including soil log ply, log recovery, log pulp wood products and both local and export chip, with the exception of preservation products. There has been a downturn in preservation as fewer vineyards are planted. Strong demand for Forestry SA's products is partly due to housing and construction activities, and most states of Australia are experiencing continued strong growth in 2006-07.

In 2007-08, Forestry SA revenue is expected to decline by 1.3 per cent, while expenditure is expected to increase by 11.7 per cent. The increase in expenditure is mainly as a result of increased plantation management activities and borrowing costs associated with land acquisition and the replacement of Forestry SA's corporate office in Mount Gambier, which is completed and staff are occupying the new facilities. The old ones have been removed, which is great to see, and we are opening it in about August. Revenue and operating expenditure expect to remain relatively stable during the remainder of the forward estimates period.

Mr WILLIAMS: The forestry industry in the South-East of the state is a major and significant industry in the economy of the whole state and is underpinned by the forest owned by the state, and we should all be well aware of that and not lose sight of the importance of that industry. It is responsible directly for about 30 per cent of the total economy of the South-East, which is substantial. The minister just mentioned borrowing costs associated with land acquisition. I understand there has been a budget line in most recent budgets of, traditionally, about \$3 million, but in the past two budgets it has been \$6 million for land acquisition. Does Forestry SA have to pay interest on that money? I always understood that it was a grant made as a budget line to purchase land.

The Hon. R.J. McEWEN: I cannot answer how we deal with that in terms of interest. We now have \$10 million in the budget as we put in another \$6 million, because we have nothing better to do than purchase land. I am not sure exactly how we deal with interest on that.

Mr KNIGHT: I understand that funds are provided through an arrangement involving SAFA, which involves Forestry SA meeting the interest cost of that capital acquisition. When Grant Kensington arrives we can confirm that that is the case.

Mr WILLIAMS: When the Treasurer stands up and says that the state is putting more money into capital works than did previous governments, the amount shown in the capital expenditure of the total budget apportioned to Forestry SA is a borrowing and not a payment made from consolidated account.

The Hon. R.J. McEWEN: Obviously the owner of the business will either forgo revenue because they are investing in capital or they are not taking the revenue in the first place, so whether it sits in the accounts of Forestry SA or the accounts of the government, it does not matter. Money forgone is the same as taking it and giving it back.

Mr WILLIAMS: It has opened up an interesting debate, because I wonder whether the health department will pay interest on the \$1.7 billion hospital.

The Hon. R.J. McEWEN: A good question for them.

Mr KNIGHT: Clearly Forestry SA is a corporatised entity, publicly owned. It is quite different from the Health Commission where investments in capital are borrowings for the taxpayer. Forestry SA also competes with other privately owned forestry businesses and it is appropriate that it meets the interest costs on its books rather than taxpayers in general. That situation is quite different from running the health system, where it is appropriate that if the government has to borrow to build infrastructure the interest costs will be worn by taxpayers in general. We do not run hospitals as a commercial entity, so there is a fundamental difference there. It is appropriate that, if government has to borrow, as it does in this case, that debt is in the commercial sector of government and not in the general government sector.

Mr WILLIAMS: That is an interesting answer. I am sure that some of my colleagues will be most interested in that, because there is obviously a private health sector as well. We will move on because I have enough information to go on in other areas. I understand that Forestry SA will be a sponsor of a major forestry expo, AusTimber, in the South-East next year. Being a major sponsor always interests me. I do not know whether you have purchased naming rights to that expo or you are just a major sponsor, but what contribution will be made from your budget to the sponsorship of that expo?

The Hon. R.J. McEWEN: There is a combination of cash and in kind. I do not know what it will be, but certainly the original up front offer of the cash component was around \$40 000. There will be other direct and indirect costs and our forests will be used as part of a demonstration site, and equally pines at the back of the city will be used as a demonstration site. Barry Fennell, heading up the group, has talked to me about whether there is a tourist component, which is part of bringing an event like that to the South-East, and separately I will talk to Jane. I will get back to you in terms of how much, but up-front it is \$40 000. I would like to see the detail of the costings associated with the in kind, and I will get it to you.

Mr WILLIAMS: This is possibly my final question on forestry matters. I have a copy of a letter that I believe you also received from one of the major timber companies in the South-East. This company is very concerned about the NRM Board's proposals, I think, to gift to the forestry sector a water licence which would be essentially the same as a water licence and which is used by an irrigator to extract water via

a pump from the ground. The water licence will, as I understand it, supposedly reflect the impact that the forest has on recharge as opposed to what recharge would occur under the same land if it was put to pasture use. I am wondering what Forestry SA's attitude is to that, because I know that the private sector foresters in the region are horrified at the prospect. What is the attitude of Forestry SA?

The Hon. R.J. McEWEN: I presume the letter to which the honourable member refers was signed by Phil Lloyd. I found that letter disturbing, and not simply because of the personal attack on people. I think we need to have this positive and robust debate in the South-East and keep personalities out of it. The honourable member makes a very valid point, of course, that, depending on where they are planted, forest species can just impact on recharge or impact on recharge and be an extractor. A valuable point the honourable member makes is that even if they were an extractor they may not be an extractor for the whole of the rotation.

If they are an extractor then, technically, they are lowering the watertable and therefore there could be a point where the watertable is below their root zone. It is a very complex issue. How are we contributing? Certainly, Forestry SA and the Forest Policy Unit could have equal views about this. One would be a narrow view in terms of the immediate commercial impact, and the other would be a broader view in terms of forestry being a corporate citizen and understanding the broader impacts it has, not only on the social infrastructure of the region, as the honourable member pointed out, but also on the environment.

We will certainly contribute to that discussion process that is occurring at the moment and make a submission in terms of the paper the NRM Board has produced. I say to everyone that this is the appropriate time to put your views on the table because, in the next iteration of the water allocation plan, the NRM Board has to deal with policy around a potential extraction component of forestry. It needs to be properly quantified. There needs to be science behind it. Equally, going forward, I think we must continue to reinforce the principles we have worked through since 1997 when the honourable member and I first became involved in this debate.

At that time we had to respect existing rights irrespective of how they were obtained as part of going forward. There will be some challenges there. Certainly, since 2002 the forestry industry has been on notice in terms of its impact on the water budget, and it has been known that recharge has been dealt with. Obviously, the 59 000 hectares (the credits), which were part of the recharge impact, were dealt with. As the honourable member is aware, we are trying to enshrine that in our Penola pulp mill legislation appropriately. I will just say that that commitment will be honoured.

From 2002 the forestry industry has also been under notice that, under some circumstances, particularly where the watertable is six metres to the surface and there is no impeding layer, it potentially has an impact on the water budget, and that needs to be accounted for. I think that we all need to be part of that. I certainly do not have a view as to the best method to deal with that. We will be participating in that consultation process.

Mr WILLIAMS: This, I guess, is a crossover between forestry and agriculture. My understanding is that the water policy of the South-East also recognises the work that has been done in Forestry SA in encouraging farm forestry. That policy also incorporates a 10 per cent land area figure

whereby farmers can, without a water licence, plant a commercial forest on their land. Again, Forestry SA being supportive of farm forestry, would Forestry SA have any thoughts and would it be suggesting to the NRM Board that, if it goes down this path, it will need to offer water licences equivalent to a farm forest of 10 per cent of land area to individual landholders?

The Hon. R.J. McEWEN: I agree with the honourable member that, for a range of reasons, farm forestry is an important part of farming. Certainly, we encourage continuation of farm forestry. It has been dealt with in that, basically, a grant was given. It was recognised within the water allocation plans, and that should continue to be the place. Again, given that it is such a small overall component, I do not know that it would ever have a significant impact. I think that the water balances themselves are broad enough to account for a bit of farm forestry.

I cannot see that it would have much of an impact. Equally with respect to our biodiversity corridors, we do not intend to say that creating corridors has an impact on the water budget. I think it is such a small issue in the margin. The main game has the significant elements. Sometimes we can spend too much time dealing with the bits of detail in the margin. Our PAVs and TARds are pretty general estimates, anyway. I do not think that a bit of farm forestry will have much of an overall impact on water balances and water budgets. We will certainly be encouraging it.

Mr WILLIAMS: I will finish my forestry section, apart from the omnibus questions I will read into the *Hansard* presently. Minister, that sounded very much like what I was told in 1997 when I raised the forestry issue as we started debating water use and land uses and the way forward. It was seen that forestry was outside the debate. In fact, the forestry industry itself, I think, believes that it was going to be outside the debate, and that is one of the reasons why it took so long to become involved, and why probably even today it is well behind the eight ball. If I may, I will read into the *Hansard* a series of omnibus questions for this department.

As the minister acknowledged earlier, our expectation is that this would apply to all agencies within PIRSA, including those in the other minister's portfolio. The questions are:

1. Will the minister provide a detailed breakdown of the base-line data that was provided to the Shared Services Reform Office by each department or agency reporting to the minister, including the current total cost of the provision of payroll, finance, human resource, procurement, records, management and information technology services in each department or agency reporting to the minister, as well as the full-time equivalent staffing numbers involved?

2. Will the minister provide a detailed breakdown of expenditure on consultants and contractors in 2006-07 for all departments and agencies reporting to the minister, listing the name of the consultant and contracted cost, work undertaken and method of appointment?

3. For each department or agency reporting to the minister, how many surplus employees are there as at 30 June 2007? For each surplus employee, what is the title or classification of the employee and the total employment cost of the employee?

4. In the financial year 2005-06, for all departments and agencies reporting to the minister, what underspend on projects and programs was not approved by cabinet for carryover expenditure in 2006-07?

5. For all departments and agencies reporting to the minister, what is the estimated or actual level of under

expenditure for 2006-07, and has cabinet already approved any carryover expenditure into 2007-08 and, if so, how much?

6. What was the total number of employees with the total employment cost of \$100 000 or more per employee; and also, as a sub-category, the total number of employees with a total employment cost of \$200 000 or more per employee for all departments and agencies reporting to the minister as at 30 June 2007; and between 30 June 2006 and 30 June 2007, will the minister list the job title and total employment cost of each position with a total estimated cost of \$100 000 or more, first, which has been abolished; and, secondly, which has been created?

7. For the years 2005-06 and 2006-07, will the minister provide a breakdown of expenditure on all grants administered by all departments and agencies reporting to the minister, listing the name of the grant recipient, the amount of the grant and the purpose of the grants and whether the grant was subject to a grant agreement as required by Treasury's Instruction No. 15?

8. For all capital works projects listed in Budget Paper 5 which are the responsibility of the minister, will the minister list the total amount spent to date on each project? That ends the forestry section of the committee.

The CHAIR: There being no further questions, I declare the examination of the Minister for Forests completed. I call the Minister for Agriculture, Food and Fisheries and refer members to the Budget Statement, in particular pages 2.23 to 2.24 and Appendix C, and the Portfolio Statement, Volume 2, part 3, pages 5.20 to 5.25. Minister, did you wish to make an opening statement?

Additional Departmental Adviser:

Mr D. Plowman, Executive Director, Agriculture and Wine, Primary Industries and Resources SA.

The Hon. R.J. McEWEN: Yes, Madam Chair. In fact, I have just given the lead member for both the opposition and the government a hat just to celebrate the fact—and you might look at the back of that, Mitch—that it is a fruit fly free year. I think that is a great compliment to everyone involved in that section of the department. Well done to your team, Don, a great effort. I remind everyone, of course, that it is a very expensive business. Equally, drought has really consumed the department this year. Although we have remained on track with industry development, biosecurity and food safety (our core business) and we work very closely with our industry development boards, drought has certainly been an enormous challenge.

Again, I have provided a copy of the drought assistance measures to June 2007 to each member of the committee. This document not only sets out what the Australian government does but also what the South Australia government, communities, businesses and industry do in relation to drought. Early on in the debate, the shadow minister did make the point that there is not a lot governments can do—and he is absolutely right. The billions of dollars that drought costs the community can never be recovered, but governments do have a role in assisting families, businesses and communities through drought, and that is set out in some detail in that document. I am sure we will have some questions later about drought.

In the past 12 months, of course, legislatively—again with the assistance of the opposition—barley marketing was changed. I notice that people are now responding and reacting

to that in a positive way. Members might recall that we have extended the GM crops management act by 12 months. We now have in place a consultation process, ahead of reviewing that again in March/April next year, when New South Wales, Victorian and South Australian legislation around a moratorium on the growing of GM crops for human consumption because of potential impacts to market will be reviewed. I think it is appropriate that the three states do that together. As we rolled into drought, we had to roll out continuous measures, and there are six phases in the process at a state level. I must compliment the federal government and minister McGauran, who I think has been fantastic throughout this process and who has been enormously flexible in terms of not only the interpretation of exceptional circumstances but also the timely manner with which EC applications have been dealt.

We find ourselves in the extraordinary situation where, other than the Lower South-East and Kangaroo Island, the whole state is basically EC declared—either phase one or totally so—and in the rest of the state farming families at least have access to Centrelink benefits or, once you get a full declaration, obviously access to the raft of business support as well. Equally, the focus has been on accelerating recovery. Good things can come out of difficult circumstances. We learnt that with the EP fires, where, once everyone dusted themselves off and faced up to their losses, we could work with them in planning the future, which meant sitting back and having a rethink around the land capability, the business desires, new farming systems, new production systems and new production mixes.

It was good that we could work with those farming families and, out of that, their business now quite often looks different from what it did before those fires. It will be the same with drought, as farming families and farming businesses plan their way out of drought. We will work with them—and resources are available to work with them—in terms of asking the questions again about what their businesses might look like into the future, certainly, trying to avoid the pressures created with the next drought—and the day this drought finishes, the next drought is a day closer—and acknowledging that you are not out of drought until the cash is in the bank.

You move into drought through exceptional circumstances, and you move out of drought by having financial security. So, now that the rains have come, urban communities might think we are no longer in drought, but, sadly, it now takes a long time to manage to come out of a drought. There was a time when farmers could say that a good year would get them out of a bad year, but these days they say that five above average years are needed to get them out of a bad year. The margins are now so tight, the challenges to work their way out of a drought are certainly more significant.

In closing my remarks in relation to drought, I really do need to acknowledge the work of many community groups taking part in the preparation of exceptional circumstances applications. The NRM boards, the regional development boards, regional local government associations, local councils, and SAFF have all contributed. I must say that the Primary Industries SA EC team, led by Ben Bruce, has done a remarkable job. Ben really stepped up to the plate, and he, his team and Don have done a fantastic job, and I think Geoff and the rest of senior management would agree with that.

While we are dealing with our own drought, we are also dealing with someone else's drought. Our irrigators are under extreme pressure—and will remain so for some time yet—as

a consequence of drought in the eastern states and, therefore, low river flows. They may find it even more challenging to work their way out of the consequences of drought on top of market failure, particularly with the wine grapes last season, which has meant that there are some severe circumstances in the river, along with the frost that impacted on the citrus crop. This year, things are looking more encouraging in that wine grape prices are better, and certainly the present citrus shipments to the US are going very well.

It was great to be down at the Port the other night to see the loading of the second of what we hope to be eight ships. The *Star Statos* in the port loading for its maiden voyage was a great story that really made people feel good about not only the quality of the product but the way in which it was being managed on their behalf through to the final market. Of course, it was great to see Carol Walker there just to the side. Carol Walker was invited to go to Japan to launch the *Star Statos* for its maiden voyage, carrying oranges out of Port Adelaide to the US market. However, there are still some challenges ahead.

In closing, the socioeconomic impact statement carried out by the team in the Riverland (which was led by Deb Thiele), which I responded to (and the shadow minister has a copy of that), again acknowledges that we are dealing with the immediate circumstances. However, if things should continue to deteriorate, particularly around low river flows and the inability to keep perennial crops alive, a great deal more work will have to be done—and, again, that will be done in partnership with the federal government. Minister McGauran acknowledges that it will be an issue for the whole of the basin.

The CHAIR: Member for MacKillop, do you want to make an opening statement?

Mr WILLIAMS: I would like to make a very brief opening statement, Madam Chair. I agree with probably 99 per cent of what the minister has just said. South Australian agriculture has changed dramatically in the past 20 years, certainly since the end of the 1980s, and particularly with the collapse of the wool reserve price scheme, where we have seen a significant shift out of livestock and into cropping. In some ways, I think the drought has impacted less severely on the farming community than it otherwise would have because farmers can more readily recover from drought in a cropping situation than they can in a livestock situation in that, as soon as it starts raining again and the drought breaks, they can get back into production and, within a season, get some cash flow, notwithstanding that the cost of cropping these days is substantially higher than it was 20 or 30 years ago.

I certainly agree with the minister that you cannot recover from a drought in one good year and that these days it takes a bit longer than that. I suspect that the much lower livestock numbers across the state has been a bit of a godsend, even putting aside the animal cruelty issue, because there is nothing worse than seeing drought-stricken livestock walking around in paddocks.

The other comment I would make is that, unfortunately, when we do get a situation like this, where we are in serious drought, I suspect that a larger proportion of our resources are responding to the needs of those drought-affected farmers, and we may take our eye off the ball with regard to other initiatives that have been moving along. I hope that we have not fallen off the pace too much in other areas in the interim—and that comment should in no way be seen as any criticism: it is just an observation that the people in the department who find themselves in the firing line as we

moved into and through the drought and, hopefully, out of the drought obviously have to put aside some of their normal functions.

I will now move directly into questions. Minister, my first question is of a general nature and is directed to your whole department. I note that PIRSA still has an acting CEO, who has been acting in the position for a considerable length of time. Can the minister advise exactly how long it has been an acting position, what is the expectation into the future, and when does the department expect that it will appoint a person to the position of CEO of the department?

The Hon. R.J. McEWEN: I will deal with the second part of the question first. The position has been advertised. However, as I am not on the panel, I cannot tell you exactly where that is up to. It is not appropriate that I have a direct impact on that decision. The first time we had Geoff acting was while the chief executive was himself acting in another role. As soon as that contract was concluded, it meant that for the first time we had an acting position in our own right: we had someone filling the position in his own right because the position was technically vacant. Obviously, as soon as that occurred, we then moved to fill the position, which we have now done. So, while Jim Hallion legitimately held that contract, he was acting in Transport and Geoff was filling in. I am in no way diminishing his role, because I think Geoff has done a fantastic job. He has a different style to Jim but he has done a fantastic job in that position, and the others have lifted their game as well. We are really proud of the team.

In regard to the question you asked—have we taken our eye off the ball in terms of our core business while we have been focusing on the drought?—it is a compliment to the team that the answer is no. Certainly, we have met the challenge and we have not lost sight of those key areas, as I indicated earlier, around industry development, etc. It has been great to see what the team has done. The position has been advertised and I think it is well advanced. I cannot tell you exactly where we are up to or whether interviews have been called, etc. but, hopefully, in the very near future we will be back to where we should be, which is obviously with that position being filled in its own right.

Mr WILLIAMS: My next question goes to an area which you have heard me talk about, no doubt, from time to time. Certainly I have put the argument that I think the primary industries department in general is one of the few parts of the government of South Australia that has not been rebuilt since the days following the State Bank, when there were serious cuts right across government. Most agencies across government have been rebuilt and had their numbers significantly increased; the numbers of employees and their functionality.

Primary industries is one of the agencies where the budget does not seem to have increased substantially since those significant cuts in the early 1990s. We make a significant commitment to research and development through SARDI, which is within your department, and through the other agencies, particularly through the Waite Institute and the Centre for Plant Functional Genomics on that campus. We have some cutting edge R&D occurring in South Australia. Are you convinced that your department has the resources to ensure that the results of that research is getting back to the grassroots of the various industry sectors and that it is being maximised inside the farm gate?

The Hon. R.J. McEWEN: There are a couple of different questions there. We will come back to the total resource issue in a minute, because I do not share your view about the quantum that are available. However, I can give you an

update on the approach we are taking in terms of building capacity with other like agencies. Obviously, Flinders and MISA is just one very good example, and the wine cluster is another one. What we are doing with plant functional genomics is another good example, and the next phase of funding for that is in the budget.

In regard to the question about SARDI and whether we are focused on mid-range research, I am certainly going through this process with it at the moment, and we have been meeting with Rob and his team around better tailoring the research to the whole of value chain for each of our commodities. In the same way as we have now moved away from advisory committees (giving us advice inside the farm gate) to industry development boards (giving us advice on the whole of value chain), we now need to align our research capacity and other resources to meet what I call the rate limiters, identifying where we can get the best bang for our buck anywhere in that value chain.

Quite often that means using our resources to advocate elsewhere because it might be a training issue; it might be a labour issue; it might be a quarantine issue; it might be a trade barrier; it might be a logistics issue, a legal issue or a resource issue. Certainly, in terms of our industry development role, we are spending a lot of time with industry in terms of clearly identifying, within the whole value chain, where we should be focusing our work.

We have been having that discussion with SARDI, in terms of a research arm, which tended more traditionally to focus inside the farm gate at the production end and did not always focus on adoption and adaption specifically of the discovery. We are saying to it, 'Can we make sure that we are working through to see that we have adoption and adaption?' To me, adaption means the thing that the farmer does, once the technology is adopted by the sector. For example, in the last phase of 'low and no till,' the individual farmer needed to not only adopt the technology but then adapt it to his soil type, etc. Some of the work we saw in the Mallee was with farmers spending a weekend in sheds with welders, and taking the final step themselves.

I think we can do more work in terms of following through the discovery and seeing that it is being applied to generate wealth. Equally, we can have SARDI having a better look at the whole of value chain, which we do in a number of ways and, obviously, the CRCs, where we support them. The seafood CRC to be based in South Australia is a very good example of working collaboratively with the industry in terms of the whole of value chain. In that example, the industry puts money in, as well, so they want to make sure they get paid back in a shorter time frame.

That is a part of it, in terms of continuing to refine what we do to complement the changing nature of farming. To my mind it is now much more a whole of value chain business. It is not the case that, once it disappears from the farm gate, wait for the cheque. Farming businesses do not run like that any more. They do understand much better. Let us face it: it is the margin anywhere that matters, and saving a buck anywhere in the value chain will end up in the bank, and that is what it is all about.

In terms of the member's more general observations, though, certainly, in recent times, where there have been cuts elsewhere we have actually been able to hold our own. We have certainly argued that, as part of a department that helps build the wealth of the state, we are fundamental to revenue streams into the future. I think that is well understood, but Geoff might make a couple of other observations.

Mr KNIGHT: I think the member raised the issue of change since the State Bank, so it is probably worth putting this into a bit of context. There were changes that successive governments made in this area that I think have been quite important over the years. At the time of the State Bank, of course, the department really existed in about four different departments at that time. There was a department of agriculture, which had research embedded in it; there was a department of fisheries that also had research embedded in it; and the mining department was a separate department again. The government at the time decided to create what was then known as PISA, so agriculture and fisheries were combined and, at that stage, the opportunity was taken to create SARDI, bringing together the research components of what was previously the separate research arms of the agriculture and fisheries departments.

That change was clearly important for South Australia because it enabled the creation of an area of important competitive advantage for South Australia with the Research and Development Institute. I think all observers would agree that that has certainly supported huge economic value for South Australia. But, as the minister said, that is not a static process; we are in the process of continually fine-tuning that. SARDI is going through a restructure right now, both to ensure that its focus is the entire value chain and not just pre-farmgate. We are also making sure that its research focus is very much industry driven, and that has always been an important thing because of its total income. Increasingly, money comes from industry, either through national RND corporations or through direct industry funding arrangements. You do not succeed in gaining that industry funding unless you are meeting industry needs. So, I would not regard that as a static thing, either.

PIRSA in its current form was created in about 1997 by the previous government. It brought together at that time all of the economic parts that I suppose hinge around the natural resources environment: mining, agriculture, fisheries and so on. It has been a very successful culmination of areas over a long period of time and has remained in that shape almost untouched over successive governments. In recent times we have made some changes which have been a further development of the department. Some of you would be aware that the planning function is now part of the PIRSA portfolio, and that has been important in trying to get better synergy between planning approval processes and economic development processes.

More recently, we have made a move to amalgamate the Food South Australia functions into the division that is now headed up by Dr Plowman, so we had a division that was focused on agriculture and wine. In discussions that I was having with the food industry I was increasingly getting the impression that we needed to make some further changes. They were not headlines at the time but, nevertheless, they are worthwhile changes that we have made. As of 1 July Dr Plowman is now head of a new division which we are calling 'Agriculture, Food and Wine'. We are seeing that as an important integration of what we do around food and wine, particularly as between those industries they continue to provide—notwithstanding the incredible resurgence of our mining sector—two of our chief exports for South Australia. With all those changes and the continuing refinement, as the minister talked about, I think we have got an agency which is very focused around creating wealth and economic growth for South Australia in a sustainable way.

The Hon. R.J. McEWEN: Thank you. I think some of that was listened to. It will be on the record for later.

Mr WILLIAMS: Most of it was listened to, minister; in fact, it has raised at least one question in my mind, and certainly I have got some other questions which go to some of the areas that were mentioned. I acknowledge the good work done by SARDI and other research institutions and CRCs, etc., here in South Australia. My question was about the extension effort and getting that back to inside the farmgate. I still question how effective that is. I suspect that part of the reason that the department has been able to step back from a lot of that work is that most of the businesses operating in the agriculture fields now, even businesses such as Elders and Landmark, now employ their own agronomists. So, a lot of farmers, instead of going to the department for agronomy services, now get them from the retailer in their own country town.

The chemical companies have field officers all over the place, knocking on farmers' doors, doing the sort of work that departmental extension officers used to do previously. I am still arguing that the department extension officers gave independent advice, whereas not a lot of independent advice is getting through to the farming community at the moment. There is some out there, but the farmer has to look fairly carefully to pick it up. Quite often they have to talk to a number of different company representatives and then make their own value judgment rather than rely on somebody from the department to provide that advice to them. So, I guess that is what was behind my question.

The question that was raised in the last answer is that it was said that the latest iteration of the way the department is set up has taken all the economic parts of the whole sector in regional South Australia and brought them within what we now call PIRSA. Given that—and I support that; obviously, as was said, it was set up under the previous government—would the minister also seek to bring the Dog Fence Board and the Pastoral Board under the auspices of his department rather than have them where they are now, under the Department of Environment?

The Hon. R.J. McEWEN: I think they are separate questions. I do not know whether it matters much where the Dog Fence Board sits; obviously, it manages its own affairs. Again, obviously, the Pastoral Board is an NRM issue from a state point of view. People are leasing and, as long as it is working well, I do not know that it matters that much where it sits. I think it is important that any major decisions are dealt with by cabinet rather than the individual agency anyway, if there are cross-agency issues, or the appropriate ministers work very closely together. Certainly, if you are suggesting that there is not a lot of communication between DWLBC, for example, and Primary Industries and Resources South Australia, you would be wrong; we actually do work closely together, as we do with DEH.

In recent times, over marine protected areas, we did a lot of good work around aquaculture zones and understanding where we were going with that. We sat down with them and worked around what can be competing interests, obviously, but you can actually find a satisfactory solution that suits the triple bottom line. So, I have found that just because they were in silos it did not mean we could not have some robust debates and out of them find satisfactory solutions, weighing up the competing interests. It is important to understand that on behalf of our primary producers I can actually say to them that our team will work closely with anyone in government. We are advocates not only for the business we do but also for

all the things that matter to them, as we have pointed out with the whole of value chain. Sometimes it is beyond even the South Australian government; at times it could be local government, and we need to talk to them; at times it could be SAFF, and at times it could be the federal government.

To give a brief example, the issue of rock lobsters and access to China was obviously one I needed to take up—it is a very significant industry in this state—and the way to do that was to work through the federal minister. The two of us then worked through it with the appropriate minister in Beijing. So, as long as industries know that we are advocating for them and putting their point of view then I believe we have that level of confidence. In fact, I know we have that level of confidence, because we have earned it, and if we continue to do this job with the industry development boards it does not matter that much where they sit.

Mr WILLIAMS: I am sure the member for Stuart will be interested in your answer. I will send him around—

The Hon. R.J. McEWEN: Well, he has some strong views. Perhaps we should send them around; he would find some holes in there as well.

Mr WILLIAMS: I refer to Budget Paper 4, Volume 2, sub-program 4.6, page 5.24, regarding the Rural Services sub-agency. How many full-time equivalents are within that subprogram and what percentage of these are dependent upon various grant programs for their existence? I ask this question because I have spoken to a number of officers (who, I think, come under Rural Solutions) and they have told me that they spend a significant amount of their time ensuring that their funding is continuous year on year, because they are reliant upon grant programs—quite often federal grant programs or industry grants from the GRDC, etc. So, first, they spend a considerable amount of time actually working on applications for these grants and, second, that also means that they quite often get part way through developing a new system or a particular project and suddenly the grant they need to apply for, to stay in existence for the next financial year or whatever, means that they have to change focus. I think it is a pity that there seems to be a continual changing of focus because of the way they operate.

The Hon. R.J. McEWEN: This gets back to your earlier question about a range of services now available to farming businesses, and you suggested that some of them were not necessarily independent. I think the real issue is that they are no longer free; that it is public dollars for public good, not public dollars for private good. That is the shift that Dale Baker started in the advisers around the state being funded by the public dollar and normally available free to individual businesses. Rural Solutions is certainly an independent and well-respected provider of a range of those services, but you are right in that it does have to compete, and the services to individual businesses are no longer free. Some of them are subsidised, but it depends on the form they might take. FarmBis is one example, where the training and skills development capacity building component of the business is subsidised. Another is the Agricultural Bureau, which we provide with some minimal resources in terms of that network. It would, to some extent, see that as being its job now, bringing together farming businesses with new advances in technology and doing that local job. Outside of that, SAFF would see that it had some role, and it would vary depending upon the commodity and the area.

However, there are many consultants out there now as well, so you are right. Rural Solutions does have a role in that, and it does have to raise its revenue and be competitive.

It is not public dollars subsidising those businesses at the expense of the private sector—and we have to be careful about that. Mr Knight, can you give a couple of details about what is on the balance sheet now?

Mr KNIGHT: That is a question we are always conscious of, ensuring that there is a source of technical advice out there. When we do market research on what customers think of Rural Solutions (which we do regularly, because it is important to be responsive to customers), what always comes up highest in terms of what customers value is reliability of the technical advice and expertise in Rural Solutions—and that is something of which I am very conscious.

Mr VENNING: Impartiality.

Mr KNIGHT: Partiality, thank you. I think it is important to remember that roughly 80 per cent of what Rural Solutions does is business for government in one shape or form—whether that is PIRSA, DWLBC (particularly that part which used to be in PIRSA) or NRM boards, which are large purchasers of Rural Solutions services. These days even the mining industry itself is increasingly looking at the expertise that Rural Solutions has on the ground around things like revegetation, community consultation and capacity building. About 20 per cent is purely commercial and, as you would be aware, it competes on fair terms with industry.

I think the origin of the argument probably did come under the previous government and, whether you believe this view or not, part of it was about crowding out. There is a view that if there is a government outfit in there providing a service for free it will be mighty hard for a commercial service provider to get in there and try to make money out of it, so I think moving to the commercial model is pretty important in terms of growth of the sorts of services that you have talked about. Obviously, we are not in the business of withdrawing from the field entirely, so we are not going to leave it purely to the private sector. We believe it is important and, as I said before, market research shows that a lot of the industry does value Rural Solutions.

In terms of Rural Solutions in the future, our forward estimates show that we are expecting Rural Solutions to continue to grow. That will not necessarily be on the back of a lot of government money, although in times of drought Rural Solutions is a critical part of our response capability in bushfires and other disasters. Again, Rural Solutions is a fundamental part of our on-ground response capacity—and in terms of the Eyre Peninsula, without Rural Solutions I think the government as a whole would have found it much more difficult to respond in a timely way. You are probably aware that we have put in place a structure with the board. That board has an independent chair. It reports regularly to that board. It is required to perform in much the same way as a commercial business, albeit still providing a whole range of services to government for the community.

The Hon. R.J. McEWEN: The void created when governments with public money step back has been filled appropriately, I think, by producers organising themselves. Don tells me that he thinks that up to 90 per cent of those producers are in one group or another, and some are in more than one group. Obviously, alkaline soils is a good example, as is the Minnipa Foundation and the Mallee Sustainable Farming Group, etc. I think that is a great way to do business.

Mr VENNING: Minister, I commend you on your opening statement. Before I ask questions on barley, I want to make a comment about marketing. Speaking of the wine industry, we have a desperate situation with the dollar today hitting 86¢. Whatever we do and whatever we think, our wine

industry is purely and absolutely reliant on exports. It is extremely difficult to be too optimistic when the dollar hits 86¢, because 82¢ was the level it could climb to. The dollar now being up at 86¢ is extremely concerning, particularly when the hedging arrangements that all the wine companies had was based on 82¢. I understand that that concludes at the end of the year. If this continues past Christmas, I do not know what will happen. However, that is a question for a little later and, minister, you may wish to comment on that.

The Hon. R.J. McEWEN: On exchange rates?

Mr VENNING: I do not know what you would do about it.

The Hon. R.J. McEWEN: The answer is nothing.

Mr VENNING: It is like the weather.

The Hon. R.J. McEWEN: The answer is very simple: nothing. It is only a small part of your business but, obviously, some imports can be cheaper. You have to look at the whole picture. The mistake the wine industry made—and it is acknowledging this now—is that during the last plant, it actually went down market, and it is very hard to get your price points back. We were actually selling very good quality wine into markets at prices that we now need to shift back.

The National Marketing Plan, which has just been released, is fantastic. It has to take the wine back up to the right price points, because that is the only way to get the margin to make the business work. Interestingly, from that point of view, Canada is our best market in terms of value per bottle, certainly the UK in terms of volume, and then the US. They are all different markets; it is horses for courses. With the US market, you can go in with, say, yellow tail wines, because you are shifting people from beer and spirits. Once you get them into wine, you then need to have a very good strategy in terms of getting the price points up.

Canada is different. Canada is on about continuing to do master classes in other work, and that is why Brian McGuigan (from Majella) and I spent some time in Canada in March. The UK is a challenge, of course, because, the more the wine is sold in supermarkets, they do not want a large range of labels.

We are a very big part of the marketing plan in this state. South Australia has well over 50 per cent of plantings, and probably 60-plus per cent is value, so we are the wine state. We have to have a very close relationship federally. We have a very good association with Paul Henry and our Director of Wine, Chris Roberts, who was here just the other night.

The point I want to make is twofold. We are not locked into some of the tradition, so we can do things differently. I think Generation Next and certainly some of the work that SARDI and the wine industry cluster are going to do is not so traditional. For example, ZORKs are not traditional, but they will be part of Vinitech in San Diego next week. We need to look at Generation Next, which could be different styles, different alcohol levels, different packaging, and all the rest. The other point is that we do not market well enough the characters behind our wines, the legends. We really have to get out there and promote them. We have some unbelievable characters, and they are unforgettable. I think that, once you meet them, you will look for that label just because you will associate that label with the individual. I will not name them at the risk of offending them, but we do have some incredible legends.

Let us forget about the dollar; we cannot affect that. Let us look at what we can do well: getting out into the global markets and continuing to be different. We should continue to focus on the fact that we can take risks, we can do things

that are not traditional and we can promote some of the great areas and the great characters.

Mr VENNING: We are all doing our bit. I now refer to Budget Paper 4, Volume 2, relating to barley. I declare my interest initially. I do not think I own any more shares—I have sold them—but my family does. Also, I am no longer a member of the Farmers Federation (the first time in 40 years) which gives me much grief. It is on protest. On 28 March 2007, parliament passed the Barley Exporting Bill 2007 which came into operation last Sunday, 1 July. Part 4 of the act, as you would know, minister—and I will not go through the detail—provides:

The minister must establish an advisory committee to advise the minister on the operation of any other matter arising in this act.

It outlines the number to be on the committee, its powers and duties. First, given that 1 July was last Sunday, has an advisory committee been appointed? Secondly, has the minister informed the committee of who they are and when they start and, if not, why not? Thirdly, does the minister believe that he is in breach of any part of the act?

The Hon. R.J. McEWEN: Yes, no and no. Yes, I have formed it; and no, I am not in breach of any part of the act. Will I tell you today who they are? No, I will not, simply because I have to let a couple of people know and just tidy up. However, I will do that early next week. Certainly, I can tell you that Neil Andrew will chair that committee. You might remember that I asked Neil to do that at the launch. I thought it was most appropriate. I thought that he would manage that process so well that it was appropriate that he perform that role.

Most of that now moves over to ESCOSA, which now has the role in terms of licensing and exporting. I have met with ESCOSA. It is a professional outfit which does a very thorough job. Maggie Dowling, of course, has worked very closely with ESCOSA, and it is great to have Maggie on staff. I am very comfortable that ESCOSA knows what its role is. Equally, the advisory committee has been agreed to by cabinet and it is a matter of tidying up a couple of minor matters in terms of letting people know, and I will be happy to let you know. Did you get a guernsey? I am sorry, on this occasion I have had to pass you over.

Mr VENNING: I will not retire unless you do.

The Hon. R.J. McEWEN: I am happy to take a revised recommendation back to cabinet next Monday. If you promise to, you can even chair it.

Mr VENNING: I will have to consider my position. In relation to sub-program 4.1, along the same line, the commentary refers to the powers of ESCOSA to license barley exporters. One issue at the time of passing the enabling legislation was the funding of ESCOSA, particularly in the first year. Will the minister update the committee on the manner in which the licence fees for exporters will be set and how the full ESCOSA funding will be raised?

The Hon. R.J. McEWEN: You may remember that your side of the house chose to amend the legislation in terms of what we would charge people. Obviously it will be break even. The job has to be done and it will be done in the most cost effective way possible, and the licence holders will pay for that. We had to make a guess up front and tip in a few resources to kickstart it. The licence holders know what fees are part of the application and what are part of having a licence issued. I will ask Don Plowman to follow up.

Mr PLOWMAN: The overall objective of setting the fees was that wherever possible the fees set did not prohibit or

prevent a company that wished to export. We have tried to keep the fees as reasonable as we can, and they have been set at \$2 500 at the time of making the application and \$12 500 when the licence is provided.

Mr Venning interjecting:

Mr PLOWMAN: No, it is just a once-off fee and we believe they are sufficiently modest that it will not prevent companies from seeking a licence.

Mr VENNING: Are companies applying for licences?

Mr PLOWMAN: Yes.

Mr VENNING: So the process is underway? I understand that ABB has not applied.

The Hon. R.J. McEWEN: I did indicate that. I was concerned that it was not moving quickly through the process. There is no interim measure—you either have a licence or you do not. On two occasions, which I raised with you, I was becoming concerned that it was leaving it too late. There is a process that it has to go through and, if it wants to start exporting late this month or early next month, it cannot do so without a licence. On two occasions we approached it saying that it will take a little while. It has now applied.

Mr VENNING: I refer to the same line—and the minister may not wish to answer this—in relation to the meeting next week of barley growers across the state, with regard to the withdrawal of the A-class shares. It is a commercial matter, but does the minister have any opinion on that? People are asking me and it is a big decision to be made to see the company fully floated and the risk for the future. The minister may not wish to comment for commercial reasons.

The Hon. R.J. McEWEN: Commercial decisions aside, it would be totally inappropriate. It is totally a commercial decision. That is one thing government should not go anywhere near.

Mr VENNING: Do you have an opinion?

The Hon. R.J. McEWEN: I have plenty of opinions and plenty of ideas, but it is not appropriate that I express a personal opinion on a matter like this. In terms of my role as minister, I have to reflect public policy. There is not a public policy position in terms of what is quite clearly a commercial matter for a particular operator within the industry.

Mr VENNING: I am pleased it is on the record because it is an historic event and we will see what happens.

Mr WILLIAMS: I refer to the table on page 5.20 of Budget Paper 4, Volume 2, the summary of income statement. On the table down the bottom of the left-hand column is a revenue line of \$51.67 million headed 'other'. Will the minister detail what constitutes those revenues?

The Hon. R.J. McEWEN: That is a combination of a whole lot of fees and charges, fisheries licences and all sorts of things. What do you have Steve?

Mr ARCHER: The \$51.6 million comprises a range of different fees. The majority relates to fishing and aquaculture licence fees.

Mr WILLIAMS: Further up the column, I refer to the grants and subsidies figure of \$162 million. I presume a substantial proportion is to do with EC and money flowing through from the \$120 million reflected.

The Hon. R.J. McEWEN: Yes.

Mr WILLIAMS: So the balance, which is about \$42 million, comprises the traditional grants and subsidies, plus the state's contribution?

The Hon. R.J. McEWEN: Of the \$30 million that sits in there, the state part of drought will be in there. If you take it off you will see that core business. In 2005, the fisheries money was in there. Every now and again you will see a one

off item sitting in there. Under the fee there is a lot of ins and outs. It would be lovely if we had \$162 million of our own. Unfortunately, 90 per cent of the interest rate subsidy, which tracks through us and goes out to farmers, comes in from the commonwealth and out through the grants and subsidies.

Mr WILLIAMS: Page 5.22 indicates two sub-programs: 4.2 aquaculture and 4.3 fisheries. I will make a general comment about the way the budget is prepared and set out. I think I have made this comment every time I have been involved in an Estimates Committee. In the 10 years that I have been here it has been almost impossible for almost anyone, including someone who has been here for 10 years, to read and get a good handle on what is going on. The figures under the subprograms are expressed as net cost to a subprogram rather than the total cost to the program. It is almost impossible to ascertain what is going on within the department. I just make that comment.

The Hon. R.J. McEWEN: Do not suggest that it is meant to hide anything, though. Certainly, from time to time, we also find that Treasury changes the way in which it wants to represent the budget. Sometimes overheads sit one place and sometimes another. In fact, I think the question the honourable member will come to is simply about where overheads have been attributed as part of the subprogram. If they are sitting in a subprogram it might look as though X has had an increase. If they are back in corporate or sitting as a general overhead, you are right, it will look like there has been a reduction. From time to time Treasury does choose to change the way it allocates that, but the overall figure does not change.

Mr WILLIAMS: I was not going to ask a question on that, but if the minister wants to give us a dissertation on the impact of shared services on his agency, be my guest.

The Hon. R.J. McEWEN: This was not shared services: this was within the agency, where you might sit, and different bits of it.

Mr WILLIAMS: I am disappointed, minister. I thought I might have got 10 minutes of free information then. The reason I make the point is that we have just heard that the vast bulk of the \$51 million of other revenues in the earlier table is coming out of the fishery licence area, yet all we see here is the net cost of the two programs: aquaculture and fishery. Those two programs have been a bit over \$9 million, so it is very hard to work out what effort has been put in there. I am getting to the question. At a superficial glance, or even at an in-depth glance of what is prepared here, aquaculture looks as if it is getting very little service out of the department, yet it has been hailed as one of the important growing industries in the state. I fully appreciate how the aquaculture sector has grown in recent years. Can we have some detail of what the department is providing to the aquaculture sector and, hopefully, any initiatives that might be on the horizon?

The Hon. R.J. McEWEN: That question has a number of components. Ian Nightingale's team has got one role but, obviously, within aquaculture we have a number of other roles ourselves but equally in partnership, and I mentioned MISA earlier. Sometimes the way we do our bit is collaboratively even beyond the agency and the state government. If he wants to look at what we are doing for aquaculture, the honourable member would need to bulk up a number of bits. However, within Ian's team alone the honourable member is right. I have been talking to Geoff about extra resources in there, particularly around new areas to expand.

I mentioned earlier that we had some very good discussions with DH around what we intend to do and how it must

be environmentally sustainable, etc. Ahead of making new leases available to the market, we must do a lot of work and so we have had Ian doing some of that. Some of that will be cost recovery, and over time more of it will be. However, equally, we do have to put in some money up front to kick start what the honourable member says is obviously an emerging industry. The honourable member would have seen over the last couple of weeks the figures coming out about the exciting continual growth, particularly with respect to fin fish and mussels.

Tuna just waxes and wanes a little in terms of exchange rates, and whatever. Oysters continue to underpin a number of our small rural communities. The great thing about aquaculture, of course, is that around the coast you will now find a second source of wealth in small rural communities that have suffered from downturns in the hinterland. In terms of the details, though, just within that narrow column and what he is doing within his group, Geoff can give a little more information.

Mr KNIGHT: One thing I point out is that on page 5.8 of Volume 2 of Budget Paper 4, and about three quarters of the way down the column, under the heading 'Targets 2007-08', is a rather important line, which states, 'Complete scientific investigation and research into the development of new aquaculture zones.' As the minister just said, at the moment we are pretty much full up because of the growth of the industry. In terms of the body of work that we do around what we call rate limiters, we have identified that a potential major rate limiter to growth in the future will be where you put those zones.

It is not just a matter of getting out a map and starting to pencil it out: you need to do some scientific research. In discussions with SARDI this year we said, 'Your aquatic science program is your No. 1 priority.' That is about underpinning the science, which is about the carrying capacity of an area in terms of aquaculture zones without impacting adversely on ecosystems. SARDI is commencing that work this year. I guess that, as part of the way we put this money into different buckets, that does not show up in the numbers we looked at before. I agree with the honourable member that, if you look at them in isolation, they do look comparatively thin.

That is a net cost, though. It is a little like commercial fishing. It is constructed on the basis that where you contribute a cost directly back to the industry, it is fair that that gets recovered through licences, lease fees, and so on. While that budget line does look thin in terms of what taxpayers put in, it is a little deceptive, because there is another line in SARDI which is funding this whole body of research. So, with respect to the new zones, the first bit of work before you do anything else with maps and things is the basic scientific work. With MISA and other expansions into that area, I have said to SARDI, 'Your top priority for the next two years is to make sure that the basic science work that is needed for that expansion is done.'

It is important to acknowledge that. I agree in a way with the honourable member, because if you picked up these budget papers you would not really see that—although that is why I pointed it out as part of the targets. It would be quite hard to go through this and say, 'Well, what is the sum total of everything we are doing in dollar terms on aquaculture?'

You do not find it just in that program, unfortunately, because a lot of it sits under sub-program 4.4, that is, SARDI. You can see rather large numbers there. That is an \$84 million expenditure program—net cost \$38 million.

Aquatic science is one of our four main areas, and a lot of that expenditure in SARDI is focused on where the new growth will come from. It is not only new zones, by the way, but it is also the important work that SARDI has been doing looking at the potential for inland saline aquaculture based around utilising waste streams from salt interception schemes that are connected to the River Murray. A lot of extra work has been done, and it has been given a very high priority in the department.

Mr WILLIAMS: Thank you for the answer. I am aware of a lot of that work. As the local member, I have been significantly involved for a large number of years both at Cape Jaffa and Rivoli Bay trying to get licences for companies and businesses involved in aquaculture developments in those places. I have some understanding of how difficult it is, particularly how difficult it is to convince some other government agencies that there are benefits in aquaculture, rather than all downside, but I will not go there. Minister, it brings me to another question. A letter has been passed on to me by a person who operates a fishing charter business on the West Coast out of Coffin Bay and who has traditionally been carrying out water sampling on a monthly basis. I am not sure whether it comes under your particular portfolio area or whether it is for the EPA.

I will read from his letter. He says that he has been told that 'funding cuts have necessitated reducing the testing regime to only four tests per year', whereas, traditionally, he was taking monthly collections at Boston Bay, Coffin Bay and Venus Bay. He says that the program conducted monthly collections at all these locations involving nutrient, physical, biological and microbiological sampling, along with temperature, salinity and conductivity readings. Would that be funded out of your agency or would that be the EPA?

The Hon. R.J. McEWEN: No idea.

Mr WILLIAMS: You don't know anything about it?

The Hon. R.J. McEWEN: No; I will take that on notice. I would not think SASQAP would be doing monthly water sampling; I would expect it to be an EPA matter.

Mr WILLIAMS: From the geographic location that he is talking about, I had the feeling that it was to do with some aquaculture thing that is occurring at some of those places.

The Hon. R.J. McEWEN: No.

Mrs PENFOLD: My question relates to Budget Paper 4, Volume 2, page 5.23, sub-program 4.5, 'State Food Plan'. The budget papers identify another reduction in funding for the South Australian Food Plan. Subprogram 4.5 shows that the actual expenditure in 2006-07 was \$3.967 million, with the new financial year being funded for \$3.433 million, a reduction of \$545 000 or nearly 15 per cent. Can the minister outline where the savings will be made and what impacts he expects from these changes? Has the minister abandoned the targets initially set when the Food for the Future strategy was adopted and the target set? I point out that in 2002 the actual achievement was close to \$1 billion ahead of schedule, but it is now behind.

The Hon. R.J. McEWEN: I will take the last bit of that first. I do not think that the member for Flinders will blame me for the drought. It was only one of the reasons. The member for MacKillop will be quick to remind me as well that there are a number of reasons why—

The Hon. S.W. KEY: We blame you!

The Hon. R.J. McEWEN: Thank you; I am delighted. I will deal with the last bit of the question first. Yes, there are a number of reasons why those targets slipped. The member for Schubert also made the very valid point about exchange

rates. We have been through some difficult times at both ends and we have had to refocus. The 2007 to 2010 Food Plan, which has been signed off by the Food Council and which I think we will be launching in the next week or so—

Mr WILLIAMS: It is on your website.

The Hon. R.J. McEWEN: Yes, it is a draft. It has been signed off. I do not know that we have done the official launch. I think that, even today, we are printing the final version, but certainly there is nothing secret about it. Again, I think you have to be careful when you look narrowly at that business and look at the 3.9 to 3.5. Certainly, there is \$500 000 less in that program in the next generation. There always was. It was always known that that money would not be in there forever: it was for a particular purpose. There was no secret about that. Equally, we are picking up some of the businesses in another way. You could now actually add in some other work that will probably pick up \$300 000 of that \$500 000, anyway, particularly the work we are doing with the Export Centre to which Geoff might allude.

Importantly, what we have to do is focus not just on the work that is being done within that team but also on the work that is being done on behalf of the team. At the last meeting of the Premier's Food Council at the Waite, we spent some time with SARDI on the types of research that it is doing that will have an impact on food and on the Food Plan. You have to be very careful when you take a very narrow focus on a bit of the work we are doing. Obviously, it is a significant part of the business activity—the wealth generation of the state. In the same way as I described what we are doing in the wine cluster, obviously we are doing a whole range of things in and around food, around food quality, access to markets, etc.

We have done a couple of things, though again we have shifted the balance a little. One of the criticisms might be that we have reduced the effort at the front end. Certainly the 12 FIDOs (Food Industry Development Officers) had a role in terms of scope and working quietly with people. The first part of that role was discovering the capacity and capability out there. That role has now changed and there will be five or perhaps six FIDOs but at a higher level position. We are certainly advertising the position at a higher level, but it is a different role now because, once we had scoped out the capacity and capability, we then had to identify those that had the ability to grow at something like 8 per cent year.

Having concluded that first part of the work, we now have a new role in terms of the second phase for FIDOs. They now have to work more closely with those identified as wanting to grow to start with, because not all small businesses necessarily want to grow, and then those wanting to be recognised in terms of import replacement or export. So, our new role for the FIDOs will emerge. We have a subgroup of the Premier's Food Council working with me (Rose Kemp and Grant King) because, again, that role has a very close association with the regional development board. They will work with us over the next little while in terms of managing that new capacity at that end.

The other thing we have changed slightly is what we do in terms of the market development end. Traditionally, Food Adelaide and Flavour SA have always carried out some of that work. In the past, Food Adelaide has not needed to compete for its allocation; its allocation has simply been handed over and it has done the job. There was a feeling that we ought to open that up a bit more, because there are other people who can contribute to that work. So, there will be a bit more competition, and we have rolled that over for six months. Des entered into negotiations with Des King in

relation to the ongoing role of Food Adelaide. Again, as it becomes more competitive, that needs to be contestable.

Equally, we have asked Angelo Demasi from the Pooraka Market to head up a small team within the Premier's Food Council to have a look at how we can get the best value in relation to that. There were a few tensions with Food Adelaide around that issue, but I think that has all settled down. I think it is appropriate that that marketing money should be available more generally. For example, some of the regional development boards might want to seek access to some of that money. However, in the overall scheme of things, we have probably, if anything, reduced the core funding by about \$200 000 in a \$3.4 million budget. However, more importantly, we are getting the team to gather other resources and to focus more precisely on that whole of value chain, which is what we talked about earlier. I will ask Mr Knight to talk about where we are with the Food Centre, which might be just outside the numbers the member for Flinders is looking at.

Mr KNIGHT: I will cover the three points that I think are relevant. One relates to the timing of when budget papers go into the publication process, which was before the Food Council finally signed off on the plan in early May. Subsequent to that, we have re-allocated some additional funds in excess of the \$3.42 million figure. That is the first thing I would say. We worked with the council and the industry for some months to get the right balance between market development and the food innovation, which will be initiated this year for the first time. So, that is an important new initiative which is being funded as part of this and the revised FIDO program, to which the council agreed earlier in this calendar year. That \$3.42 million understates by about \$300 000 the net impact of that.

The second thing that is probably worth stating is that I have previously touched on some restructuring we undertook. When I came to this role fairly early on, industry was saying to me, 'Geoff, you have to make this part of the department a bit more effective than it has been,' and we have done that. Industry felt that too much of the \$3.8 million or \$3.9 million was going into our own positions and salaries in Food SA. What we have done is to take out one senior position, which has created some significant savings. So, a fair chunk of that reduction from last year into the year we are in now has occurred as a result of us fine tuning our operation. We saved quite a bit there by bringing agriculture and wine together with Food SA.

Taking those two factors into consideration—the additional funds we have now put into 2007-08 over and above these published numbers consequent to the Food Council signing off on a new plan in early May at its last meeting and the fact that we have made some significant administrative savings in some of our own operations within Food SA itself—I am very confident that it has not impacted in any way on the actual deliverables on the ground in terms of the food plan.

The two other things I think are relevant are as follows. The council, for at least two years, has been saying an important part of growing the food sector in South Australia is the need for some investment in food innovation—and that is about product innovation and improvement of some of the technical issues through the value chain. We had a good look at that, and we decided we would cut what we were spending in terms of the food industry, with the support of the industry players at the council. We are pleased to be able to say that we have been able to redirect some of that money: around three-quarters of a million dollars will go into the Food

Innovation initiative that will sit at Regency alongside South Australia's world-recognised food capability at the Regency campus. It will be a node of the Centre of Innovation, so it will not be a stand alone entity, and it will link in very closely with what the commonwealth and the state governments do in relation to innovation.

We are hoping that, with the commonwealth's expansion of the Food Innovation grants in its last budget, this capacity at Regency Park will enable us to get a bigger slice of those national grants that are around. Lastly, the Food Centre is in discussion with the industry itself about where that sits. I think members are probably aware that the centre started its life at Enterprise House on Greenhill Road. However, due to the growth in Business SA, it had to move into larger premises on Dequetteville Terrace. However, longer term—

The Hon. R.J. McEWEN: At short notice, though, Business SA said it wanted that space for someone else and that the centre had better find itself another home. So, that is why it went over to Dequetteville Terrace.

Mr KNIGHT: We had limited choice there. It is not quite where I would like it to be, so, over this year, we will be talking with industry about the option of also locating the centre at Regency. There is a space at Regency we are currently negotiating around. We would like to get synergy between the food capacity that is on that campus together with our new food innovation program. We will be recruiting externally into that program very shortly. The Food Centre itself, together with organisations that work with us in a partnership sense (that is, both Food Adelaide and Flavour SA) are also trying to get some Austrade capability in that same centre.

I am very confident that, notwithstanding those headline numbers, we will get a much more effective bang for our buck—and the industry is saying that. Less of the money is going into overheads within PIRSA, which has had to make some administrative savings. Sometimes that is one of the ways in which that can be achieved, and we have done that. I am very confident about it and I think the council certainly gave the new plan its ringing endorsement at its last meeting. With food innovation, in particular, I think we will see that become a key part of the new Food Plan 2007-10. It has not been launched yet but the minister will launch it in the next month or so.

Mr VENNING: I have a supplementary question. In relation to the officers who are no longer going to be employed (seven of them), my question is: do they know they no longer have a job? Also, I am very concerned because we lose one of them in the Barossa area. That person was pivotal in relation to the success of the old Food SA program and was stationed with the Barossa Light Development and was critical to that program and will be severely missed. My questions are:

1. Are those people being told that they will no longer have jobs?

2. How are you going to cover this huge region with five officers?

The Hon. R.J. McEWEN: We have dealt with that in terms of the changing role. To start with, it is not a scoping role any more; it is not out there basically researching capacity and capability. We have now drafted them, so we go to the next phase. Obviously, we needed to deal with people on contract who would not necessarily wish to compete for the new contracts (and there are fewer of them; you are right there), but, again, we have limited resources to work with. If we say to industry and committees like the Premier's Food

Council, 'We want you to give us guidance', we have to respect the guidance they give us.

The three pillars have required a change in the way we spend the money. We have to respect that. We simply cannot say, 'No, this is the way we have done it in the past and we are going to continue to do it this way.' That is the role. Geoff says everybody signed off and was happy in the end. That does not mean to say there was not some robust debate along the way, not only about the quantum but also about the size of the slice. You will always argue about the size of the cake first—everybody would like more. Once that was resolved then it was about how we can best position that money within those three pillars in the Food Plan. We are doing that very well. Don will respond, in terms of the detail, as to how we dealt in a respectful way with the FIDOs and the changeover to the new program.

Mr PLOWMAN: The FIDO program existed up until 30 June, and it was known by everyone that it would cease on 30 June. There was a specific program that went for the period up to 30 June 2007. There was communication with both the FIDOs themselves and their employers—who were usually the regional development boards or, in some instances, the food groups—certainly before Christmas 2006, that this program would terminate in June 2007.

As soon as the Food Council approved the new program (which was in early May 2007), both the regional development boards and the FIDOs were advised that the program would cease at 30 June but that it would be replaced by a new program which had a reduced number of more senior people who could take the next step of the Food Plan forward. This was not just a general food culture within the regions but an ability to identify those businesses that had the opportunity to contribute to the 8 per cent growth target that the council had set, and to be able to participate in food export activities.

Mrs PENFOLD: My question is regarding the Food Plan and the proposal to combine the sub-program within PIRSA and the State Food Plan with a sub-program of agriculture and wine. This is a dramatic change from the past as the agricultural and wine section has traditionally been aimed at pre farm gate, whereas the State Food Plan has been aimed more at post farm gate and post processor gate. Given the great success of the State Food Plan since its inception and considerable contribution to increasing the state's exports under the previous government, what benefits does the government see in incorporating this sub-agency with agriculture and wine?

The Hon. R.J. McEWEN: I do not agree with your earlier comments. Both food and wine have to be whole of market chain. There is no point in growing stuff you cannot sell, and there is no point in putting resources into an area that does not need them when the deficiency, the gap, the rate limiter is somewhere else along that whole of distribution chain. We must take a whole of market focus. In fact, we must start with the customer and work our way back.

With both food and wine that is the appropriate approach. Many of those things (food and wine) you can combine. In many of the markets it is a food and wine market. We can promote food and wine in combination; they are not silos. There are some differences but, in many cases, there are similarities, and it is appropriate that we put those two teams together under Don's leadership. In doing that, we save a senior salary which makes that money available to industry as well. I think you would agree, also, it was a very smart way to use money. Everybody has applauded the strategy.

Mrs PENFOLD: My questions are:

1. Will the minister outline details of how the new agriculture, food and wine division will look?

2. How many staff members will be dedicated to the Food Plan?

The Hon. R.J. McEWEN: Yes, I will ask Don to do that. Keep in mind, again, that they will not all be in the division. We have just discussed the FIDOs, for example, whose employment arrangements will depend upon negotiations with regional development boards and potentially with food groups. In the last generation we had, I think, an ACC that also employed at least one and an individual council in another case. They do not necessarily have to sit in the division. We can deliver these services in a range of other ways. We are very keen for communities to say, 'The best way to position and manage that resource is to work closely with other arrangements we have at a regional level.' Again, in terms of the answer to that question, just bear in mind that it is only part of the way we deliver the services. But to come back now in terms of who is in the agency, we can deal with that.

Mr PLOWMAN: In the industry development area, agriculture and wine are only part of it; the other parts are biosecurity, food safety, and NRMs, but I will restrict my comments to the industry development component. We have four groups there: horticulture, livestock, crops, and grape and wine. Certainly, for as long as I have been in this position, which is three years, they have had a whole of chain responsibility. We have linked the pre-farmgate with the post-farmgate through collaborative arrangements with Food SA, with SARDI and with other government agencies. So, essentially, the integration of the former Food SA into Agriculture and Wine adds just the food to the end of that chain. The considerable resources that sit in industry development, for example, intensive livestock development, for which both the chicken meat and the pork industries have been highly successful, adds a component to that capability. I do not believe that the overall capability in food has been diminished; in fact, if anything, I think it has been significantly increased.

The new positions that are created as a result of the new pillars of the food plan—and those pillars are: market development, business capability and innovation—so long as everything goes well, will be advertised this weekend. I would hope that we would get the senior positions in place within a month or two, depending on the nature of some of those positions. What we have established within the division are two new groups. One of them is innovation, and the innovation group has both the product development components and the business development components, including the linkage into the regional network. The second new component is market development, and that platform has strong integration with the Department of Trade and Economic Development (DTED) market development program, again, a strength that I believe over the next three years will become evident.

We also put a number of other rate limiters, for which the capability sits either within Agriculture, Food and Wine, SARDI or commercial projects across the food sector. They are things such as: biosecurity, food safety, NRM workforce, value chain, etc. These are, I suppose, second order programs that sit within the industry development program within PIRSA, and particularly within Agriculture, Food and Wine.

The Hon. R.J. McEWEN: If the suggestion there was that there are fewer resources, it is the opposite. So, there are more resources, obviously within the agency, but equally, in

many of the issues we deal with you would expect resources beyond the agency and we capture them. An example is the 457s and the work we have had to do beyond the agency on what is obviously core business for us—value-adding to meat—and you would understand what has happened with the abattoirs, etc. Now, there is a challenge. Equally, where we identify the need for industry development, the case manager that we would help to negotiate may sit within DTED, Primary Industries or a regional development board. For example, we are working with Tatiara Meats in terms of potential expansion there. The single biggest rate limiter is labour.

We have Grant King—so we have actually asked someone from a regional development board—to anchor the team that works with them. One thing I think we have got to do a lot more of is actually giving industries one face to government. To try and get an industry to scope the complexities of government and expect them to identify a whole range of entry points does not work. So, the case management approach is that, if somebody comes to us—an Inghams, a Tatiara Meats, the Penola Pulp Mill, etc.—we say to them, 'We will give you one face to manage all those entry points to government on your behalf.' It can be in DTED, Primary Industries, a regional development board or local government; we can be quite flexible about that, but it certainly means that industry knows that they have to ask only one person a question and can expect a timely response, and they are very appreciative of that approach.

Mr WILLIAMS: Still on the food plan, media reports indicate that the focus will be that the department will now be working with companies that can grow by 8 per cent a year. How will such companies be identified, and what support and incentives are envisaged to help such companies achieve that level of growth?

The Hon. R.J. McEWEN: As I have pointed out, one of the things in the first iteration of FIDOs was to identify capacity and capability but also the desire to grow. Just because a small business has the potential to grow does not necessarily mean that its business plan is to grow. So, we have to identify those that share the vision of their growth contributing to the expansion in the sector, and we have to respect that. I saw a survey once which indicated that 90 per cent of the future growth of the state would come from small businesses, and 90 per cent of small businesses said they did not want to grow. So, we have done that bit of it.

We have had to do a lot of work there in identifying those that want a partnership with public resources to go down that path. Others, for very good reason, might say: 'I can grow at 8 per cent, but bugger off. I've got a whole lot of reasons why I want to do that on my own; besides, I actually could be competing with others you are working with.' I think it is sad when people look too narrowly at who their competition is. Their competition in global marketplaces is either other countries or competing opportunities for the same consumer. So, I think sometimes we take far too narrow a view of who our competition is. It is better to collaborate until we have built a platform and then compete.

In terms of what types of resources are available, again it depends on the size of the business. I do not think people would appreciate the huge amount of resources that have gone in, for example, to Inghams—and so they should have. Certainly, when you start looking at an expansion there into the hundreds of millions, you see that, by way of grants, support or loans, many millions of state money have gone into that as well. Of course, sitting underneath that are

hatcheries, feed mills and, obviously, producers who have got to grow the chickens in the first place, so you will actually see it working in a number of ways. That is a fantastic story for the state. It is new. Inghams just want to get on and do their business. They would prefer to let their chickens do the talking. But if you went and had a look at what we have been able to do and what we have achieved there, just as one example, I think it is a fantastic story, but it is not necessarily a public story for everyone's consumption.

Mr PLOWMAN: I will elaborate. The target set in the new food plan is that finished foods will increase by 8 per cent per annum over the period of the plan, so we will support any company or activity that will contribute to that. I do not think we are necessarily saying we will restrict our assistance to those companies that can grow by 8 per cent, because there is a very diverse range of contributions to that 8 per cent.

The tools we have available are quite extensive—and I am talking specifically about the tools available to determine whether a company has the ability to grow. We do not actually say, 'This is good for you'; they are tools that companies can use to assist their business planning processes and determine where they are likely to get the greatest return for their investment. These tools have been developed by, for example, the National Food Industry Strategy and were recently launched at an innovation conference. They have been developed by people in Trade and Economic Development with our own staff, so the next iteration of the food plan will see a refinement of the tools that will be provided to industry development officers to enable them to work with companies that have an interest in that growth.

In terms of reporting and whether we have confidence that the targets can be met, leaving aside drought and famine, the evaluation of the regional business development program from the last plan showed that there was a 28 per cent increase in employment over the three year period and a 32 per cent increase in turnover. So I think we actually put the resilience into that business sector that would allow this target to be met.

Ms FOX: I move:

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

Motion carried.

Mr WILLIAMS: Regarding that last response, I printed a copy of the latest food plan, and it does not say 'draft' anywhere on the document. I have just had a look.

The Hon. R.J. McEWEN: My apologies, but I did not say it was a draft. It is not a draft: it has not been launched. Technically, I suppose that will be the day we actually give birth to the new plan, and up until that time it is still in gestation. However, it is very close.

Mr WILLIAMS: Well, I am quoting from it.

The Hon. R.J. McEWEN: It is not going to change. As I said, it is not a secret document.

Mr WILLIAMS: I was reading through it and there are some interesting statistics there. One of the things I have argued for a long time is that it is a failure of Australian politics that it does not recognise the importance of the agricultural sector and its flow through to the general economy. There is a statement in here that says agrifood products contribute approximately 33 per cent of exports from South Australia and employ one in five working South Australians—and that equates to the figures that come out of

other countries. Does that figure include people at the food service end—waiters and chefs and the like?

The Hon. R.J. McEWEN: I do not believe so.

Mr WILLIAMS: Can you provide the committee with a little background information on that figure, on gross employment in the food sector?

The Hon. R.J. McEWEN: Certainly.

Mr WILLIAMS: That would be appreciated. Looking at the clock, I might jump forward and come back later with more questions on the food sector if we have time. However, there is one particular question I do want to put regarding the food program. One of the important parts of the program to help us get the message out about where we are going has been the food score card. Will the food score card continue to be produced, and will it be produced in the same format so that comparisons can be made and the success or otherwise of the impending changes be measured?

The Hon. R.J. McEWEN: Yes.

Mr WILLIAMS: Are you going to be that quick? I will need not to skip those couple of questions if you are going to be like that.

The Hon. R.J. McEWEN: Well, if you want, go on with them. There is always a 'but' at the end of my 'yes' answers though; do not take them as an absolute 'yes'.

Mr WILLIAMS: That is the quickest answer you have ever given to a question anywhere, minister. I refer to Budget Paper 3, page 2.32. There are some numbers concerning the EC funds that are coming in and out of revenue and expenditures, and it shows that the estimated result for 2006-07, a total of \$8.455 million in drought assistance, was expended, including \$3.119 million of commonwealth contribution. Then it shows that a budgeted figure of \$82.8 million is to be expended in the current financial year. With the opening we have had this season, do you expect that the \$82.8 million will, in fact, be expended? I was somewhat surprised that so little was spent on EC in the last 12 months. Is that a function of the time it has taken to get the declarations made and the individual business operators to put in their applications?

The Hon. R.J. McEWEN: The second part, maybe; the first part, no. As I said earlier, we have been very appreciative of the response of McGauran's office. Look at the amount of work that has been done in the last seven months on EC applications; they are a very significant document. The resources, the way communities have responded in getting the applications in and the way that McGauran has responded, particularly on prima facie evidence, have been fantastic. In turn, he then has to have an independent committee look at them, and they have been very timely with that. I think in lower Eyre Peninsula they had a few extra questions and that was delayed a little bit, but generally that is not the reason.

Centrelink tends to deal with that first, because you can back-claim only three months. With interest rate subsidies, you have longer. I think what is happening there is that the families in need have responded pretty quickly in terms of the Centrelink part of it. They have not responded quite as quickly in terms of the interest rate subsidy. We have been doing some publicity on that. You might have seen me recently doing publicity in my own right, having discussions with SAFF, and getting Wayne Cornish to do publicity around that—encouraging people to apply. There has been a little bit of resistance, too, where people do not want to admit that they need help. We have to deal with that. We have to say to people, 'Look, this is your time. You have, as part of society and the community, provided a safety net through

your taxes for many other people when they had a need.' This is a genuine need and we have to be sympathetic to that.

Yesterday, I was talking to Don about how we can—in an empathetic way—make sure that we get people to identify that they do have access and then encourage them to do it. However, your point is that there has been a lag. The interest rate subsidies are back 12 months anyway, so that will be picked up. We have the numbers for Centrelink but, again, I think they are moving a bit more slowly than we expected. That will just be rolled out.

Mr WILLIAMS: That leads me to the next question. Do you have the numbers of how many individual applications have been made, and what is the success rate of those?

The Hon. R.J. McEWEN: Directly we do, obviously, in terms of interest rate subsidies, because we assess them. In

fact, there is a little table that will have them for each EC area. I am happy to table the ECIRS approvals as at 29 June 2007. That will show the applications and approval rate. Looking at the approval rate, you will see one little hiccup. There was probably a little bit of over-enthusiasm in just one of the EC areas, which actually makes the number look a bit smaller than it should. We should say to people, 'Look, approval rates are running at 80 per cent and above, so, again, don't think that we're setting you up for failure.' We have some feel for the Centrelink component of it. I do not know that we have that officially and, if it is unofficial, just to help us, I do not want to table it. I seek leave to insert in *Hansard* a table of statistical information.

Leave granted.

ECIRS approvals as at 29 June 2007

CNE	UNC	WEP	CEP	MM	USE	LEP	FP	RMC	Small Business	Total #	\$ (000's)	Declines #	Approval Rate
27	52	13	106	50	68	5	0	3	5	329	9 999	119	73.4%

Mr WILLIAMS: The only reason I asked that question is that I have been getting a little bit of feedback, where people are complaining about the complexity of the system.

The Hon. R.J. McEWEN: It was suggested that we were not dealing with that matter, but that is not true. The applications are being processed very quickly.

Mr WILLIAMS: I certainly take your point about the reluctance of people who are deserving, having been through that situation myself. Minister, moving along to lamb-marking. I have had a number of phone calls from sheep producers who are marking their lambs and putting NLIS tags in the lambs' ears. It is causing a fair bit of consternation and angst. I went on to your website, over the past few years, and it indicates that there is an exemption for lambs consigned directly from their birth property to over the hooks slaughter. The website suggests that the exemption will go through until 2008. Does that mean that that will apply to animals born in 2008, or does it mean animals that are consigned in 2008? Is there any intention to review that, or is that the deadline, with no exemption beyond 2008?

The Hon. R.J. McEWEN: The first answer is born, and the second answer is no. Interestingly, we might actually find that the market requires us to respond more quickly than that. There is some pressure now from market to say that there may be an exemption direct to market, but we still want them identified. Trace-back is now becoming a very important part of promoting our products in a number of markets. There is a bit of pressure now to bring them forward. I am not saying that that is the case with prime lamb directly at abattoirs but, no, we are certainly not looking at rolling that out.

If we are serious about telling the world markets we have total traceability, we better have total traceability. Last Wednesday, along with Tim Wotton and the new chief vet, Robert Raharley—who, I have to say on the record, has settled into the job very quickly and is doing a fantastic job—I had a pretty good discussion with agents at Glenburnie about how important it is to make sure that there are no shortcuts. The last thing we want is a non-traceable trace-back. You can imagine what that could do.

I told them the story about Kellie Wheller, a young farmer I met recently in Canada, just out of Calgary. He was brought to his knees because he ran a combined cropping and

feedlotting business. One cow in that market meant they were closed and beef prices were halved. The problem was that, by then, he had already made a decision to hold his grain on property to feedlot. There was no point then in going through with the feedlot. Everyone else made the same decision at the same time, so you can imagine what that did to the grain price. We must have robust traceability. It is a pain in the neck, but losing a market like Japan and bringing yourself to your knees is a pain in more than just the neck.

Mr WILLIAMS: It fascinates me that a farmer can consign a load of lambs from his property to a meatworks, and the meatworks cannot isolate that load and put it through their works. For example, Tatiara Meat in Bordertown (in my electorate) kills in excess of 8 000 lambs a day. It would cost the producers probably close to 50¢ per lamb to put in an eartag. So, we are talking about a cost of over \$4 000 a day. I would have thought that they could achieve trace-back and traceability in the larrage pens in a much more economic fashion, rather than putting an eartag in every animal.

The Hon. R.J. McEWEN: Nobody is saying you would have to use eartags, but there needs to be a technology that can actually allow trace-back. At some stage in the future we will obviously be microchipping, or whatever, at a much cheaper price, and that will be a management tool on a property as well. You have to find a way to get other value out of these technologies and not just in respect of traceability. But, no, there will not be any lessening of it. We have to continue to make sure that it is a robust process that will not fail when we are faced with the one consequence that we do not want, which is the need to trace back.

Mr WILLIAMS: Again on this issue your department's website gives the reason behind this and quotes figures from a commonwealth study estimating the economic loss if we had a foot and mouth disease outbreak. It also goes on to suggest that Australia's key emergency international trading partners are developing electronic sheep identification systems. Our biggest trading partners are probably Japan and the US. There are hardly any sheep in the US and I do not know how many there are in Japan, but probably not a lot. Are those full markets going for full traceability in similar fashion to us?

The Hon. R.J. McEWEN: It is the market that wants full traceability.

Mr WILLIAMS: Are they imposing the same sort of traceability?

The Hon. R.J. McEWEN: It is the other way around: we have to impose traceability on ourselves so we can guarantee as a point of differentiation in markets that we can quickly deal with any issue like this so it is not generic and not a ripple-out effect that says that one BSE in Canada means that you assume every cow in Canada is at risk. Cattle producers in Australia need to be reminded how that failure in Canada gave them an incredible leg up into the Japanese market. Once we are there, they love Aussie beef. We got so much market penetration there because shit happened somewhere else. However, we do not want it to happen here.

The CHAIR: I did not hear that comment.

The Hon. R.J. McEWEN: That is what happened. This is the agricultural one.

Mr WILLIAMS: I appreciate the minister's short answers. I refer to the fisheries sub-program. With the change to the Fisheries Act and the new regime, has the state advisory council, the overarching advisory body, moved to set up sub-advisory groups for individual fisheries?

The Hon. R.J. McEWEN: No, because we do not have the council in place yet—1 September. You may remember that some enlightened people in the Legislative Council amended our legislation and put another step in the selection, so we have to have them go through close to 70 applications. That has been done. I have not seen the minute back to me, but it will be going to cabinet hopefully next week when Pat Conlon is acting minister. As soon as we announce that we will get them together and they need to work through. There are a number of management plans going through the final stages of consultation with the industries. We have not stopped business. They will need to be picked up. There is some work they can do early on. Whether they choose to do that as the council or get a subcommittee to look at it will be their call. From 1 September we need it to move quickly, but it should not hold up the rolling over of any management plans or new ones being adopted.

Mr WILLIAMS: I refer to the narrow gauge railway system on Eyre Peninsula and the upgrading of it. I believe it is happening under your portfolio.

The Hon. R.J. McEWEN: No. There was a contribution from primary producers to that. There was some public money, some transport infrastructure money and some money from primary producers, which is collected through the Primary Industries Funding Scheme Act, a voluntary scheme. We are only a part of that. About \$2 million of the \$43 million is contributed from farmers through that scheme.

Mr WILLIAMS: I will ask the member for Flinders.

The Hon. R.J. McEWEN: She will tell you all about it. Equally she will tell you that a couple of people have chosen to exercise their right to ask for it back, which is unfortunate because it is better if everybody contributes.

Mr WILLIAMS: The question was whether they are using convertible sleepers for the upgrade.

The Hon. R.J. McEWEN: Can't help you with that at all.

Mrs PENFOLD: I really would have liked them to, but they haven't, much to my disgust, because it would have been better because one day we could have hooked into the main grid and standardised with the rest of Australia.

The Hon. R.J. McEWEN: Good point. I will not accept responsibility for that.

Mr WILLIAMS: I refer to the flooding that occurred in the Far North of the state earlier in the year. I understand substantial moneys have already been spent on road repairs and that the initial bill was something like \$23.5 million. Jim Lloyd was on regional radio this morning saying that the state government has not applied at this stage to the Australian government disaster fund for financial assistance. Has any of that happened through your department?

The Hon. R.J. McEWEN: Obviously it is local government and normally retrospective. He may be playing politics, but it is all done in a timely manner.

Mr PLOWMAN: Recoveries from the commonwealth under the national disasters relief program are done in retrospect and the amount of funding recovered in any one year depends on the total costs of emergency management events. It is usually a year or two after the event before the overall recovery is made.

Mr VENNING: I refer to Budget Paper 4, Volume 2, page 5.23, in regard to SARDI, American foul brood disease in honey bees. Many constituents have complained to me that they pay a levy of 40 cents per hive every time they register their bees and that PIRSA is not fulfilling its obligation because our hives are now rife with the American foul brood disease. Will the minister advise what steps are being taken to ensure that there will be funding for more inspectors to carry out the monitoring of American foul brood disease to protect the South Australian beekeeping industry?

A couple of months ago the minister advised me in writing that no decision will be made in relation to increasing staff levels until a review has been completed by the South Australian honey bee industry strategic plan implementation committee in the AFB disease program nationally and internationally. The outcome of that review was expected in a month or two and that is now a couple of months ago. Does the minister have a further report or comment?

The Hon. R.J. McEWEN: The letter is absolutely right. You must be careful, though, that you do not get caught up in a debate between eradication and management. This is no different from the BJD debate and the OJD debate. Some people believe that the disease should be eradicated, and that it is the responsibility of public dollars to do it. I think they are wrong on both counts. Certainly, American foul brood is endemic. It will never be eradicated, so it is a matter of its being managed. The quicker industry takes responsibility for managing diseases of this nature the better.

Industry must step up to the plate, as it did with managed JD. I think that is the best example of the dairy industry accepting responsibility for managing an endemic disease, in that case BJD. I think that other industries can learn from that. Yes, the industry does have to take responsibility, and the industry does have access to funds. In fact, as at 30 April 2007, the Apiary Industry Fund had just over \$207 000 with annual contributions of around \$22 000 a year. Importantly, also, the seven person SA Honeybee Industry Strategic Plan Implementation Committee was established in September 2006 for the purposes of development and overseeing the implementation of complementary strategies designed to achieve the targets outlined in the South Australian Honeybee Strategic Plan.

In February this year, an interim chair was appointed and the terms of appointment of all the other members was two years. They are meeting; they are getting on with that. Equally, the honourable member might like a copy of the submission we have just provided to the federal government in terms of its inquiry into the honeybee industry, and not

losing sight of the fact that there is probably pollination to horticulture. In time it will become a very important—if not the most important—facet of that business. We are very mindful of the fact that honeybees do not only make honey. I think that, if the honourable member still has one or two people advocating to him that the eradication of American foul brood is achievable and that it is a government responsibility, he needs to say that, on both scores, the minister does not share their view.

Mr VENNING: I think the chief concern is that there is only one inspector. A lot of things are happening at the moment. The minister would know of the incident where honey was sent to the United Kingdom and there was detection of paradichlorobenzene, which, in common language, is camphor balls. The shipment was rejected. People are saying that having only one inspector makes it very difficult for that inspector to be part of the risk management team. There is only one of him and he is responsible for the whole state. I am informed by members of the beekeeping industry that there is an urgent need for more inspectors to carry out monitoring of AFB and these other matters, particularly when this small hive beetle is also on its way to Australia.

The Hon. R.J. McEWEN: I will answer the first question. The industry is responsible for managing all these issues. I am quite happy to talk with it about using its funds for that purpose, but there are people in the industry who believe that it is a job for the taxpayer. We are shifting away from that, and that is why I gave the other examples. I think that the honourable member needs to say back to those people, ‘Yes, take responsibility for your business’, and the new strategic plan does that. In fairness, they have got their heads together now. I will not say they have got something else together because of the reprimand I got earlier. They are now focusing on, in a collaborative way, the challenges that face the industry. That is why, with an independent chair, they will become accountable to their members. It is not government’s job to manage industries. It is industry’s job to manage collectively and individually what it is trying to achieve.

Mr VENNING: What you are saying to me is that they should have their own inspector?

The Hon. R.J. McEWEN: They may not need inspectors. Inspectors may not be the most cost-effective way to do it. In many of these cases it is much better to have a quality assurance program which is part of your normal management tools—not having a third party running around checking on you but doing it yourself as part of running your normal business. These risks are part of any business being successful. Learn to manage your risks. The minute you have a policeman the guard will be to hide it from the policeman rather than taking accountability and responsibility yourself—end of lecture.

Mr VENNING: Whether it be sheep lice or anything else, there has always been an inspector to watch, because you cannot rely on everyone.

The Hon. R.J. McEWEN: Isn’t that sad?

Mr VENNING: This question is a favourite of mine. Would the minister like to comment before he retires about whether he would like to relocate the headquarters of agriculture outside the CBD?

The Hon. R.J. McEWEN: No-one, obviously, has been able to do that. We are the most urban state in one of the most urbanised nations on earth. Basically, all our human capacity and capability is here. If we did shift it, we would go to

Gawler or Murray Bridge and people would just commute in reverse. As much as it seems like an attractive thing to do to devolve more of these resources out to other communities, the infrastructure is here, and the other people they need to deal with are here. If people are not dealing with someone in their own community they actually come to Adelaide, anyway.

For example, if we had a significant facility in Mount Gambier, the people in the South-East would have other reasons to go to Adelaide, anyway, and would say, ‘Well, look, I would prefer it to be there.’ We had this debate with the fishing industry around the best position and resources it needs. Yes, it sounds like a great theory to move many of these agents out into country areas. It is not necessarily practical and it is not necessarily the best way to service the customer because of the nature of the geography, because of where Adelaide is and because of so much of what is in the greater Adelaide urban area.

The CHAIR: I agree with the minister.

Mr VENNING: The minister would know that New South Wales decentralised its department of agriculture many years ago to Orange. In fact, it is rather ironic that the money to build the facility was money from the South Australian superannuation fund. The minister would know whether or not that experiment has worked.

The Hon. R.J. McEWEN: What page and what line?

Mr VENNING: It is the future page. I find it difficult, having had an association with the department over many years (and it is good to see Don Plowman here), because you do not get the foot traffic in that building, purely because it is in the middle of Adelaide. If it was at, say, Northfield where people could park their cars you would get a lot more activity with the stakeholders and the department.

The Hon. R.J. McEWEN: That does not say that everything will always be here. Obviously with MESA, we have had a very good discussion about which part of that should sit in Port Lincoln. There are examples where we will decentralise for particular regions, but generally the case will be that all customers will have best access to it, if it is here—and there would be one hell of a fight if people from the South-East have to drive through Adelaide to access a service in the Barossa, or the Riverland, Port Augusta, or whatever. Have a good look at the geography and you will realise that it is not practical, as much as I would love to do it to bolster some of our rural—

Mr VENNING: The previous Labor minister was going to put it in Clare: it nearly happened.

The Hon. R.J. McEWEN: Many of the previous agriculture ministers, including a previous premier on your side (who has just peeked in the back door), looked at the same challenge and appreciated that we could not do it either.

Mr WILLIAMS: He wanted to put it at Struan.

The Hon. R.J. McEWEN: I fully support that move.

Mr VENNING: A previous Labor minister was going to put it at Clare.

The CHAIR: Member for Schubert, I have been very lenient with you. However, I have to agree with the minister on this. Being a country person, I think there would be nothing worse than reaching the city and then having to find your way to Clare, the Barossa Valley, Murray Bridge, or whatever. I agree with the minister. However, this is really irrelevant and I am not sure to which budget line you are referring. We need to get back to questions.

The Hon. R.J. McEWEN: It is a great idea, but not achievable.

Mr WILLIAMS: Madam Chair, it should apply to country health as well.

The CHAIR: Do we have some more questions?

The Hon. R.J. McEWEN: In terms of combined services, I ask Mr Knight to comment.

Mr KNIGHT: One thing that is missing in this discussion is the fact that, notwithstanding the fact that our head office sits in the CBD, we do provide our services throughout 38 regional locations throughout South Australia and remain very committed to do that. In relation to the question about whether or not you then say, 'Why not put the head office out there somewhere,' I take an entirely pragmatic approach. Treasury has been asked to look at this question in the past and it says that, from the use of taxpayer funds, it does not stack up. I do not think the public transport exists to support the movement of large numbers of staff to major regional locations. I have to say as a final point—and I think that this point would be of interest to the member for MacKillop—that my current head of mining in PIRSA is a person who was attracted to work for me because the New South Wales government decided to move the mining department to regional New South Wales and that did not appeal to him.

Suddenly, the notion of working for South Australia, with a very pro-mining history of government, was something that enabled me to recruit and retain someone who is a fantastic operator. I have to say that we now all live in a world where we will face widespread labour market shortages and I think that, whilst working and living in country South Australia is appealing to many of my staff and people who would not want to work in the city, equally there are people whom I need to be able to recruit and retain who would find that not so appealing. These questions are always more complex than they appear, but one thing I would say is that I agree with you entirely in that we remain fully committed to delivering as many of our services as we can through regional locations.

We have 38 regional locations currently, and you will find that at most of those locations you can get access to the full range of services that we have, either using Rural Solutions on our behalf or SARDI, which, at present, is in probably at least a dozen of those locations. We have fisheries compliance officers available at all those locations that are relevant. Don has staff in most of those locations, and our mining staff are also present in most of those locations. I guess the only part of the department that is headquartered outside of Adelaide is forestry, and I think you would say that is quite appropriate. Equally, we really only provide forestry services from a couple of locations which service both the South-East and Mount Lofty Ranges. It is a pragmatic approach that tries to balance a range of important objectives here.

The Hon. R.J. McEWEN: If you moved a private member's motion to relocate the head office to Struan, I think a couple of members would be happy to support that.

Mr WILLIAMS: I can assure the minister and the committee that the member for Schubert's ideas are not shared by most of his colleagues on this particular issue.

The Hon. R.J. McEWEN: That is not isolated to this question either.

Mr WILLIAMS: One last question, minister—caulerpa taxifolia. Are we winning the battle or are we giving up?

The Hon. R.J. McEWEN: Obviously we have a steady as she goes approach while we still conclude the research on that. I did ask Nick 'Never-ask-us' in the lift just yesterday how things were going. Certainly in terms of the Barker Inlet, we have been keeping an eye on the colonies there and picking at them when we can. Recently, the divers had to

stop. You can imagine after the recent rains what visibility was like. I think SARDI is due to come back at the end of this year. I did send Nick overseas with Stephen Campbell from my office to have a look. There are a lot of myths around the approach. Equally, when in the US last year I took the opportunity to look at a situation where it has been eradicated, but the conditions you need to eradicate it are very specific. We achieved that at West Lakes, but the whole environment has to be totally contained.

The question about whether or not it would colonise outside some of these more sheltered areas is now open to debate. I think the view is that the risks are far less than what was first thought. We must keep an eye on it. Certainly SARDI will give us a report at the end of this year on the two years of work that it is doing down there. In the meantime, we are continuing to contain it as best we can. We are not just walking away from it while we do the research. We need a containment strategy while we conclude the research into a long-term strategy. Can someone clarify whether or not we will receive that report by the end of the year?

Mr KNIGHT: Yes, minister, December—

The Hon. R.J. McEWEN: Yes, that's a great help!

Mr KNIGHT: We are due to receive SARDI's report in December 2007 and, in the meantime—

The Hon. R.J. McEWEN: We are now, anyway.

Mr KNIGHT: In the meantime, as the minister said, we are spending about \$200 000 just managing the current issue, and that is undertaking surveys and spot removal. We have commercial divers down there removing it from wherever they find it. However, the important thing with the work that SARDI is currently doing is to ensure that we have a biologically robust strategy going forward around either eradication or management in order to protect our fisheries industries in South Australia.

The Hon. R.J. McEWEN: You might remember that there were some concerns that as part of the dredging it might be being relocated into the gulf. There were strategies in place, but obviously the sceptics said, 'This is just terrible.' It might have been an excuse to stop the dredging, but it has not occurred. We continue to check the coast to ensure that it does not show up but, yes, stop the weed. Get off the weed, Ivan!

Mr WILLIAMS: As agreed with the minister earlier, we will desist at this point. I thank the minister and his officers—and the member for Schubert does not want to ask another question.

Mr VENNING: Very quickly, we would like to know whether there is anything in the review about the level of threat to the industry.

The Hon. R.J. McEWEN: Every time I am asked a question about broomrape, I tell members that we are not responsible for broomrape, but I am happy to refer the question to the appropriate minister—and I will give the member that response in writing as well. However, the member and the member for the mallee seem to come back to that issue every time. We are happy to keep you briefed in relation to where broomrape is going, but we are not the lead agency.

The CHAIR: There being no further questions, I declare the examination of the Minister for Agriculture, Food and Fisheries completed. I thank everyone for their patience because it has been a particularly long session. Minister, do you want to make any concluding comments?

The Hon. R.J. McEWEN: I want to thank Don Plowman, Geoff Knight and Steve Archer. I am very proud of the team

we have, as I think all members should be, because this is a bloody good agency. Thank you very much.

[Sitting suspended from 1.31 to 2.45 p.m.]

Witness:

The Hon. P. Holloway, Minister for Police, Minister for Mineral Resources Development, Minister for Urban Development and Planning.

Additional Departmental Advisers:

Dr P. Heithersay, Executive Director, Minerals and Energy Division, Department of Primary Industries and Resources.

Mr T. Tyne, Director of Mineral Resources Division, Department of Primary Industries and Resources.

Mr B. Goldstein, Director of Petroleum and Geothermal, Department of Primary Industries and Resources.

The CHAIR: I refer members to the Budget Statement, in particular, pages 2.23 to 2.24, and Appendix C, and the Portfolio Statement, Volume 3, part 5, pages 5.12 to 5.14. Minister, do you wish to make an opening statement?

The Hon. P. HOLLOWAY: I will be very brief, and then I will hand over to the opposition to ask questions for the rest of the time. I will begin by saying that everyone is well aware of the minerals boom in South Australia. Recent ABS figures confirm this confidence, showing a staggering increase in the state's mineral exploration expenditure. The most recent figure of \$233.2 million in the 12 months to March 2007 reflects an astounding increase of \$123.1 million in 12 months.

South Australia has now captured 14.86 per cent of the national mineral exploration expenditure for the same period, which is an increase on the 9.4 per cent for the 12 months to March 2006. Specifically, South Australia has captured 55 per cent of total expenditure for uranium exploration for the 12 months to March 2007. The figures for exploration targeted at copper, silver, lead and zinc further emphasise our position in the Australian mineral exploration scene. South Australia captured 50 per cent of the total Australian expenditure for copper exploration and around 40 per cent for copper, silver, lead and zinc exploration for the period to the end of March.

On the petroleum front, we have seen a total of 96 exploration wells and 26 appraisal/development wells drilled by new explorers in the Cooper Basin from January 2002 through to mid May 2007. Geothermal exploration is also booming. South Australia has attracted 16 companies to apply for 131 geothermal exploration licences covering 56 000 square kilometres. Whilst some may not eventuate, the aggregate investment for the work programs associated with these 131 exploration licences is estimated to be worth more than \$535 million for the period 2002-2012.

In summary, 2006-07 was an outstanding year for the minerals and petroleum sector in South Australia. There is no doubt that this record growth has been significantly helped by the introduction of the Plan for Accelerating Exploration (PACE) scheme in April 2004. This government committed \$22.5 million between 2004 and 2009 to PACE and, due to its success, this figure has been increased in this budget to bring the value of PACE funding to \$30.90 million up until 2010-11.

Briefly, in relation to production for 2005-06, the net mineral industry value, which combines production and processing, was \$3.4 billion, which is a 25 per cent increase on the previous year's value of \$2.7 billion. Overall mineral production rose by 50 per cent (or \$785 million) to reach a record \$2.4 billion in 2005-06. In line with the rise in production, South Australia's mineral exports rose by over half a billion dollars (\$524 million or 36 per cent) to reach a record \$1.98 billion in 2005-06. Mineral exports currently comprise slightly more than one-fifth (20.6 per cent) of total state merchandise exports, and I think that is more than for wine.

In relation to mineral projects, in 2006 primary approvals were granted for four new metals mining and processing operations in South Australia, including Oxiana's Prominent Hill copper-gold mine north-west of Olympic Dam; Australian Zircon's mineral sands mine at Mindarie; Terramin Australia's Angas zinc mine at Strathalbyn; and Perilya's Beltana zinc mine west of Broken Hill.

A significant number of mineral projects are at advanced exploration or resource assessment stage, and a number of projects are progressing through pre-feasibility to mining proposal stages. The existing Challenger and Beverley mines are also proposing extensions to their operations. A further significant development for the state will be the commencement of construction of Uranium One Australia's Honey-moon uranium mine (likely later this year). This project is in the final stages of secondary approvals and licensing.

In relation to petroleum projects, currently over 420 licences have been issued under the Petroleum Act, which is a record figure for South Australia. Six years ago, when the act came into effect, licence numbers were at 244. This substantial increase is tangible evidence of the boom in petroleum exploration and production activity, as well as the increased regulatory flexibility afforded by this cutting edge piece of legislation. We currently have 46 petroleum exploration licences in the state's onshore basin, with 142 612 square kilometres currently under exploration licence. The Cooper Basin remains onshore Australia's most popular exploration address and is now essentially fully under licence or application. Significant international petroleum exploration investment has been forecast in South Australia in frontier basins. International investors from the USA, Canada and the UK and India are now participating in petroleum exploration in the state's producing and frontier basins.

In conclusion, a wealth of good news is coming from the minerals, petroleum and geothermal sectors within the state—and there is much more to come. This budget aims to provide the most strategic position to allow our government to deliver these competitive results well into the future.

The CHAIR: Does the Member for McKillop have an opening statement?

Mr WILLIAMS: Yes, Madam Chair. I acknowledge the position that the South Australian minerals sector is in at the moment. The minister and I differ on the reasons behind that and, indeed, the interpretation put on the figures. I will ask some questions later on to try to tease out some of those differences. I have a point of clarification. The minister's colleague the Minister for Agriculture, Food and Fisheries was in here before lunch when I read out a series of omnibus questions. Will the minister take it that those questions also apply to his department, or shall I read them out again?

The Hon. P. HOLLOWAY: We will take them as being read, yes.

Mr WILLIAMS: Thank you, minister; I appreciate that. I am happy to move straight to questions. I refer to Budget Paper 4, Volume 2, page 513, sub-program 1.1: minerals. As the minister would be aware, the initial government funding commitment to the PACE program was \$22.5 million over five years. The average annual spend of the program for the first three years was \$5.6 million. With this budget's commitment of an additional \$8.4 million and a two-year extension of the program, average spending will actually drop to around \$3.5 million annually for the remainder of the program. Does the minister agree that this drop in average spending is hardly reflective of the needs of the growing industry?

The Hon. P. HOLLOWAY: What I can say is that the PACE program has been incredibly successful, and the results I read out before show that. We had a 433 per cent increase (or whatever the exact figure was) in exploration, and we are now up to over \$233 million, when our target was just \$100 million, so I think it has been extraordinarily successful. The program was always designed to provide a kick-start to mineral exploration within this state, and it has done that in a very dramatic fashion. What we are seeking to do here is to continue that success.

Of course, what we did in some of those early years was to bring forward some of the PACE money so that, rather than it being just dividing the \$22.5 million over the five years, it was always meant to taper off. However, what we will be able to do with this new PACE program, of course, is to extend that expenditure out into future years. Of course, that is the great importance of the announcement in this budget. I will hand over to Geoff Knight to comment on the actual figures.

I think what is important is that we now have this ongoing PACE program. The PACE program, through its eight themes, has already had enormous success really beyond most of our expectations in terms of delivering results. I hardly see how the honourable member can suggest that what we are doing does not meet the needs of the industry. Indeed, what we will have to do in the future, as we move from an exploration boom into a mining boom, is to transfer efforts to a whole lot of other issues associated with the development of the mining industry—but that is another story.

Mr KNIGHT: I will comment briefly on the figures and then perhaps leave it to Dr Heithersay to talk about the implications of that for the industry. As the minister outlined, the five-year program was designed to get movement very quickly, so we always planned to spend the lion's share of the \$22.5 million in the first three years. The decision that has been made, in the context of this budget, is to top that up, such has been the success of the PACE program. There is a top-up for the last two years of the five-year program but, perhaps more importantly, it was a program that was due to finish at the end of the five-year term. However, it has been such a success that the government has committed to funding it on an ongoing basis. That is the important thing.

When you look at it, it is not only the headline figures that are important. I have heard some people say, 'Isn't this just on the back of the mining boom?' There may be only limited truth to that because you must realise that we went from capturing about 4 per cent of Australia's exploration spend, to 13 per cent to 15 per cent, and that means we have trebled our share of the Australian pie.

I do not think you can really argue that \$233 million is just on the back of a mining boom that has been affecting every state—because it has not been. It was a pie that had not

grown very much, but we have trebled our share in that time and, to some extent (as the minister alluded to), our emphasis from here on in shifts a little bit. While we want to maintain the focus on exploration, PACE going forward will continue to make sure that we are doing the same successful things that we have been doing, like the drilling partnership, the same focus on native title agreements and land access agreements. They are the things that we have proven to be successful. Mining companies tell us that these are the things that give South Australia a competitive advantage when compared to other states.

I think the Minerals Council of Australia benchmark showed that South Australia is the No. 1 place to do business in Australia when it comes to native title. Mining companies come here because, in part, they know that they can resolve native title matters much more quickly here than in other states. We have established ourselves as a first choice exploration destination and, from here on in, some of the focus in the PACE program switches more to mining and we will have to prepare ourselves for that. Within PIRSA, we will switch to a phase in which some of these fantastic results we have had in recent years will bear fruit in terms of new mines, and that means the flavour of PACE will change a little bit in that time, but there is certainly no diminution of effort.

The Hon. P. HOLLOWAY: Perhaps I could add the comment that, if it was true that it was just commodity prices that were wholly responsible for the increase in exploration, why would we bother to spend any money at all? Of course, the fact that we have increased our share is, as Geoff says, proof that it has been very successful.

Mr WILLIAMS: I acknowledge particularly the comments with regard to Aboriginal title, or native title, because it was under the previous government that that process was established.

The Hon. P. HOLLOWAY: Yes, I recognise that. I am always fair in these things. In my opening comments I paid tribute to what a pace-setting act the Petroleum Act was, and that was introduced in 2000.

Mr WILLIAMS: Thank you for your acknowledgment; I just want to make sure that these things get on the record. A lot of credit was taken by your government for other people's work.

The Hon. P. HOLLOWAY: No; on the contrary, I give credit where it is due. We build upon what has been done, and where credit is due I always pay it.

Mr WILLIAMS: In the spirit of that, minister, you may tackle my next question. With regard to the extraordinary growth in minerals exploration in South Australia, I note that in recent years the ABS has published figures that actually differentiate between what is known in the industry as greenfields exploration and brownfields exploration. For the sake of the committee I will explain the difference. Greenfields exploration is when you get a prospecting company going out prospecting for a new mineral ore body whereas, once you have actually made the discovery and are determining it or working to establish a mine and you are proving up the extent of that ore body, that is referred to in the industry as a brownfields exploration. Given that the minister was so keen to talk about the \$233.2 million of exploration in South Australia in the 12 months to March this year, how much of that was indeed greenfields exploration? If BHP was not doing a feasibility study into the expansion of the mine at Roxby Downs and Roxby Downs had never occurred in

South Australia, as some at the time wanted, what would that figure be?

The Hon. P. HOLLOWAY: Anyone can look up the figures in the ABS stats. Certainly, for the March quarter for new deposits, the exploration in South Australia was \$15.2 million, which put us second in the country for that quarter. This was out of a total national figure of \$132.5 million, of which more than half (\$74.1 million) was in Western Australia. The next state behind us was Queensland with \$14.6 million in that quarter. Again, in terms of new greenfields exploration I make the point that, if we are second in the country behind Western Australia, the mining powerhouse, and if we are ahead of Queensland and New South Wales, which traditionally have been stronger mining states, again, that indicates that whether one is looking at greenfields exploration or brownfields exploration we come out well. Do you want to say something about the annual figures?

Mr KNIGHT: Annually I guess this is comparable to the \$233 million figure. The 12 months to the end of March showed that exploration on new deposits was \$50.4 million. I am reading from the ABS catalogue. That is, in anyone's terms, a historically high figure, because you only have to go back three years when our total exploration was hovering around in the twenties, so for us to have \$50 million in the last 12 months on greenfields is something that we regard as very promising. I might invite Dr Heithersay to talk about that and what that looks like from the sector's perspective.

Dr HEITHERSAY: One of the issues with the breakup of greenfields, or new deposits and existing deposits, is that it is very dependent on what the company puts in. When we try to unpack this, we know that Roxby Downs, or Olympic Dam, spent \$77 million in its expansion in the calendar year 2006, and it is likely to spend about the same in 2007. So, we conclude that some of the drilling that is going on, for example, at Carrapatina, has mostly likely been put into the wrong box.

There has been \$20 million spent at Carrapatina this year and it is drilling at a prospect, but there is no resource there at the moment, so by the ABS rules it should actually go into the new deposits category. I think the more important measures are the extent of exploration licence activity in the state now. It is at least double what it was in 2004 and probably higher than that now. Equally, with the drilling that we regulate and do the permitting for, the number of metres planned to be drilled this year is double what it was in 2005. So, the lead indicators are all showing that greenfields exploration is very strong in South Australia.

Mr WILLIAMS: I do not want the minister or his advisers to get the impression that I am not acknowledging that the industry is going very well. I am just trying to urge a little caution on the minister and some of his colleagues in their excitement in quoting figures which do not actually—

The Hon. P. HOLLOWAY: The fact is that we are second, at least for that quarter. I do not expect that we will necessarily remain ahead of Queensland; it was in the first quarter that it happened, and if one looked over the 12 months Queensland would still be ahead. The fact that we are in the same ballpark on greenfields alone shows that whichever measure you take the results are pretty good.

Mr WILLIAMS: The results are good. Dare I say it, I think PIRSA Minerals is one of the shining lights in the South Australian bureaucracy, and they have got some pretty good results. Having said that, we are not fooling anybody of importance in the industry when we spout off some figures

which are clearly misrepresenting the true position. I will not bother asking the question—

The Hon. P. HOLLOWAY: We just use what the ABS says, and we are happy to—

Mr WILLIAMS: It is the way they are interpreted. The point I am making is that the people who we are trying to impress and get to invest in South Australia probably look at those figures much more closely than even you and I do.

The Hon. P. HOLLOWAY: And they are impressed.

Mr WILLIAMS: Without bothering to ask the question, but if I can make a statement, you talked about the increase in value of our mineral exports, and I would suggest that a considerable portion of that increase is as a result of an increase in value of the product of our mining industry. I had a discussion with one of the uranium miners quite recently, who only a few years ago was selling yellowcake for \$US10 a pound, and they have recently written a contract for \$US131 a pound. It is pretty impressive stuff. But I do not think, minister, that even you would take the credit for that.

The Hon. P. HOLLOWAY: I wish that we could sell all our uranium from this state at \$130 a pound. That, of course, is a spot price, and one would not expect the contracts to reflect—

Mr WILLIAMS: Yes, it is, but it sort of highlights where the industry has come from and where, hopefully, it will continue to go. I will move on with a question regarding page 5.12, Summary Income Statement, Employee Benefits and Costs. How many additional staff have been budgeted in this figure to account for the stimulated activity in the mining sector caused by the growth we have been talking about? To highlight where the question has come from, on Monday 30 April, on page 5 of *The Australian*, the Premier was quoted as saying that 100 uranium exploration licences from 60 different companies are in the queue. How many applications for exploration licences are currently in the queue, and has anything been done within the agency to speed up the processing of those applications?

The Hon. P. HOLLOWAY: I will ask Geoff Knight to refer to the issues relating to staff.

Mr KNIGHT: The honourable member notes that on page 5.12 there is an increase in our projected salaries expenditure in 2007-08, and that is a combination of two things. First, to be competitive you have to keep paying people competitive salaries, and that certainly has an influence. There is also an underlying increase in there, because we know that in order to continue to process applications from industry we will have to be ready to receive them and respond very quickly. It is good to know that Minerals Council of Australia bench-marking shows us one of the best states with which to do business. Industry itself says this; it is not us making our own judgments but industry saying that, when it comes to the processing of applications, South Australia is as good as anywhere to do business in terms of tenement and mine applications.

However, Dr Heithersay and I recently met with all staff and indicated to them that we would be continuing to recruit into the area in the coming year because we expect it to be—I suppose 'besieged' is too strong a word, but we do know that activity pressures will be quite significant and we certainly do not want our own inability to respond quickly, in a timely fashion, to delay these things. I can assure the committee, and the member, that we will do everything we can to ensure that when industry is asked how they think we are going, we continue to be seen as one of the best states. We believe that gives us a bit of a competitive advantage—and, quite frankly,

when you talk to mining companies they tell stories about how it is much better to do business here than in some other states. I am reminded of a comment by one of our mining companies—in fact, it owns the Prominent Hill asset—that one of the things that attracted them to South Australia was dealing with a world-class mining department in PIRSA.

My view is that that is something that can give a competitive advantage. Mining companies want to deal with us; they know that we are very ‘can do’ in our approach, and I can assure you that part of that increase is making sure that we have enough people to deal with the flood of applications. Some of these will be quite time-consuming, because the community has every right to expect that we will deal with these in a professional way. They cannot be pushed through the system just because they are there; they have to be dealt with professionally and thoroughly. The community needs to have confidence that, when these things are processed and assessed, social, community, environmental and other expectations are met. That is a very insightful pick-up in terms of that growth, and it is part of a targeted strategy.

The Hon. P. HOLLOWAY: There are probably a couple of other points. First, in relation to Olympic Dam there is the task force that is funded separately through the Treasurer’s budget line. The honourable member also asked about uranium and the processing of a number of projects. That is quite a complicated issue, because the commonwealth is involved, but I will ask Dr Heithersay to comment.

Dr HEITHERSAY: One of the issues is the overlap of state and federal legislation. We are working through that under the banner of the uranium industry framework set up by minister Macfarlane. The idea is to try to harmonise where we can and reduce the red tape involved with uranium mining and transport—and transport is probably one of the bigger issues right now. I am pleased to say that some of the case histories the committee is using are, in fact, South Australian case histories, where the department has managed to work collaboratively with the EPA here and the Department for Environment and Heritage in Canberra to end up, essentially, with one piece of paper, one permit, when it comes to moving through the permit process for uranium mining. So, when uranium mining proceeds further, South Australia will have a distinct competitive advantage in the sense that we have already streamlined our operations. As I say, that will give us a competitive advantage for new miners that come to Australia.

The Hon. P. HOLLOWAY: We certainly have that background which most other states do not—other than, probably, the Northern Territory. I think the fact that we have a strong supportive policy here (and it is bipartisan support), the industry, and 20 years of history in regulating it gives us a powerful advantage.

Mr WILLIAMS: I turn to page 5.13, sub-program: Minerals. Mr Knight will get a feeling of *deja vu* in a moment, because he has heard all this earlier in the day. Minister, I express my concern at the way the budget is framed. In the sub-programs we have only the net cost of the programs, so I have to ask questions to try to work out what is going on. The net cost of the program shows that the actual figure of \$21 million in 2005-06 has been reduced to a budget figure of \$17 million in the following year. The estimated result came in fairly close to that, and the budgeted net cost for this year is only \$15.74 million. Is there a real cut to the program or are there some additional revenues coming in that are effecting the net cost of that program?

The Hon. P. HOLLOWAY: In program 1 on page 5.12 you can see, for mineral resources development as a whole, that it is essentially the combination of sub-programs 1.1 and 1.2. You can see the total expenditure if you look at it. The budget for 2006-07 was \$25.208 million. The budget for this year is \$24.601 million, so the total expenditure is very similar. The actual result was a little higher for last year, but that was due, again, to bringing forward the grants and subsidy line as well as the salary increases. I will let Geoff Knight make some further comments.

Mr KNIGHT: I acknowledge the point that you made in the earlier session, that sometimes the way these numbers are published makes it somewhat harder than it should be to really figure out what is happening. If you look at page 5.12, at the expenses, they are grossed up numbers. I acknowledge that if you look at the grossed up numbers in the sub-programs—and these numbers include only two components: mining and petroleum—there is not much movement in the petroleum numbers, so this is mainly mining.

You will see that we spent more in 2006-07 than was budgeted, so we did actually bring forward some things in terms of some of the drilling programs and that sort of thing. If you were to strip that out, you would find that it is very much business as usual, budget to budget. So, there is the appearance of a modest decline, which is really more a reflection that we brought some things forward because of the approval cycle for things like PACE drilling grants, and so on.

The other thing worth saying is that the 2005-06 number, which you can also see there—which is considerably higher on page 5.12—is, again, not common, but it does include a significant one-off payment of, I think, \$2.5 million for AMSRI. That appears in the 2005-06 actuals and then does not follow on. So, if you really want to make a comparison, I think you will find that these numbers are reasonably stable through that period of time.

Mr VENNING: I refer to royalty receipts in the Consolidated Account, Appendix C, page C.1 of this year’s Budget Statement. The Rann government is collecting record amounts of revenue through mining royalties. Has this record royalty collection amounted to additional spending on infrastructure to support the mining industry and, if so, will the minister please give details?

The Hon. P. HOLLOWAY: We have already talked about the PACE program. Up to \$30 million has gone in to try to promote the mining industry generally. I am sure that, if the honourable member was at the Treasurer’s estimates, he would have noticed that the Treasurer made the point that, because of the commonwealth horizontal equalisation formula that is used, royalties do not necessarily flow directly through to the state economy; they are equalised. I think the Treasurer—if I read his estimates correctly the other day—said that it could be only about 20 per cent, or something, that effectively accrues to the state. Certainly, over time, because of the equalisation formula, they are adjusted. Otherwise, of course, Western Australia, which has massive mineral royalties, would really be getting far more revenue than the rest of the country, but the equalisation formula we have through the Grants Commission takes that into consideration. That is the first point that needs to be made.

Secondly, petroleum royalties are essentially being collected largely from the Cooper Basin and the larger producers such as Santos. Particularly in relation to mining royalties, far and away the vast majority of that comes from one mine—Olympic Dam. What we hope to see in the future

is increased royalties from new mines, such as Prominent Hill, Mindarie, and so on, when they come into operation, but it will be some years before that revenue arises.

I remind the honourable member that we—and I thank the opposition for its support when we introduced this measure—changed the royalty regime so that we would have a rate of 3½ per cent after five years. However, for the first five years of the project, when all the costs are high—because if you look at Prominent Hill, they are still stripping away the 100 metres or so of earth, so a very costly exercise is going on before that mine can produce the first tonne of copper—we agreed that there would be a lower royalty rate of 1½ per cent. So, the big payout from royalties is really some way into the future. In the meantime, the state has a lot of additional expenses in relation to ensuring that, for the benefit of future South Australians, the mining industry comes on. I also point out that, in addition to the \$30.9 million for PACE, we have put in the money for the Mining and Heavy Engineering Skills Centre to help address the skills shortage within the industry because, without those skills, again, we will not get that development.

Mr WILLIAMS: Minister, is that coming out of your budget?

The Hon. P. HOLLOWAY: No, I think that came through my colleague, minister Caica, through DFEEST, but, of course, we have been a significant part of it. A number of mining companies have also contributed to that. We have the Resources Infrastructure Council through the SACOME proposal, to which the government, in principal, has given support. That will be a subcommittee of the Major Proposals Review Cabinet Committee, and it will report through the chair of that committee, my colleague the Minister for Infrastructure. It will be a small private and public group of key industry and public service leaders, and it will be supported by the resources of three relevant departments—DTEI, PIRSA and DTED. Additional resources to undertake specific tasks will be formed as required, including the use of existing public and private organisations and activities to undertake the work.

In addition, we have the specific task force on Olympic Dam, so a lot of work is going on within government in relation to these infrastructure issues. For government the costs are not just directly in the mining sector. PACE is probably the only program that comes through this budget, but we have to provide a whole lot of other infrastructure. In the police budget, which we will be dealing with shortly, there is extra money for a police station at Roxby Downs. We have also been involved in the investigation of the desalination plant in upper Spencer Gulf, which clearly has broader state benefits and benefits for the mining industry more generally. I will ask Dr Heithersay to say something about some of the other infrastructure issues we have been looking at.

Dr HEITHERSAY: One of the other issues facing the mining industry is the port facilities in South Australia. There have been a number of interesting new initiatives on that front. One the government is taking a lead on presently is looking at the possibility of Port Bonython being a deep water port in future. The government has spent a fair bit of effort getting the planning and approvals around that area locked away so that a future port can develop there. We are also helping companies with existing infrastructure at Port Adelaide and OneSteel's port at Whyalla.

The Hon. P. HOLLOWAY: There are other areas as well. Under the fiscal equalisation formulas of the Grants

Commission, of each dollar we get in royalty we do not get to keep the full dollar.

Mr WILLIAMS: That is unfortunate, minister.

The Hon. P. HOLLOWAY: Otherwise Western Australian housing would be even more expensive than it is now—or maybe it would be free. It cuts both ways.

Mr WILLIAMS: Talking about infrastructure, I asked the Minister of Agriculture a question earlier about the upgrade of the railway line on Eyre Peninsula. It is a narrow gauge line. Did your department make any submissions to try to have new convertible sleepers put in to allow for change at a future stage to standard gauge for connection to the rest of the rail network in the nation?

The Hon. P. HOLLOWAY: I have read of that debate on Eyre Peninsula. One of the problems with the infrastructure debate is that we can have all the plans in the world but, until these projects pass the feasibility stage and go in there, it is very difficult to make plans. In many cases during the course of those feasibility studies the project will change in scope and scale in significant ways over a number of years. We only have to look at some of the discussions going on with potential projects in the state at the moment to see that.

I doubt that we have had any discussion in relation to the rail issue, but at a cabinet level my colleague the Minister for Infrastructure is probably the best person to ask. I know that money has gone into the rail line. Until the decisions are made in respect of those projects and until the scale and scope of the projects are known, it is difficult to project the debate much beyond that until it is finalised. We can consider options and look at the possibilities, but we need commitments. I am sure the member for Flinders is well aware of some of the issues in relation to where you load these things, and there is debate going on around that. All these infrastructure issues are being considered by the companies and governments, both local and state. There is a fair way to go in the debate just yet, but they are being looked at.

Mr VENNING: I refer to the underspend of capital works. Referring to the 2006-07 budget figure for total works in progress, in the investing payments summary on page 5.11 of Budget Paper 4, Volume 2, I note the estimated result for total works in progress for the 2006-07 financial year is \$1.028 million, and the budgeted amount was \$4.724 million. Will the minister please clarify whether the \$3.7 million underspend will be rolled into the 2007-08 financial year and advise what work was not undertaken as a result of this underspend?

Mr KNIGHT: We paused the project deliberately to ensure that the solution we put in place would solve the problem. That underspend in 2006-07 has been kept within the project. We have not added it on to 2007-08 because we did not think we would spend double or thereabouts—

Mr VENNING: Brukunga.

Mr KNIGHT: Brukunga. On page 5.11, if you are looking at the underspend, the budget of \$4.7 million, works in progress, and we spent \$1 million. The lion's share of that underspend relates to Brukunga. There is a minor amount in relation to marine innovation, but now that we are close to signing contracts in relation to the Lincoln Marine Science Centre, we will pick that up fairly quickly. The Brukunga underspend is retained within the total project cost. We have just added it further into the life of the project. It might be worth Dr Heithersay talking about the technical on-ground aspect of this. It might be worth Dr Heithersay talking about the actual technical on-ground aspect of this.

Dr HEITHERSAY: The Brukunga mine remediation initially approved a 10-year rehabilitation plan, and there were three stages to that. The first stage was to divert the flow in Dawsley Creek, and that was done successfully. Stage 2 was to construct a supplementary plant to treat additional acid water. The final stage was to relocate the rock dumps to an abandoned quarry and stabilise it. We have successfully completed the Dawsley Creek diversion, and we are now in the throes of testing the appropriate way of stabilising the current waste rock dumps. That has meant doing test studies to see what is the best blend and the most appropriate method before we take that large capital expenditure to relocate the dumps. That is why the expenditure is being deferred.

The Hon. P. HOLLOWAY: I am sure the honourable member knows, because he reads the local papers up there, that the main concern at the moment relates to the treatment of water at the Bird-in-Hand mine and what it is doing to water rather than water from the Brukunga mine site. I am sure the honourable member reads the local papers as I do.

Mr VENNING: Absolutely, every word. Another site in my electorate is the Mount Torrens Battery. The minister might be aware of this; it is the most pristine and historic mine site I have ever seen, and I have seen my share around the world. What is the future of this site? For the committee's information, this is an untouched site that most people would not be aware of. The mine is totally in situ with all the historic equipment still in place. It is just like a time warp. I was fascinated to see it. I am curious to know what can be done to preserve this site. I understand there is a problem at that site similar to the problem at the Brukunga mine site in terms of leachates and sediment.

The Hon. P. HOLLOWAY: I know that some community groups do some good work in relation to this, and they have written to me about the particular issues. I think that one of the initial things to do is to try to make sure that people do not damage the site and the quality of what is up there. The department has a dilemma, because we have a number of historic batteries. There is one at Peterborough.

Mr VENNING: Not one like this. I have seen all those.

The Hon. P. HOLLOWAY: We do have lots of history, and we do what we can. Given the demands on government, and while we try to assist those community groups to do what we can, we must also be mindful of our other priorities of government as well. I do not know whether there is anything that Dr Heithersay can add in relation to that.

Dr HEITHERSAY: We have to make the commitment to what we call 'characterising' the sites. One issue is that you make sure you know what is there in terms of waste material or potential environmentally hazardous areas. We have undertaken to do that and to work with a local community group which is keen to preserve the Mount Torrens Battery. We are keen to do exactly what the honourable member is suggesting, but the first step is to come up with a management plan for what is there right now.

Mr VENNING: I am hoping the department will hand it on as quickly as possible. People are now realising what is there. The old engines are still there and they would be worth a fortune.

The CHAIR: Where is Mount Torrens?

Mr VENNING: Mount Torrens is near Birdwood. It is only about three kilometres out of Mount Torrens on Cyanide Road. I went and had a look, and I just could not believe it. I am not asking the government to come up with the money but for it to be passed on—even given to the Cornish Heritage

Mining Interests Society. An ex-chief of staff of this department is involved in that society. Give it to that society.

The Hon. P. HOLLOWAY: It is the same with Peterborough. I think that an ex-staff member takes a particular interest and maintains that. We went up there for a community cabinet meeting. We are lucky we have people like that who are so keen.

Mr VENNING: We have spent a fortune on Burra and Kapunda. This mine is in pristine condition. I am pleased to hear what the minister said. If the minister has not visited the mine, I am happy to shout him dinner and show him, and we will have a nice wine to go with it. I have known of this only in the past 12 months. It is new to me and to most people. It is a total secret.

The Hon. P. HOLLOWAY: It is important that we do look after our mining heritage. We do have some wonderful heritage here. We could not do it without significant assistance from volunteers, and that is the point. Obviously, PIRSA's budget cannot look after all that heritage, but we can advise and assist where we can. However, it is really up to the community, and we will help where ever we can.

Mr WILLIAMS: I can assure the minister that if I have anything to do with it the member for Schubert will get no more questions this day. I no longer have responsibility on behalf of the opposition for mineral resources (a fact I bemoan), and I have taken my eye off the ball somewhat. Can the minister bring me up-to-date on the native vegetation issue? I know that some draft protocols were floating around the place up to 12 months ago. Have we reached finalisation as to how we manage native vegetation with regard to mines?

The Hon. P. HOLLOWAY: In terms of the future, that is probably a question better directed to my colleague the Minister for Environment and Conservation, because I know she has been looking at this area. I guess that when she is ready she will make some announcements in relation to that issue more generally. Certainly, in relation to the mining industry and particularly through PIRSA, we have reached accommodation in relation to these native vegetation issues. The native vegetation regulations of 2003 permit the clearance of native vegetation when biodiversity offsets can provide a significant environmental benefit—the famous SEB.

Minerals and Energy PIRSA has delegated authority from the Native Vegetation Council to determine SEB requirements for mining projects. A process for establishing SEB for petroleum and geothermal production activities has commenced in consultation with the industry and the Native Vegetation Council. Accordingly, upon completion of this process, delegated authority by Minerals and Energy Resources will be sought from the Native Vegetation Council for petroleum and geothermal production activities. It is intended to detail the final agreed Native Vegetation Council endorsed SEB requirements into the relevant production statements of environmental objectives (SEOs).

Again, I indicate that the Department of Water, Land and Biodiversity Conservation is undertaking a review of the administration and governance of the Native Vegetation Act to coincide with the statutory review of the Natural Resources Act of 2004. A number of suggestions have been made in relation to that. In spite of what is often said, most in the mining industry I have dealt with have been happy with the resolution of these issues because of that arrangement that has been reached. I think that if there are any issues with the Native Vegetation Council they are mainly with other developments and local government. However, I think that,

because PIRSA has been very proactive and reached that agreement with the Native Vegetation Council, by and large the system operates fairly well. As I say, I know that my colleague is looking at some of the other issues, particularly in other areas.

Mr WILLIAMS: My last question is the perennial question about the extractives industry. Dr Heithersay smiles—wryly, I suggest; and at least one other person behind him, too. We went through the process of changing the act with regard to the Extractive Rehabilitation Fund. I am aware of several quarry operators in my electorate who are still unhappy with the way that fund works. From time to time they contact me and continue to argue that the fund looks after the big quarry operators close to Adelaide and tends to ignore those smaller operators out in regional areas. Would the minister like to make a comment?

The Hon. P. HOLLOWAY: I do not think that is the case at all. Under the changes to the Extractive Rehabilitation Fund, we were trying to ensure that the operators of the mines would take responsibility for the long-term maintenance and ultimate rehabilitation of their quarries. Of course, there are some issues in relation to older mines where there was not adequate provisioning. We have had to deal with those through the ERF, and I am sure the honourable member is aware of some of those issues. We expect that every operator of a quarry would have a proper plan in place for the life of the mine. I will ask whether Dr Heithersay wishes to add to that answer.

Dr HEITHERSAY: I presented a talk to the Cement, Concrete and Aggregates Council dinner a couple of nights ago, and we had a number of conversations around this issue with members. We have given an undertaking to the honourable member to visit the South-East and talk to the local operators about native vegetation, MARP, MOP and all the other issues. We were going through the planning of that just the other day, so we will do that. The framework is there and it will work well for people. We acknowledge that we must talk to them individually and work through the issues, and we are prepared to do that.

The Hon. P. HOLLOWAY: The other point that was made was that, when we introduced this new royalty levy, we were aware that some extractive industries were not contributing to the fund. A number of loopholes, if I can put it that way, were in the law. Part of the idea of the new fund was to make sure that everyone contributed. Obviously, if everyone contributed one would expect that they would all be subject to the same rules and benefits in relation to the fund.

Mr VENNING: This question relates to the Krakatoa experimentation at Whyalla. It was put there many years ago. I understand that there has been new interest and that this project is to be relaunched. The minister smiles. There has been a lot of politics in relation to this. It was originally funded with Indonesian money. I am curious to know whether there is a future for this plant.

The Hon. P. HOLLOWAY: I think the honourable member is talking about the iron ore technology.

Mr VENNING: That is right.

The Hon. P. HOLLOWAY: With hindsight, I guess you would say that it was unfortunate that it was done at exactly the wrong time in terms of commodity prices. Current prices for iron ore are probably double or treble what they were back in those days, and similarly for coal. That would have been a much more viable operation. As a general comment, I can say that, other than Whyalla, we really have not seen much development in our iron ore. The fact that projects on

Eyre Peninsula and elsewhere are now moving towards using our iron ore resources, I think, shows that the climate is changing. At some stage in the near future we will see a growing iron ore industry beyond what we have had at Whyalla.

The CHAIR: Is that not what they are using now to convert zinc?

Dr HEITHERSAY: I believe that a proponent has bought the plant and will supply OneSteel with material. They have not seen us, so we know only what we read in the press in the same way that others have.

The Hon. P. HOLLOWAY: Given the massive increase in iron ore prices, I am really hopeful that at some stage in the future iron ore will again be one of our growing commodities.

The CHAIR: There being no further questions for the Minister for Mineral Resources Development, I declare the proposed payments to the Department for Primary Industries and Resources and administered items for the Department for Primary Industries and Resources adjourned to later today in this committee.

South Australia Police, \$490 795 000
Administered Items for South Australia Police,
\$354 000

Membership:

Mrs Redmond substituted for Mr Williams.

Departmental Advisers:

Mr. M. Hyde, Commissioner, SA Police.
Mr B. Fahy, Assistant Commissioner.
Mr D. Patriarca, Director, Business Service.
Mr. I. Hartmann, Manager, Financial Services.

The CHAIR: I declare the proposed payment reopened for examination and refer members to the Budget Statement, in particular pages 2.9 to 2.13, and Appendix C, and the Portfolio Statement, Volume 1, part 4, pages 4.14 to 4.19. I did read earlier in the day some remarks regarding the estimates committee. I do not think we need to read them again, except that, if the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 7 September. Minister, would you like to make an opening statement?

The Hon. P. HOLLOWAY: Yes, thank you, Madam Chair. I will make a very brief statement and then hand over. This year's budget, the sixth for the Rann Labor government, again has a strong focus on law and order. Sweeping legislative changes and law reforms, along with major spending initiatives, have been at the centre of the government's law and order agenda. The safety and security of South Australian communities remains a high priority for the government, and more than \$114 million has been allocated in the budget over the period for vital law and order initiatives. We are again providing record levels of resources to SA Police. The budget is providing \$567.3 million for SAPOL operations for 2007-08. Since 2002, the government has backed up its tough stand on law and order by increasing SAPOL's annual budget by 53.6 per cent, compared with 2001-02.

The budget recognises that the town of Roxby Downs is set to expand rapidly due to the mining boom currently being

experienced in South Australia, and that is why \$8 million has been allocated to expand the police facility in the town to accommodate an additional 23 officers, with a further \$4.4 million allocated to meet employee housing, transport and location costs. Through the forward estimates period we are also investing \$9.5 million to replace the police station at Murray Bridge. Furthermore, \$2.25 million has been allocated to replace the vessel for the police STAR group officers, and \$5.6 million is set aside to replace SAPOL's GRN radio handsets. More than \$2 million has been allocated in the budget to introduce a web-based reporting and tracing system for pawnbrokers and second-hand dealers to crack down on property crime.

It will improve the productivity of police resources through electronic data collection, powerful database queries and automation of time-consuming comparisons against stolen property records. We are continuing to work hard on this government's promise to add an extra 400 police officers to SAPOL's ranks during the term of this government. For the 2006-07 financial year, SAPOL has recruited 282 officers. We now have record numbers of police on the beat, and by 2010 we will have 1 000 more police officers in South Australia than we had in 1997. Without question, the government's tough approach to law and order means that South Australia is a safer place today.

According to the ABS recorded crime statistics, the total number of offences in South Australia has fallen by 30.3 per cent since 2002 and, overall, the 2006 ABS figures show criminal offences in South Australia remain steady compared to the total number of offences recorded during 2005. This follows a fall of 7.3 per cent in 2005, 7.2 per cent in 2004 and 18.9 per cent in 2003. The new initiatives represent a significant investment by the Rann government in public safety and the clear message is: we will continue to be tough on crime.

The CHAIR: Thank you, minister. Member for Heysen, do you have an opening statement?

Mrs REDMOND: No, thank you, Madam Chair.

The CHAIR: I am sure you have some questions.

Mrs REDMOND: I do. Before we get underway, can I inquire whether the omnibus questions have been read into the record as yet?

The CHAIR: Yes, they have been read earlier in the day.

Mrs REDMOND: So, I don't need to do them again for this minister.

The CHAIR: Minister, you are happy with that?

The Hon. P. HOLLOWAY: Yes.

Mrs REDMOND: My apologies, minister, for asking a question which I heard asked but to which I did not hear the answer on the road safety matter. First of all, I refer to the road safety initiative and the capital investment statement in Budget Paper 5 at page 21 and the work in progress on road safety and speed detection as listed on page 22. This relates to the purchase of road safety and speed detection equipment. In April 2004, Jack McLean, Director of the Centre for Automotive Safety Research (formerly known as the Road Accident Research Unit), argued that drivers know that they must exceed 68 km/h in a 60 km/h zone before they are fined. He said that the tolerance in Victoria was 3 km/h over the limit, and he also indicated that reducing the tolerance and ensuring the public was aware of this would result in drivers reducing their speed to avoid penalty. Indeed, I understand that Assistant Commissioner Grant Stevens also said in an interview on FIVEaa that reducing our road fatality rate would be achieved only if we take a lower tolerance ap-

proach. Again, my apologies if the minister has already answered the following question in the other place, but what is the tolerance of cameras currently in use and what is the tolerance of cameras that will be purchased under this program?

The Hon. P. HOLLOWAY: I note that the honourable member had something to say in the media this morning about questions she would be asking in relation to these issues. I remind the member that it is parliament that sets the speed limit, through the Road Traffic Act, and it is up to the police, of course, to enforce those limits set by parliament. I also make the comment that, under the Police Act, in particular, I think under section 7 (as I am sure the shadow attorney-general would be well aware), it is specifically excluded that a minister give direction to the Police Commissioner as to the allocation of South Australian police force staff.

I think that section 8 of the act provides that any direction the government gives to the Police Commissioner not only has to be gazetted but I think it also has to be tabled in both houses of parliament. That, of course, reflects the longstanding practice that parliament sets the law—and, in this case, the speed limits—and it is really up to the police, under the direction of the Police Commissioner, to enforce those laws. Obviously, the courts and case law will have their say in relation to the reliability of the equipment and the like, and I will ask the Commissioner to comment on that in a moment. Again, I make it clear that, really, this is not a matter for the government. It is all of us in parliament who set the speed limits, but I certainly have no intention of using any directions under the Police Act to tell the Police Commissioner how he should go about enforcing those laws—and, of course, it would be entirely improper for me to do so. I will now hand over to the Police Commissioner.

Mr HYDE: The tolerance is obviously something that is of vital interest to the community, particularly those people who might exceed speed limits. If I can put it in the right context, though, the behaviour of people using our roads is a key part of what we need to look at in terms of improving road safety. We can have safer cars and safer roads, but we also need to look at how people use the roads—and looking at attitudes and behaviours is a big part of all of that.

When you reflect across time and you look at the road toll 30 years ago, it was 382 a year, and it was down to 117 last year, which is a significant achievement. However, a lot of that has been accompanied by people changing their attitude in respect of drink driving and things of that nature. In fact, if you reflect upon the attitude to drink driving 30 years ago, it was much more liberal, and people were quite proud of how drunk they were when driving a car and about not remembering how they got home and things of that nature. However, that is not reflected in community attitudes today; there is much more of a social stigma there.

The point is that there has been a change in attitude and, if we are going to keep on improving road safety, we need to keep changing people's behaviour and attitudes, particularly by asking people to have higher standards for themselves and to have higher expectations of others. So, a key part of the South Australia Police approach to all of this is to say that we should have a lower tolerance for behaviour and attitudes that are risky on our roads and, as part of that, we have been looking closely at the tolerance we apply to speeding motorists. I might explain that there is a difference with our officers in the field in that they use their own discretion about what tolerance they might allow—and that tolerance exercise

takes into account the circumstances in which an offence occurs.

The second scenario is where you have speed cameras (and in that I include red light cameras), where we can set a mechanical tolerance. We do not talk about this publicly because people will simply drive to the expectation. If we say that we have a tolerance of X km/h, people then treat that as the new speed limit. So, we do not talk about it publicly. People have to take their own risk in that whereby, if they think the tolerance is a certain level, they might find they are seriously wrong. We are looking at what the tolerance should be, but we would prefer not to talk about it publicly for the reason I have just given. However, we are also mindful that you have to have a reasonable application of the law. Whilst we might all have a lower tolerance, that still has to be reasonably applied.

I might say that people talk about a 3 km/h tolerance in Victoria, but that is actually not quite right. It is actually 6 km/h, but they talk about 3 km/h because they make an allowance of 3 km/h for possible mechanical error before they even look at a tolerance. So, it is actually a tolerance of 6 km/h. However, having said that, it does not really matter, because there is a tolerance in Victoria, as there is elsewhere. Can I ask that I not be required to give details of what tolerances we might bring to bear, including what we are considering? Suffice to say that we think it is an important part of enforcing the speed limits on our roads. We think that people ought to be adjusting their tolerance, and we will, at the end of the day, put in place what is reasonable.

Mrs REDMOND: I take on board what the Commissioner says, and I am not asking him to give details, but just so that I can have some clarity about what has been indicated. First, is it the case that, from what the minister said, parliament sets the speed limits and, therefore, the parliament expects those speed limits to be enforced? Is it also the case that, from what the Commissioner said, you will get different results in different circumstances for the same speed, depending on whether it is an officer in the field who might exercise a discretion one way or another, or a red-light camera or a speed detection device which has a mechanically, arbitrarily set figure?

Do we have, in fact, several different tolerances; for instance, a tolerance of 60 being the speed limit set by the parliament, maybe 63 by an officer in the field, and perhaps even 65 (without asking you to disclose what they actually are)? The second part of the question is: given that someone like Jack McLean (who is well-known in road accident research and road safety issues and has an international reputation in relation to that) has made a comment along the lines that drivers know they must exceed 68 kilometres in a 60 zone before they are fined, is there any thought of simply putting it about, as it were, that the tolerance is going to be lower?

The Hon. P. HOLLOWAY: First, I should also add that, while parliament sets the speed limits and the police enforce them, of course, the courts are the ultimate adjudicators if people wish to challenge them. We have seen a number of cases where people have challenged results, say, for blood alcohol content and so on.

Mrs REDMOND: They are challenging the accuracy of mechanical devices.

The Hon. P. HOLLOWAY: That is exactly right. Clearly, the court and its interpretation of the law will have a say in it. I think it needs to be understood here that that is

also a factor in the equation. The Commissioner may wish to add something further.

Mr HYDE: I can certainly add more. I am quite happy to put out that the tolerances will be lower. I am quite happy to send that signal, but I would still prefer not to say what they are because people will drive up to that limit. We need to take into account the different speed limits on our roads: for example, travelling past emergency vehicles or some roadwork areas it might be 25 km/h or 40 km/h; then there are 50 km/h zones and, in some suburban areas, there are 40 km/h zones; then 60 km/h, 70 km/h and 110 km/h. If you approached it all in the same way and hypothetically, for example, allowed a 10 per cent or 10 km/h tolerance, that would be ridiculous in respect of a 25 km/h zone, because you are increasing the speed limit by 40 per cent. Similarly, if you apply it to a 40 km/h zone, you are increasing the speed limit by 25 per cent, and that is simply absurd.

As a matter of practicality there need to be different levels for different speed limits, and so that is one factor which will come into play. The other issue—the difference between setting it with a mechanical device and as per our officers in the field—is just a reality, too. That has been in place for many years, so it is not a matter of doing something different there. I am quite happy to allow that to occur, because the officers in the field can actually make a judgment around the circumstances and say what is acceptable and what is not. I think that is a reasonable thing to do.

We do encourage our officers to caution motorists as well. This is not all about booking motorists; it is about making sure you take some action (which might include a caution). These things are historically part of what occurs right now. I suppose, if you look back into history, the tolerances probably grew out of the fact that, in the early days, speedometers were not as accurate as they are today, and so there was some tolerance factor that came into it. Because you were dealing with mechanical devices, where there could be a margin of error, the tolerance factor came about in that way.

Instruments are much more accurate today and we can rely on their accuracy, and so that old historical reason is no longer as cogent. However, it is still part of the expectations of the community and I think that, at the end of the day, the police have to be reasonable in their application of the law. In this area I think it is quite reasonable to have a tolerance, but it needs to be a reasonable tolerance. I am quite happy to talk publicly about the fact that it should be lower than it is at the moment, and we are looking to see what sort of policy we can put in place which applies a reasonable tolerance but is consistent with taking a lower tolerance to risky behaviour on our roads.

Mr VENNING: On the same line and on the same issue in relation to speeds, the minister said in his speech that the parliament sets speed limits and the Commissioner said they uphold those speed limits, but neither of you actually choose which road comes under what speed. That is done by councils and everybody else. I had a concern which I wrote to you about, Commissioner. I did not expect you to answer and you did not.

I get extremely upset about the inconsistencies of the speed limits, particularly in the Barossa Valley where there is an open highway with 60 km/h and 80 km/h zones. I get pretty cross about that and my constituents do, too. Every day people are getting more anxious and upset about it. I am happy to see the tolerances lowered, but I do believe that we need to have some common sense in relation to uniformity for motorists when it comes to speed limits in certain areas.

In the open country it ought to be a certain speed. My questions are:

1. Are police officers getting any feedback in relation to motorists' entitlements in relation to the inconsistencies?
2. Is it just a few of us?

I am a transgressor, and I am the first to admit it. You are cruising along, sitting on 60 km/h, and then, all of a sudden, whoops, you do not realise that you are in a 50 km/h zone because the speed limit has changed. Are you getting this feedback, the same as we are?

The Hon. P. HOLLOWAY: Firstly, they are not actually police matters. The speed limits are set by the transport department, and I cannot answer for how that is done, but one would expect that it is done on a scientific basis. I know from the few issues I have been involved in and where I have had representations that some effort is made to try to make that as scientific as possible, taking into consideration the risk associated with speed limits on a particular area. I guess you can always have views in relation to what should be the speed limit. If one takes the Adelaide Hills as an example, I know that the speed limits have been reduced there.

I suppose I am getting into the territory of my colleague the Minister for Road Safety here, and I am sure the member for Heysen is well aware that that was in response to lots of roads that had very tight corners, and lots of young people have killed themselves on many of those roads around Mount Barker, so the reduction in speed limits through there was specifically designed to address that. I think the earlier results indicate that that is having the appropriate effect.

Mr HYDE: Yes, we do get feedback. You would be aware that policing is sometimes a controversial profession, and we get feedback about all sorts of things, including speed limits on roads. I think our general approach is to say that we do not set the speeds but that somebody else is responsible for that. Quite clearly, if a speed is patently absurd for a particular area officers might reflect upon that in terms of their enforcement, but we do not set the speed limits so we should not second-guess all of that occurring in our community. Yes, we do get feedback. Might I perhaps say at the end of it that people should have no expectation that there is a tolerance. People should expect to drive within the limits, and if they exceed the limits they are taking a risk.

The Hon. P. HOLLOWAY: I guess I should also add on behalf of my colleague the Minister for Road Safety that, whatever the speed limits are, one should also drive to the conditions. I think those signs which we have on the freeway are great on mornings like today when there is fog; those coloured signs are really very valuable but, unfortunately, we cannot have those on every road. If you have foggy conditions, it might be an 80 km/h or 100 km/h limit, but that might be too much, so people also have to drive according to the conditions.

Mr VENNING: Supplementary to that, in relation to the congestion in Adelaide, which we are hearing a lot about in the media, how much of that can be put down to all the 50 km/h speed limits that have been appearing, particularly in areas such as, say, the Parklands, where there are inconsistencies? There is 60 km/h on one and 50 km/h on the next. This is the one that really upsets me. What is happening, I feel, is that everybody is driving at 50 km/h all around Adelaide and it is adding to the congestion of the city.

The Hon. P. HOLLOWAY: I think that is really a question for the transport minister.

Mr VENNING: Well, we are on the subject.

The Hon. P. HOLLOWAY: Universally, since the speed limits were cut to 50 km/h around Adelaide, in terms of the number of accidents and so on, the evidence is that it has reduced not only the fatalities but also the number of accidents, so from that point of view it has been effective.

Mr VENNING: It is a big issue.

The Hon. P. HOLLOWAY: I guess it might have an impact in another way, but what we can say is that, if a large number of people are alive or uninjured than would otherwise be the case, then I think for those people it has been a very successful policy.

Mrs REDMOND: Just apropos of the minister's last comments and the comment by the Commissioner about the reduction in fatalities, before I ask the next question, I would put on the record that, whilst it is a wonderful reduction of 382 down to 117, it is not entirely due to driver behaviour modification. That is one part of the equation but, of course, we have also had some pretty significant changes in motor vehicle design and safety features. The one that the RAA is talking about that we need to address next is actually the roads. It is worth bearing in mind.

Still on the same reference, that is, the Capital Investment Statement, Budget Paper 5, closely prior to the release of this year's budget the minister commented that there had been a functioning problem with a digital type of red light camera being used, which amounted to related revenue being under budget. The question is in two parts: has the camera problem been resolved and, if so, will the minister provide details of all the costs associated with rectifying the problem; and how much revenue was lost as a result of the problem?

The Hon. P. HOLLOWAY: I think there was a batch of cameras, which were new digital cameras, that did not work and they were replaced with the wet technology cameras, if I recall.

Mrs REDMOND: Does 'wet technology' mean that they operate during periods of wetness or is it a more—

The Hon. P. HOLLOWAY: When I say 'wet' I mean film. The modern ones are digital and so they do not take film, but there was some malfunction with those, if I recall, and they went back to the older style cameras which we knew did work. I will ask the Commissioner whether he has any more advice on the new ones.

Mr HYDE: Part of the road safety initiative is to roll out another 48 cameras, and some of those are red light speed cameras as well. The program was intended to roll out the cameras over these years: 2005-06, 27 cameras; 2006-07, seven cameras; 2007-08, seven cameras; and 2008-09, seven cameras. The program was delayed somewhat because it was intended for new digital technology to apply in these cameras, and there was some difficulty with the operation of the cameras, which has been made quite public over the past couple of years. As part of that problem there was a delay in getting operating digital cameras, and a number of cameras were given to us on loan by the suppliers. They were wet film cameras, and they were put into place as well, but there was a bit of a delay in the program.

What we have seen is a significant reduction in the revenue derived from speeding motorists. Some of that might be attributable to the way the camera program rolled out, but the main part is in changes to driver behaviour. We find fewer offending motorists going past speed cameras, and this is, of course, a very good outcome.

I would like to refer to some of the budget figures to illustrate this. The original 2006-07 budget for mobile speed cameras was \$19.7 million and the result at the end of the

year was \$14.4 million, while the original budget for fixed speed cameras through red lights was \$22.3 million and the outcome was \$15.2 million. That is a fairly significant reduction there, which is primarily related to changes in driver behaviour. At the end of the day that is what the whole program aims to achieve, and I think it is a really good outcome.

Mrs REDMOND: It is, as long as the driver behaviour is not simply moving to a different intersection where fixed cameras are not present.

Mr HYDE: We do sometimes get displacement within policing, but there was also a reduction in traffic fines issued by police officers. The original budget figure was \$16.75 million and the outcome was \$15.1 million. So there was a reduction there as well, not only for the speed cameras but also for fines issued by officers.

Mrs REDMOND: Just on that, *The Advertiser* of 28 June reported a police quota rise of traffic stops from 50 to 70. What financial impact does the minister expect that to have on 2007-08 revenue from fees, fines and penalties?

The Hon. P. HOLLOWAY: The answer the Police Commissioner has just given shows what rot was the comment made by the shadow police minister that the proposal to lift the benchmarks for lower tolerance of bad driver behaviour was purely revenue-raising. I think the figures that have just been given illustrate the fact that the additional number of cameras and the like have had an impact on people's behaviour—and that was exactly what we wanted. I will ask the Commissioner to comment on that and explain again exactly what is intended by the proposal for police generally to exercise less tolerance of bad behaviour on the roads.

Mr HYDE: As I indicated, the approach we have taken is to have a lower tolerance for behaviour that is placing road users at risk. As part of that lower tolerance approach we are trying to upgrade the effort within South Australia Police on road safety issues, and there are a couple of dimensions to that. One is that we want a broader buy-in; there are police officers who are not engaged in road traffic but they can still contribute to road safety because if they are out there on the roads and they see some poor driving then they should take action on that. Whether they are detectives, general duty staff, crime scene examiners or whatever, they are part of the lower tolerance approach to bad driving on our roads. So, we want a broader buy-in across the organisation.

Secondly, we want those people who will have a role to upgrade their effort, and we have set what we call benchmarks. Now, some people will interpret those as quotas, but we cannot help the debate that might go on about that; we have to move forward on all this. We are not simply setting benchmarks around enforcement—that is, booking people—but we are saying that they should take action about road safety matters. So we are benchmarking road safety contacts, which includes cautions, breath testing and all the things that go with that. We are trying to get a broader buy-in from the organisation, and we are trying to get an upgraded effort from everyone on road safety. Setting these benchmarks is a way of monitoring behaviour within the organisation and encouraging people to do more.

People think this will lead to huge changes in enforcement rates, but it will not; in some cases it will lead to a 50 per cent increase and in others to a 5 per cent increase. Let me give some examples to illustrate that. We have looked across all the local service areas and there are variable benchmarks set depending on past performance and what could be expected

in the future. If I pick up West Coast, for example, we are asking for an increase there of 13.4 contacts per member per year; that translates to 0.26 extra contracts per member per week. So, we are not asking for massive increases there but we do want to upgrade the way they go about it. The extra contacts which are expected from each member in those local service areas is far less than one per week.

We have also set some benchmarks for our crime service. Obviously, it is not the primary role of our detectives to look at road behaviour, but they are out on the roads quite often so, if they see a drink driver, or whatever the case may be, we expect them to do something about it. We have set benchmarks there which, on average, increase the number of contacts they need to make by one a year. We are not talking a lot here; we are just talking about upgrading the effort and getting lower tolerance across the board.

Membership:

Mr Goldsworthy substituted for Mrs Penfold.

Mr VENNING: If a motorist refutes the reading on the camera, after obtaining the photograph or whatever, is there any further recourse available?

Mr HYDE: Obviously, someone can choose not to pay an expiation notice and go to court to challenge it there. If they write and provide information which means that we should reconsider issuing the notice, we would do that. If they write and ask us to exercise some leniency, such as issuing a caution instead of pursuing the notice, we would do that.

Mrs REDMOND: In some cases they could sign a statutory declaration to the effect that they were not the driver.

Mr HYDE: That could be done. That passes the issue on to somebody else. Ultimately, if they want to challenge it, the process would be through the courts.

Mrs REDMOND: I refer to Budget Paper 4, Volume 1, page 4.34, sub-program 5.1, Criminal Justice Services. As I understand the comments of the DPP, he has now indicated that the police will not be able to get advice from the DPP's office in relation to police decisions to pursue charges. So, as I understand it, it will not be checked by the DPP's office. Obviously, it is important that community confidence in the criminal justice system is maintained. What impacts will the withdrawal of advice have on SAPOL budgets, program budgets and sub-program budgets?

The Hon. P. HOLLOWAY: I am not sure that that media report earlier this week was 100 per cent correct. My understanding from what I subsequently heard the DPP say is that he would be seeking to reduce the number of contacts to try to make the process more efficient. I will ask the Commissioner to comment on that.

Mr HYDE: The DPP wrote to me a couple of months ago about this issue. He was looking at how he might reorganise the work of his office. I will not venture into any comments about resourcing for the DPP or anything of that nature. He indicated that he wanted to reconsider the workload on providing opinion, work and advice and asked what impact that would have on us. Over the period of time since that letter arrived, we have been in consultation with his office, looking at what it might mean and what the impact on us might be.

I think the article in *The Advertiser* was not accurate as well because, subsequent to it, I spoke to the DPP who said that he was seeking to get some correction on it. He never

said that he would not provide any advice and opinion work. Suffice to say that he is proposing some changes in that, and it will have an effect on the way we work. We are making an assessment about that at the moment.

I can indicate more generally that there is a lot happening in this field. We are obviously looking at how we manage the whole prosecution process. We are looking at the process of the material that we provide to the DPP for matters that he is going to be dealing with as well, so there are a lot of internal changes occurring. On top of that, we have changes being considered by the DPP, and this is just one of them. For example, there might also be some changes to the way committal proceedings are conducted. It may well be that South Australia Police pick up more of that than we have in the past.

The next tranche of changes is in the criminal justice task force, which is looking at delays in the court system. There is a range of things being examined in that area, and quite a lot of them might come back to have an impact on us as well. So, without answering your question specifically, I cannot say precisely what the impact will be. I can say that there are a number of things occurring, all of which are likely to have some impact on us and the way we handle prosecutions, as well as the way we handle normal investigation processes.

Mrs REDMOND: I assume that it would be fair to say that all of the things you have talked about would be much more likely to lead to more delays rather than to any improvement in timetables for criminal justice timelines.

Mr HYDE: I do not think that you can assume that it will lead to delays. For example, 20 per cent of the Magistrates Court workload at the moment is related to unregistered/uninsured vehicles, and we have been pressing for some time to shift that to expiation notices. So, using expiation notices for unregistered/uninsured vehicles will remove a significant workload from police, as well as from courts. Obviously, that is a desirable thing to do. They are fairly straightforward cases, so that is a reform which I think will benefit not only the courts but the police as well. So, not all changes will operate negatively.

In fact, people are looking at the whole system to try to see what benefits can be introduced, being mindful that changes in one place can impact on others. For example, pushing down more cases out of the District Court into the Magistrates Court will obviously have an effect on the Magistrates Court. That is not going to be offset by the changes to unregistered/uninsured vehicles, because they are different types of cases and qualitatively hugely different in terms of the work that is required to deal with them. The point is that people are looking at the whole system to try to make sure that the whole system functions well and that it does not simply push the problem from one place to another.

Mrs REDMOND: On the issue of unregistered/uninsured vehicles, my understanding is that, whilst not being registered is not such a problem, not being insured can be quite a problem in terms of the legal consequences that flow from that. I also understood that, whilst probably a great majority of people who are driving unregistered/uninsured vehicles do so simply because they have forgotten to renew their insurance and registration, there are nonetheless some recalcitrant offenders who simply never insure and never register. Is it proposed that they will all come under some sort of expiation notice system?

The Hon. P. HOLLOWAY: Those are matters that the government is looking at at the moment. Mindful of that, I think that the comments that the honourable member makes

in relation to insurance are, probably as much as anything, matters for the Treasurer and the MAC. Clearly we have a system in this country in relation to third party where people are covered, but we do not have compulsory third party property insurance, which has been an issue for as long as I have been around and probably a lot longer.

There is the issue of whether people should be covered when involved and at fault in an accident with another vehicle, as they can be sued. That is an issue that successive governments have tried to address over decades as they do not require compulsory third party property insurance. The person is covered, but we need to get those people off the road who are not properly insured because they are putting a burden on the rest of the community, which has to pay higher premiums to cover those people who are injured by drivers who are not insured. That is a much broader debate and probably one that is more under the Treasurer's jurisdiction than mine.

Mrs REDMOND: I refer to Budget Paper 4, Volume 1, page 4.16, the targets for 2007-08 and highlights from 2006-07. In the targets for 2006-07, Budget Paper 4, Volume 1, page 4.15 you proposed to develop and implement strategies for the broader use of volunteers in SAPOL, and this target reappears in the 2007-08 budget papers and refers to 'enhance'. How does the minister propose to enhance the participation of volunteers in policing?

The Hon. P. HOLLOWAY: I will ask the Commissioner to comment.

Mr HYDE: The use of volunteers involved in policing is an important issue for us. It not only helps us be more effective as part of our overall philosophy of working together with the community, which is reflected in lots of people directly volunteering to be involved in programs with the SA Police, but also it is connected to people volunteering information and assisting police with a whole host of things. It is a valuable part of what we do and one of our core strategies. We have been looking at how we might be able to enhance it.

We have over the past two years had a major project under way called Project Compass. Part of the brief for that project was to look at how we might extend volunteers, and papers have been developed that have been considered. We should have a set of principles whereby we seek to expand the use of volunteers, and those principals have been developed consistent with government policy because volunteers are a key part of what the government is interested in. We have agreed to establish a volunteer coordinator and will be putting in place a person to assist in and promote the use of volunteers in a structured and consistent way across the organisation. We will look at particular areas where volunteers can enhance our services.

There are many things volunteers can do to improve the services we provide, particularly around victims. There is much more support and assistance that can be provided to victims by volunteers—things we cannot do at the moment. We will be looking to see whether within normal police operations there are other areas for expanding the use of volunteers. In so doing we have to be mindful of the fact that we are not looking to use volunteers in police roles in doing things that should be a police job. I know that would be of concern to the Police Association, so we are working through that. You do not want to put volunteers at risk in terms of police mainstream services, so we will not look to go down that path, even though there are many examples overseas where that occurs, particularly in the UK where volunteers

have been used to support mainstream police for a long time. There are many places in Canada and the US where volunteers provide more mainstream services.

Generally it is an important part of the way we operate, and we are looking to improve on that in order to improve our services. We are changing our structure to put in place resources to help coordinate and manage the development of volunteers. We have set up a series of principles that will provide the framework to move forward, and within that we are looking at areas where we can expand our use of volunteers.

Mrs REDMOND: I take it clearly from what you are saying that you are not looking to establish anything like the British system, but apart from dealing with victims what other areas and duties could be dealt with by volunteers within the force?

Mr HYDE: There are a raft of things. A lot of community programs already use volunteers such as blue light discos and blue light camps, Neighbourhood Watch and all the other watch programs and things of that nature. If you can imagine a busy police station, you could well have some volunteers assisting with a triage service in the station. As people are lining up to get service at the counter, they could ask them what they can be helped with. If it is only a piece of information, there may be an information board and they can take a brochure and their problem is fixed, without needing to talk to a police officer. It is only limited by your imagination as to how far you would go. We need a set of principles to provide the framework, so we keep it within reasonable bounds, but there are a lot of things that can be done.

Mrs REDMOND: As a supplementary question to all that, does the minister feel that the need for volunteers to perform certain functions within SAPOL reflects that current recruiting is not adequate to keep ahead of the ageing workforce and community expectations?

The Hon. P. HOLLOWAY: Certainly not. I think it more reflects the fact that, to be effective, police in any society really need the cooperation of the public. That is far more a reflection of the fact that, with the astute use of volunteers, one can greatly enhance the effectiveness of those police you have. This government was effective in its first term in increasing the police numbers to about 250, or thereabouts. Of course, we have our objectives, which we are determined to achieve, of recruiting 400 extra police officers; that is a net increase of 400 police officers over the term of the government. The use of volunteers is simply to supplement and make those extra 400 police officers more effective than they otherwise would be.

As the Commissioner said, volunteers can assist in a number of ways. I had the opportunity last year to see how volunteers are used in places such as Vancouver and the United Kingdom. As the Commissioner said, the government does not support the use of volunteers to undertake the duties that would normally be performed by sworn police officers. However, there are a number of ways in which volunteers can enhance the effectiveness of police. Again, I repeat that without the cooperation of the public and programs such as Crimestoppers our policing efforts would be much less effective.

Mrs REDMOND: Again, I refer to the Recruit 400 program, and specifically to Budget Paper 4, Volume 1, page 4.18. The budget for the first year (that is, 2006-07) for the Recruit 400 program was \$2.17 million, but only \$397 000 (or approximately 18 per cent) of the allocation seems to have been spent. Will the minister explain how adequate equip-

ment and buildings to support the first year of the recruitment program have been provided when only 18 per cent of the allocation was estimated to have been spent?

The Hon. P. HOLLOWAY: This issue has been raised already by the shadow police spokesperson. The reference that was made by the shadow minister relates to reports that the Recruit 400 budget for 2006-07 was \$2.179 million. The estimated result of \$0.379 million is a reduction of \$1.782 million. I point out that the budget for 2007-08 is \$2.47 million. The \$0.397 million investing capital was spent on IT, vehicle and accommodation related matters. The budget for the Recruit 400 over the four-year period is \$8.561 million, as outlined at page 22 of the 2007-08 capital investing statement (Budget Paper 5).

SAPOL obtained a carryover of unspent funds of \$0.782 million to 2008-09 and \$1 million to 2009-10, which reflects a commitment to the original budget of \$8.561 million for the life of the Recruit 400 implementation. In other words, the budget of \$8.562 million has been retained over the four-year period, but it has been rescheduled, if you like, towards the latter years of the program. With respect to that reprofiling of the phasing in of the R400 initiatives over the life of the project, for 2006-07 the additional police have been planned to be accommodated within existing premises at marginal cost.

The rephasing has resulted in a shift of accommodation and related cost to the out years to provide sufficient lead time to plan and implement accommodation strategies. The underspend to which the honourable member referred has been rephased to 2008-09 and 2009-10, that is, \$0.782 million in 2008-09 and \$1 million in 2009-10. The total \$8.561 million investing budget allocated over the life of the project is all new money. It has been rephased to reflect the revised profile. The capital program will not affect the timing of recruiting additional police. That relates to the capital part of it.

SAPOL's recurrent cash budget includes \$18.168 million in 2007-08 to cover sworn salaries and operating costs for the Recruit 400 initiative. The investing capital budget was really for equipment, vehicle-related IT and building works related to the Recruit 400 initiative. As I say, those additional officers can be accommodated at marginal cost in the early years, but in the out years, obviously, the additional capital will need to be spent.

Mrs REDMOND: If \$1.7 million of the \$2.4 million budget allocation for the 2007-08 period is the estimated underspend that is being carried forward from the 2006-07-year, is it then the case that only \$700 000 of the 2007-08 budget is actually new money for that program?

The Hon. P. HOLLOWAY: When we introduced the Recruit 400 in our budget last year and we put in a four-year program, we simply rescheduled the payments. I am not sure what the honourable member wants to talk about as new money, but certainly over the four-year period what we have said is that that money will apply. Whether or not you want to call it new money, I will leave that up to the honourable member. I can say unequivocally that our aim is to spend that budget over the four-year period. The rescheduling is there. In terms of the original budgeting, we worked out what the 400 would cost and basically divided it by four over the years.

Of course, now that we have had more time to analyse it, I gather that the restructuring has enabled that to be more effective. I will ask Mr Patriarca whether he can explain it a little more clearly for the honourable member's benefit.

Mr PATRIARCA: With the allocation of funding to recruit 400, obviously, the calculations are based on averages for employing additional people, and so it was allocated evenly across the four years because, at that time, decisions had not been made, and obviously we cannot make decisions in terms of four years out on where the police will be allocated. As the allocation comes through, we review that broad budget allocation against the actual requirement for the positions. As the minister said, in the first year we have certainly been able to place a large number of the police within existing accommodation, which has meant that we did not have a requirement for those funds. As a result, during the year we applied for carryover to recognise that the funds are not required this year but, in latter years, we will be incurring larger accommodation costs as we try to cater for the accommodation for the next 300. In the budget process through 2006-07, we sought deferral of those funds to the next year.

Mrs REDMOND: Referring to Budget Paper 4, Volume 1, page 4.18, and the new work on the vessel replacement for the STAR group as budgeted for in the investing payment summary, will the minister advise whether the \$2.25 million allocated to this project is inclusive of all fittings of specialised police equipment?

The Hon. P. HOLLOWAY: I will ask Mr Patriarca to comment.

Mr PATRIARCA: The estimate to replace our long-range response vessel does include the full fit-out of the vessel, yes.

Mrs REDMOND: Will the minister provide details of all costs associated with the operation and housing of the new vessel and the previous vessel?

The Hon. P. HOLLOWAY: We will take that on notice and we will see what information we can provide. I have had a chance to look at it. It is currently located at North Haven, and I assume the plans are for the new vessel to be located in the same locality. I am not sure that there will be any difference, and if there is any further information that we can bring, we will, but I would assume that it will be moored at the same location and that essentially the cost will not be an issue. However, if there is any further information we can provide, we will do so.

Mrs REDMOND: Is the old vessel to be sold off, or what happens with that? Is it additional?

The Hon. P. HOLLOWAY: Yes; it will be disposed of.

Mrs REDMOND: Does that appear somewhere in the budget or does that have to wait until next year when you find out how much you get for it?

The Hon. P. HOLLOWAY: It certainly will not be sold in this financial year. It will be put to tender once the new boat is commissioned.

Mrs REDMOND: Still on the STAR group, I refer to page 4.21 of the same volume and the commentary on the event management program of SAPOL. I note that the program includes policing of sporting and other public events—and I am sure we are all aware of that. I further note that one of the performance indicators is the number of close personal protection taskings conducted by the STAR group. What circumstances dictate the decision to deploy STAR group officers for close personal protection taskings?

The Hon. P. HOLLOWAY: Obviously, where security is involved, one would expect that no public information is provided in relation to that. Perhaps in a more general sense, if the Commissioner cares to make a comment, I will leave it to him.

Mr HYDE: Yes; essentially close personal protection is connected to a risk assessment for individual people involved in that sort of exercise, although there are some standard arrangements put into place for visiting diplomats. For example, we work with the Australian Federal Police on the protection arrangements that should be in place for those visiting dignitaries, including certain federal members of parliament, in that process. The Australian Federal Police takes care of the majority of things, but we do get involved in some others. Essentially, it comes down to risk assessment as to whether or not there is any justifiable reason for the close personal protection to go into place.

Mrs REDMOND: As a supplementary question, under what circumstances and at what cost is SAPOL's decision to deploy STAR group officers regularly at Murray-Darling Basin Natural Resources Management Board public meetings?

The Hon. P. HOLLOWAY: That is an operational matter for police. If a risk is perceived, then I would expect that the police will act on the basis of what information they have. I do not know that it is appropriate to make any comments in relation to individual situations, but if the honourable member is suggesting that there was some activity that was inappropriate, then perhaps she can indicate what she is getting at.

Mrs REDMOND: Far from a concern by me, I guess it is a concern by some country people who feel somewhat offended that they are thought to be likely to create such a problem at a public meeting of the natural resources management board that it would warrant the attendance of STAR group officers on a regular basis.

The Hon. P. HOLLOWAY: I would have thought that it is not really a matter for what individuals might think. Those individuals may not be aware of other perceived threats. I would assume that the police operate on the basis of some assessment of risk, and the fact that some people at a meeting may feel that there is no risk is not necessarily an indication that there is no risk.

Mr HYDE: I am not familiar with this particular instance. I heard earlier in the day that there was some interest in this area and I am able to confirm that some assistance was given, but I am not privy to the circumstances at this stage to be able to provide an answer to this committee. However, I am quite happy to look at it and to see whether or not we can provide any information later on.

Mrs REDMOND: I refer to the capital investment statement, Budget Paper 5, page 21. In relation to the new works carried forward on the APY lands police station upgrades, first, why has the completion date for the project been extended from June 2007 to June 2008?

The Hon. P. HOLLOWAY: I can assure the honourable member that getting any capital works built on the APY lands is an extremely difficult task for a number of reasons, including the fact that it is very difficult to get work performed there, particularly within budget. I can also say that, obviously, there have been some discussions—and these discussions will continue—with the commonwealth government in relation to those matters on the indigenous lands. I know my colleague the Minister for Aboriginal Affairs has been discussing with minister Mal Brough commonwealth support in relation to these issues on indigenous lands. The commonwealth is also part of the equation, and perhaps I will ask the Police Commissioner to provide more details about the background of this matter. However, by way of general comment, I can say that any infrastructure built on those lands will be enormously expensive because very few

contractors are available to perform that work. One of the difficulties all governments face in addressing the needs of Aboriginal people is the high cost of providing what are basic facilities.

Mr HYDE: It is difficult to complete capital works within the lands, and it does take quite a long time. For example, we have eight police officers operating within the lands, and that has been the case for a couple of years now. Our aim was to have those officers permanently based within the lands, but there was no suitable accommodation for them. We now have accommodation for those eight officers, which has just been completed. So, we have six officers permanently in place and the other two officers are being selected. Meanwhile, we are still flying in, flying out to maintain that presence.

We have upgraded all the police posts in the communities there, except for Ernabella and Amata, because we want to build new police stations at those communities. We have decommissioned all the cell facilities, because they were not really in a position to house prisoners for any length of time at all the posts. We will be looking at that issue along with the issue of the new police stations. We did go out to tender for a new station at Amata, and we found that the tendered price far exceeded what had been anticipated in the budget. In fact, further consideration shows that the price will exceed the tender price as well. So, it is a very expensive undertaking.

The Premier's office, over this period, has had discussions with the commonwealth, and those discussions are continuing, particularly in the context of the initiative that has been announced with respect to the Northern Territory indigenous task force. It is probably not for me to make any comment about what the commonwealth and the South Australian government might agree to, but we are looking for two new police stations. We have made a commitment to provide an additional four officers to work with the communities on domestic violence, child abuse and community safety programs, so we will be looking for housing for those new officers to go into the lands. We are looking for an office facility at the administrative centre at Umuwa.

There are a range of things we would like to see put in place on the lands to help to improve the service there, but history shows that it is extremely difficult to get things built—and extremely difficult to get things built quickly—so we cannot hold out any hope that these new programs will all happen tomorrow. There is a forward date, and we hope those times will be met. Quite clearly, there will be further discussions with the commonwealth, which might result in different facilities and different dates being reached as well.

Mrs REDMOND: Further to that, the Ernabella station appeared as a target in last year's budget and it disappeared off the radar altogether in this year's budget, and I am wondering what happened to that. I asked the same question in relation to the Ports Administration Authority, where the same thing happened. Amata appears to have stayed in the budget, although delayed, but Ernabella appears to have just dropped out of the system altogether. Is there an explanation for that?

The Hon. P. HOLLOWAY: We would like to have a facility built at Ernabella. As I have said, there are discussions with the commonwealth that concern all the facilities in the lands, and the commonwealth has promised to provide lots of money to the states for various facilities. However, as my colleague the Minister for Aboriginal Affairs pointed out in the estimates committee a couple of days ago, the

commonwealth keeps putting conditions on the use of that money, which also does not help in terms of negotiations.

In the original budget, the expectation was that the Ernabella and Amata stations could be built within the original allowance but, as the Commissioner has just said, the tenders were way in excess of that amount, and that is why we have had to reschedule those stations. However, we remain optimistic that, ultimately, we will have a new station at both of those locations. As I have said, that is part of the discussions with the commonwealth.

Mrs REDMOND: I understand what you are saying, minister, but I do not understand why one station stayed in the schedule at all and the other just fell off the budget papers altogether. Are you confirming that there is, in fact, an ongoing intention to build at Ernabella? From what you are saying, at this stage, because the tenders received for one station were so high, you cannot even contemplate putting in place in the forward estimates proposals for Ernabella?

The Hon. P. HOLLOWAY: Essentially, what we have done is combine the money which was provided and which we thought would have been adequate for both stations and applied it to the Amata station. As I understand it, that was the priority station, so we thought we should use the money to at least get that station built, given that all the work had been done on it. In relation to the Ernabella station, that will be our next priority.

The CHAIR: The member for Mitchell seeks the committee's indulgence to ask some questions, and I believe that the member for Heysen is happy with that.

Mrs REDMOND: Yes, Madam Chair.

Mr HANNA: I have three questions about policing on the APY lands. I have looked at, for example, sub-program 1.1, police response services, and the other sub-programs. It seems that, apart from the capital items for police stations, there is no specific line for the APY lands. I ask the minister whether he can give a figure for policing costs on the APY lands, say, in the past financial year and in the coming financial year.

The Hon. P. HOLLOWAY: I am sure we have that budget. We have, as the Commissioner just said, eight officers now there permanently and, of course, we have community constables as well. Obviously, they are provided with vehicles, too. Given the rough terrain up there, as the honourable member would be well aware, it is a very demanding area for vehicles and I imagine the budget for that is significant. Whether we could disaggregate that, I am not sure. We will take that on notice and see whether we can disaggregate it.

Clearly, there will be some significant vehicle costs, the salaries of those eight officers, plus the community constables. Perhaps the Commissioner can add to the other resources because there is Marla and, of course, we have just purchased a new police plane which, although it will be available throughout the state, clearly has specific benefits for the APY region.

Mr HYDE: You have indicated some of the expenses there and I can quickly run over them. We have a commitment to having eight permanent police officers in the lands. We have been working on getting accommodation developed, as I have indicated, and we have been flying those officers in and out, and that has a considerable expense attached to it.

We have positions for 10 community constables; four are filled at this stage, but we have difficulty filling all of those positions in the lands. We have made a commitment for an additional four officers to go into the lands to work on

domestic violence and child abuse and to assist in community programs. We have sent up an officer at the moment to help to develop that program, so that is under way.

The Marla Police Station, which is outside the lands, also provides support generally for police operations in the lands and directly into Indulkana and the community at Fregon. There is also a service provided to Mintabie although, whilst that is within the lands, it is obviously an opal mining community and of a different order of things. Then, of course, you have the capital works costs which are being discussed. There are a lot of components in trying to derive the overall cost of policing in the lands. We would have to take that on notice to work it out and provide that information to you.

Mr HANNA: Secondly, minister Weatherill said in an estimates committee yesterday, in relation to night patrols, 'We have to be honest about the fact that night patrols were not working. We are now trialing a new model of night patrols in Indulkana.' My question is: why were night patrols discontinued? I believe they were funded for five years initially and finished after about two years, but I stand to be corrected on that. Could details be provided of this new trial in Indulkana?

Mr HYDE: Night patrols are an initiative that have worked in some indigenous communities, notably in the Northern Territory. I have seen some in operation there and they work quite well. There was a recommendation from the Coroner that we put night patrols in place within the lands in certain places, and that was tried. One of the important things about night patrols is that it is a community program and it effectively needs to be run by the community; not just supported by the community, but run by it. That is the whole nature of it. That was tried in a number of the communities but it did not succeed, I think, mainly because the level of community support was not there to make it work. We have, more lately, applied for funding to employ a night patrol coordinator within the lands. We sought that funding from the commonwealth government to achieve that but it was not funded, so it is reasonably problematic.

The indication I have is that the only one that was operating with any success was in Marla. There may have been some changes to Indulkana, of which I am not aware, and all I can do is undertake to find out some information about that. Generally, we did try to make the night patrols work. They do have to be managed through the community for them to operate. We were not able to achieve that and so, unfortunately, we cannot give you any joy with that sort of initiative.

Mr HANNA: I appreciate the Commissioner's offer. Thirdly, switching to the Yalata community on the West Coast, I am told that both of the sworn officer positions at Yalata are empty at present, with one officer on leave and one on extended leave, and that policing is being provided from Penong. Again, the fact is (I am told) that at Ceduna Police Station there is a large number of vacant positions and this coincides with the efforts of Yalata women to combat domestic violence where, of course, very often there is a need for a very prompt response in an emergency situation. Will the minister confirm whether they are the facts and, if so, what is the impact on police response times if there are those vacancies?

The Hon. P. HOLLOWAY: I will ask the Commissioner to comment on the detail of those particular operations but, just as a general comment, I can indicate that it is obviously difficult to get officers to some of the more remote stations in the state. Of course, that was a factor we took into account

when we announced today that we would supply five officers to the Northern Territory to assist with the child abuse issues up there. Clearly, it was a decision which was not taken lightly. We do struggle to fill those positions within our own state. However, we took the decision in the end that it was in the national interest that we should participate in that initiative. There are clearly major issues in the Northern Territory but, at the same time, we have to be able to adequately police our own communities. So, that is why our commitment was that we would make the five officers available—the commonwealth had, of course, asked for ten.

It is one thing for a state like New South Wales, which has a police force of about the 13 000 to 14 000 mark, to provide 10 officers, but for us with a force of 4 000 obviously five is actually more difficult to provide than those numbers. Nonetheless, we have agreed to do that because we believed it was important that we make our contribution to those issues, but I do again make the point that it is difficult to staff some of these locations. I ask the Commissioner whether he has any information in relation to those issues.

Mr HYDE: Yalata has been an importance place for us to focus our attention as well. We have upgraded the staffing there. In August 2006 we increased the establishment from one community constable supervisor—that is, one sworn officer—and two community constables to two sworn officers and two community constables. You need to also remember that support is provided from Penong, which is not that far away from Yalata. Unfortunately, one of the police officers injured his knee and he has to undergo knee replacement surgery, so that has been a very difficult position. He is not going to be able to continue in that position, and that has been worked out over time. Since that time we have had one police officer and two community constables there.

There have been a number of occasions where the sworn officer has had to take days off or recreational leave, and support has been provided by Penong to cover those occasions. I am advised there have only been six continuous days (six days in a row) where there has not been a sworn officer available, so we have tried to make sure that we minimise the time when the officer has been away and, again, Penong has provided support during that time. Currently we have a constable from Ceduna providing relief at Yalata, and that officer will be there until 12 August, when the senior constable is expected to return from leave. We look to have two sworn officers and two community constables there, but it has been a reasonably difficult period to work through because of the fact that there was a serious injury to one of the officers. That occurred during his work, so we needed to work through that.

In respect of Ceduna, yes, there are some vacancies there, just the same as there are vacancies in a number of country areas, and it remains a challenge for us to provide enough officers in country areas to fill all the vacancies. There will, obviously, always be vacancies as you have a turnover of staff, and that will always be the case, but we want to minimise it. Might I say that over the years we have increased the relief component for country areas in particular. We have two relief pools (one north and one south) of 20 officers to provide relief mainly into country areas. More recently we provided additional staff who are actually based in the country areas (another 20), and their purpose is to provide relief within country areas as well. Whether or not it is having a direct effect on our response times for domestic violence, I simply cannot answer that for you but, again, we can take that on notice and get back to you.

Mr HANNA: I appreciate that. Thank you.

Mrs REDMOND: I have a supplementary. On that issue of community constables, could I just get an explanation as to what their status is, what their pay is, how they are recognised and whether they are permanent employees of SAPOL? What exactly is a community constable?

Mr HYDE: There are 36 positions for community constables within South Australia Police. They are permanent employees and they are employed under the Police Act, so they have status under the act. Essentially, their duties are to liaise between mainstream police officers and the indigenous communities. That role will vary, depending on where the community constables are based. It ranges from a very traditional role for community constables in the AP lands to a more sophisticated role in the Adelaide metropolitan area, and so it will depend to some degree on where they are working and what the needs are. There are a number of country areas where we have community constables. The AP lands is a clear example, but we also have them in Port Lincoln, Yalata, the Riverland, Port Augusta and so on. There are a number of places there, but there are also many of them within the Adelaide metropolitan area.

They receive training through our Police Academy. That training will cater for their individual needs as well as trying to make sure that they have mainstream policing skills as well. Some of the training occurs with our normal cadet courses, for part of it, but they mainly occupy a liaison role and provide advice to police officers on cultural issues and cultural sensitivities. They provide information in terms of what are particular problems within particular communities. They are a very valuable source of support for police, but ultimately they do not take the place of police officers, and that is why we have changed the approach in the AP lands over the past few years. At one stage, consistent with the policy applicable to self-determination, we had community constables only within the lands themselves, but that did not work. The communities wanted mainstream police and so part of our program is to get mainstream police into the lands.

Mr VENNING: My question is on the subject of Recruit 400: Budget Paper 4, Volume 1, page 4.18. I have a series of questions in relation to recruitment—and I realise that the Commissioner touched on this a few moments ago. Can the minister advise how many of the recruited officers were provided for regional South Australia in 2006-07, and to which towns were they allocated?

The Hon. P. HOLLOWAY: I am not sure of the detail; we will have to take that on notice.

Mr VENNING: Did the number of officers recruited under this program in the 2006-07 financial period cover the natural attrition rate for the same period?

The Hon. P. HOLLOWAY: Are you talking about purely country areas?

Mr VENNING: Yes.

The Hon. P. HOLLOWAY: Again, we will have to take that on notice. In general terms, the number of positions provided to the country has increased significantly under this government, in line with the overall increase in police.

Mr VENNING: How many vacancies currently exist within rural and metropolitan Adelaide for sworn police officers and other SAPOL staff? Can you give a closer figure than what has already been indicated?

Mr HYDE: I can give you an indication with respect to country areas. I believe it is of the order of 70, but obviously it fluctuates. We have 765 staff in country areas and 70 vacancies as of 28 June 2007—and 15 of these have been

vacant for six months or more and are proving difficult to fill. We have put in place a lot of measures to fill positions in country areas, including a very hands-on approach to encourage people to go there, but we also encourage country people to undertake training for key positions in the country such as detectives and prosecutors. We are looking to recruit people from country areas so that they have an interest in going back to the country, but I must say that many of our country people come from metropolitan areas. They do not know about the country, but once they get a taste for it they are not as concerned about it as might have been the case, so we get a lot of metropolitan people going there as well.

As I said, we have a fairly hands-on approach to encouraging people to go there, including addressing cadet courses and, of course, we discuss with new recruits the importance of going to the country. We have a lateral transfer policy where we give people special priority to come out; so, we encourage them to take a hard-to-fill position on the understanding that when they finish their tenure we will help them get a more desirable position, one they would prefer to be in when they come out. We have also reduced the minimum tenure, again to encourage people to go in even for a short term.

Under the last enterprise agreement we also had clauses that provided incentives that could be used for country people. That has been difficult to deal with in the larger country stations—and Ceduna was mentioned before. One of the concerns we have had is using incentives to encourage people to go there, and then they have two officers working alongside each other who have quite different terms and conditions of employment. We need to work through that, and it is something we are discussing with the Police Association with the enterprise bargaining which is currently under way. Encouraging people to go into country areas is of concern to us and it is of concern to the Police Association.

The Hon. P. HOLLOWAY: There are some other general factors in relation to recruitment that come into play. The defence forces have been increasing their level of recruiting and I gather, from what I have read, that they are having some difficulty in filling their vacancies. The Australian Federal Police are also in the market, as are other agencies such as the MFS, which is also recruiting and which often recruits police officers. As I mentioned earlier, the AFP are calling on our services; there are the five officers in the Northern Territory and another couple of officers seconded to the ACCC. I think we also have had 24 seconded to the airports.

So, there is a significant demand on police recruitment, and there are also the issues (particularly in rural areas) of high housing costs and the fact that the make-up of the police force now is different. It has a greater level of gender balance and that can, in itself, create issues in terms of families and partners and so on. There are a whole range of issues that make staffing issues more complex and more difficult than they would have been 10 or 20 years ago. As the Commissioner said, they will have to be addressed, but SAPOL is aware of them and we are seeking to address them as best we can. However, the climate is getting more difficult in terms of the number of people available, and so we have increased the target number of UK recruits to try to meet those recruitment objectives.

Mr HYDE: When talking about vacancies in country areas I think it is useful to have some information about recruiting overall, because it is an important topic that people are debating—continually, I might say. We actually recruited

quite well during the last financial year, but we will end up with a shortfall in our effective full-time staff because of other factors. We started with a recruitment target of 277 for last year—271 cadets and six community constables—and we increased that to 282 to reflect some of the earlier changes that were occurring. So, at the end of the day our target was 282. Our graduation target was 216, and we graduated 205 during the year, so we missed that target by 11. All this means that we will end up about 100 FTEs short of our targets.

That was not caused by the recruiting program because, as I indicated, we recruited 282 and we graduated 216, so that was a fairly good effort. The shortfall is made up of an increase in our attrition rate and an increase in the inactives, which are the two main components. We budgeted for an attrition of 150, which has been a consistent figure over the past few years. In fact, we are going to have an attrition of 180, so we will be 29 above the attrition rate that we targeted during the year.

We always budget for a certain level of inactives, and they are people who might be on maternity leave and then go on to leave without pay, and things of that nature. So, these are people who are still our employees, but they are inactive and they are not being paid at the time. We normally budget for around 95. The actual rate is going to be 125. Again, we are 30 off the target there, so that is already 60 of our 100.

Then there was some timing impact of 23. We extended our training course from six to nine months to get a better program in place. That meant that there was some adjustment in the length of time that we had people in training, so the impact is assessed at about 23. We had 11 fewer graduations, as I indicated, and there were a couple of other minor changes as well. We did, in fact, recruit pretty well during the year, but there were some other factors at play which have affected the bottom line of the active full-time equivalents.

Next year, our target is going to be in the order of 320. We will have to adjust it a bit higher as a result of an undertaking to give extra staff to the Northern Territory police as part of the Northern Territory Indigenous Task Force. So, it will be a big challenge for us next year. As part of that, we have approval to recruit 117 UK officers. We have, in fact, completed our assessment programs, we have identified those officers and we have given them notice that they will be required. We will have three intakes during the year, and all officers will graduate during the year. One advantage of the UK recruitment is that graduations will be quicker through a shorter induction program.

Our recruiting has been reasonably effective, and we are expecting to be just as effective. Obviously, we are looking to recruit a large component of local recruits. We have reviewed our promotion campaign during the year, and we are hoping, in a couple of more months, to roll out a new promotion campaign. We have had a far more hands-on approach. We have been involved with universities and we have done all sorts of interviews and promotions within country areas, interstate, and so on. We expect to meet our targets, even though it will be very difficult as it is a tight labour market.

The Hon. P. HOLLOWAY: As the Commissioner mentioned, I think we have more than 150 cadets in training in the academy at the moment. The timing of trying to get the right number within a 12-month period is not always easy to manage.

Ms FOX: I move:

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

Motion carried.

Mr VENNING: Thank you, minister, and Commissioner, for a very extensive answer to that question. It gets better. I refer to the same line, in the same area. According to the SAPOL annual reports, 2 258 members of the South Australia police force (41.56 per cent) are aged between 40 and 54 years. This significant segment of the police force will retire over the next 10 years. Has the minister budgeted to cover the increasing level of retirement in the Recruit 400 program?

The Hon. P. HOLLOWAY: Of course, the target that we have set takes into account the attrition rate. As the Commissioner just said, the average attrition rate was about 150, so our target base last year was to get a net increase of 400. With an attrition rate of 150, we need to recruit 250 a year. As the Commissioner said, we actually had a target of more than that last year. A figure of 250 per year over four years gives us the 1 000 figure, so we need to recruit 1 000 police to meet the attrition of about 150 a year, plus the net increase of 100. Clearly, those figures can fluctuate from year to year, and we will have to take those into account in relation to the new targets. If one looks at the age profile of police, it is my understanding—and perhaps I will let the Commissioner comment on that—that the age profile is not a factor, given that we have had significant recruiting in recent years. It is not as—

Mr Venning interjecting:

The Hon. P. HOLLOWAY: Yes. The age profile of police is not as much a concern as it might be in a number of other professions around the place. In my other role as planning minister, we have been doing a lot of work in relation to the ageing of the population. The number of people over the age of 80 will treble by the year 2050, and there are a number of other statistics. The demographics are quite staggering when one considers the sociological impacts of this. The point I make is that the impacts will probably be a lot less serious in the police force than they will be in perhaps teaching or some other areas in the workforce. Perhaps the commissioner can comment.

Mr HYDE: The age profile across the police force is far more uniform than perhaps in the public sector generally. We do not necessarily have a bulge towards the upper end of the age brackets, so we do not think that we will suffer some of the consequences that are currently being debated, such as baby boomers retiring, and things of that nature. If I can give you an example, the 20 to 24 bracket is 6.2 per cent and the 25 to 29 bracket is 13.34 per cent; then, as we go forward in five-year brackets, we have 14.22, 17.86, 15.32, 15.69, 10.46, and so on.

So, we have 15.3 per cent in the 40 to 44 age group, 15.69 per cent in the 45 to 49 age group and 10.46 in the 50 to 54 age group. That is a 15-year span, with 40 per cent of our sworn workforce. That is not a workforce that is out of balance in terms of the age profile. If you think of police officers having a 30 plus years working life, having 40 per cent within a 15-year bracket is not too bad. Whilst we are mindful of the effects of rapid retirements, we do not have a profile that will indicate that. When you look at our attrition rate over the past six to eight years, it fluctuates between 3.5 and 4.5 per cent. It is not a big attrition rate and it is not as though you will lose 10 per cent of the workforce in any given year. It is an indication that we will not necessarily suffer from the effect of the baby boomers. Being in the baby

boomers category myself, the federal government's changes to superannuation may affect all of this.

Mr VENNING: On the same line, documents obtained under freedom of information from *The Advertiser* indicate that \$500 000 has been spent on advertising to recruit South Australians to the police force in the past 18 months. Will the minister provide the breakdown spent on each type of advertising for South Australian police recruitment in the past 18 months?

The Hon. P. HOLLOWAY: It is best that we take that on notice, but we will try to indicate general areas in which it has been spent.

Mr VENNING: Is the \$500 000 inclusive of advertising bookings only, or does it account for agency costs also? Will the minister provide the detail? Will the minister provide details and costs of media training undertaken by any SAPOL employees for advertising for police recruitment?

The Hon. P. HOLLOWAY: I will take that on notice. I am not sure what media training has to do with recruitment. I will read that carefully and see what information we can provide.

Mrs REDMOND: The question was directed simply at details and costs of any media training undertaken by SAPOL employees, separate from the question of recruitment.

The Hon. P. HOLLOWAY: Police relations with the media are very important. To be effective the police need good cooperation from the public, so the media is an important part of it.

Mrs REDMOND: There is no element of malice in the question. We are simply asking what was spent on the training. I am not suggesting that it is improper to have such training.

The Hon. P. HOLLOWAY: I would not want someone to get the wrong idea about that.

Mrs REDMOND: It is probably something we should all have had before coming into this job. Referring to Budget Paper 4, Volume 1, page 4.16, in the 2006-07 highlights for SAPOL, the new or upgraded police facilities, will the minister advise which new police stations have been built under public/private partnerships for 2006-07 and for the preceding two financial periods?

The Hon. P. HOLLOWAY: Yes, Mount Barker, Victor Harbor, Port Lincoln, Berri and Gawler. There were courts at Port Pirie and Victor Harbor.

Mrs REDMOND: Will the minister give contractual details of costs, terms, annual payments and handover details of each new facility?

The Hon. P. HOLLOWAY: I have completion dates and practical completion/occupation dates. In relation to Berri, it was 24 January 2006; Gawler, 3 February 2006; Victor Harbor, 11 April 2006; Mount Barker, 22 April 2006; and Port Lincoln (done in two stages), first stage 22 June 2006. The courts were 9 December 2006. I think they were all done under one contract with Plenary Justice. It was not administered by the police.

Mrs REDMOND: I am interested in what the terms were for the public/private partnership. How long does the arrangement go on? Is there a pay-out at the end? What are the terms of the public/private partnership entered into, either as a whole or, in each case, if they were separate contacts?

The Hon. P. HOLLOWAY: I will ask Mr Patriarca to give the details.

Mr PATRIARCA: The term of the contract is 25 years and there are lease payments for that period. SAPOL administers the contract on behalf of the courts and the police

in terms of the ongoing contract administration for managing the lease payment.

Mrs REDMOND: Is there any payout at the end of the 25 years—any balloon payment, as one commonly finds in lease arrangements?

Mr PATRIARCA: I do not have the details of the contract in front of me, so I cannot answer the question.

Mrs REDMOND: As a supplementary question on the same topic, the 2007-08 targets on the same page indicate that further new facilities will be built over the 2007-08 year. Which new police stations will be built under public/private partnerships in the next year?

The Hon. P. HOLLOWAY: Of course, recently we opened the Aldinga Police Station. Golden Grove has been built, and that will have its official opening very soon. There are also the shop fronts, of course.

Mrs REDMOND: What are the determinants for when you enter into a PPP to get a new police station and when you simply build a new police station as part of government-owned capital expenditure?

The Hon. P. HOLLOWAY: That is probably more a question for the Minister for Infrastructure. Clearly, the bulking up of a number of projects was important to the success of that. I think the five stations were bulked together, plus a couple of courthouses. Mr Patriarca may wish to add something.

Mr PATRIARCA: In order to undertake a PPP the capital costs need to be significant. In the case of the first tranche of police stations there was a large capital component, which meant that it was viable for a public private partnership. A very small-scale police station—or a small police station where we lease the premises—obviously is not viable for a PPP.

Mrs REDMOND: Again, in terms of the new proposals, I understand that, given the previous answer with respect to those relating to 2006-07, the minister may need to take this question on notice. However, I would like to have the contractual details as to the costs and the term of anything which is to be a PPP over the next year. You do not think there will be any?

The Hon. P. HOLLOWAY: As I said, I understand there are no further PPPs. We were able to do that, because they were grouped together. In relation to future stations, we have already talked about those on the APY lands; and, clearly, separate issues are involved up there. Of course, we announced a new police station at Roxby Downs. That is one of the significant new elements of the budget. Also in the out years is a new police station at Murray Bridge. I am sure that if the honourable member has been out beyond her electorate to Murray Bridge she would know that that police station really deserves to be next on the list for replacement. We have significantly upgraded police resources in the last few years, but the police station at Murray Bridge remains one of the least suitable, shall we say. That is now on the works program for the out years. There are also, of course, a number of shop fronts which will begin in the next year or two, but that tends to be largely leasing office space.

Mrs REDMOND: Minister, you will be pleased to know that not only have I been beyond my electorate but I also practised in Murray Bridge, so I am familiar with the Murray Bridge situation.

The Hon. P. HOLLOWAY: Then the honourable member would agree that it does need to go on that list.

Mrs REDMOND: Indeed, my very next question is in reference to it. With respect to the \$9.5 million budget

allocation for the replacement of the Murray Bridge Police Station, is the new police station to be built on the existing site or is it another site; and, if it is another site, has the site been chosen for the new police station at Murray Bridge?

The Hon. P. HOLLOWAY: That work has not been done. We have simply made a decision in principle that we need to slot that money into the budget to replace it. Certainly, it needs replacing, but those details will obviously be worked through as we get closer to the date. It was important to at least put that into the program.

Mrs REDMOND: I take it then that the minister would not be in a position at this stage to provide a budget breakdown of the costs associated with the new work there?

The Hon. P. HOLLOWAY: No.

Mrs REDMOND: Will the replacement station include any budget allocation for an upgrade of the court, with which I am even more familiar than I am with the police station?

The Hon. P. HOLLOWAY: I guess that is a matter for justice, really. If there is some benefit in doing that, I presume that issue will be considered at the time. We have simply made provision in recognition that we do need better facilities for police in that region.

Mrs REDMOND: Can I confirm that, at this stage, the \$9.5 million allocation is simply for the police station?

The Hon. P. HOLLOWAY: Yes.

Mrs REDMOND: When I worked at Murray Bridge I did far more criminal work than at any other stage in my career. I refer to Budget Paper 4, Volume 1, page 4.18. I refer to the SAPOL works in progress on the Golden Grove, Para Hills and Aldinga police stations (and I understand the minister indicated previously the completion of the Aldinga Police Station), and specifically to the investment payment summary at page 4.18. Which arm of SAPOL is responsible for the asset management commissioning and decommissioning of police stations?

The Hon. P. HOLLOWAY: I think I know where this is leading. We will ask Mr Patriarca.

Mr PATRIARCA: I have responsibility for the physical assets of police in terms of commissioning and decommissioning facilities.

Mrs REDMOND: Not surprisingly, I suspect that the minister does know where this question is going, because Channel 7's *Today Tonight* recently reported that the Para Hills Police Station on Bridge Road, which was closed in January this year, was not secured properly and subsequently was badly vandalised and had furniture stolen. It was also reported that files and notes to the Commissioner were stolen from the office and later found. What is the regular procedure for decommissioning of a police station? I assume that it was not that; and, if it was not that, why was it not followed in this particular case?

The Hon. P. HOLLOWAY: It might help if Mr Patriarca would put on the record what we understand to be the case in relation to what happened at Para Hills and then, perhaps, refer to the more general issue. I will leave it to Mr Patriarca to explain what was left at Para Hills.

Mr PATRIARCA: The normal procedure for decommissioning a police station is for the local police officers to remove all the operational files and any equipment that was deemed to be of value. In the case of the Para Hills Police Station, all the operational files and operational equipment were relocated to the new complex at Golden Grove. Some furniture and other goods of use were relocated to other locations within police facilities, but I do not have those

specific details. What was left at the facility were basically items which were damaged or of no salvageable value.

The process once the police station was cleared was that two senior people, the LSA admin manager and the officer-in-charge of that station, went through the premises twice to ensure that no operational policing items were left. That took place. The building was then secured. Subsequent to that, we did suffer a number of vandalism attacks on the facility. In terms of current status and in reference to the images on the *Today Tonight* show, the building has been boarded up and further secured. We have increased the security in terms of patrols by PSSB. The facility has been cleaned up in terms of the damage that was done and we have taken extra steps to secure the facility.

The Hon. P. HOLLOWAY: I also confirm that that site has been declared surplus to requirements by the Minister for Infrastructure and that it will be disposed of by the Land Management Corporation. As part of that process, the LMC will organise and manage the demolition of the existing buildings and structures on the site. As Mr Patriarca has said—and I know some reference has been made to a small number of documents—it is my understanding that what furniture was left in there was considered to be of no salvageable value. Of course, as I said, the intention is that the building be demolished.

Mrs REDMOND: I take it then that there was no cost to taxpayers in the vandalising of the building.

Mr PATRIARCA: No; I can confirm that the cost to board up the facility and to clean the hazards caused by the vandalism was about \$5 000. Obviously, we could not leave it in that state. I should also advise the committee that we have decommissioned a number of facilities and that this is the first time we have had a problem with vandalism on one of our facilities. It is unfortunate.

Mrs REDMOND: What is concerning is the fact that we heard that nearby residents complained about vandals being on the premises and there was a failure to respond to the complaints when the vandals were on the premises. Is there any comment to be made in relation to that information that has come to us?

Mr HYDE: I have no information available in respect of that, so if you do have any information, I would appreciate its being provided and we can follow that up.

Mrs REDMOND: Thank you. I refer to the police response aircraft referred to in Budget Paper 4, Volume 1, page 4.16. The 2006-07 highlights state that the government took delivery of a new police response aircraft and, in a media release dated 17 October 2006, the Premier stated that the aircraft would be operational after a refit by April 2007, but apparently it was not officially commissioned until 24 June, when the Premier announced that he had officially commissioned the \$4.14 million aircraft. First, what was the cause of the two month delay; and, secondly, has all fitting of specialised police equipment been completed on the aircraft and was it done within the budget?

Mr HYDE: The plane was commissioned some months earlier to its recent launch by the Premier. It has been in operation for a number of months. In the commissioning process, all the requirements are satisfied, otherwise it does not go into service. It was commissioned in about April. In fact, I think it might have been a little earlier than that, and it was used for a few months until it was officially launched more recently.

The Hon. P. HOLLOWAY: That is the case also in relation to police stations. For instance, if one looks at the

Golden Grove Police Station, there will be an official opening fairly soon. Clearly, that has been in operation and used by police for some time. That has been the case with all the stations.

Mrs REDMOND: In relation to the part of the question on the aircraft, I take it that was within budget also, Commissioner?

Mr HYDE: Yes; I am advised that it was within budget.

Mrs REDMOND: I refer to the same Budget Paper, page 4.25. I refer to the subprogram on page 4.26 regarding the performance commentary for crime prevention, illegal drug activity. It is noted in the performance commentary that there has been a significant increase in the detection of clandestine drug laboratories, but funding for that program has been cut by \$2.8 million. We understand that there is a fair connection between this sort of illegal drug activity and the increasing problem with our bikie related crimes. Can the minister account for the \$2.8 million cut in funding for this program and also provide details of how he intends to tackle the issue of illegal drugs and drug related crime?

The Hon. P. HOLLOWAY: First of all, I will ask the Commissioner to explain the figures, then I will make some comments.

Mr HYDE: Unfortunately, the allocation of funding and costs with the programs and subprograms is not handled very precisely in the budget papers, because many police operations are dealing with a number of programs and subprograms at once, and so we have a survey methodology to try to allocate that. From time to time that will reflect increases and decreases which are more artificial and more of an accounting exercise rather than indicative of our real resource application to those areas, and that will be the case here as well. Yes; we have experienced an increase in clandestine laboratories for the manufacture of amphetamines and methamphetamines. Many of these laboratories are quite small. Some are what are called box laboratories. They get that name simply because you can put the apparatus for manufacturing the drug within a box, which can go into the boot of a car and be shifted quite easily.

It is something which we have seen grow not only in South Australia but in other states of Australia as well—notably Queensland—and it is consistent with the availability of methamphetamine within the community. It is of concern to us. I am not sure whether the minister wants to answer the second part about the government's policy on dealing with drugs, so I will hand back to the minister.

The Hon. P. HOLLOWAY: In relation to that, the government has introduced a number of measures and is currently drafting some more legislative changes specifically to deal with drugs. We have recently had some results in from Operation Mantle, which was specifically designed to look at the street end of drug dealing. Clearly, if we are to control drugs, we need to look at all ends of the operation, that is, the importation of drugs and the manufacturing and distribution of drugs. Of course the outlaw motorcycle gangs are a significant component, but we also need to concentrate on the street level distribution of those drugs. We really need to look at all those components.

Of course, Operation Mantle has been particularly successful in dealing with that problem at the street level, and that is significant because we know that 37 per cent of people detained by police in Adelaide attribute at least some of their offending to illicit drug use. So, the more effective we are in dealing with drugs, the more effective we will be in reducing

some of the property crime that is associated with drug use, including serious criminal trespass.

The major legislative reforms that are currently under development (and SAPOL is having an input into these) are as follows: looking into the Controlled Substances Act, including amending legislation to address the procurement of chemicals and equipment used to manufacture prohibited substances; and addressing the issue of state border closure for drug searches. Other issues we are looking at are the regulation of the sale of hydroponic equipment; the declaration of premises habitually used for drug dealing; firearms offences, coupled with drug offences; and other issues in relation to hydroponic equipment.

We are currently undertaking a review of the Firearms Act and regulations, and I recently indicated that it is hoped that we get the changes through that specifically deal with problems that have come up in relation to firearms and outlaw motorcycle gangs within the remainder of this current session. The other issue under the Controlled Substances Act that we are looking at is the use of the passive alert detection dog teams, and we hope to have that legislation introduced fairly soon. We are looking at issues such the encryption of electronic data under the Listening and Surveillance Devices Act and the Police Act, and a number of other reforms. The major acts we are looking at are the Controlled Substances Act and the Firearms Act because they relate to drugs.

Mrs REDMOND: In relation to the chemical laboratory-type set-ups, my observation (and I am only a very casual observer of these things) is that both here and interstate an increasing number have been found in motel rooms because they are highly portable, as the Commissioner has already indicated. They are also found in a large number of rental properties, and particularly in the Hills, where they are perhaps a little more isolated from neighbours. I wonder whether any thought has been given to specifically making not so much landlords but maybe real estate agents who manage rental properties for landlords and motel proprietors more aware of what to be on the lookout for in terms of clandestine drug laboratories.

The Hon. P. HOLLOWAY: Obviously, we will look at any reasonable suggestion but, from some of the anecdotal evidence we have, there is no doubt that motels and so on are used as clandestine laboratories. I believe that some of the chemicals that are used can be fairly dangerous, and those issues are associated with that as well. I will ask the Police Commissioner to further comment.

Mr HYDE: Specifically targeting the real estate industry to get its support in identifying suspect rental accommodation for use in the manufacture of amphetamines and cannabis is something that is a good idea. I would be surprised if we are not doing that, because we do enlist the community to provide support in trying to identify suspicious activities. I will certainly ask some questions about whether or not we are doing it because, if we are not doing it, it seems to be a fairly good idea.

The Hon. P. HOLLOWAY: I would say that there are probably safety issues as well because I gather that some of the residues of the chemicals used can be fairly toxic. I think I can recall the Attorney announcing that looking at a charge of aggravated offence for people who use drug laboratories around children is another issue we need to address.

Mrs REDMOND: It just crossed my mind that, rather than relying on the obviously excellent nose of off duty officers who happen to detect a smell in the air as they walk past premises that turn out to have something untoward going

on, usually premises that are rented would have some sort of capacity for the landlord or the landlord's agent to enter and inspect, in any event, so it would seem me that there may be a pathway into checking out suspicions.

Still on the same topic, an *Advertiser* article of 29 June states that a special group will be set up to prepare a comprehensive report on methods of combating outlaw motorcycle gangs. My usual question would be: can you please define 'outlaw motorcycle gangs', because I am not aware of there being any definition? Will the minister provide details of what costs are associated with the undertakings of this special group?

The Hon. P. HOLLOW: I assume that the article was referring to the decision of the police ministers to set up a working group, which would essentially involve the commissioners or their nominees from each state and New Zealand to look at this issue. I will ask the Commissioner, who is more familiar with how these groups operate, to explain how that is likely to work.

Mr HYDE: Is it the local legislative changes you are referring to, or is it this national working group that is going to look at outlaw motorcycle gangs?

Mrs REDMOND: My understanding is that it was a more local group that was being reported on, but I am not absolutely positive of it, and I do not have *The Advertiser* article with me at the moment.

Mr HYDE: I can explain what we are doing locally at the moment. There are a number of parts to it: the first is that we believe there ought to be legislative change to help in terms of dealing with the criminal behaviour of so-called outlaw motorcycle gangs; there are concerns about their involvement in organised criminal activity; there are concerns about their involvement in serious violence, particularly between themselves; and there are concerns about their behaviour in public places which causes alarm to the general community. They are a particular group that is of concern to us.

We have eight particular outlaw motorcycle groups here in South Australia and I think about 13 chapters associated with those groups. Nationally, there are about 240 chapters of outlaw motorcycle groups, so it is not just an issue here in South Australia. South Australia and Western Australia are the only states that have dedicated resources to deal with them. We are now seeing, though, Queensland and New South Wales move to set up permanent task groups to deal with them, and also other states are looking at their positions, as well.

In terms of being able to deal with these groups, we do need legislative change. We are suggesting that the government looks at a range of things, and one that obviously comes to mind is that we should ban particular groups, such as outlaw motorcycle gangs. We have looked internationally to see whether there are any models that might be effective in taking that approach, and it has been suggested by the DPP here in some shape or form, using a Hong Kong Model. However, nowhere is there a well-established model that one could say is an effective way to proceed.

A number of countries have introduced them, including New Zealand, but they are a bit problematic in terms of how effective they can be. We are saying to the government, 'It might be a good idea, but we really need to look at it more closely. There are some other things that we think would be far more effective, particularly in the short term, when dealing with these people.' We believe it is better to focus on the individuals rather than the groups.

We have suggested that offences such as 'criminal association' be introduced so that you attack them associating together, in terms of their criminal behaviour. You may be familiar with the old consorting laws; it is that sort of concept but in a modern context. We are not dealing with those old-fashioned types of behaviours (such as prostitution and pimps, picklocks and things of that nature); we are talking about a more modern context, particularly with the manufacturing and trafficking of drugs.

We are looking to have something like a control order where you can prohibit particular individuals from certain behaviour in certain locations and certain associations. There are examples of that in the UK, where they use what they call antisocial behaviour orders. They can be quite effective in dealing with certain behaviour. We are looking at offences that have been used well in other places (like Hong Kong), such as unexplained wealth, where people have far more assets than their income would suggest. These sorts of offences were used in the anti-corruption moves of ICAC, back over 20 years, and they have been quite effective, so a model along those lines could be effective here, as well.

That has the benefit of not only creating a criminal offence for possessing unexplained wealth but it also gives us the opportunity to remove those assets from criminals, because taking away their profits is a good way to tackle these people. We are looking to have offences which deal with violent behaviour in public places. Some old offences, such as affray and unlawful assembly, were removed when assault laws were modernised, but they actually served a useful purpose.

New South Wales has some reasonable legislation in that respect which I think might have been introduced after the Cronulla riots. We are looking at those sorts of things. There are quite a number of other things which we are suggesting ought to be looked at in terms of dealing with these people—particularly firearms laws. You may have noticed in the *Sunday Mail* only a week or so ago a case that was thrown out when a firearm and drugs were found in the bedside table of a particular bikie, and we were not able to prove his possession of them. That is too easy.

There is the example of a raid on some clubrooms a few years ago where we found 16 or 17 firearms and none of the club members could be convicted of possession because of the way the possession laws were. Some other states have a deeming provision so that, if you are the owner or occupier of a house or premises, you are deemed to be in possession unless you show that you are not. We are looking for some of those things to be introduced.

There is a raft of legislation that ought to be introduced, as well. We need to do other things, of course, and we are looking at our operations. With Operation Avatar we are looking to upgrade the number of staff involved in targeting the bikies, and that is under way at the moment. The Australian Crime Commission has a reference on the intelligence operation to deal with bikies and, whilst there have been some investigation operations in place (including here in South Australia), we would suggest that they need to upgrade that. That is a matter that I will be taking to the board of the Australian Crime Commission.

At the police ministers meeting in New Zealand late last week there was agreement to set up a national working group to see whether or not there is a common approach which can be achieved around the country to improve the effectiveness of dealing with bikies, and I am chairing that working group. We are hoping to get some support nationally for tackling the bikies, as well.

Mrs REDMOND: Terrific. Thank you for that.

The Hon. P. HOLLOWAY: I think the honourable member asked something about costs. In relation to the committee (which is really officers from SAPOL working with officers from the Attorney-General's Department in relation to these issues), I do not expect there is any specific cost associated with that; it is really just officers working together to draft those legislative changes.

Mrs REDMOND: Is there anything in the budget specifically to tackle the issue of bikies?

The Hon. P. HOLLOWAY: I do not believe so—not that has been specifically identified. Clearly, the operations are just funded out of general police activity. I am certainly not aware that anything specifically has been done.

Mrs REDMOND: I am pleased in particular to hear the Commissioner talk about the unexplained wealth provision, since the Hon. Nick Xenophon and I made a public announcement about our favouring that in the last month or so. I want to refer briefly to the Roxby Downs Police Station, but just before I do—and I am sure the minister will be just as interested in the answer to this question as I am—there was a reference in answer to an earlier question about shopfront office-type police stations. Can the minister confirm that there is no intention to decommission the Stirling Police Station in favour of a shopfront?

Mr HYDE: I thought Stirling was going to be decommissioned anyway.

Mrs REDMOND: I know we are a law-abiding lot.

Mr HYDE: That facility is used to support Mount Barker, and some operations have been conducted from there. There are no plans to decommission the station, and I will take that back. I am very cautious about closing any police station. I would have to say that, generally, and particularly in country areas—not that that is very remote in the Adelaide Hills—and even in smaller communities where there is an established police station, there has to be a very good reason for closing them in terms of the public concerns and the service to the public. I am not aware of any suggestion to close Stirling at the moment. However, I must say that it is really an adjunct to Mount Barker. Maybe we have a better use for the facility there, and that is something we ought to look closely at.

Mrs REDMOND: I am just concerned at the possibility that we might get rid of an asset when, in fact, there is not very much in the way of shopfronts around the area to replace it, even if one were minded to. I really think there is a value in having a police station in the main street of any town. In relation to the Roxby Downs Police Station, and, again, I refer to the investing payment summary on page 4.18 of the same budget paper, can the minister advise whether a site has been chosen for the new station at Roxby Downs?

The Hon. P. HOLLOWAY: In my other role as mineral resources minister, I know that the administrator of the town would like to see it in a particular location. I think there is a PAR going on at the moment. Given that Roxby will expand rapidly, a PAR is being prepared to allow for the expansion of the town. I know there is a preferred site for the police station, at least from the point of view of the planners, but whether or not the police have agreed to that yet I am not sure. As I understand it, I think current site was part of the town expansion, and certainly the administrators would prefer to see it located on the main road, which is the road which heads out of Roxby towards Olympic Dam. That is what the planners would like, but whether that is suitable from a police perspective. I guess that will be resolved over the next 12 months or so.

Mrs REDMOND: Again, like Murray Bridge, I assume that because a site has not been chosen it is impossible to have a breakdown of what it is going to cost and anything else to do with the project at this stage.

The Hon. P. HOLLOWAY: I imagine that is the case. My advice is it has just been costed on the basis of the number of police and functions, so it is a fairly preliminary sort of assessment at this stage.

Mrs REDMOND: I refer to the Capital Investment Statement, Budget Paper 5, page 22, regarding work in progress on the National Exchange Police Data. Will the minister explain why the completion date for the National Exchange Police Data project has been extended from June 2007 to April 2008?

The Hon. P. HOLLOWAY: I will ask Mr Patriarca to answer that question.

Mr PATRIARCA: The project that is referred to there is the minimum nationwide person profile, and South Australia is one of the jurisdictions that are participating in the roll-out of that exchange of data across all jurisdictions. In terms of the timing, we are tied into the national program, the national roll-out. The system now has been piloted in New South Wales and Victoria and is now operational. A number of other jurisdictions are proceeding down the path of development, so we had to tie into the availability and timing of the system for roll-out to jurisdictions outside the pilot. We are proceeding with that. I can tell you that we are pretty much on schedule for the national roll-out. We have just completed the design for provision of the data, and we have just started work on the consumption model, which will allow the deployment of national minimum person profiles to our operational police.

Mrs REDMOND: I refer to Budget Paper 4, Volume 1, page 4.47 and the line of fees, fines and penalties. The figures show that the actual collection from expiation fees in 2006-07 was \$58.379 million and that the government proposed to slug motorists an additional \$26 million in 2006-07, taking budgeted collections to \$76 million. What is the reason for the shortfall of almost \$22 million?

The Hon. P. HOLLOWAY: I think we have addressed this. The simple answer is that, basically, people are obeying the law. That is what we like to see happen because, while it might reduce revenue there, I am sure it saves a lot of revenue in our hospitals and in rehabilitation and other areas—quite apart from the trauma and grief. So, if speed cameras and police activity on the road are not raising as much revenue as originally projected, and if that is because motorists are complying with the law, then it is a very good thing.

Mrs REDMOND: Minister, that does not explain why you have an estimated result for fees and fines and the like that is several million dollars below your budget for the next year.

Mr HYDE: There are two factors at work here. First, there is the delay in the roll-out of the camera program and, secondly, there is the change in driver behaviour—and our indications are that it is the change in driver behaviour which is most significant in terms of these numbers.

I will just run through the figures to give you an indication of what has happened. The budget estimate for mobile speed cameras was \$19.7 million and the actual result was \$14.4 million; in the line for fixed speed cameras/red lights the forecast was \$22.3 million and the actual result was \$15.2 million; in the line related to fixed red light cameras the forecast was \$13.3 million and the actual result was \$8.9 million; and for offences detected by our officers the

forecast was \$16.7 million and the result was \$15.1 million. In all those categories the result was under budget. At the end of the day, it is really driver behaviour that is the focus of police activity on these lines, and the behaviour is much better than anticipated.

Mrs REDMOND: I understand that: what I do not understand is why you then budget for a higher amount next year.

Mr HYDE: There will be a number of things happening next year. The budget amount is \$65.8 million, which is less than the \$76 million budgeted last year—

Mrs REDMOND: But more than what was actually collected.

Mr HYDE: That's right; it looks like it is \$7 million more than the actual result. There will be more cameras in place, so it is likely that what Treasury has done (because ultimately it is Treasury that puts these figures into the budget) is anticipate—

Mrs REDMOND: Does it do it on a per camera basis or something?

Mr HYDE: There are discussions with us, but eventually some formula will be used in calculating these sorts of things. Treasury anticipates that there would be a higher level there. Looking at enforcement by police, I indicated that the result was \$15.1 million, yet \$15.3 million has been put in next year's budget. There is a CPI increase on the cost of the fines, and that is about the only thing that has been factored in that is different.

I will go through the lines for the others: for mobile speed cameras the result this year was \$14.4 million and they factored in \$15.1 million (so it is not much more); for fixed speed cameras through red lights the result was \$15.2 million and they factored in \$19.2 million (that is a big increase, and is probably due to the extra cameras being put in place); and for red light cameras the result last year was \$8.9 million and they have factored in about \$11.5 million. So, at the end of the day, there is an assessment about what the outcome will be, and I think the cameras are having an influence on those estimates. However, if last year's result is any guide it is likely that the \$65 million will not be reached.

The CHAIR: That being over the time allotted, there will be no further questions for the Minister for Police. I declare the proposed payments for South Australia Police and administered items for South Australia Police completed.

Department of Primary Industries and Resources,
\$163 061 000

Administered Items for the Department of Primary
Industries and Resources, \$4 886 000

Additional Departmental Advisers:

Dr B. Halliday, Executive Director, Planning SA.

Mr P. Smith, Director, Development Assessment,
Planning SA.

Mr R. Teague, Director, System Improvements, Planning
SA.

Membership:

Mr Griffiths substituted for Mrs Redmond.

The CHAIR: I declare the proposed payments open for examination and refer members to the Budget Statement, in particular, pages 2.16 and 2.17, and the Portfolio Statement, Volume 2, Part 5, pages 5.15 to 5.17.

The Hon. P. HOLLOWAY: Given that we are a little late starting, I will forgo making any comments.

The CHAIR: Do you have an opening statement, member for Goyder?

Mr GRIFFITHS: No, I do not. I am never quite sure how the references that you read out, as they relate to the budget papers, align to the question areas that we ask about but, given my experience in the other chamber, I will try to make sure that we are a little bit closer today. Minister, I refer to Budget Paper 4, Volume 2, page 5.15, and the total expenses line within that. We are particularly interested in the State Planning Review, which you announced on 19 June. Will you advise how much has been allocated from within that budget line to undertake the State Planning Review?

The Hon. P. HOLLOWAY: I will ask Geoff Knight to take that question.

Mr KNIGHT: At this stage, as the member is aware, the planning review is only just at the stage of commencement this week. The steering committee appointed under the chairmanship of Michael O'Brien has met for the first time. One of the first tasks is to develop a work program for the review and to initiate the process. We are yet to finalise the process or the detailed work program for the review but, as much as possible, it will be done within the existing resources of the agencies affected.

The review has been done jointly with the support of PIRSA. We have already decided to second people from within Planning SA to work with that review. Likewise, the other major partner in the review is the Economic Development Board, which has seconded someone from its office to work full-time with the review. In any event, the review itself brings together much of the reform program that has been underway for the past 12 months or so. Our expectation is that it will be done very much within the existing resources—between the two agencies, being PIRSA and DTED.

Mr GRIFFITHS: I presume that it is too early for you to identify how many staff will be involved.

The Hon. P. HOLLOWAY: As Mr Knight just indicated, there will be a couple of staff seconded: one from PIRSA and at least one from DTED.

Mr KNIGHT: We have already allocated two full-time staff working as part of the secretariat. As the review progresses, we will undertake further work, but it is not considered to be outside of the scope of the reform program that Planning SA has underway. By way of example, I just draw attention to the fact that one of the terms of reference for the review is to look at the interaction between the Development Act and other legislation that the government has in place to ensure that we get the most efficient and effective planning system that we can. That is something that Planning SA has been working on for a while. You would be aware that we had a number of amendments introduced last year which are being implemented.

The review will draw that work to its finality but, by and large, behind the two people we have seconded in we will be accessing a range of resources as needed from within Planning SA. We believe that most of the expertise is there. If there is a need to draw in external expertise, that will be on an as-needs basis but, by and large, we believe that most of the expertise is accessible to us.

Mr GRIFFITHS: Given that Planning SA has, I would presume, quite a high workload already by taking on this additional role, is it necessary to backfill any people who will be seconded to be involved in the planning review?

The Hon. P. HOLLOWAY: Planning SA has 158 staff. We believe that we can absorb that.

Mr KNIGHT: The only addition I would make is across PIRSA. If there are particular pressure points during the process, we have the capacity to draw on those resources as needed. In fact, some members would recall that earlier in the day we talked about the fact that we had managed to do that through the drought. We have significant capacity to apply those resources where they are most needed for government priorities, so I expect that we would continue to do that across the portfolio.

The Hon. P. HOLLOWAY: If I had made my initial opening statement, I would have referred to all of the planning reforms that we have made in the legislation, and in other areas over the past few years. So, I reiterate the point that reform of the system has been part of the tasks that Planning SA has performed over the past few years. It has been quite a heavy load. There have been four bills, I think, four separate changes to the Development Act, so there has been a significant workload already in that area.

Mr GRIFFITHS: Is there any budget allocation for remuneration or sitting fees for the committee, or are they all just staff members who will be part of the department costs?

The Hon. P. HOLLOWAY: Obviously, the staff will just be seconded over. I think the other key members of the review are either members of parliament (in relation to the chair) or members of the Economic Development Board who, of course, are remunerated.

Mr ARCHER: There are minor out of pocket expenses, but they are members of the Economic Development Board and are drawn from its working group. There are two senior members from the local government sector who have been released to work on this review on behalf of the local government sector. If there are minor out of pocket expenses for travel and such things, they will be met, but I expect them to be minor in nature.

Mr GRIFFITHS: In addition to gathering as much available skill, expertise and theory as possible, is the minister seeking advice or expertise from interstate and overseas?

The Hon. P. HOLLOWAY: Interstate input is important and already members of the Economic Development Board have travelled interstate and spoken to people about that. If necessary, the capacity will be made available to other members. In terms of looking at support, we have the capacity through departmental budgets for consultancies to undertake that work as well, because those consultancies are undertaken within departmental budgets anyway, so that can be addressed within the purview of the committee.

Mr KNIGHT: You may be aware that there is a considerable program of planning reform within the ambit of COAG currently, so much of the work involving the states—Bronwyn Halliday is a member of the national working group—is such that we do not have to put people on planes to find out what is happening on the other side of the border as we have an ongoing program with COAG. With planning reform around Australia there are some aspects of the South Australian system that other states seek to emulate.

The Hon. P. HOLLOWAY: We have had the New South Wales minister visiting us recently, and he is looking in

particular at our development panel assessment composition issues.

Mr KNIGHT: When it comes to benchmarking, the COAG process has launched a major national benchmarking process. Bob Teague is playing a role of coordinating much of that work, so in some ways, in best understanding where we sit and lead Australia versus where we do not, we are in a good position to know much of that already. In some ways this is not a review where we will spend six months in a state of inquiry. It is reasonably evident where we have made reforms over the past 12 to 18 months and which areas we now need to move on in order to catch up in areas where we might lag behind other states, but it is not any great secret where they might be.

Mr GRIFFITHS: Having worked in local government for 27 years, I realise that it is a complex area, but it is important that we get it right. I am pleased to hear that South Australia is leading the nation in many areas and I commend you on that. I refer to Budget Paper 4, Volume 2, page 5.15, the planning and development fund. The 2006-07 budget included \$9.599 million in revenue to the fund. Will the minister advise what was the estimated expenditure from the fund for 2006-07?

The Hon. P. HOLLOWAY: There were some changes. The fund exceeded the government's expectations. Probably after the budget papers were printed we sought permission for the additional revenue that came in—about \$1.25 million, so that would be added to what is provided in the budget papers when that revenue was confirmed. It was revenue in, revenue out. Whatever we received in revenue over the course of the year, which I think was \$1.25 million above that figure, was spent. There were a number of worthwhile projects, which I would be happy to detail if you would like me to.

Membership:

Mr Pederick substituted for Mr Goldsworthy.

Mr GRIFFITHS: We would be interested in a breakdown of expenditure for the planning and development fund for 2006-07.

The Hon. P. HOLLOWAY: I will ask Steve Archer to reply.

Mr ARCHER: The revenue in the estimated results, as published in Budget Paper 3, is \$10.335 million as opposed to the estimated amount of \$10.09 million. Subsequent to that being published we have sought and gained cabinet approval to increase it by a further \$1.225 million. That increase is as a result of extra development approvals throughout the year. At the time of publishing of the budget papers that information was not available for us to include.

Mr GRIFFITHS: How much money is held in the fund now? You are talking of money in and money out, but is money held in the fund?

The Hon. P. HOLLOWAY: The closing balance at the end of the financial year was \$11.497 million. I have been minister for about two years, but when I originally became minister it was about \$4 million or \$5 million, so there has been a significant increase, which is why the balance increased. It has increased over time to \$11.497 million. Given the expectation for the fund to increase, we sought and gained cabinet approval to expend all the money coming into the fund, so there is a significant balance in there, but we have been spending what has come into the fund.

Mr GRIFFITHS: So, therefore, really all of it is allocated out? There might be money in the fund at the moment, but the intention is for that to be totally acquitted against programs?

The Hon. P. HOLLOWAY: That is just a balance that stays in the fund for other purposes. Of course, in budgetary terms, I am sure that if you speak to the Treasurer he will tell you that any expenditure from that fund has an impact on the budget bottom line. Approval, as such, would be required for that expenditure. Certainly, there could be a year where, if revenue were falling, one might need to call upon a balance of the fund, but at this stage we believe it is prudent to expend all the revenue that comes into the fund, given that there is the healthy balance behind it.

Mr KNIGHT: Obviously, the challenge in managing a fund of this kind is to live within the scope of the funds available. Experience of the last few years shows that we will never know the final receipts of that fund until close to the end of the year, because a lot of developers transact major transactions later in the year. Balanced against that is the need to provide some certainty to councils and other bodies that undertake work pursuant to the funds. We try to maintain a degree of certainty. You would be aware that we receive applications. Recently, following a review of the fund, we set up a new advisory committee to advise the minister across all aspects of the fund.

We try to make sure that funds go to the highest priority in terms of either open space or the Places for People component. Our aim always is to match in any one year revenue into the fund and outgoing from the fund, bearing in mind that sometimes that represents a challenge, because we can receive quite significant late receipts. As Mr Archer indicated a moment ago, we had approval from cabinet late in the year to expend some additional revenue over and above that which we had originally expected. That was possible because the advisory committee had already provided recommendations in relation to projects affecting local government. We were therefore able to move ahead, finalise approvals and execute those cash flows out, mainly to councils.

Mr GRIFFITHS: My recollection is that the recent announcement for Places for People was about \$3.7 million. I was very pleased to note that three projects within my electorate were supported, and I thank the minister and his department for that. They are all very worthwhile projects.

The Hon. P. HOLLOWAY: We assess them all on their merits. Unlike your federal colleagues, we do not use a wide board with marginal electorates.

Mr GRIFFITHS: I am very impressed. Can the minister just give me an estimate—and I understand that it will be that—on what he believes he will expend from the fund in 2007-08?

The Hon. P. HOLLOWAY: I think our estimate now is of the order of \$9.9 million. I believe that is the estimate for this year. Of course, I will be only too happy if the revenue keeps exceeding that amount. Obviously, it depends on the source of revenues to the fund, mainly subdivision.

Mr GRIFFITHS: Again, I refer to Budget Paper 4, Volume 2, page 5.8, and my question is in regard to long-term land supply. I refer to the target to undertake the analysis for where Adelaide and the regional areas should grow in the future to meet South Australia's strategic plan population target of 2 million by 2050. Can the minister please confirm whether the government is planning to conduct a review of the urban growth boundary as part of this targeted analysis?

The Hon. P. HOLLOWAY: I think the government has made clear that the urban growth boundary is not set in concrete. It is something that does need to be reviewed from time to time, and that exercise will be undertaken. In relation to where Adelaide grows, obviously, some major work is being done by Planning SA in relation to our population targets. Basically, if we look at the land supply patterns that underlie these issues, roughly speaking, about 50 per cent of new dwelling construction in the Adelaide metropolitan area is broad hectare fringe development and 50 per cent is from other, which would include regeneration of the sites, infill, retirement, high rise in the city, and so on.

It has been roughly this 50-50 split between greenfield if you like, and brownfield development. The current estimates are that, within the metropolitan broad acre area, 3 141 hectares (which is about 10 to 12 years conservatively estimated) are held roughly 33 per cent by the LMC, about 25 per cent by developers, 36 per cent privately owned and the remainder by others, such as the Housing Trust, and so on. Of course, also in the outer metropolitan area (the near-country arc), about 1 900 hectares are zoned residential, and that would include the Barossa, the South Coast, Strathalbyn, Mount Barker and the Adelaide Hills but not Murray Bridge. Basically, that is the situation. As I said, we always made it clear that it is not set in concrete, and we are looking at that issue.

Mr GRIFFITHS: My recollection from questions with the Minister for Transport, the Minister for Energy and the Minister for Infrastructure is that about 93 hectares are owned by the LMC within the urban growth boundary and 40-odd hectares of that were in the Northgate area where Canberra Investments is about to invest. In regard to trying to meet that target of 2 million people by 2050, we all recognise that land supply and affordability will be crucial aspects. Can the minister confirm what resources the government is allocating for a long-term land supply plan and the implementation of this plan in this and future budget periods? In particular, I wonder about the infrastructure that is necessary for that. What plans does the minister have in place within the forward estimates period to ensure that it occurs?

The Hon. P. HOLLOWAY: The land supply is a matter for the LMC: it is the government agency that provides land in relation to infrastructure. Obviously, that is spread across a whole range of different government departments. Perhaps what we can say in relation to planning more generally is that the government has been undertaking these investigations to which I referred earlier in relation to our population targets of 2 million people by 2050. In October 2006, in the context of the ongoing review of the planning strategy, Planning SA, together with key agencies, commenced investigations into the long-term options for future urban growth. The objective of those investigations was to develop a long-term strategy to guide government decisions on growth areas, resource allocation, infrastructure provision, lead times and forward budgeting to accommodate urban growth and demographic change within South Australia.

Cabinet has considered and endorsed the preliminary investigative research work. Perhaps I will ask Bronwyn Halliday to indicate where that is going. I think initial consultation has been done with councils, but I will leave that to Bronwyn to explain. Further investigations will encompass greater details on matters, including employment; transport infrastructure; health; education and community service infrastructure; key utilities, including water and energy; sustainability; and the ecological footprint. I will ask

Bronwyn whether she has anything to add in relation to where those discussions are at.

Dr HALLIDAY: We are currently working on a whole of government approach with councils in the metropolitan and outer metropolitan area to do some more research around the information that we have generated in relation to where some of the growth could go. We have a session with those councils scheduled for 23 August, I believe. We will be presenting the findings and looking to them to assist us as we work forward on some of the research that is required, because you would appreciate that some of it is very complex research. We have done a theoretical capacity review, so we know how much growth can be accommodated in particular places, but we all know that a theoretical capacity review is not actually the same as a realistic review, and we need to work with councils on that. In answer to your question about the number of staff, there are in excess of 20 staff in the strategic planning section, the demographic section and the geographic information section working almost full-time on this work at the moment.

The Hon. P. HOLLOWAY: Perhaps it is worth adding that, in addition to the population target impact that that will have on housing formation in Adelaide over the next 40 or 50 years, it is really the ageing of the population which will have an equally significant impact, particularly the large increases in older age groups in both absolute numbers and proportional terms which will have a big impact on the type of housing that is required. That is almost as significant, I think it would be fair to say, as any growth in population itself.

Mr GRIFFITHS: As an extension to that, I am quite confident that something I read in the past month or so talked about that fact along with the increase in population. Currently, we have about 600 000 homes that house 1.57 million people. The projection was that we would need 900 000 homes to house 2 million.

The Hon. P. HOLLOWAY: Yes, that is correct. The number of people per house has been dropping for many years. The state population target was an increase of 450 000 people over the current population, which would include an increase in the rural and regional population of 90 000, that is, assuming we keep the current 80:18 ratio of Adelaide-plus metro to regional areas. Obviously, that demographic change will have implications for household formation. It will likely be expressed as a demand for greater housing diversity—of course, that is the ageing effect, in particular—which, combined with population growth, will lead to a demand for up to an additional 300 000 dwellings in South Australia over the next 40 years. In terms of the State Strategic Plan target, that is roughly the task—

Mr GRIFFITHS: Great opportunities for young people to get into the building game, of course.

The Hon. P. HOLLOWAY: Yes, but we have to achieve those population targets. Although, I am pleased to say that, in the past 12 months, we exceeded the ABS projections in relation to population. Bronwyn makes the point that the number of dwellings is growing faster than the population. Do you wish to comment, Bronwyn, on what your research has shown?

Dr HALLIDAY: There are just two things. First, we work on a household formation rate now dropping to about 1.78 persons per household by 2050. It is currently at just over 2.3, I believe—2.2 or 2.3. That is quite a significant drop. Also, the growth in housing is in one person and two person households. We have virtually the right number of

houses for families, but not the right number of houses for one and two person households, unless of course those people remain in their existing houses. The household formation and the household diversity that will be required going forward are very significant and will have a significant impact on land and on delivery of services to those people as they age. Many of them wish to age in place, so we are starting to look very closely at what sort of ageing policies we have for land use.

The Hon. P. HOLLOWAY: In short, the work that is being done by Planning SA will be very important for determining the shape of future growth. We regard it as very important and it is certainly consuming quite a lot of resources, but we expect that, by the end of the year or some time next year, we will have the results of that.

Mr GRIFFITHS: I wonder if I can pick up on a term that Dr Halliday used—‘theoretical capacity’. I certainly appreciate the fact that, when you look on a map, it may be that the scope for development is there and when you draw a line on a map for a zone to be created you think that it is there, but what sort of response do you have to the fact that councils are now requiring developers to pay in the vicinity of \$15 000 for infrastructure augmentation contributions for infrastructure that is outside the scope of the development? Do you believe that will be an issue in the future growth of some regions?

The Hon. P. HOLLOWAY: Obviously, the propensity of councils to wish to charge developer levies is an issue. The government has made its position clear; that is, we do not support that, but clearly the reality is that the cost of infrastructure is growing. We had an example with Mount Barker council where it negotiated separately with developers. It was outside the PAR process. They came to an agreement with eight or so developers about what they required to enable them to proceed with the rezoning. The government watched that closely, but we subsequently approved it. What we would not like to see is councils seeking to charge a developer costs that are really outside the basic provision of infrastructure for those new developments. In other words, if we thought councils were seeking to levy developers—and, through them, the home owners—for a broader range of social services, we would be very concerned about that.

Mr GRIFFITHS: So, the government is not keen on community centres and libraries wanting to build new structures, but the government recognises that in some cases it is appropriate?

The Hon. P. HOLLOWAY: Clearly, the reality is that the cost of providing infrastructure has to be met one way or another. If we are to have these new developments, they will require drainage, etc. Okay, developers will provide some of those facilities themselves. If a development impacts on traffic flows in other parts of the area that is the direct responsibility of the council, particularly if it is a small council, the council would not have the capacity to pay for it. In the case of Mount Barker, if that development were to proceed and the council could not cope with dealing with that infrastructure, we would have a problem. We cannot be blind to that fact and, of course, it is compounded by the fact that infrastructure costs have been rising much more rapidly than CPI because of things like steel and tubing prices and so on having gone up so much.

There are a number of factors in this, and we obviously have to deal in the real world. One of the advantages we have in this state is housing affordability, and we do not have the massively high levels of developer levies. In New South Wales, it is anything up to \$180 000 per block, and we do not want to see that situation here. Nevertheless, somehow or

other, there has to be provision of infrastructure within these new developments. That is the reality in the real world, and we have to deal with that. Certainly, as I have said, we would strongly oppose those levies being used for the broader range of community services.

Mr GRIFFITHS: It is interesting, minister, that you talk about housing affordability. The notes I have been given talk about New South Wales and Victoria having an inventory of between 20 and 30 years of land supply available, whereas I think you previously quoted 12 years for Adelaide. That obviously impacts on the price being paid for land by the purchaser or builder. What does the minister think we can do to tackle this problem to ensure that younger South Australians, whose earnings are not as great as their interstate cousins, can afford to get into the home ownership market?

The Hon. P. HOLLOWAY: As I have said, we are certainly looking at such issues. I make the point to people that, in many respects, Adelaide is coming up against its geography. We are constrained by the sea to the west and the Hills face zone to the east. We have also made a conscious decision that we do not want to see the Barossa Valley and McLaren Vale wine districts destroyed by developers going in there. So, there is some constraint because of Adelaide's geography. If one looks at cities like Perth or Brisbane, which are further inland, they perhaps do not have those geographical constraints. Even Melbourne, in the western area, has virtually unlimited land to expand out to the west. The geography of Adelaide provides something of a challenge, but that is something we are actively looking at. Adelaide has started to grow—

Mr Venning interjecting:

The Hon. P. HOLLOWAY: Well, consolidation is part of it, and that is why I make the point that over a fairly long period (at least over a decade) Adelaide's growth has come from infill, high rise and so on. That will happen in the city, as it does elsewhere, but, because of our geography—because of the hills and our narrow coastal belt—we are now reaching a size where there is really only two directions we can grow—again, assuming that we keep a cap on growth in the hills, which we intend to do because it is important for the water catchment area and the like. It is a challenge for us because of the geography, but we are certainly mindful of it and we will address that issue.

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 2, page 5.16. During its term in office, I think the government has declared 23 major projects.

The Hon. P. HOLLOWAY: Yes, there have been 23 or 24 over the course of this government.

Mr GRIFFITHS: Naturally, some have been approved and some have been refused, and others are at various stages of consideration. Minister, can you please detail for the committee what additional funding has been provided in the budget for the increase in workload associated with assessing these major projects?

The Hon. P. HOLLOWAY: Well, there is no allocation, and I am not sure there necessarily needs to be any allocation. After all, after a project has been declared a major project, the proponent of that project must prepare either an environmental impact statement, a development report or a public environmental report, which, of course, is set by DAC, under the changes we have just put through the Development Act. It sets the type of environmental assessment, and the proponent then has it prepared, and it is then presented to the government. It then goes through the public consultation phase and, as a result of that, the proponent must respond to

the public consultation, and that then comes back to the government for assessment. All of the agencies are involved in that process, depending on the nature of the development.

There are fees, of course, that the government charges in relation to these major projects, so there is some element of cost recovery in relation to that. I think, given that process, obviously it is the preparation of that environmental impact assessment—in whatever one of the three forms it is in—that is perhaps in many ways the most significant and expensive part of the project which, of course, the proponent must meet.

In relation to the summary of the major development projects, if one looks at the various categories some of them have been around for years. If one looks at the category that has been approved but with issues still being negotiated, they are the Cape Jaffa marina, the Ceduna marina and the Hanson Bay tourist development. If one looks at those that are declared and in the assessment project, we have the Mannum marina, for which the EIS was just recently put on public display but which was declared back in March 2005.

A lot of people are suggesting that major development is used as a fast-track method but, in fact, in many ways it has the most detailed assessment of all. The Mannum marina which, as I said, was declared over two years ago, has only just now got its EIS on display which, I think, illustrates that this is not necessarily a fast-tracking process. The Olympic Dam expansion was declared major on 15 September 2005 but, clearly, that is going to be a very long process. The Narnu Waterways project is still awaiting the draft EIS, and that was declared on 1 December 2005 so, again, it is not as if there are any ongoing issues for Planning SA; really, it is just awaiting the draft EIS.

In the case of the Bradken Foundry, the PER has been out on public exhibition and we are now awaiting the proponent response to the submissions. Buckland Park is a residential project which has still to be referred to the commission for setting guidelines. In respect of the AAMI Stadium lights we are still awaiting the application. Stansbury marina is to be referred to the commission to set the guidelines. The Victor Harbor commercial development is awaiting application. The Port Wakefield marina assessment has commenced. The O'Connell Street development is awaiting the application, and it is the same in relation to the transit oriented development behind the Highway Inn. The application was just lodged yesterday, and that is to be referred to the commission to set guidelines. I think that, given the project, I would not concede that it is putting undue stress on the department.

Mr GRIFFITHS: It would appear then, because there has been a continual process, that the capacity has been created within the department to assess these matters anyway, and it is not a matter that, all of a sudden, you might get four and you have to employ more staff to do it. You have the capacity, by the sound of it.

The Hon. P. HOLLOWAY: Clearly, the section in the department will do what it can. If it happens that a whole lot come in on the one day, I guess some of it would just have to wait. Perhaps it is best if I let Bronwyn Halliday speak for the department. She can indicate how these issues are managed internally.

Dr HALLIDAY: We keep in touch with the proponents and have an idea of when they are expecting to lodge with us. When that date gets close we check with them to see whether or not it is still coming in. The consultants who work with the proponents are often very helpful in letting us know when they will come in, so that we can manage the workload. We can have the other agencies on alert, too, because it is not just

Planning SA but generally a much larger group of government agencies that are involved in the assessment process.

The Hon. P. HOLLOWAY: Major projects is, of course, part of section 46 of the Development Act for specific projects, but if one was to go through more conventional methods, obviously changing what were PARs (until the other day) and now DPAs (Development Plan Amendments), clearly there is significant work involved in that as well. In many ways, it can be a parallel process in terms of the amount of work involved.

Mr GRIFFITHS: Minister, I am pleased that you have mentioned the Development Plan Amendments because (again, with my local government hat on) the biggest frustration within that industry, and certainly with developers who were bringing proposals to the councils, were the time frames involved in the old PAR process. I hope that you are managing to massage needs in many different areas to ensure that all planning issues are met within good time lines.

The Hon. P. HOLLOWAY: As a result of the change, we are specifically dealing with it and speeding up that process. Perhaps it is worth pointing that out. I can give you some data on our progress, too. There are currently 129 active Development Plan Amendments (we can call them that now, since it has gone 1 July). There are currently 129 active DPAs in the system. In the past financial year, 46 PARs were approved, compared with 29 in 2003-04. For the 2006-07 financial year, 10 ministerial PAR processes were conducted and completed, taking an average of 14 months and a median time of 11 months. This is a marked improvement from the previous financial year, when three ministerial PAR processes were completed, taking an average of 21 months and a median of 19 months. For the same period, 36 council PAR processes were concluded, taking an average of 32 months and a median time of 27 months.

The marked improvements in the time frames associated with ministerial PARs has been the result of trialing and refining improved project management practices. While the focus to date has been to improve the government's efficiency, the focus for 2007-08 will be to assist councils with improving their practices.

The recent legislative changes will offer more streamlined and accountable practices for these processes, including reporting on the time frames and a shorter process (which we are calling process C) for simple amendments. These changes have now come into effect. Since November 2006, Planning SA has been working with policy planners, councils and consultants to relay information about the lessons learnt from the state's improved project management and the nature of the legislative changes and, of course, one might also add, with the better development plan framework as well. As we advance in that direction that, again, should assist our performance in that area.

Sorry; my advice is that the bill has not been proclaimed yet, so I will just correct that. We are expecting 1 August to be the time when we will proclaim those legislative changes, which include the reporting on time frames. As I say, it will be our focus this financial year to try to improve performance in that area. As the better development plan process improves as well, the uniformity that comes out of that should also assist in that process. The District Council of Copper Coast Port Hughes plan amendment report was done in 10 months, so we would hope that we would see more DPAs achieved in that time.

Mr GRIFFITHS: I think it was declared about 11 days ago, on the day before Mr Norman arrived to hit his first golf ball.

The CHAIR: We have five minutes, and we have had a very long day, so we will be finishing. Make sure you ask your most important questions in the next few minutes.

Mr GRIFFITHS: Have the omnibus questions been read?

The CHAIR: Yes

The Hon. P. HOLLOWAY: They have been read, and they will be done for the whole of PIRSA anyway.

Mr GRIFFITHS: One comment I make, minister, on your comparison between last year's figures and those for 2003-04: I think you said it was 47 versus 26. I think you would agree that now, certainly in regional areas, councils are doing specific locality PARs and not doing region-wide ones. So, that has actually quickened up the process a bit too. There is no need to comment on that; I just wanted to make that observation. I jump forward to Budget Paper 4, Volume 2, page 5.15, and specifically as it relates to part of the objective of program 2, Urban Development and Planning. Part of that is to contribute to the state's sustainable economic development by developing strategic spatial policies. Minister, can you please advise what spatial policies were prepared in 2006-07 and what areas are proposed for 2007-08?

The Hon. P. HOLLOWAY: I will ask Bronwyn Halliday to answer that.

Dr HALLIDAY: In terms of the regional spatial frameworks, I think you are aware that we have completed the Yorke Peninsula regional land use framework.

Mr GRIFFITHS: My frustration was that I could not get a copy of the draft as quickly as I would have liked; that was held from me.

Dr HALLIDAY: That has completed its community consultation and is just in the final stages of completion. We are currently working on the Mid North and Far North, and we are confident that they will be completed this financial year. We are completing a masterplanning process for the greater Mount Gambier area and for the Victor Harbor and Goolwa area, and we are confident that they will both be completed this calendar year. They do still need to go out on community consultation. We are looking at commencing some work in the South-East region also this financial year. It is our intention to get the entire state completed by the end of 2008.

Mr GRIFFITHS: Fantastic and very commendable. As a supplementary to that, minister, can you comment on the open space policy as it will relate to Cheltenham and the redevelopment, if it occurs? Will the government commit to the Premier's demand for a 40 per cent open space contribution?

The Hon. P. HOLLOWAY: That issue has been addressed before. My colleague the Minister for Infrastructure is in charge of this matter, but I can indicate that the government announcement was that, given that Charles Sturt council had been particularly vocal in relation to the provision of open space, we would provide \$5 million, through the Planning and Development Fund, towards the development of public open space at Cheltenham, and we expected council to do the same. However, we know that, notwithstanding its vocal statements at the time, the council refused to contribute to the open space.

We are committed to providing our allocation towards the development of public open space, which of course would mean that the amount of open space we would require would be approximately 17 hectares, or 35 per cent of that area,

which is a very significant amount of open space. So, more than a third of the area would be made available as open space. As I said, we would require the proponent to provide the 30 per cent, but we would provide funding towards ensuring that the extra 5 per cent was made available.

Mr GRIFFITHS: Do I have time for one more?

The CHAIR: One more.

Mr GRIFFITHS: Far be it for me to push your generosity, Madam Chair, and I thank you for that.

The CHAIR: It is not mine; it is the rest of the committee who have to put up with it.

Mr GRIFFITHS: I refer to page 5.17—

The Hon. P. HOLLOWAY: Essentially, the Minister for Infrastructure has carriage of this matter. As I said, we have just agreed for this department to provide the \$5 million funding which, as I said, will ensure that at least 35 per cent is made available.

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 2, page 5.17, and the decision to close the operations of the regional ministerial offices as listed on those pages. I note that the objective of the program was to assist in the realisation of the government's policy commitments to improve economic development and social and environmental outcomes for communities identified as being in high need, such as Upper Spencer Gulf, the Outback and River Murray communities. These areas have very significant economic and social issues, just some of which are a lack of infrastructure, some Aboriginal issues on APY lands, the social impacts of the mining boom, and the vast economic impact of the drought. Given the closure of these offices, is the minister able to advise how those social and economic issues are now being tackled by government?

The Hon. P. HOLLOWAY: First, let me say that those offices were an innovation in the first term of the Rann government. We believe that the Offices of the North, North-West, Murray-Mallee and Upper Spencer Gulf successfully worked to improve economic development and social and environmental outcomes within their regions. It was never envisaged that these offices would become a permanent feature of government; rather, they have been part of the process of enabling better whole-of-government focus on particular issues and communities. The government reconsidered the future role of its regional offices in light of the

achievement of economic and social development projects and initiatives and other key initiatives that have moved to phases that are more self-sustaining and less reliant upon close government steering and input, certain residual activities needing to be retained and being realigned and integrated into mainstream government activities, and continuing strong government intervention and visibility within the south through the Office of the Southern Suburbs.

The operations of the offices, with the exception of the Office for the Southern Suburbs, were phased out during the 2006-07 years with a transition phase that provided for the necessary consultation with several key stakeholders. The work of these offices is now complete, their operations have ceased, and the offices closed. All affected staff have been transitioned and, where appropriate, placed in other positions within government relative to their skills and expertise. I would add that, while that was my decision in relation to the budget that we would phase out these offices, government has also increased resources in a number of respects to deal with specific issues in those areas.

I could point to the Heavy Engineering and Mining Skills Centre which, of course, will have a significant input into the Upper Spencer Gulf. Indeed, one of the key officers who was working there is now working in that particular area. Given the mineral expansion in the northern areas, which has now taken over four years, we believe a different range of issues needs to be addressed in those areas, and I think the honourable member referred to them. As I said, we are addressing those issues through initiatives such as the Heavy Engineering and Mining Skills Centre and other initiatives of government. In other words, we believe the issues are now different from what they were four years ago, and we are addressing them in what we believe is the appropriate way.

The CHAIR: That being the time allotted, there will be no further questions to the Minister for Urban Development and Planning. I declare that proposed payments to the Department of Primary Industries and Resources and administered items for the Department of Primary Industries and Resources are adjourned to Committee A for 4 July.

ADJOURNMENT

At 7.47 p.m. the committee adjourned until Wednesday 4 July at 11 a.m.