

HOUSE OF ASSEMBLY**Monday 30 June 2008****ESTIMATES COMMITTEE B****Chair:**

Mr T. Koutsantonis

Members:

Ms L.R. Breuer
The Hon. I.F. Evans
Mr S.P. Griffiths
Mr D.G. Pisoni
Mr J.R. Rau
The Hon. P.L. White

The committee met at 09:00

**DEPARTMENT OF FURTHER EDUCATION, EMPLOYMENT, SCIENCE AND TECHNOLOGY,
\$291,559,000**

Witness:

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

Departmental Advisers:

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

Ms T. Downing, Director, Office for Youth.

Mr F. Ngui, Manager, Business, Office for Youth.

Ms G. Fairlamb, Manager, Policy, Office for Youth.

Ms S. Dawkins, Manager, Programs, Office for Youth.

The CHAIR: The estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. The committee will determine an approximate time for the consideration of proposed payments to facilitate the changeover of departmental advisers. The minister and the lead speaker for the opposition have agreed on a timetable for today's proceedings and have provided the chair with a copy. Changes to the committee 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 18 July.

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 based on about three questions per member, alternating from each side. Supplementary questions will be the exception rather than the rule. A member who is not part of the committee may, at the discretion of the chair, ask a question. Questions must be based on lines of expenditure in the budget papers and must be identifiable and referenced. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion on the assembly *Notice Paper*.

There is no formal facility for the tabling of documents before the committee. However, documents can be supplied to the chair for distribution to the committee. The incorporation of material in *Hansard* will be permitted on the same basis as applies in the house, that is, that it is purely statistical and limited to one page in length. All questions will be directed to the minister, not the minister's advisers. The minister may then refer questions to advisers for a response. I advise that, for the purposes of the committee, television coverage will be allowed from the northern and southern galleries.

I declare the proposed payments open for examination and refer members to the Budget Statement, in particular, pages 2.23 and 2.33, Appendix C, and the Portfolio Statement, Volume 3, pages 12.24 and 12.25. I call on the minister to introduce his advisers and make an opening statement if he wishes.

The Hon. P. CAICA: We have decided to dispense with an opening statement and questions from the government. We have allocated, by agreement, half an hour for this line of questioning.

Mr PISONI: I refer to Budget Paper 4, Volume 3, page 4.24, Program 3: Performance Indicators. I note that several of the performance indicators have been designated redundant and, as such, no target is given. With the reduced sub-program format and redundant targets, the minister is becoming a small estimates examination target. Will the format for the next budget provide more expanded financial and project detail?

The Hon. P. CAICA: This is certainly not in any way designed to be a small target during estimates. We are consequently looking at assessing the programs that have been delivered over a period of time and also, importantly, at being able to design those programs in such a way, built on previous experiences, that we know that we are getting if not the best return then the best outcome from those programs. We expect that those gaps would be filled for the next budget round, based on the outcomes that we achieve during the delivery of those programs.

Mr PISONI: What stage are we at with respect to the progress of the evaluation?

The Hon. P. CAICA: We constantly evaluate the programs that are in place. That is important (and this is certainly not being disrespectful to the way in which any previous government has done things) because I believe that we need constant evaluation to see whether or not the programs that we are delivering in this and, indeed, other areas are achieving their desired outcomes.

One of the other things (about which we will be talking again this afternoon) is that quite often we implement programs, which often can be trial programs, to a great extent, and you are forever trialling. What we want to see at the end of the day is whether there are good programs and whether they have been effective. We want to see that they become enshrined within the youth portfolio and also what application they have across broader areas for implementation because of the results that have been achieved.

Our focus on youth participation, youth development and partnerships certainly will be aligning, quite rightly and importantly, the outcomes of those programs against the State Strategic Plan targets and also the strategic plan that links within the Office for Youth against our overarching State Strategic Plan. The honourable member would understand that we need the flexibility and the ability to be able to trial new things as we progress. I appreciate the fact that this is one of those areas where I think I have certainly enjoyed bipartisan support for the objectives that we are attempting to achieve with respect to the Office for Youth.

Mr PISONI: I refer to Budget Paper 4, Volume 3, page 4.23, Program 3: Description and Objectives. Binge drinking is being blamed for many problems among young people, from violence to ongoing health problems. What is the state government doing to measure the increase, decrease or otherwise of binge drinking amongst our youth and also to address the issue of the number of young people who have serious alcohol-related problems, whether they be problems of addiction or perception of alcohol, and those who participate regularly in binge drinking?

The Hon. P. CAICA: One cannot pigeonhole specifically to this portfolio those issues that relate to the welfare and wellbeing of our younger population. A whole-of-government approach and, indeed, a whole-of-community approach is needed as to how these matters are most effectively addressed. From my specific agency's perspective, the Office for Youth is able to provide young people with advice and, indeed, if drugs and alcohol are involved, connect them with the relevant organisations and groups that help in relation to those issues.

Whilst this is an issue that could and should be best addressed in questions to my colleague the Minister for Health (Hon. John Hill), the simple fact is that it is, as I have said, a whole-of-government and whole-of-community responsibility. Falling within the health ambit, and within the Minister for Health's responsibilities, are drug and alcohol services that offer and provide a range of prevention treatment information, education and community-based services for all South Australians.

We work in partnership with health, mental health and—as the Office for Youth—other agencies in connection with young people across those agencies. In addition, my office has

provided funding to YACSA to support its work in the youth sector, involving a range of issues, including the matter raised by the honourable member. During the 2008-09 financial year, a total of \$281,960 will be provided to YACSA to support its continuing work.

Mr PISONI: Based on your answer, minister, are you able to disclose to the committee what advice you gave to other government departments on behalf of the Office for Youth in regards to the 3am closure of nightclubs in the city? What research did you do to come up with that advice?

The Hon. P. CAICA: Specifically, the role and function of the Office for Youth is to be that thread between various government departments, as I think I mentioned at last year's estimates hearings. Again, what we do to the best of our ability is provide to other departments access to information collated by my department on a range of issues. One of the programs undertaken across South Australia has been our youth consultation process. Again, that provides information to the Office for Youth on various issues affecting young people in South Australia, whether it be mental health, transport, education, or a variety of other issues. To that extent, we then become—and this probably is not the right word—a clearing house for that information through to other government departments to use and consider as that department sees fit.

On the specific matter of the potential closure of hotels and nightclubs, it is certainly only a part of the consultation process that has been undertaken with young people, and it is only part of the issue for those people. As I have said, our focus has been on a variety of issues, not the least of which is access to transport for young people to be able to get to their work and educational institutions.

Certainly, in the context of the closing of hotels, it is a very complex issue, and I do not suggest in any way that I have the answers to those particular issues. What might be seen by some as the indiscriminate or excessive use of drugs and alcohol in our community is something that needs to be approached from a whole-of-government and whole-of-community perspective, not from a specific agency's perspective.

Mr PISONI: Minister, I am just trying to establish whether your office did consult young people. Did you consult YACSA, in particular, about that? Did you put in a submission to the Attorney-General, or any other government body, about your recommendations regarding that situation?

The Hon. P. CAICA: From my Office for Youth perspective, we would comment upon any submission provided to cabinet by any agency or minister on issues relating to the potential uniform closures of clubs and pubs in South Australia. But I again reinforce the point that it does not fall within my ministerial responsibility: it is covered by other ministers (and I note that one of the members of the committee has been a member of cabinet). The responsibility lies with those ministers but, as agencies and departments, we still provide comment on a variety of matters raised in cabinet.

Mr PISONI: So, advice was given but you cannot tell us what that advice was. Is that what you are saying, minister?

The Hon. P. CAICA: What I said is that we would have, I expect, provided some comment rather than advice.

Mr PISONI: I refer to Budget Paper 4, Volume 3, page 12.24, Program: 3, Performance Commentary:

- promotion of a greater consideration of youth issues across government by undertaking youth specific collaboration with over half of South Australian government departments as part of consultations across the state with young people;

Minister, YACSA presented a budget submission, as it does every year, expanding on the areas of funding priority it has identified from its significant contact and consultation activities. The public response from YACSA expressed disappointment with the budget. In her comments, Jennifer Duncan from YACSA described the budget, as follows:

This Budget constitutes a lacklustre response to the needs of young people in South Australia. It has missed the mark for many young people. Although there are some positives—the allocation of \$190 million to strengthen the child protection system is welcome and long overdue—many key areas have been overlooked. The investment of \$11.5 million in crime prevention and rehabilitation supports for young offenders truly misses the mark. This money...fails to fund necessary, new initiatives in crime prevention and rehabilitation.

I am wondering, minister, whether you are either able to dispute those facts or agree with those comments from Jennifer Duncan.

The Hon. P. CAICA: I meet on a regular basis with Jennifer Duncan, and I think we have an extremely productive working relationship. She is a very good advocate on behalf of young people in South Australia.

I guess the point I would make from the outset is that, again, a lot of the issues Jennifer has focused on is in respect of her views. She is entitled to her views, as is everyone else, on a whole variety of issues, and I am not going to enter into any argument with Jennifer or you on this occasion. The money that is allocated through the budgetary process and, from a young person's perspective, is across various portfolios, and I am responsible for the management and discharge of the responsibilities that are assigned to the Office for Youth. So, when we are talking about crime prevention, transport or any of those particular issues, imbedded within those are matters that relate to access to those services by young people and not so young people. As I have said, I have developed a very good working relationship with Jennifer and YACSA and meet with her on a regular basis. However, I think your line of questioning from that budget line referred to how it relates to consultation with young South Australians. I am pleased to say that, over the past eight months, our office has conducted a series of statewide 'Tell it like it is' youth consultations with over 800 young people to ensure that their views are integrated into the regionalisation of South Australia's Strategic Plan and to identify priorities for the future.

It is certainly my view that, to respond effectively to issues affecting young people, we need to consider the various concerns affecting a young person such as employment, family relationships, health, housing and personal development, as well as interrelationships between these concerns, and no-one can tell us better than young people themselves what they want and what the need. The 'Tell it like it is' youth consultations will go a long way towards ensuring that young people are considered in future government business. I guess it harks back to the point made earlier that we will be able to collect and collate information that relates to circumstances that impact positively and negatively upon a young person's life and then feed that through to the various government departments as a concise and often forthright view that is held by young people that is gained through this consultation process.

We are also in the process of developing a new strategic youth framework for 2008-14 to replace the South Australian action plan that existed between 2005 and 2007. Again, that is in consultation with young people, community groups and government agencies. So, we liaise not just with young people but with community groups and government agencies in conducting statewide youth consultations in partnership, on this occasion with the Community Engagement Board. Again, that is to ensure that young people's views are considered as part of South Australia's Strategic Plan and to better inform that framework.

Mr PISONI: Does that cover issues such as housing stress, for example? Is that something that has been raised during this consultative program, and is your department working on any recommendations or suggested solutions?

The Hon. P. CAICA: Certainly, young people are not restricted in any way in their raising whatever they want at these consultations. We specifically try to frame these consultations around the State Strategic Plan targets, and that is an appropriate thing to do. Of course, that takes into account a variety of issues, not the least being those you mentioned, such as access and affordability of housing and education, and those issues related to those specific State Strategic Plan targets, and that is appropriate.

So, it is about our office working collaboratively with other departments, and it is about gaining the information that is available and gathered through that consultation process. For example, we worked with eight government agencies and 18 directorates within those agencies to frame the questions to ask the young people, based on the State Strategic Plan. As I also mentioned, those questions covered a variety of topics, such as employment, education, public transport, personal safety, health, voting and volunteering. In addition, we have been working with the University of Adelaide to analyse the results of those youth consultations, with the final report to be available in August 2008. Also, my Ministerial Youth Council is focusing on a variety of issues; and that council chooses for itself a variety of issues it believes ought be the focus of its deliberations over the forthcoming 12 months to three years.

The council is focusing on issues such as: mental health, particularly the health needs of young people from our merging communities; the future of the SACE; the lowering of the voting age; first aid in schools and the incidence of anaphylaxis; and our State Strategic Plan targets. This year the council is also focusing, in particular, on building the bridges between other youth advisory groups that exist within various government departments and community organisations, to make sure there is that cross-fertilisation, or pollination, between those groups.

I have been very pleased with and proud of the work being undertaken by the Ministerial Youth Council on building relationships with the youth advisory committees, which we all have within our electorates. A member of the Ministerial Youth Council attended the federal government's 2020 Youth Summit. Indeed, we are now undertaking a process whereby, of necessity, we will be replacing those people who have reached the retirement age (for want of a better term—it is a bit strange, talking about retirement in youth) and will be re-energising the Ministerial Youth Council.

So, it is about making sure that there are mechanisms by which collaboration and consultation occur and that the best possible information on issues that impact upon young people can be gathered and then disseminated through to the ministers and community groups concerned. We are working with the Department for Families and Communities on housing needs, particularly the new Foyer housing project, to ensure that young people are consulted on this development.

Here, I refer to work being done on Common Ground, for example, and whilst that is not my area of responsibility, certainly, from what I have been able to ascertain, there is more to homelessness than simply having a roof over your head. It relates to employment, and employment relates to transport and to educational opportunities. So, we need that integrated approach by which these issues, which the member has raised, can be best addressed.

Mr PISONI: Has the issue of antisocial behaviour orders been raised? Does the Department for Youth have a position on that?

The Hon. P. CAICA: Certainly, this matter has been considered among members of the Ministerial Youth Council in my discussions with YACSA. Again, I welcome their views on a whole variety of issues. It is not my responsibility to talk on behalf of YACSA or, indeed, on the views held individually and collectively by the Ministerial Youth Council, but certainly they have a position and have worked on developing a consensus in this regard.

The government has a position centrally on that, and, again, responsibility for that matter comes within the portfolio area of the Attorney-General. As with all other areas in question, we facilitate the consideration of views by the people concerned, and a matter can then be finally determined.

Mr PISONI: I move to Budget Paper 4, Volume 3, page 12.24: Performance commentary, Premier's memorandum of understanding. I have been a very keen follower of the growing list of events, memorandums, awards and challenges featuring the Premier's title as a prefix; it is now running into dozens and has obviously been a great boost to the Premier's Memorandum on Youth Participation. As there seem to be some more agency signatories since last year's 41 in the budget, can the Minister say how many have now signed up?

The Hon. P. CAICA: As I do not have that specific information in front of me, I will take that question on notice and get back to the committee on this matter.

Mr PISONI: I can understand that it is difficult to keep up because we have the Premier's Climate Change Council, the Premier's ANZAC Spirit School Prize, the Premier's Be Active Challenge, the Active8 Premier's Youth Challenge, the Premier's Business Awards and Volunteering, the Premier's High Level Drought Task Force and, of course, the Channel 9 Young Achiever of the Year is now called the Premier's Young Achiever of the Year.

The CHAIR: I invite the minister to respond to the level of comment in that question.

The Hon. P. CAICA: I thank the honourable member for his particular question here, perhaps more so than for his comments. The point to be made here is that the process by which we operate is one that provides a certain hook, if you like, to get young people in. Despite what it is that you might feel about the Premier's Reading Challenge, or whatever it might be, they are all outstanding programs.

If, by having the Premier lead those particular programs through the naming of them they are given greater status, then it is a worthwhile exercise. I am sure that in your area you have seen an outstanding result with respect to young people undertaking the Premier's Reading Challenge, and if this mechanism provides a greater attraction for young people to be engaged, then I think it is a very good idea. If one day it is called the David Pisoni Reaching Challenge, for example, because that is a mechanism by which people may be attracted to become involved, then I would support that as well. So, it is the way by which you engage and attract.

In the time that I have been speaking I have been provided with that information, so I will not need to get back to you on notice. The Premier's Memorandum on Youth Participation outlines

good practice principles to guide signatory agencies as they aim to get young people involved in the decision-making processes, and as at 30 June 2008 (today) 61 agencies were signatories to the memorandum. In 2007-08, a total of \$600 was spent implementing the memorandum.

I would reinforce the point that, if it provides a level of gravitas or status to youth participation that is able to attract people, I am happy for that to occur and I think we should all be happy for that to occur, because it is about engagement.

The CHAIR: We agreed to go for half an hour. We will open up gambling.

The Hon. P. CAICA: I understood, sir—and I am quite happy to be corrected—that, because the committee needed to break at a certain time for morning tea, we would stick to that particular program.

The CHAIR: I was under a misunderstanding.

The Hon. P. CAICA: I will need to go and get my folder, anyway.

The CHAIR: That's fine; we will leave it as it is.

Mr PISONI: So we are breaking now and coming back at 12 for gambling. Is that what the minister is saying?

The Hon. P. CAICA: Half an hour; that's right.

The CHAIR: That's fine.

Mr PISONI: You can go and have your cigarette, and then we will come back.

The CHAIR: Order! Member for Unley, that is just uncalled for.

Mr PISONI: Is it? Smoking? I know it is.

The CHAIR: You are testing my patience, member for Unley.

The Hon. P. CAICA: I also believe that we told the advisers to arrive at what was the appointed time.

Membership:

Mr Goldsworthy substituted for Mr Griffiths.

Mr Piccolo substituted for Ms Breuer.

INDEPENDENT GAMBLING AUTHORITY, \$1,526,000

ATTORNEY-GENERAL'S DEPARTMENT, \$95,378,000

ADMINISTERED ITEMS FOR THE ATTORNEY-GENERAL'S DEPARTMENT, \$55,673,000

DEPARTMENT OF TREASURY AND FINANCE, \$102,968,000

**ADMINISTERED ITEMS FOR THE DEPARTMENT OF TREASURY AND FINANCE,
\$1,393,139,000**

Departmental Advisers:

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

Mr R. Chappell, Director, Independent Gambling Authority.

Mr B. Pryor, Liquor and Gambling Commissioner, Office of the Liquor and Gambling Commissioner.

The CHAIR: I declare the proposed payments open for examination and refer members to the Budget Statement, in particular Appendix C, and the Portfolio Statement, Volume 1, pages 3.24, 3.25, 4.88 and 4.89. I call on the minister to make an opening statement, if he so chooses, and to introduce his advisers.

The Hon. P. CAICA: Thank you, Mr Chairman. I will take this opportunity to provide a brief opening statement. The government and the broader community share the goal of developing more responsible gambling environments. This requires government, industry participants, community

groups, service providers and, indeed, people who play electronic gaming machines, to work together to identify and support the implementation of initiatives that contribute to the achievement of that goal. Legislative mandates on their own are not enough to ensure the development of a responsible gambling culture in venues: it takes a genuine collaborative effort of venues working with the community sectors, and both venues and the community sector working with government to achieve a goal. The 2007-08 year has been an important year in strengthening these relationships.

The Independent Gambling Authority has been working on the detail of the revised Codes of Practice that arose from its Review 2006, which was released in mid-2007. The revised codes emphasise the direct relationship between venues and the gambling help services supported by the Gamblers Rehabilitation Fund. The codes also emphasise the need for the industry as a whole, as well as individual venues, to take an active role in developing the culture of responsible gambling, a culture that is inherent in the hotel and club Gaming Care and Club Safe programs.

However, the active role of industry is not limited to Gaming Care and Club Safe. During 2007 and 2008 the Responsible Gambling Working Party has worked through a comprehensive program of investigation and consultation. The second progress report of the Responsible Gambling Working Party was released last week and outlines some critical steps forward in terms of developing more responsible gambling environments in our state. The working party has created an environment where industry initiative can now flourish in delivering real outcomes for customers who want to set limits on their gambling.

While it is important that industry takes the initiative for developing a culture of responsible gambling in venues, it cannot do this alone. I would like to acknowledge the role the community sector has played in this important work. Without its commitment and practical approach to working with government and the industry, the responsible gambling initiatives being developed would not be nearly as effective. I thank both the industry and community sectors for their work through the Responsible Gambling Working Party, and I pay particular thanks to Cheryl Vardon, who has facilitated the working party's deliberations since its inception in 2006. I am encouraged by the outcomes to date and look forward to further progress being achieved in the year ahead.

The Hon. I.F. EVANS: Minister, my question relates to Budget Paper 4, Volume 1, page 487: liquor regulatory services. The number of inspections for priority 1 has dropped from a target of 1,100 to an actual of 881; priority 2 has dropped from 1,242 last year to 326 this year; and priority 3 had 161 last year and none this year. Why is it that the number of inspections has been decimated over the past 12 months?

The Hon. P. CAICA: I am not the minister responsible for inspections as it relates to liquor, as identified in your questioning—it is Jennifer Rankine.

The Hon. I.F. EVANS: Will the Liquor Licensing Commissioner be there to take questions when minister Rankine is before estimates? He is not listed.

The Hon. P. CAICA: I have no control over who Minister Rankine might invite to assist her in the estimates process. You will need to direct that question to her.

The Hon. I.F. EVANS: Then let us go to the issue of additional taxation. The budget paper shows extra revenue of around \$1 million. If the current court case involving the casino fails, is the government going to honour the budget by putting in the extra \$1 million that it was seeking to recover from the casino?

The Hon. P. CAICA: The estimated 2007-08 result for net cost of providing services is more than \$1 million higher than the 2007-08 budget, mainly due to a reduction of \$920,000 relating to TAB and casino recoveries that were not collected. As part of the 2006-07 state budget, the government made the decision to recover costs incurred by the Office of the Liquor and Gambling Commissioner (OLGC) in regulating the TAB and casino. The Authorised Betting Operations Act 2000 and Casino Act 1997 were amended in October 2007 to effect that decision.

In December 2007 the Department of Treasury and Finance advised SATAB and SkyCity Adelaide of the proposed amounts for recoverable administration costs for part of the 2007-08 year and sought their representation on the proposed amounts. On receipt of the proposed amounts, both SATAB and SkyCity Adelaide initiated Supreme Court action. They claimed that the amendments constituted an event under the approved licensing agreements and, as a result, they were due compensation.

In preparing the amendments the South Australian government relied on legal advice that suggested that the amendments would not constitute an event under the approved licensing

agreement. At the time of initiating the court action, SkyCity Adelaide also ceased paying a voluntary contribution of approximately \$870,000 per annum paid monthly that it had been making to the OLGC for the cost of regulating the casino. As at 12 June 2008, SkyCity Adelaide had not recommenced paying the voluntary contribution. SATAB continued to pay duty as set out in the duty agreement required under section 14 of the Authorised Betting Operations Act: \$2,000, which is less than the amount provided for in the 2007-08 budget.

Specifically, from the government's perspective, we believe that the cost recovery, as it relates to the casino and the TAB, are costs that ought not be incurred in the main by taxpayers and that cost recovery is certainly justified. Essentially, what is happening at the moment is that we are in discussions with the TAB and the casino in an effort to resolve this issue to the mutual satisfaction of both parties.

The Hon. I.F. EVANS: Your budget reflects approximately \$1 million extra. I think you used the figure of \$920,000 for the casino and the TAB. If it turns out that the court case or negotiations do not go in your favour, will the government fund that extra \$920,000 or \$1 million, or is there a \$1 million hole in your budget? What is the government's strategy if it loses the case?

The Hon. P. CAICA: The government remains committed to providing rigour in regard to compliance and enforcement as they relate to gaming and gambling. The total expenditure across all the gambling sector is not planned to be reduced, and we are certainly confident that through the negotiation process the matters will be resolved to the satisfaction of the parties.

The Hon. I.F. EVANS: I went to Victoria and looked at its anti-gambling measures and gambling regulation generally. Is the government looking at introducing into South Australia caps on gaming machines in vulnerable areas, or fixing maximum density limits on the number of gaming machines in local government areas as has been done in Victoria? Will the minister clarify for me whether gaming machine trading hours is a conscience vote for the Labor Party, as it is in Victoria?

The CHAIR: Order! The last part of that question is out of order.

The Hon. I.F. EVANS: Sir, how do I know whether the minister is expressing a Labor Party view or his personal view if I do not know whether it is a conscience vote?

The CHAIR: The minister is not here to express Labor Party policy: the minister is here to answer questions on the administered lines in his budget. He is not responsible for party policy.

The Hon. P. CAICA: Sir, I thank you for that direction and I would respectfully—

The Hon. I.F. EVANS: I am trying to get clarification. The chair has just ruled that the minister is not responsible for party policy on conscience issues. How can you have party policy on conscience issues? It is either a party vote or a conscience vote.

The CHAIR: I will briefly explain the history of the conscience vote in the Australian Labor Party if the member for Davenport likes. The minister is not the person who is responsible to the parliament for decisions on what matters are matters of conscience. That is matter for the internal workings of the party and is therefore out of order. The minister has no responsibility to the parliament or this committee in determining which matters are matters of conscience, so I rule that question out of order. If the honourable member wishes to rule dissent from my ruling he may do so; he can do that now. We can shut down the committee and call back parliament tomorrow and have the Speaker sort it out. It is entirely up to him. It is out of order.

The Hon. P. CAICA: Without being disrespectful at all to the member for Davenport, clearly, the questions do not relate to a specific budget line across the board. In attempting to answer something that is probably a bit more nebulous than specific to the budget line, I would say that, as I indicated in my opening statement, the government is committed to the creation of a responsible gambling environment, and that is our policy position. The one thing that I have learnt in my time as Minister for Gambling is that no single initiative in itself will create a more responsible gambling environment. To that extent, we look at and have been looking at a range of initiatives across the gambling environment that deliver exactly that as part of a suite of initiatives that will create the environment we are committed to creating.

Specifically in relation to Victoria, I cannot comment on behalf of the Victorians as to what they are doing in whatever area it is, although I am familiar with some of the initiatives they are implementing over there. I would say that from South Australia's perspective we are far further down the track than the Victorians with respect to our policy position and what is required to create a responsible gambling environment. We have reached that position by ensuring that we work

closely with the industry and the concern sector and that as best we can we understand some of the issues that people who have difficulty controlling their expenditure in gambling find themselves dealing with.

On the regional caps, I can inform the committee that the strengthened social effects test that is part of the initiatives that we are undertaking here will ensure that no new gaming venues are established where there are adverse social effects from the new venue. In the presence of the strengthened social effects test I see no need to implement regional caps. The concept of capping or an emphasis on machine numbers, regional or otherwise, I believe is misguided and, as only very severe reductions will affect problem gambling, there are other ways by which we address those problems. The strengthened social effects test is capable of considering the specific circumstances of the application in the context of the local community. The government position stated back in September 2007 is as it was at that time and as I have stated here today.

The Hon. I.F. EVANS: Given that the minister has just advised the committee that the concentration on the number of poker machines is misguided, is the government still committed to reducing the number of poker machines by 3,000? If so, how is that not misguided, given that he says that concentration on the numbers is misguided?

The Hon. P. CAICA: It was a decision taken by parliament through the amendments passed in 2004; that was an agreement by parliament to reduce the number of poker machines by 3,000 in this state. As the member for Davenport and the committee would be aware, we have had 2,271 machines or thereabouts—I will correct that if it is wrong, but certainly about that number of machines—removed from the system. Accompanying that removal of the machines was also a reduction in venues, and that is a critical component of the way by which we can address problem gambling in this state. I am advised that 2,218 machine entitlements have been surrendered to date. In line with the decision made by parliament in 2004 to reduce the machines to the level indicated, that is, to remove 3,000 machines out of the system, we as a government are committed to reaching that level of 3,000 as supported by parliament.

I think the line of questioning at last year's estimates was: 'How are you going to do that, given that, to date, the trading system has resulted in that many machines being removed?' As a consequence of that, we have reviewed internally how we could meet parliament's objective and, indeed, the state government's policy position on the reduction of poker machine entitlements to the level of 3,000.

Consequently, we have reviewed the trading system, and what has been determined (and, again, it is one of the range of initiatives that will be introduced by this government to create a more responsible gambling environment, a component of which is to look at the reduction of machines—but that in itself will not reduce problem gambling) is that we will free the market. By that I mean we will remove the cap that currently exists on poker machine trading, which is \$50,000, and allow market forces to prevail in such a way that the market will determine the appropriate price that can be paid for a machine by someone who wants one or sold by someone who might hold an entitlement and who wants to sell it.

Certainly, I believe at this point in time that the operation of the market in such a way will create an environment where a greater level of trading will occur and that, in turn, will allow us a greater opportunity to enable the number of machines to be reduced to the level that parliament has determined. The market model that will be adopted by the government in the proposed amendments to the Gaming Machines Act that we will be bringing to parliament will reduce the risk to buyers and sellers and provide for them a strong and effective market. These are the necessary preconditions for, I believe, a successful reduction in the number of gaming machine entitlements through a market mechanism.

Having said that, the government will monitor the progress of the reduction in the number of gaming machine entitlements through this process and, where appropriate, we will continue to make modifications to the approved trading system to ensure an ongoing efficiency of the gaming machine entitlements market, and that is appropriate. In line with parliament's decision in 2004, as a government we are committed to a reduction of 3,000 in the number of poker machine entitlements.

The Hon. I.F. EVANS: Has the minister taken advice as to whether that reduction, using the market mechanism he proposes, will reduce problem gambling and, if so, can he send a copy to the committee in due course?

The Hon. P. CAICA: In a very brief response to the member, as I mentioned not only in my opening statement but also in answer to one of his previous questions, the reduction of poker

machines and venues is not the single mechanism by which the creation of a responsible gaming environment will occur. There needs to be a range of initiatives and a more fulsome approach to the way in which we do it. The best way in which we can do that is to continue in the direction that this government has established: working with the industry, the community sector and individuals.

I will use an expression that has been used in the past, because other people have done so: there is no single silver bullet to address issues relating to problem gambling in this state or elsewhere. It can be achieved only through a range of initiatives that have all the parties working together and being committed to initiating or implementing that range of initiatives.

The Hon. I.F. EVANS: Has the minister taken any advice as to which gaming venues are likely to use or trade in the open market? Would not commonsense say that the people who are most likely to trade their machines are the gaming venues with low profit/low turnover machines that can sell them and get a higher value? So, in fact, the impact on gaming will be minimal because the machines will come from low turnover/low profit areas. A gaming venue with a high profit/high turnover machine will hardly trade it. Is not the minister playing at the edges in opening it up to the market, as far as a problem gambling is concerned? Where is the bang for the buck?

The Hon. P. CAICA: I am not in a position to speculate as to where the machines may come from with respect to the trading round. I have not taken any advice at this time as to where those machines might come from. I reinforce the point that we are committed to 3,000 machines coming out of the system, in line with parliament's decision and endorsed by the government in 2004. Certainly, in response to tinkering at the edges (and I am not quite sure what the terminology was, but I will paraphrase it), it is not necessarily tinkering at the edges: it is a component of what needs to be a multifaceted approach to the way in which we address problem gambling in South Australia.

As I said, I think we are certainly at the forefront of the environment for that policy to be fulfilled here. I do not expect (and, again, I am speculating here), as the member said, that some of the high profit venues will be trading. In fact, what they will be looking at is to enter the trade so they can get more machines: that is what I would say.

However, there is a very good point to be made here. The way in which we can address some of the issues relating to problem gambling are best done through consolidation of machines into particular venues. If you have three or four machines here or three or four machines there or eight machines somewhere else, they may well be the venues most likely, under market mechanisms, to consider trading their entitlements. I will accept that that is a likely outcome.

However, it also means that quite often there can be difficulties in providing the same level of services that are required to assist as part of a multifaceted approach to addressing problem gambling at those smaller venues. So, as those venues are freed up and the machines go in, there will not be the need to implement processes to ensure that the same level of services that are available in a more concentrated area can be made available in those areas.

Licencees will determine whether or not they will free up their entitlements. However, certainly, from the perspective of a responsible gaming environment, I think it is safe to say that some of the services that can be provided at some of those smaller venues are not at the same level as can be provided by some of the larger venues, with whom we are working very closely to make sure that they play their part. It is critical that they play their part in assisting and being part of the creation of a responsible gambling environment.

The Hon. I.F. EVANS: So, has the Commissioner raised with you issues of smaller venues creating more regulatory problems than larger venues?

The Hon. P. CAICA: No, the Commissioner has not raised that with me. I was just speculating in response to your speculative question.

The Hon. I.F. EVANS: So, it is not in response to any issues raised by the Commissioner that you are seeking to have fewer smaller venues and more larger venues as a result of opening up to the market?

The Hon. P. CAICA: This government is seeking to achieve its direction—as set by parliament and endorsed by the state government—to remove 3,000 machines from the environment. We are doing that through freeing up the marketplace. Specifically, where those machines will come from, I have as much idea as you do. In response to your question, which contained a degree of speculation, I responded in kind; they will come from somewhere.

No issues have been raised with me by the Commissioner about anything relating to the ability to be able to enforce and comply in smaller venues, if that is what you are asking. I was responding in such a way that, from a venue perspective, when we talk about smaller venues with respect to their machine entitlements, the level of gaming or club care services that can be provided at smaller venues by hotels and clubs may pale in comparison to that provided by the larger venues.

The Hon. I.F. EVANS: Minister, last year I raised questions about the number of inspectors—I think just over half—based at the casino, and that half of the inspections were done outside of the casino. It is in *Hansard* that you agreed with me last year that this was an issue. What have you done this year to get more of the inspectors and inspections out of the casino; has anything happened in the past 12 months?

Can you clarify whether the number of inspections on gaming venues is additional to the number of inspections done on liquor licensing venues, or are some of the inspections double counted? There are two sets of inspections in the budget figures. Are they double counted at all or are they two totally separate and different inspections?

The Hon. P. CAICA: I will answer the second part of the question first. The inspections are total inspections, meaning that they cover both liquor licensing and gaming. You are quite right: this question was raised last year. To answer the first part of your question as to what has been done since that time, the government is continuing to focus on improving the compliance and enforcement activities of the OLG. C.

To this end, a report was commissioned to comprehensively review the compliance and enforcement functions of the OLG. C. That report has been finalised and presented to government. The government is currently considering the recommendations and will publicly outline its response and revised approach at an appropriate time. I think that answers your question.

The Hon. I.F. EVANS: I did not hear the answer about the types of inspections. Do they overlap?

The Hon. P. CAICA: The inspection numbers are in total. That is, they are inspections done for liquor and gaming. It incorporates both forms of inspection.

The Hon. I.F. EVANS: So, an inspector goes there and does both gaming and liquor?

The Hon. P. CAICA: That is correct.

The Hon. I.F. EVANS: I have a question on trade promotions. How many trade promotion lotteries have been approved in the past 12 months where entrants have not been required to win a product or buy a product, as distinct from just simply entering to win cash? I specifically raise the matter about which I wrote to the minister, which is still running on TV and which I believe is not a trade promotion.

The Hon. P. CAICA: I pride myself on being able to predict the questions to be asked during estimates. I am not kicking myself, but I should have seen this one coming, because it has been the subject of dialogue and correspondence between us. I will have to get back to you on that question, because I do not have that information in front of me.

The Hon. I.F. EVANS: The minister might want to take my last question on notice, too. Can you provide the number of inspections conducted by the officers of OLG. C. on each day of April and May this year and, if possible, can you provide the name of each venue visited and the time of the visit each day?

The Hon. P. CAICA: I will take that question on notice.

The CHAIR: The time having expired, I declare the proposed payments for the Independent Gambling Authority, the Department of Treasury and Finance and Administered Items for the Department of Treasury and Finance completed, and that the proposed payments for the Attorney-General's Department and Administered Items for the Attorney-General's Department be adjourned until tomorrow.

The Hon. P. CAICA: I would like to place on record my acknowledgment of the work undertaken by my departmental officials, the OLG. C. and the IGA with respect to the way in which gambling in this state will be approached and the policy direction for the creation of a responsible gambling environment.

[Sitting suspended from 12:30 to 13:30]

Membership:

Mr Griffiths substituted for Mr Goldsworthy.

Additional Departmental Advisers:

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

Ms E. Bensted, Deputy Chief Executive Officer, Department of Further Education, Employment, Science and Technology.

Mr P. Mylius-Clark, Director, Planning and Evaluation, Department of Further Education, Employment, Science and Technology.

Mr D. Royle, Executive Director, Shared Business Services, Department of Further Education, Employment, Science and Technology.

The CHAIR: Does the Minister for Employment, Training and Further Education wish to make an opening statement?

The Hon. P. CAICA: I will make a brief introductory statement. First, I advise the committee that, during 11th hour negotiations, we were able to come to an arrangement and, rather than the full time allocated, we will finish at 3 o'clock, and that will incorporate an opening statement. We are working frantically to advise the people connected with the science responsibility that we will commence at 3.20 p.m., again with a view to looking at ways by which we can compress the time of questioning there. So, there will be no government questions during this particular component of the hearing.

I am grateful to have the chance to present an introductory statement as the Minister for Employment, Training and Further Education. South Australia faces both significant challenges and tremendous opportunities in responding to the economy's increasing demand for skilled labour. We are, in fact, in an enviable position. South Australia is enjoying significant economic growth, and the forecast for growth provides us with the opportunity, perhaps unique in our state's history, to increase the proportion of people in the workforce and to ensure that we develop a more highly skilled workforce into the future.

While sustained economic prosperity is a key objective, it brings with it the chance to ensure that all South Australians have the opportunity to share in the benefits of that prosperity, including higher living standards and rewarding jobs and careers. Far from being contradictory objectives, our state's twin goals of economic development and social inclusion are intricately aligned.

The centrality of skills and workforce development to the achievement of our state's key goals was a catalyst for the development of a skills strategy for South Australia, which is being led by DFEEST. The strategy aims to strengthen and make more vibrant the vocational education and training sector in South Australia, including the public training provider TAFE SA, which is the single largest provider. Particular focal points of the strategy are: the refocusing of the role of the Training and Skills Commission by improving its capacity to provide high level strategic advice about skills and workforce development; a more transparent and accountable system for the planning and funding of training; and building upon the existing mechanisms that ensure that industry workforce and training needs are clearly articulated.

So, the key elements of this revitalisation of our VET sector revolve around three core premises: the need to better understand our skill requirements now and into the future; the benefits of having a dynamic training environment; and the expectations of industry and training participants to have 21st century skills delivered and to be delivered through an appropriate range of teaching modes. A range of specific and targeted initiatives have been developed under these themes, and progress is well underway in regard to their implementation. These reforms complement a number of other key initiatives the government has committed to, targeting what are the core issues for a more highly skilled and vibrant workforce into the future.

The Training and Skills Development Act 2003 has been reviewed, and over the past year extensive consultations have allowed the training community, stakeholder groups and industry the opportunity to shape the provisions and the processes that support the operation of our VET system.

Industry engagement in the training system is critical to delivering a highly productive workforce. During 2007, the department undertook a major review of the state's industry skills boards. The nine industry skills boards are the principal industry advisory mechanisms in the context of the government's policy directions for workforce development. As bipartite industry-led bodies, they work with industries, communities and the government at all levels to identify workforce trends and emerging skills needs and they facilitate the uptake of workforce development strategies by industry and enterprises to improve the attraction, retention and development of a skilled workforce.

The ISB review has seen the government commit to a new funding package of \$9 million over five years. These additional funding resources will support the ISBs in the context of their linkages to the government's skills strategy for South Australia's future and their role in implementation of the Australian government's skills and workforce development policy, *Skilling Australia for the Future*.

Industry-focus services have also been strengthened through improvements to the Workforce Information Service, including the introduction of the workforce development showcase, which provides industry with access to useful workforce development tools developed by industry for industry. These are significant changes to the way in which we will go about our business in the South Australian VET sector. I am confident that they will strengthen the ability of the sector to deliver sustainable improvement in terms of training and, ultimately, employment opportunities for South Australians.

Local improvements are taking place in what is an environment of significant change in the employment and training services area across the nation. Significant complementary reforms and future directions are being driven by COAG and the Australian government, and DFEST is actively engaging in these areas to ensure that they provide maximum benefit to people across the state. In this regard, the government has committed to a partnership with the commonwealth, through COAG, to negotiate South Australia's share of the 630,000 additional skills training places for job seekers and existing workers. We will be targeting the key priorities for our state, including upskilling opportunities for existing workers and opportunities for skilling those outside or on the margins of the workforce to enable them to benefit by actively participating in a strong South Australian economy.

Other budget allocations will be used to improve TAFE SA infrastructure, support the retention of young people in training and education, improve our services for those most at risk in the labour market, and to maximum employment participation across all areas of our population. Improvements are also being made to the coordination of services to the training public, with the training advocate now being relocated with the Skills Recognition Service at 55 Currie Street in the city.

The collocation of these two important services will greatly improve accessibility for apprentices, trainees and students, including a strengthened role for the training advocate to assist international students and provide clients with greater opportunity to receive targeted and confidential advice.

Our future directions build on what has been a very successful 2007-08 period and, with the release of a skills statement last year, the training system continues to adapt in response to the challenges of economic, demographic and social change.

Significant achievements have been recognised over the past year, including the establishment of a skills recognition service in Adelaide's central business district to assist people in the recognition of qualifications and skills. International and student enrolments increased by 14 per cent from 2006 to around 23,300. The VET activity data reported to NCVET for the 2007 year shows a significant increase over the 2006 levels: negotiated joint funding by the commonwealth, state and University of Adelaide of over \$30 million to establish the first South Australian School of Veterinary Science at Roseworthy, the location of the Australian Qualifications Framework Council in Adelaide, and the appointment of John Dawkins to the chair of that council.

This is only a snapshot of the key areas that DFEST is focusing on to ensure that the agency makes its contribution to achieving the goals of our State Strategic Plan. As I am sure everyone on the committee is aware, we have established key targets in relation to employment and unemployment, as well as vocational and higher education.

Macrolevel data highlights that we are on the right track and are making significant progress. South Australia's employment performance continues to be good. In 2008 figures show employment grew to reach a record 777,600 South Australians in work, making it 14 consecutive

months of jobs growth. A significant feature of the strong labour market has been in the rise in the proportion of the South Australian population participating in the labour market which, in May, was 63 per cent, one of the highest participation rates ever achieved.

South Australia Works has been a cornerstone program of the government in facilitating the achievement of these outcomes. In 2007-08, 29,000 South Australians were provided with learning and work opportunities, with over 8,500 people gaining employment as a consequence of their participation in the South Australia Works programs. Of course, the benefits of participation in these programs go beyond the specific employment outcomes mentioned, with many participants gaining the interest and confidence to go on to engage in other forms of further education and training.

Employment opportunities for indigenous people continue to expand with increasing opportunities being available in sectors such as mining and health. The state's apprenticeship and traineeship system continues to flourish and provides an important component of the skill development and workforce needs of our state's growing economy.

NCVR data for the year ending December 2007 shows that there were 12,200 completions, an increase of 22 per cent, or 2,200 on the 10,000 apprentices and trainees who completed their training in the preceding 12 months. Nationally, there was an increase of 3.1 per cent for the same period. Completions of traditional apprenticeships over the 12 months from 31 December 2007 were 21.1 per cent higher than the previous 12 months. Significant improvements have also been made to the department's operating budget and we are now in a stronger position to effect real change to the future employment and training ambitions of South Australians. The department has managed its expenditures and revenues over 2007-08 to achieve a balanced budget outcome.

The VET system in South Australia continues to achieve good quality outcomes in the provision of training and employment opportunities and compares favourably with performances in other jurisdictions. In 2007 VET graduates had excellent employment outcomes and reported high satisfaction with the overall quality of their training.

Some of the key experiences reported by students include: South Australia had a higher proportion of graduates (89.9 per cent of total) who were employed or in further study, than the national average at 89.2 per cent; 89 per cent of graduates were satisfied with the overall quality of their training, which was above the national average.

Other important achievements in the VET system, based on the latest available date for 2005-06, show that the number of government-funded students with a disability increased by 3.7 per cent between 2005 and 2006. The number of government-funded indigenous students in 2006 was 13.2 per cent, higher than the figure recorded in 2005.

The government is investing significantly in the future skills of South Australians. The development and construction of the new TAFE SA campus at Victor Harbor will commence in the 2008-09 financial year. The campus is expected to increase training in community services including enrolled nursing, business studies, pre-vocational trade training and vocational preparation. This was in response to the growing population of the region and the demand for vocational education and training. The location (near the Victor Harbor High School and the City of Victor Harbor Library) will allow for the formation of an education hub, or precinct, and will allow people to move straight from school to post-school vocational education in the same surrounds.

The state government's commitment to ensuring that our state has a skilled workforce and that all South Australians have the opportunity to participate in and benefit from a prosperous economy is unwavering. The government enters the year ahead with confidence and is looking forward to building on the significant achievements of the past year.

Mr GRIFFITHS: I did not expect quite such a long introduction but, fair enough; there are a lot of things to talk about and I certainly do appreciate the fact that the challenges over the coming financial year and across the next five to 10 years for South Australia are immense. There is a lot that has been happening.

I refer to Budget Paper 4, Volume 3, sub-program 1.2, specifically at page 12.13. My understanding is that South Australia's percentage of the population of the nation is about 7.5 to 7.6 per cent. Over the past six years has the job growth that has occurred in South Australia been equal to the percentage of job growth that has occurred across the nation?

The Hon. P. CAICA: Whilst I do not have the statistics in front me, over the previous three months we have significantly outstripped the national growth in employment, as it relates to South

Australia compared to the rest of the nation. In addition to that—and it is certainly a very pleasing result—in the main, those jobs have been full-time employment opportunities.

Specifically, during May 2008, the state labour market showed mixed results in trend terms and showed a weakening in seasonally adjusted terms—and I know that you are familiar with those particular figures. The number of unemployed persons in South Australia (in trend terms) rose by 800 to 39,500; in seasonally adjusted terms the number of unemployed persons rose by 1,200 to 41,100.

Importantly, today we still have record numbers of South Australians in employment. We have had record growth (over 14 consecutive months) in people gaining employment. As mentioned, for the previous three months, if not a little longer, the main growth has been in full-time jobs. We have among the highest level of participation in the labour market that this state has ever experienced. On any fair assessment, that is a good result over that period.

According to the most recent ABS figures over the past year to May 2008, compared with the year to May 2007, employment grew in South Australia by 15,200, or 2 per cent; employment grew in metropolitan Adelaide by 9,400 or 1.7 per cent, and in non-metropolitan South Australia by 5,800 or 2.9 per cent over that period. Within the metropolitan area northern and southern Adelaide both recorded the largest increases in employment, both up 5,900 or 3.5 per cent over the year. In contrast, falls were recorded—

Mr GRIFFITHS: On a point of order, if I may: I appreciate the information the minister is providing, but my question was specifically about the comparison over the past six years.

The Hon. P. CAICA: I will take that question on notice and get back to you with respect to interstate comparisons in the form that you asked the question.

Mr GRIFFITHS: Thank you. The reason I asked the question is that it is important that there is information out there that illustrates that the growth that has been occurring in South Australia reflects at least our percentage of the growth that has occurred across the nation. If that data could be provided I would appreciate it. The information that we have kept is that there should be another 25,000 people in work in South Australia if the percentage of job growth equalled the national job growth. That was the reason for the question.

The Hon. P. CAICA: I appreciate the thrust of the question. I reinforce the point that we have record numbers of South Australians in employment. We have had record growth in employment in consecutive figures over the past 14 months, and we have the highest participation rate and amongst the highest participation this state has recorded. To answer your question specifically, I will take that question on notice and prepare a response for the committee in the terms that you have asked.

Mr GRIFFITHS: I do understand that the participation rate has certainly improved, but I believe it is still 2 percentage points lower than the national rate. I want to focus on some other things. I refer to Budget Paper 4, Volume 3, page 12.6. It states that one of the targets is to grow the percentage of overseas students studying in South Australia from 5.1 per cent to 6.2 per cent, and to increase the number of students from 23,300 to 25,300. Will the minister advise what initiatives Education Adelaide has implemented which will result in this increased number of students?

The Hon. P. CAICA: Yes. Those figures you quote are obviously correct. In 2007 we had 23,327 international students studying in Adelaide. That was up 14 per cent on 2006. Again, there will not be one specific area; it is a bit like what we were speaking about in an earlier committee. Education Adelaide will undertake a range of initiatives working with industry partners, being the education providers and others, to increase the attraction of Adelaide for international students, not the least of which is to reinforce those points that are true and tried, for example, that Adelaide is a city and South Australia a state that offers outstanding educational institutions for international students to study at.

In addition to that we provide what is, in the main, a welcoming population that celebrates and welcomes international students here; and Adelaide itself is an accessible and friendly city compared with some of our interstate cities. We see that the figures you quoted about the increase will be achieved through what has been tried in the past which promoted Adelaide as the city it is and which resulted in the successes that we have. We are also targeting different marketplaces, and they include South Korea as the second largest market for school students growing by 31.1 per cent in 2006-07, and that was well above the national growth of 13.8 per cent. We also performed very well to increase our share of Hong Kong students to 18.8 per cent in 2007.

The anecdotal evidence we have is that it is not just important to get international students to study here but also that seven out of 10 international school students in South Australia wish to continue into higher education in Australia and, in particular, South Australia. So, in promoting our state, our learning institutions and our schools to international students, we simultaneously promote the high quality of our higher education institutions here in South Australia. We do that too by working very closely with the parents of international students. It was only at this time last year or thereabouts that I spent some time in Hong Kong speaking to parents of our international students, and they know that we provide a level of pastoral care that satisfies their concerns about what we are able to provide here in South Australia.

In specifics, I guess there are a range of initiatives that include those that I have mentioned about engagement with the international market in a way that distinguishes us from the other states about what we are able to provide here. It is important to point out that Education Adelaide is the only government funded organisation of its kind anywhere in Australia, with a key goal to ensure that international students are made to feel welcome and valued, and that includes working very closely with not only the learning institutions but also the local council in Adelaide, where numerous events are held for international students.

These include the Lord Mayor's annual welcome reception, the Governor's farewell, a free night at the AFL football and a trip to Kangaroo Island for 12 students; 1,000 students received free Adelaide United tickets to the soccer; and then there is the Study Adelaide Letters Home Competition. I know that, Stephen and David, you have been in attendance at those events. so that is the way by which in South Australia we distinguish ourselves from other states and engage international students with what we provide here. That in turn goes hand in glove with the message that is sent home by those students about the type of environment in South Australia those students study within.

Mr GRIFFITHS: Continuing with the same reference, in comparing previous years' budgets I noted that if I looked at when the 2006-07 budget was adopted, one of the targets was to double South Australia's share of overseas students by 2014. I remember that at the time the member for Unley and I asked questions of you and were talking about an opportunistic figure of 60,000-odd being revised down to 40,000-odd. I agree that Adelaide needs to become an education city and that it has been marketed that way, but therefore it is with some concern that I see that it is still only a relatively modest target compared with the vision only two years ago of 25,300 from overseas as at the end of 2008-09 financial year. Has the minister been provided with any figures about the lost economic benefit to the state? First, are you still aiming to double it by 2014?

The Hon. P. CAICA: We are.

Mr GRIFFITHS: Are we on track to do that?

The Hon. P. CAICA: Yes; we are. I guess I could restate some of the comments from last year and put them in this context. We are working with not only education providers but also the local council and developers in relation to the infrastructure requirements to achieve that target. Interestingly, Stephen, that target changes from every reporting period.

If you are talking about increasing South Australia's market share of overseas students to 9 per cent by 2014, it will depend on what it is at that point in time: one day it might be 67,000 international students; the next it might be 62,000, 59,000, 58,000 or 74,000. Certainly, our objective is to increase South Australia's market share of overseas students to 9 per cent by 2014.

If we are to continue to promote or have South Australia as the preferred destination for international students, it will be because of the quality we can offer them in a variety of areas, and I think I summarised that in answer to your previous question.

I am also very mindful of the fact that we need to work with our various stakeholders in this area to make sure that the infrastructure requirements to accommodate that number of students are addressed as we approach 2014—including, for example, accommodation, transport and where students will be housed in the context of where they wish to study.

We are again very mindful of all these factors, and we are working through it. Education Adelaide has played a pivotal role to date, and my department will play a more significant role, to a certain extent, in ensuring that we address the issues that need to be addressed to ensure that South Australia's market share of overseas students increases to reach that level of 9 per cent by 2014.

Our national market share dropped to 5.1 per cent in 2006 because of the strong national growth figure of 19 per cent over last year, which was primarily driven by growth in the vocational education and training (VET) sector in New South Wales and Victoria. Some will argue that those figures and that growth are unsustainable even from a national perspective. I admit that we need to do more work (and my advisers here agree) in the area of attracting vocational education and training students to South Australia.

Further, we are targeting a different area within the marketplace. Without being disrespectful to our interstate colleagues in Victoria and elsewhere, we do not necessarily want to replicate what they have done. We want to get our market share by targeting specific areas in which students can study and, in turn, distinguish and differentiate ourselves from the rest of Australia in such a way that we make Adelaide a premier learning destination for international students because of all we have to offer.

Mr GRIFFITHS: It is impossible for me to argue against what you have just said, because it is important that we create niche markets and market ourselves in areas where people will want to come to South Australia. You say that you are on track for the 2014 target, and I certainly take your word for that. If you are on track, what figure are you aiming to achieve—not in percentages but in numbers? I know that we have said that the numbers will float around a bit, but is it 60,000 or 45,000? If it is 60,000, it means that, to be on track, you certainly need to improve by a lot more than just 2,000 more students in the coming financial year.

The Hon. P. CAICA: It is not a target without its challenges, and that is appropriate for a State Strategic Plan: it is no use having a target that is easily achieved. If we look at the growth over the last several years in percentage terms, from the time when the Rann government came to office to where we are now, if that growth is replicated over that period, we will get close to the target.

The difficulty in answering the question specifically is that we know that the target is a percentage of the national growth. I know you are familiar with some of the circumstances that happened in other parts of the world, particularly in New Zealand, where overnight the number of international students in a particular city was decimated for a variety of reasons. So, you never know exactly what is around the corner. You never know what will happen with respect to the number of international students who will determine to take up their study offshore if something untoward happens such as we have mentioned before—the SARS virus or the increasing cost of travel.

So, the answer is a little difficult, but we are aiming for the increase in line with the State Strategic Plan target. It is not without its challenges. We know that we will have to involve private providers to a level we have not in the past. We know that we will have to focus on vocational education and training. We know that we will have to create niche areas of study that will attract overseas students, such as those in the announcement made earlier about VET, defence, mining and what else we offer in South Australia.

We know that the Education Adelaide industry plan is supported by all industry stakeholders, and that will assist us in setting up the mechanisms, the infrastructure and the architecture required to achieve those numbers. It is not without its challenges but, certainly from South Australia's perspective, it is one we should welcome—just as we welcome our international students who decide to travel to Adelaide and study in our city.

Mr GRIFFITHS: I understand that there are immense challenges out there. However, it is important for me to be able to walk away today with a clear picture in my mind about the number that the government is striving for by 2014. Is it 40,000 or 60,000? I phrase this question with the benefit of being reminded by the member for Unley about comments the minister made last year about a cap being in place of about 41,000 or 42,000. I would like some clarification on that.

The Hon. P. CAICA: If 9 per cent of the Australian share is 40,000 by 2014, that is what we will be striving to achieve: if it is 60,000, that is what we will be striving to achieve. It is an interesting target. I do not have the previous figures in front of me, but I believe it has gone from 67,000 to 58,000. We should be aiming at today's figures, which I understand would be about 60,000.

Mr PISONI: With respect to that same line, the reason why the minister gave the figure of 42,000 last year was that he said it had been pulled back from original estimates due to difficulties with infrastructure. What has the minister done to address those infrastructure difficulties?

The Hon. P. CAICA: At last year's estimates hearings there was certainly a discussion about how sustainable a number beyond 40,000 might be. Since that time, not only have we been involved in consultation with stakeholders but we have also looked at and had discussions with developers about how we might provide affordable, accessible accommodation within the inner city area, because that is where most people want to study.

However, we will have to be flexible with that vision because we know that a lot of international students are studying at Mawson Lakes, for example, and it does not make sense for them to live in Adelaide. It means broadening our outlook about what accommodation can be provided, and where, while still maintaining what we want South Australia—and Adelaide, in particular—to be, and that is a centre that provides easy access for students and creates a vibrant, multicultural environment.

Education Adelaide has built a database of more than 2,400 international students, with emails promoting its activities in a variety of areas. The simple fact is that we are working with developers so they understand future supply and demand, bearing in mind that, with respect to demand size, depending on the target that exists in 2014, we may go well over that target if the national total diminishes over that period of time.

It is safe to say to the committee that what we are doing, quite rightly, is working with all the stakeholders to ensure that we maximise the number of students who can study in Adelaide, whilst simultaneously ensuring that we create an environment that differentiates South Australia from the rest of Australia with respect to the provision of education, the quality and type of students that we attract to South Australia and the areas in which they are specifically studying. That cannot be done by just clicking your fingers. It needs to be a process that is worked out with developers, local councils and learning institutions to ensure that we maximise Adelaide as being the premier learning destination for international students.

Mr PISONI: My understanding of an answer to a question last year, which queried the drop from the previous year in the expectation of the number of international students, was that infrastructure was the reason for putting the cap at 42,000.

The Hon. P. CAICA: I will just clarify that. There was never a cap that was put on international students. I do not have that information in front of me, but I think it was in response to a similar line of questioning last year about what the strategic plan target meant. I might have proffered the view that, under existing circumstances and infrastructure, it would be more of a challenge than otherwise unless those things changed; that is, that 41,000 would be a realistic figure at that point in time without changing things.

The simple fact is that we have a commitment to explore this with all stakeholders. Government by itself cannot decide and say, 'All right, we are going to spend this amount of money on providing accommodation and other infrastructure requirements for international students.' It is something that learning institutions, developers and local councils need to be a part of.

As a consequence, the Education Adelaide industry plan has been developed through that consultation process, and that target is not capped; that percentage share compared to the national level that we have set for South Australia is as it was last year. However, to achieve that, it is most certainly a requirement that we work vigorously and rigorously towards ensuring that the infrastructure can meet the growth in international students that we predict South Australia has the capacity to achieve.

If one walks around Adelaide, one can see some of the apartment blocks that have gone up for international students, and there are different requirements for different students. We are also looking at (and I do not want to pre-empt anything) how we can create a niche with respect to women students from Saudi Arabia studying in South Australia. We know that we will be required to provide certain infrastructure that will satisfy their cultural needs. So, we are looking at those things as well, and how we can create a marketplace here in South Australia that attracts international students because of the uniqueness of what we offer. We are committed to reaching that target. But, more importantly, we are 12 months down the track to developing a proper approach to the infrastructure requirements than we were last year.

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 3, page 12.12. I am interested in some details about the workforce planning and development unit within DFEEST. Can the minister provide an indication of the number of staff employed within that unit and its budget allocation for 2008-09 and some of the initiatives that are flowing out of that unit?

The Hon. P. CAICA: Whilst I do not have the exact figures in front of me, around 35 people work within the workforce development directorate. Their range of responsibilities are fairly broad. For example, there will be people who will be responsible for an analysis of workforce trends and employment levels, and I will work very closely on labour force announcement day with that particular unit. For example, one responsibility undertaken by that department is evaluating the requirements of various industry sectors into the future and identifying what their workforce needs will be. One of the women has been working very closely with industry, amongst others, to do an analysis (bearing in mind that it is not an exact science) of what industry and hence enterprise requirements will be in workforce development now and into the future, that is, current needs and future needs.

It is about a workforce development directorate that provides high quality information and advice across four areas of content: workforce information; industry information; workforce development strategies and tools; and eAlert, a monthly resource bulletin for workforce development practitioners. In addition, the workforce information service is an interactive means to engage people interested in workforce development through regular information updates, discussion forums and project specific online spaces. Over the past year (April 2007 to May 2008), the workforce information service has reached over 12,000 users—half of them are new users—and they have viewed over 50,000 pages of content.

As we progress forward, the role and function of the workforce development directorate will become even more critical. Part of the role and function it provides is also working specifically with the industry skills boards, because again industry skills boards will be part of that mechanism by which we identify industry specific needs and drilling down to enterprise specific needs. We do that through the support and development of industry workplace action plans (IWAPs), and again enshrining labour force data into that as well. Whilst it is not an exact science, we are making it more exact. The way in which we can make it more exact is by working closely with industry concerning its views about future growth development and requirements.

In turn, that allows us the opportunity of developing the purchasing plan (with which you are familiar) which will better inform us where public money for training can be best allocated. That will be the job of the training and skills commission. The functions within the Training and Skills Development Bill include the provision of advice and recommendations to me (or the minister of the day) on strategies and priorities for increasing work skills base in the state. You cannot look at workforce development without looking at those other areas as well to ensure that we have the best plan and the best way forward, as well as utilising all the best resources to enable us to allocate resources to where the training needs are. Coupled with that, too, is the fact that part of the workforce development directorate is working on other strategies and plans that not only attract people to a particular industry area to work but also retain people in that work.

We have a workforce development fund and that fund has been used quite successfully over the previous couple of years to trial pilot programs, for example, the tradees program. Hopefully, we will not suffer from that as we reach our use-by-date, because we perform a pretty sedentary job, but in some trades it takes a different level of physical activity to discharge certain functions.

How do we keep those skills in the workforce in such a way that we are able to utilise those skills not only for the benefit of the industries in which they work but for the people coming into the industries? These types of programs can be used as a template for other industries to ensure that we retain people in the workforce longer than otherwise would be the case.

I think the workforce development fund has been successful. I will admit that, to a great extent, I am past the idea of trialling too much into the future. We will continue to trial and try different things, but it is about how we now look at what has been successful during those trials conducted from the workforce development fund that have been undertaken by industry—sometimes specific industry but also clusters—and how we enshrine those as best practice in respect of ongoing workforce development as it relates to industry.

The workforce development directorate has wide ranging responsibilities, and I expect that it will continue to have wide ranging responsibilities which will be critical to the welfare and wellbeing of our various industry sectors as we confront some of the challenges that we are looking forward to facing.

Mr GRIFFITHS: I agree entirely that the challenges are immense. I just want to ensure that the resources required are there. We have all heard the examples of 300,000 more people being required over the next 20 years to replace baby boomers as they retire. Can you give me an

indication what window of need the directorate looks at when it is considering the workforce needs for the state? Does it work towards that 15 to 20 year period or does it do it over a shorter term?

The Hon. P. CAICA: Essentially, as best as possible, we try to get a five-year snapshot, but it is a rolling review. That five year review will be evaluated as it is being rolled out over those five years. It will be an ongoing five year process. In respect of the resources that are required, I think that the honourable member asks a very interesting question and, to that extent, he knows, as do other members of the committee, that, as we go forward, the resources we have available will be allocated where they are most needed.

Mr GRIFFITHS: Is that financial resources?

The Hon. P. CAICA: It is a combination of both. I do not think you can look at financial resources or human resources in isolation. They are not mutually exclusive. So, as we go forward, resources will be allocated where they are most needed. The other point I make is that, again, it is not the responsibility of government to be the single determinant of the workforce requirements of any industry or enterprise. Really, that is a responsibility of industry and enterprise. However, certainly, I do acknowledge that industries and enterprises need the tools to be able to do that, and the government provides the mechanisms by which those tools can be accessed by industry and enterprise.

There is no earthly good for anyone to turn around and say, 'Why hasn't the government done this? Why hasn't the government done that?' I would say, 'Well, why hasn't industry done this?' Or, 'Why hasn't it done that?' Together we know that there is a responsibility to do that. We provide the tools, the information and the expertise that allows them to make better-informed decisions about their workforce needs and, in turn, that better informs the public provider and the private providers as to where the money and energies ought go in terms of training so that there are sustainable job opportunities at the end of it.

Recently, the Economic Development Board undertook a review of the state's skills and workforce development system. I will get the honourable member a copy of that review. It went to cabinet only this morning. I am sure someone is listening to this and it will probably be at your office by the time you get there tonight.

Mr GRIFFITHS: The government is very efficient.

The Hon. P. CAICA: I would like to think it is the efficiency of the minister, but I am happy to have it recorded as the efficiency of government. The government commissioned Michael Keating, a member of the EDB, to undertake a review of the state's skills and workforce development system. The EDB was concerned about the skills shortages and what the impact of those skills shortages might be, as well as the critical stumbling block to realising and, I guess, exploiting the favourable economic prospects that South Australia has before it.

The review examined a number of dimensions to formulate its conclusions and recommendations, such as: assessing the dimension of the skills required for the future; industry engagement (particularly through workforce planning and development); increasing participation in skills development (particularly youth); existing workers and those on the margin of the workforce (and, indeed, migrations both interstate and internationally); and partnering and examining how it is that, through partnerships with the commonwealth government, we can maximise the opportunities for South Australia being presented through the additional training places.

What was interesting about this particular review is that the EDB, with the greatest respect, was not aware of the level of work that was already being undertaken by my department in the area of workforce development. It came to the conclusion that some very good work was undertaken (and there continues to be very good work undertaken) by the department, particularly in the area of workforce development. In addition, the Keating review has provided, I think, a level of coherence and direction about how it is that we can focus in particular areas that will maximise the outcomes of workforce development for this state.

I chaired the advisory committee for which Michael Keating was doing the research on behalf of the Economic Development Board. The committee comprised Dr Michael Keating (as I mentioned), Monsignor David Cappelletti, Adrian Marron from TAFE SA, Tom Phillips and Adrian Smith from the Training and Skills Commission, Brian Cunningham and Raymond Garrard. As I said, I will provide the honourable member with that report by the close of business today, I expect. Again, that is just one of the mechanisms by which we will be better informed as to how it is that we will be able to meet workforce needs. Again, I think that the Keating report has concluded that South Australia is at the forefront in regard to workforce development as it exists anywhere in Australia.

I can confidently say that the architecture we have in place in regard to the collection and then analysis of industry information is at the forefront of anything that exists anywhere in Australia. We do have in place the internal structures to maximise the benefit that will accrue from negotiations with the commonwealth about training places, because our relationship with the ISBs, the department and the Training and Skills Commission, coupled with the changes which we are proposing and which we hope have a safe and quick passage through the upper house over the next week or so, will put this state in very good stead in regard to meeting our workforce requirements.

Again, I say that it is not without its challenges, but, certainly, it is a great position for South Australia to be in, and far better than not having the opportunities that exist for us into the short to medium future.

Mr GRIFFITHS: In his answer, the minister mentioned something that particularly tweaked my attention, namely, workforce developments and the review, particularly in the youth area. The minister and I have discussions from time to time about what the youth unemployment rate does reflect. I understand that it is the 15 to 19 year olds who are actively seeking work. From my point of view, to have something that fluctuates traditionally around 25 per cent (and has been known to be in the 30s) is very disappointing because, on a national comparison, South Australia is always in the highest part of the nation.

With respect to the work that has been outlined and the support that was in his department, can the minister talk about what is being done to ensure that South Australia's youth unemployment rate is dramatically reduced?

The Hon. P. CAICA: The honourable member and I have had many chats about employment, and particularly youth unemployment. It is at a level that we would both wish to see reduced significantly. It is a volatile figure, and the honourable member mentioned the figure of about 30 per cent. I would need to check, but I think that, in its heady days, it was about 42.7 per cent during the previous government's time in office. It is also safe to say that we both want—and, indeed, this committee and the parliament want—any young person to have the ability to secure employment. Whilst that goes without saying, I think it is important to say it, anyway.

It is a volatile figure. It measures those 15 to 19 year olds who are not learning or earning and are looking for work. It is a small number, but it is not too insignificant that we should not be concerned about it.

Mr Griffiths interjecting:

The Hon. P. CAICA: Yes, 5,000 or thereabouts. I would need to correct the record if that is wrong. It does fluctuate. Of the total number of 15 to 19 year olds in this state, a small percentage are looking for work and are outside of the workforce—still many more than we would like and many more than the member would like—but it really is a fluctuating figure and has an impact on the percentage at any reporting month.

I am not going to bask in the glory that one month it is 24.7 or 28 per cent and the next month it is 17 or 18 per cent. It would be easy for us to use it as a political exercise, but that is not the point. It is a volatile figure. We have to focus on training and re-engagement programs for those people.

I know that Steven and David, and people on our side of the chamber, are very aware of the South Australian Works programs; they are good programs. I have been heavily involved, and I meet with as many Learn to Earners, SA Works program people and ALOP people as I can wherever I am travelling. I attend their graduations, because it is something that I am proud to be involved in. The South Australia Works programs are about assisting a variety of people across the various demographics.

South Australia Works for Young People is about assisting those aged 15 to 24 who have trouble improving their skills or finding a job. I think that is an important point. We focus on 15 to 19 year olds when it comes to youth unemployment, but we lose sight of that very important age group: between 19 and 24. We know that for every day or month that a person is out of work, for whatever reason—particularly young people—the resources required to re-engage and case manage are far more significant. Again, I am very proud of the work that South Australia Works for Young People does in providing pre-employment and pre-vocational training and transition support to increase learning, as well as employment prospects.

During the last financial year, 8,066 young people have participated in programs and 4,003 have gained employment, a figure that is sometimes not properly recognised. While not all people

will get employment outcomes through this engagement process, it will provide additional positive reinforcement for a person to be able to go on to study or, at the very least, feel more confident about seeking employment.

Specific youth outcomes throughout that process included: 250 participants in the Youth Conservation Corps program; 150 who gained employment; 75 disadvantaged young people who participated in Learn to Earn, with 22 gaining employment; and 2,703 young people who developed skills through South Australian Works in the regions, with 1,400 gaining employment. So, we have some good programs in place.

I will not detail all the figures, but expenditure during that period for SA Works for Young People was \$12.325 million, and the budget allocation for this financial year will be comparable to that. The best outcomes can be achieved through ensuring that the programs we have in place provide very detailed and specific case management for individuals and provide them with the skills to do the training, as well as the life skills or employability skills required; and that we link with local community organisations and employers to ensure that, at the end of it, there is an acceptance by those organisations to provide employment to those people. Of course, we have more work to do.

I will conclude by saying that the trade schools for the future, the new SACE and the different pathways being provided through our school system are going to be of great assistance in ensuring that the number of people coming out of the school system who find themselves unemployed at the end of that process will be fewer, because we are actually keeping them within a structured system that engages them, as opposed to being in a system that, on occasions, has let some individuals down.

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 3: objectives for this financial year. Minister, there has been some correspondence between us about support for apprentices for accommodation and travel needs; in particular, a friend of mine who is a locksmith who has to go to Melbourne. I am advised that a review was carried out. Are you in a position to confirm any improved arrangements for travel and accommodation needs for apprentices?

The Hon. P. CAICA: I am very pleased to announce that we have—as you have quite rightly said—reviewed policies that relate to travel and accommodation allowances for apprentices and trainees, and those revised policies will be fully implemented on 1 July 2008, which is tomorrow. In answering the question, I will make a few points.

In 2006-07, Traineeship and Apprenticeship Services completed a review of travel and accommodation arrangements for apprentices and trainees required to travel to attend off-the-job training. The policy and procedures had been in place since 1994. Implementation of the recommended changes was subject to budgetary negotiations. In consideration of those negotiations, DFEEST implemented a staged introduction from 1 January 2008, with the balance of the recommended changes to be implemented from 1 July.

Essentially, effective from tomorrow, my department will have an annual budget of \$1.75 million, to be provided by DFEEST, to accommodate all the recommended changes to the travel and accommodation policy. The policy changes include: increased accommodation allowances—from \$30 to \$60 per night—for apprentices required to travel interstate to attend training, such as locksmith apprentices (for whom you have been a strong advocate) who have to travel to Victoria; payment of accommodation for weekends that occur within a particular training block; and predetermined travel allowances based on distance travelled.

In essence, what we are doing is addressing some of the issues raised by not only individual apprentices and trainees but also their host employers and group training organisations with respect to the impost of some costs incurred in the delivery of or access to their training.

Mr GRIFFITHS: I again refer to Budget Paper 4, Volume 3, page 12.12. I think it is important that this year we devote some time during the estimates committees to the effect of the closure of Mitsubishi, too. It is an enormous issue for the state, with 1,000 direct jobs and, from the research I have seen from EconSearch, it has been identified that up to another 1,500 people are also potentially in danger of losing their employment. Minister, can you advise how many of the retrenched Mitsubishi workers and those in associated industries have sought assistance through the Transition Advisory Service and how many of these people have been able to find employment?

The Hon. P. CAICA: Like all South Australians, I was disappointed by the announcement in February by Mitsubishi Motors Australia that it was closing the Tonsley Park vehicle assembly plant and that 900 workers will progressively exit the plant up to March 2009. Our immediate

reaction to that closure was to announce a three-year Mitsubishi assistance package of up to \$10 million, the Australian government providing \$7.5 million and the state government providing \$2.5 million. That money is specifically to support workers affected by the plant's closure, including workers from eligible supply companies; that is, the second or third tier industries to which you refer.

Services at that time provided job search skills and techniques, career counselling, case management, employment brokerage, training, licensing, recognition of prior learning, wage subsidies, and self-employment assistance. The retrenched workers are also eligible to participate in the skills and demand training and employment projects that have been developed by industries, including minerals and resources, engineering, manufacturing, transport, community services, and sales and retail. As well as learning from the previous experience, a project officer, jointly funded by the South Australian and commonwealth governments, will be in place to monitor the progress of retrenched workers over the next two years.

Not that I thought you might ask this question but, to get an update of the situation at this point in time, this morning I was provided with the most recent information, and it provides a summary of the outcomes for former Mitsubishi workers as at 27 June 2008. The summary indicates that 881 workers were made redundant as a result of the closure of the Tonsley Park site; Mitsubishi advises that 641 workers have exited the site to date; 664 workers have registered through Job Network to access state and commonwealth services; and 237 Mitsubishi workers, plus 16 supply company workers, are confirmed as in employment as a result of the DFEEST/commonwealth services.

In addition, a telephone survey by the AMWU of 397 workers found that 57 have found work through other means without accessing those services; and, in addition, up to 70 adult apprentice positions have been made available through Cavpower, and this would indicate that approximately 380 workers have found employment within three months of their redundancy.

One of the points I want to make is that part of the strategy has been, to a very great extent, to individually case manage where individual retrenched employees wanted that to occur. I think history has taught us that, quite often, the best outcome that can be achieved is to not jump into the first possible job that is available but to work with my department and, indeed, commonwealth and state services that are available to do a proper analysis of what it is that an individual worker might want, that is, to look at their individual needs, assess what their skills are, look at the areas in demand that relate to where it is they would like to work, and to provide some training that might be required to fill the gap between the skills they have and the skills that are required for them to continue their life in sustainable employment.

Without blowing our trumpet, I think this has been a successful program to date, and we should be very pleased with the outcomes. It has been a learning experience, given that it is fair to say that some of the work undertaken in the previous round might not have been as good as it could have been. We have learnt from that, and we have undertaken a very detailed process.

Rule of thumb says that, if you have 600 exiting Mitsubishi workers, one-third will be self-directing, one-third will take the package and have a holiday for a while before deciding whether to work or retire, although we hope they will not retire because they have skills we can use—

Mr Griffiths interjecting:

The Hon. P. CAICA: Yes, the state needs them; that is dead right—and one-third will be a lot more problematic about their requirements in regard to accessing sustainable employment for the future. I think that to date this program has been a fine example of federal/state cooperation, industry cooperation and cooperation with employer and employee organisations to locate and relocate these people in areas of skills requirement and labour demand.

There is a good list of some of the individual placements that have been achieved, and it covers a wide variety of placements by job description. I will not go through them in any great detail, but it ranges from boilermakers and welders, car parts and accessory fitters, carpenters and joiners, childcare workers and cleaners, customer service managers, and a whole lot more. I am happy, Steven, to provide you with this list, because it goes on for another page. It is another example of how we work with some of the retrenched workers to try to find out what they would like to do, based on the skills they have and those skills they will require to go to the areas they want and then working with enterprises and industry in relation to vacancies which exist within those enterprises which will take these, regrettably, retrenched employees, because we all would have liked Mitsubishi to continue on.

Mr GRIFFITHS: The support will be there for some time?

The Hon. P. CAICA: Yes. Certainly, retrenched workers can access those services over a period of two years. Again, we will be refining some of those processes and procedures that are in place, based on what it is we learn through this. It is also important to say that, as traditional manufacturing as it exists in South Australia transitions (and we know that is going to be the case), we have mechanisms in place that not only help individuals who will be affected by that transition of traditional manufacturing but also orientate those people towards areas that will be able to provide them with sustainable employment, so that it is not a revolving door or a churning process for those workers.

The Hon. I.F. EVANS: Following the same budget line, has the government thought of expanding this program so that it deals with all retrenched employees? It amazes me that both the state and federal governments wait for Mitsubishi to close and then say, 'Okay, we'll set up this program for those 850 (or 880) people.' People are retrenched from small businesses every day of the week, so why not set up a retrenched employee centre that runs an ongoing program where all employees who find themselves in that situation can obtain the same personalised treatment?

It seems to me that employees retrenched in small businesses would, over the course of a year, outnumber those retrenched by Mitsubishi, but they are virtually short-changed in the process. Has the government looked at setting up a standing centre so that all retrenched employees are simply referred there to obtain a personalised service?

The Hon. P. CAICA: It is quite true that, on occasion, I have received phone calls to say that I am focusing on Mitsubishi and not on other areas that are transitioning. I think you are correct in that regard. However, what is not as well known is the work that is done with those companies, which is occurring in several respects. I will go back a step.

Money was also allocated, through the commonwealth and the state, not only for the labour adjustment program but for new and emerging industries that provide future employment opportunities for people in sustainable areas. Have a look at some of the money: the structural adjustment funding that REDARC received, for example.

That is a prime example of an emerging electronics company that is employing increasing numbers of people in the south. It is twofold: you cannot look at the services that are going to be provided to individuals without making sure that funding, or certainly assistance, is provided for new emerging areas of ongoing employment.

The South Australia Works program, both in the country and in metropolitan Adelaide, works very closely with companies that are suffering difficulties and are going to retrench employees. We will be in the field almost immediately when we get notice of a company of 30 or 20, or whatever it might be, that has suffered some downsizing or, indeed, is going out of business. Our first port of call will be with individual workers where we will provide skills recognition services, access to skills in demand and, through our career development centres, work with them.

A good recent example is at Clipsal in Nuriootpa. Although there is a 12-month lead-in to that particular closure, there are other examples (furniture companies and others) where we have been on the ground almost immediately. They do not receive the same level of coverage, of course, that an organisation like Mitsubishi receives, where we are talking about 900 people and a major organisation.

However, workers at those other organisations are just as important as those at Mitsubishi. We go into all companies retrenching workers to provide particular assistance which does not necessarily differentiate, in any major way, from the level of service being provided to individual workers at Mitsubishi in regard to accessing resources in order to determine where it is they want to go and what it is that we, as a government, working with employers, can do for those people.

Specifically, your question was about an employment service for retrenched workers. We do not necessarily have that in place but the SA Works structure—and I am not advocating that we will have that in place—allows us to do that anyway. We are able to provide those services through, in the main, our SA Works program by targeting skills in demand—the skills recognition service and the resources that are required to provide advice and support about pathways to not only having qualifications recognised, but equipping workers with the skills and directions that are required for them to gain employment in the areas of their major interest.

The Hon. I.F. EVANS: How does the person retrenched from the local deli or the local bakery shop find out about that?

The Hon. P. CAICA: I do not think that we can drill down to the local deli, for example. If the deli shuts then we are talking about a specific individual as opposed to some of the areas we spoke about earlier. Certainly, it comes to our attention when there is a major or significant impact on a local community through a large employer ceasing operations.

The resources of my department, as it relates to skills and demand and other programs that are in place, are available to the person who has been retrenched from a delicatessen. That is the skills recognition service.

I opened another skills development centre in Port Augusta a week or so ago. It is interesting because, initially, there was a view that this service was not required because everything else was in place but, really, a lot of people were getting through the system without having access to people who were able to do an analysis of their skills and advise them where they might find employment.

Our objective is to have 17 or 18 of these centres. I think we currently have six or seven in place. What we want to do is make them central to a community's activities so that people will be aware that they are there and what services are available. There is a number (which I do not have with me at the moment) for SA Works services that any individual can access. However, a phone number, a skills development centre or a skills recognition service is only as good as people's awareness of those resources. I will take it on board to advertise this widely so that people in those circumstances know what is available to them.

Mr GRIFFITHS: On the same reference, I refer to the electronics industry, which I think the minister alluded to in a recent answer. In estimates last year in answer to a question on Defence SA the Treasurer certainly highlighted the enormous growth potential there, and some information provided to me indicates that revenue through the electronics industry in South Australia is increasing by about 17 per cent. The skill demands for this industry are quite intense and very specific. Will the minister give me some information on what is being done to insure that those people will exist in this state?

The Hon. P. CAICA: Yes, I can. I am not aware of what comments were made by the Treasurer during his appearance last week, so I cannot comment on that, but it is safe to say that electronics is an area in which a niche can be created in South Australia not only for the provision of that componentry to the rest of the world but also as a significant employer in South Australia. I mentioned Redarc as an example, and I am also pleased that Flinders University, that fine learning institution to the south, has undertaken a review of its engineering program and, quite wisely, has determined that that engineering program will continue. That is a particular focus on electronics, so it is the top end skills.

We are also blessed here in South Australia not only in that we have outstanding learning institutions but also that they are headed up by three outstanding Vice Chancellors: the two new recruits to the positions are Peter Høj from the University of South Australia and Michael Barber at Flinders University. They also bring with them an understanding of the relevance of not only research but also links with industry with respect to their requirements in particular areas.

Flinders University is determined to continue with that electronics engineering course. Michael Barber has also commenced negotiation with my department, DFEEST, about the provision of TAFE electronics training in the south as a pathway to that engineering course, and not just to that engineering course but also for the very important technical skills that are required of the individuals that will be involved with that industry.

Only yesterday or last Thursday (I do not have the exact details of it in front of me) the University of South Australia launched its new defence engineering qualification, which again focuses on some of the emerging areas that will be required to fulfil the requirements for employment in defence. I could talk about defence for a while, but I will not. Specifically on the issue of electronics,

I have enjoyed a fairly good relationship to date with the Electronics Industry Association, which was established in January 1998. Its objective is to encourage the growth and development of the industry within South Australia. I was fortunate last year to travel to China to lead a trade delegation of the electronics industry. I understood that was a very productive trade delegation from their perspective.

My department has provided \$185,000 to the EIA for the 2007-08 year to supplement matching funding from its member companies to continue the implementation of the EIA's education initiative '(ei) squared'. There is a range of initiatives in place to ensure that we have

pathways available to young people to secure employment in the electronics industry. The challenge will be at the top end of the skills that are required.

That is at the university end, and those underpinning skills are no different from those required to a great extent as people leave year 12 to embark on a university education they choose and are no different from the underpinning skills that are required in defence, mining and other areas.

Our challenge into the future will be to increase the level of qualifications coming out of schools in maths and sciences so that the total number who can move into those areas is increased. That is probably one of Australia's and, as I understand it, the western world's greatest challenges: to increase the level of students who maintain an interest in maths and sciences and providing those underpinning skills that are required for them to be able to move into some of these emerging areas of our economy that require that level of expertise.

Through the Premier's Science Research Council, our Chief Scientist, Dr Chessell, is taking a particular focus on what can be done from the state's perspective to increase the uptake of maths and sciences by school students, something I understand the commonwealth government is also extremely interested in. We will be sharing that information with all and sundry, because good things are being done in some areas to attract and retain people in science, but it is not as all-encompassing or holistic as it should be. We have some improvement to make there.

We also have the Information Economy Advisory Board (IEAB), which was established in February 2003 as a non-statutory advisory board to advise me on matters relating to the state's engagement with and responses to the information economy because, again, you cannot look at maths and science without looking at some of the ICT that is required for people who operate in this area. It completed its blueprint last year and it has now turned its focus to issues relating to ICT skills for the second half of this year and, to reflect that, the membership of the IEAB was restructured.

Mr PISONI: On the same budget line, earlier in the year the federal government announced the expansion of the 457 visas from about 80,000 a year to 300,000 a year. I have not heard any mention today of the use of 457 visas, migrant labour or increased immigration into South Australia for learning, workforce and development. I would like to know the number of 457 visas in South Australia now and what share of the 300,000 per annum the minister thinks South Australia will end up with.

The Hon. P. CAICA: The matter of skilled migration to South Australia is not my area of responsibility. The question needs to be directed to the Deputy Premier, who is the minister responsible for DTED. I understand that, through immigration, the Hon. Karlene Maywald also has a responsibility in that area.

A lot of industries are, to a very great extent, putting their focus on meeting their skills needs and challenges in the future through skilled migration. I think it is very important to accept the fact that there will be a requirement for skilled migration in South Australia as we move forward, particularly in South Australia with respect to our needs, and I think everyone agrees with that.

My focus as employment and training minister in South Australia is to ensure that we create an environment and a situation whereby every young South Australian has the opportunity to move into employment and every not so young South Australian who may be out of the workforce has the opportunity to move into the workforce.

In answering questions earlier, I said that it is about the social dividend that needs to be paid through the good economic times which we are enjoying and which, in all likelihood, we will continue to enjoy. I see 457 visas and skilled migration as being probably the course of least resistance for some employers with respect to the here and now.

Of course, what I want those employers to understand is that their needs can be best met through the engagement of South Australians currently outside the workforce, South Australians who are not working to their full potential, or South Australians who might be in employment but who want more hours. That is where my focus will continue to be so that we have a social dividend paid from the good economic times and so that, if you and Steven are on this side (or even in this seat), you will not have the same question about youth unemployment asked of you (in fact, I hope that it is still you asking me).

The point I make is that we must focus on South Australians at this point in time and ensure that we not only meet their aspirations but also engage them in such a way that we transform their life through the sustainable employment opportunities that exist in this state.

Mr PISONI: What is the view of your department, minister, in regard to the use of 457 visas for training opportunities, for example? If there is a shortage of tradespeople with particular skills, it may often very well mean that an employer, particularly in a smaller business, may not want the time off the job to train that staff member.

Do you feel that your view is inconsistent with the federal government's view that one way of fixing our skills crisis in Australia is to increase by fourfold the number of 457 visas? That policy was announced by the federal government earlier this year, and it appears that it was not in consultation with state ministers or, if it was, South Australia was left out, because you have given us a contrary view.

I agree that we should train our youth here and retrain our older members of the working community. However, there is a very protracted debate out there at the moment about skills training and the use of imported skill in order both to help with skills training and to deal with demand.

The Hon. P. CAICA: I thank the honourable member for his question but I note, Mr Chairman, that it does not relate to any budgetary line contained within the Portfolio Statement. I cannot comment on areas outside my portfolio responsibility but, in fairness to the honourable member, I will reinforce a couple of points.

As I understand it, 457 visas, which are temporary skilled visas (so those people will not require additional training when they get here, as they are supposed to have the skills) will be allocated only to areas where the state or an enterprise has shown that they cannot be filled by local people; hence, the idea that they are temporary short-term visas.

I reinforce the points I made earlier, David, and I note that you supported them. There is no doubt in my mind that skilled migration will be required to meet the skills needs as we move forward. It will not, cannot or should not be at the expense of our obligations to South Australians or, indeed, Australians with regard to their specific requirements of employment and training.

I think one of the areas where we need to have a focus in the longer or medium term is one we spoke about earlier in this estimates hearing, namely, international students.—targeting students who have been or who are being trained in the skills areas required for South Australia and creating an environment which, because of all we have to offer here in South Australia that makes it such a great place to live, play and raise a family, is the attraction for them to stay here so that we benefit from the skills they have learned here through the education system. It is an area I will certainly push into focus as we go forward.

I cannot answer the specific questions the member asked about the federal government's position on 457 visas and its expansion of those, save to say that, provided it is not at odds with the focus I have as employment and training minister (and I do not believe it is)—a focus I know you support, I know Steven supports, I know the Chairman supports and I know the government benches support—we will not have any problems with that expansion.

Membership:

Dr McFetridge substituted for Mr Pisoni.

Mr Goldsworthy substituted for the Hon. I.F. Evans.

Departmental Advisers:

Dr J. Michaelis, Chief Executive Officer, Bio Innovation SA.

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

Dr C. Fowler, Deputy Chief Executive Officer, Department of Further Education, Employment, Science and Technology.

Ms A. Nelson, Deputy Chief Executive Officer, Bio Innovation SA

Ms C. Anderson, Director, Information Economy, Department of Further Education, Employment, Science and Technology.

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

The CHAIR: We will now move to science technology, science innovation, Playford Capital and Bio Innovation SA. Does the Minister for Science and Information Economy wish to make an opening statement?

The Hon. P. CAICA: I have had discussions with the member for Morphett. I will not be making an introductory statement. We will exhaust his line of questioning and then we should be able to call it a day.

Dr McFETRIDGE: I would like to thank the minister for his cooperative approach with respect to these portfolios. It has been a delight to work with him. I will first read into the record the omnibus questions, as follows:

1. Will the minister provide a detailed breakdown of the baseline 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 resources, 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 2007-08 for all departments and agencies reporting to the minister, listing the name of the consultant and contractor, the cost, the work undertaken and the method of appointment?

3. For each department or agency reporting to the minister, how many surplus employees there will be at 30 June 2008, and for each surplus employee what is the title or classification of the employee and the Total Employment Cost (TEC) of the employee?

4. In the financial year 2006-07 for all departments and agencies reporting to the minister what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2007-08?

5. For all departments and agencies reporting to the minister, what is the estimated level of under expenditure for 2007-08, and has cabinet already approved any carryover expenditure into 2008-09? If so, how much?

6. (i) What was the total number of employees with a total employment cost of \$100,000 or more per employee and also, as a sub-category, what is 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 2008; and

(ii) Between 30 June 2007 and 30 June 2008, will the minister list job title and total employment cost of each position (with a total estimated cost of \$100,000 or more):

(a) which has been abolished; and

(b) which has been created?

7. For the years 2006-07 and 2007-08, 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 Treasurers Instruction No 15?

8. For all capital works projects listed in Budget Paper 5 that are the responsibility of the minister, what are the total amounts spent to date on each project?

Mr GRIFFITHS: We ask that the answers to those questions be identified as being appropriate to each of the portfolio areas held by the minister.

The Hon. P. CAICA: Yes.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 3, page 12.21 and Budget Paper 3, page 2.33, Table 2.15, sub-program: bioscience industry development, Bio Innovation SA, commonwealth funding. What assistance and/or alternative funding programs will the state government provide to Bio Innovation SA to help it deal with further losses to funding given the federal government's cut to Commercial Ready and Commercial Ready Plus programs for 2008, which are important sources for funding for the early stage in high risk bioscience companies?

The Hon. P. CAICA: At this stage, I report to the committee that we will have to await the outcomes of the Cutler review that has been instigated by the federal Minister for Innovation, Industry, Science and Research (Hon. Kim Carr). Quite appropriately, the federal government has undertaken a review which includes an analysis of some of the finances that have been provided to early stage development.

Certainly, the impression that I have from the federal minister and from my preliminary discussions with Dr Cutler is that support for emerging biotech companies will not be lost through this process but, quite rightly, there is required to be an evaluation of where that money has been spent and the outcomes that have been achieved through that because, like the South Australian government, the federal government understands the importance of properly supporting emerging companies in the area of bioscience and other forms of emerging science research that, as we go forward, will be part of the very solid foundation that underpins our economy. We will need to await the outcome of that review before I can make any assessment about the implications of that review. That information is not available at this stage.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 3, page 12.20: the broadband rollout. One of the reasons I am particularly interested in the answer to this is that an article in the *Independent Weekly* on the weekend quoted business economist Phil Ruthven as saying that high speed broadband looked like the best option for South Australia to create a unique selling proposition for itself. He said:

The ADSL2 I have on at home for broadband is about as useful as the pony express for doing business. The South Australian government could create a fibre-to-the-home high-speed broadband access that would be far and away the best and most advanced broadband telecommunications system in the country. That would not only give the state a unique selling proposition to win back office work from the other states but, because young professionals now live and work online, it would provide a more attractive lifestyle option for these people to work from home.

In fact, I can verify that. My son works for Australian Semiconductor Technology Company, which works out of Wakefield Street, but he lives in Melbourne and works online there. Improving the broadband rollout and internet speed is an absolute priority for everyone in business. Can the minister advise us what the government is doing in that regard?

The Hon. P. CAICA: I thank the honourable member for identifying the very important factors that relate to the accessibility of high-speed broadband to individual South Australians and companies and industry. Part of the process by which South Australia is addressing this issue is through the formation of the Broadband SA program, which was approved by cabinet in August 2003, and the broadband strategy which was launched in December 2004. That created some significant money for a four-year grants-based funding program to build new broadband capability for the state, which commenced in the financial year 2003-04.

I had discussions with the honourable member and, indeed, the member for Goyder as well, about the decision of the previous government to cease some of the funding that was available for the national broadband rollout. To a great extent, as I think I have discussed, I can understand the federal government's position at that time because, in reality, it was not getting as big a bang for its buck as it should have. In fact, it is probably safe to say that a large proportion of that money was squandered because of the lack of uptake that occurred. I was not at all disturbed by the decision to cease that funding in that area. What was disturbing was that the decision was unilateral and it meant that it was a one size fits all in respect of broadband rollout in South Australia.

Again the member for Goyder understands the significant work that was undertaken on Yorke Peninsula, for example. That was a whole of community approach through the use of ISP providers and the technology that was available not only to increase the accessibility of broadband, in the main through wireless technology on Yorke Peninsula, but importantly to maximise the uptake that would occur through a whole of region approach. Indeed, we argued very strongly before the former federal government and the minister of the day to look at what we were doing in South Australia as a template for how things should be done; that is, work in regions with all bodies, people and organisations to increase the level of uptake.

The majority of money for broadband rollout will be from the federal government, which has allocated a significant amount of money. The national broadband network has not only been discussed at the online council but a process is being undertaken at the moment for a national tender. It is important to say that it is certainly my view that—I do not think this is a controversial view and I think it is one that you will share—with the greatest respect to our major carrier, I do not

think we have had the level of competition within the broadband market to benefit the Australian population regarding its ability to be able to access high speed broadband.

Pivotal to this way forward is the creation of a competitive market so that the beneficiary will be the Australian population. Since the market has been opened up (which might well have been a decade or more ago), 90 per cent of all the associated infrastructure and rollout relating to broadband still stays in the hands of one company.

I am very mindful of the fact that at our online council we discussed ways in which that competitive market can be created and which ensures the availability of affordable access to broadband will be enhanced through that national tendering process. That process still has to run its course, but it will be concluded in August, when more information about who the successful tenderer or consortium will be available.

I am certainly hopeful from South Australia's perspective of two things: first, that it creates a competitive environment because that will be critical to affordable broadband accessibility; and, secondly, underpinning that is the due deference (if that is the right terminology) to the processes that we have been undertaking in South Australia through our Broadband SA program and providing assistance to the regions to position themselves as best they can to take advantage of the significant amount of funding that will be available for broadband rollout.

Mr GRIFFITHS: I certainly want to put on the record my appreciation for your effort, minister, regarding the broadband Yorke Peninsula program. I know you visited the area and met with the council. I am unsure whether Agile and Internode were involved in those discussions, too, but you certainly reacted as quickly as you could. I again refer to Budget Paper 4, Volume 3, page 12.20. Given that the performance commentary talks about the Coorong, the Barossa, Light and Yorke Peninsula areas, can you give details of the number of connections that were made as a result of that funding support?

The Hon. P. CAICA: I can report to the committee that again we were successful in respect of the federal government's acceptance of the work that we were doing not only on Yorke Peninsula but, as I understand it, the Barossa, Light and Coorong regions. Whilst I do not have the specific information relating to connections that have been made, I give an undertaking to provide that information to you, providing I can access it. It is commercial information which I expect the various carriers and providers will have. I will do my very best.

The point I reinforce is that the success of the Yorke Peninsula, Coorong, Barossa and Light regions has been the broadband development funding that we have been able to use not only to coordinate the process but also to increase the level of the project value to those particular areas through working with a variety of carriers. I am pleased to say that we are on track and those areas have come on line. Regarding your specific question about the uptake, I will take that on notice and get that to you.

Another point that also needs to be made is that accessibility is one component of what needs to be an integrated broadband strategy. The other part and a very important part is to ensure that the population has the ability and the skills required to be able to access and utilise broadband to its fullest extent. To that end, we have our digital bridge unit within the information economy directorate that plays an important part, along with others, to look at the uptake of skills, the skills required and the ability to maximise the opportunities that arise.

To have the ability to be able to connect is critically important; and, beyond that, to then have the ability as either an individual or a business to maximise the benefits that arise from being able to connect is the next most important thing. We look at this as a multifaceted approach to the way in which we deal with broadband accessibility and the uptake. I will get back to the honourable member on that particular question.

There is a target within our strategic plan, namely, to increase the percentage of internet connected South Australian households using broadband during 2006-07. It has increased from 36 to 57 per cent, but the state continues to lag behind when compared to the average Australian broadband usage of 68 per cent, something we believe is critical to address.

Mr RAU: I refer to Budget Paper 4, Volume 3, page 12.18. What recognition has been provided through the Australian Research Council of South Australia's status as a centre for world-class research?

The Hon. P. CAICA: The government is committed to this (as I know the opposition is), because it is another area that receives bipartisan support, and for that I am thankful. The government is a committed supporter of science and research, recognising the significant impact it

has on the social, economic and environmental development of our state. In line with our State Strategic Plan objectives, the government funds a range of initiatives that aim to boost the pool of scientific talent who carry out leading-edge research in South Australia. One such initiative is through the support of the Australian Research Council's (ARC) Federation Fellowship Scheme.

This year 14 fellowships were awarded by the ARC. In addition to significant commonwealth government investment, the state government contributed \$1.2 million over three years to two separate projects in the latest funding round. I am very pleased to inform members of this committee that South Australia has achieved a spectacular result with three of the 14 fellowships having been awarded to research in recognition of the work they have undertaken in South Australia. One of our Federation Fellowship recipients is an outstanding young South Australian scientist, Professor Tanya Monro from the University of Adelaide. As the committee is aware, she is a member of the Premier's Science and Research Council and a founding member of the steering committee for the Royal Institution of Australia.

Professor Monro is one of our most eminent scientists, and her fellowship project will be of enormous benefit to our state. It will focus on the key areas of photonics and defence, providing a path to investment in photonics' research. It will have a flow-on benefit for other areas of electronic defence systems, one of our critical areas of research and focus. In addition to the government's contribution, co-funding from the University of Adelaide and the DSTO will boost total funding for Professor Monro's project to \$4.35 million over five years.

Another recipient is Professor Fran Baum from Flinders University. Professor Baum is one of Australia's leading researchers on social and economic determinants of health. I was privileged to attend a function last week to acknowledge Professor Baum's achievement. Professor Baum has published over 100 articles and is the author of *The new public health: an Australian perspective*. She was appointed a commissioner on the World Health Organisation Commission on the social determinants of health, and she has been involved with the Australian Healthy Cities initiative, including the Healthy Cities Noarlunga initiative.

Professor Baum's project will make an invaluable contribution to health policy in South Australia, focusing in particular on health inequities. The government will provide financial support through the Premier's Science and Research Fund, the Department of Health and the Social Inclusion Unit. Co-funding from Flinders University coupled with that will provide total project funding of \$1.8 million over five years to this outstanding research scientist and her team. Another South Australian research professor, Michael Eastwood, was also awarded a Federation Fellowship in this year's round. A longstanding researcher with the University of Adelaide, Professor Eastwood is one of the world's leading experts (and I know this is an area of particular interest to the member for Goyder) in conformal differential geometry.

His fellowship will take him to the Australian National University where he will work on developing essential tools in fundamental science, and it will also help to establish links between neighbouring fields of mathematics. I congratulate professors Munro, Baum and Eastwood on winning their Federation fellowships. They are leading role models within our science community. I am sure that all members of the committee will join me in wishing them every success with their research programs.

The Hon. P.L. WHITE: I refer to Budget Paper 4, Volume 3, page 12.18. What steps is the government taking to raise the profile of our scientific community to enhance collaboration between our state's research organisation and industry?

The Hon. P. CAICA: One of the key objectives of the state government is to enhance collaboration between research institutions and industry; and, by doing so, we make a substantial contribution to our state's economic development, our social wellbeing and our environmental sustainability. In recognition of this, the state government has developed and implemented Constellation SA, which is one of the key initiatives of our 10-year vision for Science ST110. Constellation SA is a program that strengthens our state's scientific capabilities by providing a focused approach to research and development and by providing a strategic framework for investment and research innovation.

It helps us to maximise the use of our leading edge physical infrastructure, and it facilitates further investment in our research precincts. Constellation SA also gives us a mechanism to help recruit and retain leading scientists and researchers in South Australia, and enhances our ability to leverage additional funding from the commonwealth and other sources. This year, Science, Research and Development South Australia received a boost, with \$1 million being allocated to Constellation SA during the 2008-09 financial year. That is the largest allocation made to

Constellation SA since its creation in 2006, and it is an increase of \$250,000. Given the compact nature of our research community, South Australia is uniquely positioned to achieve levels of collaboration that are the envy of other jurisdictions. It is this funding that will boost and drive research innovation in our state's key sectors. The Constellation SA alliances include agriculture, food and wine, defence and advanced manufacturing, health and medical science, minerals and energy, natural resource management and climate change, society and the citizen and visual and performing arts.

Constellation SA has already helped support the development of the Wine Innovation Cluster, which has brought together five of Australia's key agencies in grape and wine research, creating an impressive entity that adds immense value to the Australian wine industry, which will continue to build wealth along the grape and wine value chain. Any member who wishes to visit the Wine Innovation Cluster and talk to people there will see a shining example of what can be achieved through collaboration. I welcome members' interest in that cluster. The government has also identified other areas to develop further in the coming year, including the mining and energy sectors, intergenerational health and medical devices. Development of these strategic sectors will help us to attract industry, government and international investment to access the critical mass of practical knowledge that exists in South Australia.

The government has also allocated \$1 million to continue the South Australian Science Excellence Awards over the next four years. These awards were introduced in 2004 and have become, without doubt, our state's leading event to showcase science and science practitioners.

Mr GRIFFITHS: This is a follow-up to my previous question about broadband funding. Can the minister confirm what the level of the Broadband Development Fund has been for the past two financial years, and what will it be for 2008-09 and for each year across the forward estimates?

The Hon. P. CAICA: Without re-emphasising the earlier points that I made about the formation of the Broadband SA program and the broadband strategy that was launched, a core part of the Broadband SA program is the Broadband Development Fund, a four-year \$7 million grants-based funding program to build new broadband capability for the state which commenced in the financial year 2003-04.

The Broadband Development Fund was to have concluded in 2007-08 but, due to the changes that I mentioned earlier and the delays in the federal broadband funding programs during 2006-07 and 2007-08, it will be extended to 2008-09, with the remaining uncommitted funds totalling \$3.7 million rolled over into this financial year. Changes in the structure and focus of the Connect Australia subprograms have delayed progress in a number of broadband projects in South Australia. Ten Broadband Development Fund projects with a total project value of \$21.1 million have been approved for BDF funding totalling \$3.3 million, of which \$3.1 million has been paid to date. Included in that figure is a total of \$0.3 million from the BDF that has been approved to support projects for community demand, aggregation and project development. So, we have really rolled over the remaining funds into this financial year.

Mr GRIFFITHS: I am sure that many areas of metropolitan Adelaide, and the regions, also struggle through poor broadband reception for an allocation of additional dollars above that level.

The Hon. P. CAICA: The member for Goyder raises an interesting question. Certainly, I have had delegations of people, with whom you would be familiar, with proposals that would eat up that entire amount of money in one sitting. So, it is about how we maximise the uptake while at the same time ensuring a level of equity in the distribution of that money to get the best possible result, as well as utilising that money to get the best leverage.

The point about metropolitan black spots is very interesting. At the moment, we are looking at that carryover—and we have never been denied carryover for that money given the delays that have occurred elsewhere. We are looking at how we can get the best bang for the buck—for want of a better term—from that money. Of course, that will ultimately be at the determination and, certainly, on the advice of cabinet. That may include looking at particular black spots within metropolitan Adelaide. It may include looking at some of the issues relating to Eyre Peninsula or other country regions, but we are undertaking a process at the moment to determine the best use of that money and how it can be used as additional leverage to extract money from other areas.

Salisbury is one metropolitan area that has benefitted from gains arising through the BDF. So, we are undertaking a process to have that money spent—for want of a better term—in areas that will maximise the uptake and benefit the communities in which that money is expended.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 3, page 12.20. Did the minister give the committee the expenditure on delivering the Outback Connect program?

The Hon. P. CAICA: No, I did not. Would you like me to?

Dr McFETRIDGE: Yes, please.

The Hon. P. CAICA: I apologise; I do not have that information, because your question is specifically about the dollars expended on the Outback Connect program.

Dr McFETRIDGE: If you can update us on the current state of delivering Outback Connect, that will be fine. You can give us the figures later on, if you like.

The Hon. P. CAICA: I will take the question on notice, member for Morphett, and get back to you with the specific information relating to the expenditure, the outcomes that have been achieved and the status of that program.

Dr McFETRIDGE: We saw the Rural Transaction Centre at work in Marree, which has a lot of federal money going in. I think that is part of the same program. There is certainly a boom in the community there. I refer to Budget Paper 4, Volume 3, page 12.22, Playford Capital. Can the minister provide the committee with details of the investment projects of the 38 South Australian technology companies that have received \$10 million in investment from Playford Capital during 2007-08? Can you also give the committee an outline of the changes to Playford Capital and indicate how the new entity will work?

The Hon. P. CAICA: I know that the member is aware that Playford Capital is South Australia's leading technology investor. It has a contract with the commonwealth and has helped attract more than \$81 million in private sector and commonwealth funding for innovative South Australian technology companies over the past seven years. During the past year, Playford Capital sold its stakes in Maxamine Inc. and DSpace Pty Ltd. Proceeds from the sale of investments are circulated for further investment in South Australian technology companies. In relation to the 2007-08 outcomes and achievements, Playford Capital is forecasting investment commitments of \$1.31 million to six companies in 2007-08. Portfolio companies raised a further \$9.54 million co-investment during the same period. This represents an excellent return on the \$1.78 million which the state government contributed to Playford's operating costs. Playford Capital is on track for the number of investments; it has exceeded its commonwealth co-investment target by \$37 million. The net operating spend is forecast at \$1.45 million for 2007-08, which is \$144,000 lower than budget.

With respect to the specific companies, which was the thrust of the question, I am not familiar with all the companies Playford Capital currently has an interest in or is assisting. To a very great extent, I have answered the question more generically about how it is travelling as a whole. The details of the specific investments are a matter for the board, but I will attempt, as best I can, to get information to you on the specific investments, without breaking any commercial confidence that might relate to those specific investments.

Dr McFETRIDGE: Can the minister provide details on the changes to Playford Capital and how the new entity will work? It has been restructured, as I understand it.

The Hon. P. CAICA: Playford Capital still exists in its current form, and it will continue to do so.

Dr McFETRIDGE: I understood that there were going to be some changes. That is good to hear because it is working well.

The Hon. P. CAICA: Certainly, with early venture capital—whether that be in the area of technology or whether it be bioscience, if, indeed, the pre-seed funding is not, in some form or another, provided by government and that funding used as leverage—I think it is very unlikely that funding will occur. There is certainly a role for government to provide that form of funding that ensures that we have support for vibrant, emerging industries in both biotech and other forms of technology.

I do not know whether this is what the member for Morphett was thinking, but, as opposed to Playford Capital, the government made a decision to enter into arrangements with other state governments and our three universities to establish the Trans-Tasman Commercialisation Fund. We are providing a grant of \$250,000 per year for five years to the state's three universities to support the operating costs of the Trans-Tasman Commercialisation Fund, and WestScheme Superannuation, one of the largest funds in Australia, will provide up to \$30 million to the TTCF for

investment for up to 10 years. Our contribution will be to the management and operating costs of that particular fund.

The fund aims to fill a critical gap in access to early stage finance for the five universities and have their research and development projects regarded as suitable for commercialisation properly evaluated and taken to the next level. I do not know whether that is the area, but what we are trying to do is to look at Playford Capital (which I am responsible for to a certain extent because of my ministerial portfolio responsibility), BioInnovation SA and, indeed, the Trans-Tasman Commercialisation Fund, coupled with BioInnovation SA's Terra Rossa fund as well, which, again, is an early stage venture capital fund, focusing on the areas of bio and life sciences.

Apparently some of the figures provided here have been updated, and I apologise for that, and I may need to correct the record. They are not significant differences, so I can either read them into the record now or give them to Hansard to change, because we are talking about only a minimal amount with respect to the figures I have detailed and those I have been provided with now for Playford Capital.

Dr McFETRIDGE: That is fine; whatever is easiest. My next question is something I have to ask because of all the fuss that is going on at the moment about school computers. I refer to Budget Paper 4, Volume 3, Page 12.20, in relation to SABRENet. Which high schools have received SABRENet connections as part of the DECS trial, and what is the future plan for high school connections in the timeline for future high school connections? Part of the concern for me is the cost of rewiring the classrooms and the installation of powerpoints because of the federal government's program to provide students with laptop computers. I am not trying to set you up against the education minister; far from it. There is a concern, and I would be interested in what you are able to tell the committee about the relationship with the federal government and providing computers for schools.

The Hon. P. CAICA: I cannot answer that question as it relates to the high schools, and it is inappropriate for me to do so. The decision as to accessing SABRENet will be at the determination of the education minister. However, I can tell the committee that, with respect to the area for which I am responsible (the TAFE sector), we are certainly orientating towards and are committed to ensuring that the TAFE system has at its disposal the wonderfully quick, high speed connections that are synonymous with SABRENet. To that extent, we will be connecting our TAFE computers at Elizabeth, Regency, Salisbury, Gawler, Gilles Plains, Adelaide City, Panorama, Roseworthy and Urrbrae, as well as Tea Tree Gully. Certainly, the fibre optic broadband network provides a very high speed and cost-effective broadband for the research and education sector in South Australia, through SABRENet.

It is something that is valued. Indeed, the members of SABRENet Ltd are Flinders University, University of South Australia, the University of Adelaide and the South Australian government. The Defence, Science and Technology Organisation has recently joined as a participant. We expect that, as time goes on, we will certainly be maximising the number of educational and research institutions that will have access to SABRENet. I cannot answer your specific question but, certainly, from my area of responsibility, that is what we are doing.

Dr McFETRIDGE: Budget paper 4, Volume 3, page 1220 refers to the e-learning development fund. How much funding has been allocated to the registered training organisations e-learning development fund? What was the expenditure allocated in 2007-08 for assisting the 18 private registered training organisations to initiate e-learning programs?

The Hon. P. CAICA: A DFEEST VET sector e-learning mapping exercise identified that private enterprise RTOs access e-learning funding support programs less than does the public provider and, consequently, are likely to be less well equipped to deliver training online. I could speak for a while about the blended learning methodologies that are going to be required in the future to ensure that we have a system that caters for all South Australians. A component of that blended learning, of course, is access to e-learning.

My son, Simon, a year 12 student, does the majority of his learning through the computer and e-learning, coupled with the very valuable information that his highly-qualified teachers provide to him in the face-to-face meetings that he has from time to time. The e-learning mapping exercise resulted in an analysis of RTOs and their access to e-learning. The e-learning private VET providers have a program that delivers a series of workshops to help RTOs learn the basics of e-learning and assisting to build e-learning strategies in business cases. The participating organisations have the opportunity to receive up to \$5,000 from the program after demonstrating a

strong case that business improvements will result from the project they propose. The funding requires at least matching support from the RTO.

The DFEEST RTO e-learning development program fund has now run twice: once in 2006-07 and again in 2007-08. I am advised that the feedback from both series has been very positive. The Australian Flexible Learning Framework also saw the potential of the model after the first series and is partnered with DFEEST in the second. Seventeen organisations attended the 2007-08 series and seven projects are expected to be funded. An additional learning project with the Defence Teaming Centre is being scoped for funding on the 2007-08 program allocation.

Dr McFETRIDGE: At the same reference on page 12 there is information about the telecommunications infrastructure strategy that was put in place at Techport. Can you give us some background on that? When the Treasurer spoke about Defence SA, he was talking about the secure electronics development centre down there. Is this all part of that?

The Hon. P. CAICA: I am advised that what we have done, from my department's perspective, is fund an analysis and a study of the requirements that will be needed there. Part of that analysis is the feasibility of the extension of SABRENet to that area. From a layman's perspective or a ministerial perspective—because I am not a scientist—it would make sense, where a situation warrants it, for an extension of SABRENet into emerging areas. At the moment I cannot elaborate any further on that particular program. No decision has been made. However, the analysis undertaken has seen in part some funding to assist in the feasibility of the study.

Dr McFETRIDGE: I refer to Budget Paper 4, Volume 3, page 1218: the science and innovation performance commentary. You spoke briefly about the wine innovation cluster, which is of great interest to the member for Schubert. I did have a look at some of the facilities being developed at the Waite campus. I assume that is all part of it, is it not?

The Hon. P. CAICA: It really is one of the flagships that South Australia should hold up. It is the equivalent of anything that exists around the world. I would be happy to conduct a tour down there for interested members like yourself, and the members for Goyder, Enfield and Taylor, in order to provide you a bird's eye view of what is an outstanding example of what South Australia can do which is the equivalent of anything being done around the world.

Dr McFETRIDGE: Will you give us some information about the Centre for Intergenerational Health, the Mineral and Energy Alliance, and the specific mining and energy clusters mentioned in the performance commentary?

The Hon. P. CAICA: From the outset, I can say that the Centre for Intergenerational Health falls within the responsibility of the Minister for Health. However, having said that, my department and the Department of Health have been working collaboratively because I do not think you can extract or extrapolate one component of science from the other. One of the things I have found interesting, as the Minister for Science, is that science happens in the area of health and that, science to a very great extent is the responsibility of the Minister for Health. We can say the same thing is being undertaken in agriculture and aquaculture: there is no doubt about the scientific nature of it, but it does not fall within my portfolio responsibilities. However, in my time as the Minister for Science, what I have attempted to do is to make sure that there is some connection between what I am responsible for (as it relates to science in this state) and what it is that ultimately other ministers are responsible for, to make sure that we are working in concert with each other.

In regard to the Health and Medical Research Institute, it originally started as the Florey Precinct Health and Medical Research Institute, centred around North Terrace and Frome Road. The Florey Precinct has been identified in STI10 and Constellation SA as a key innovation precinct. Matters have progressed such that we are now in the process of working on the commencement of a proper and full business case for what is now the Florey Precinct Health and Medical Research Institute's successor, the Health and Medical Research Institute (HMRI), which I know you are familiar with. What we are looking to do is to house within the Health and Medical Research Institute various aspects of research. One of which is intergenerational health.

What we will be looking at is the development of a first-class health and medical research institute located in Adelaide. It is still subject to the development of a proper business case, but one of the areas of responsibility within the Health and Medical Research Institute (which will be part of what was and remains the Florey Institute) will be in the area of intergenerational health.

I know that you are aware of the Shine Young review of health and medical research in South Australia and which proposes the establishment of the independent health and medical

research institute. That is still a work in progress. There is still work to be done to commence the development of a full business case for the health and medical research institute building that will house, amongst other things, particular research that relates to intergenerational health, but of course it will also be a hub from which many spokes will come in and go out. Again, it relates to the rest of the science and health research areas. I have probably spoken on it further than I should have and against my better judgment but, in essence, it is a question that needs to be specifically directed at John Hill in relation to intergenerational health and its research.

Dr McFETRIDGE: The mining and energy clusters I will leave alone for now. I refer to page 12.21, regarding the bioscience industry and details on the Bio Innovation SA incubator.

The Hon. P. CAICA: For the benefit of the member for Morphett, I do not think that in all my time here during estimates that I have deferred a question to any of the people who have been with me; I have taken all the questions myself. I can answer this question and say I am very proud of the progress that has been made with respect to the incubator, and I know you will be invited along to the opening, but I will provide the opportunity for my friend Dr Michaelis to answer this question on my behalf.

Dr McFETRIDGE: As much as you would like to tell us. How much money do you need?

Dr MICHAELIS: The brief from the minister is to keep it short. Bio Innovation SA is going to deliver the project on time and on budget. We received the keys for the building on 19 June, just a couple of weeks ago, and the first company has already started to move into the building. A few finishing touches are to be done on landscaping and internationally. All up, the building will house six companies to start with; it is fully leased.

All companies have an average lease period of about three years, and we hope to substantially grow the number of staff in those companies while they are in the business incubator. We hope that the companies will provide significant capital—private equity and venture capital—and hope in the near future to be able to locate the companies on additional premises at the Thebarton Bioscience Precinct.

We have remediated and cleared the site now; it is about 4.9 hectares for additional buildings to go up in the Thebarton Bioscience Precinct and to sell land to the private sector, and that will commence shortly to house additional companies in Thebarton.

Dr McFETRIDGE: I am conscious of the time. The rest of the questions are of an accounting nature. I am more than happy for you to answer them now. While we have your advisers here, I refer to Budget Paper 4, Volume 3, page 12.21: savings initiatives. Savings targets of \$700,000 have been outlined in the budget. How will these savings initiatives be met by Bio Innovation SA?

The Hon. P. CAICA: Across my various portfolio responsibilities along with others we have been charged with the responsibility of finding savings. That is, we are committed and obligated to finding those savings. That is a work in progress, and we are working towards ensuring that the savings indicated are found (and they will be) and that they are not at the expense of the delivery of the services that Bio Innovation provides.

Dr McFETRIDGE: I have a few more technical accounting questions that I am happy to put on notice on the House of Assembly *Notice Paper*.

The Hon. P. CAICA: Before we conclude, I will make a couple of closing remarks; I did not make an introductory statement. I take this opportunity to thank the members of the opposition and the government benches and yourself, Mr Chair, for the manner in which this committee has been conducted. Not that I have not visited any others, but I firmly believe that we set a standard for the manner in which these committees should be conducted, through not only the probing nature of the questions that are asked but also the respectful nature in which these matters are conducted.

I doubt whether I will ever be promoted enough to be here on the first day. I also pay tribute to and thank the various advisers I have had with me here today for their invaluable contribution, support and preparation for what can sometimes be seen as a tedious but important process of parliamentary scrutiny. I thank them for their contribution and their work. I also thank my ministerial office staff for the work they do, because it certainly occupies a significant period of their time in the weeks leading up to estimates. I thank Hansard and all involved for their efforts.

The CHAIR: There being no further questions for the Minister for Science and Information Economy, I declare the proposed payments to the Department of Further Education, Employment, Science and Technology completed.

At 16:15 the committee adjourned until Tuesday 1 July at 09:00