

HOUSE OF ASSEMBLY
Monday 4 July 2011
ESTIMATES COMMITTEE B

Chair:

Hon. M.J. Wright

Members:

Ms F.E. Bedford
Mr J.A.W. Gardner
Ms S.W. Key
Mr A.S. Pederick
Mr D.G. Pisoni
Ms M.G. Thompson

The committee met at 10:00

ATTORNEY-GENERAL'S DEPARTMENT, \$137,204,000
ADMINISTERED ITEMS FOR THE ATTORNEY-GENERAL'S DEPARTMENT, \$42,833,000
DEPARTMENT OF THE PREMIER AND CABINET, \$124,559,000
ADMINISTERED ITEMS FOR THE DEPARTMENT OF THE PREMIER AND CABINET,
\$9,733,000
INDEPENDENT GAMBLING AUTHORITY, \$1,623,000

Witnesses:

Hon. G.E. Gago, Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling.

Departmental Advisers:

Mr J. Maguire, Chief Executive, Attorney-General's Department and Department of Justice.

Mr P. White, Commissioner for Consumer Affairs, Consumer and Business Services, Attorney-General's Department.

Ms A. Gale, Deputy Commissioner for Consumer Affairs, Office of Consumer and Business Affairs.

Mr A. Swanson, Director, Business and Financial Services, Attorney-General's Department.

Ms J. Hall, General Manager, Business Services, Office of the Liquor and Gambling Commissioner.

Mr. J. O'Daly, General Manager, Office of Consumer and Business Affairs.

Ms N. Kilvert, Manager, Regulatory Services, Office of the Liquor and Gambling Commissioner.

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 approximate time for consideration (I think that has been done). Changes to committee membership will be notified as they occur. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 30 September.

I propose to allow both the minister and the lead speaker for the opposition to make brief opening statements. There will be a flexible approach to giving the call for asking questions based on about three questions per member, alternating each side. A member who is not part of the committee may, at the discretion of the chair, ask a question. Questions must be based on lines of

expenditure in the budget papers and must be identifiable or referenced. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the assembly *Notice Paper*.

There is no formal facility for the tabling of documents before the committee. However, documents can be supplied to the chair for distribution to the committee. All questions are to be directed to the minister, not the minister's advisers. The minister may refer questions to advisers for a response. I also advise that for the purposes of the committee television coverage will be allowed for filming from both the northern and southern galleries.

I declare the proposed payments open for examination and refer members to Portfolio Statements, Volumes 1 and 3. I now call upon the minister to make a statement if she wishes.

The Hon. G.E. GAGO: As Minister for Consumer Affairs I applaud the implementation and operation of a single national consumer law. These reforms that have been driven by the Council of Australian Governments (COAG) have improved protections for consumers and continue to have a significant impact on the activities and priorities of the Office of Consumer and Business Affairs (OCBA). The operations of OCBA include operational licensing and registration of business names, association and co-operatives. OCBA also continues to provide a free and accessible conciliation service for consumers. Demand for this service remains high as it is a very cost effective alternative dispute resolution for consumers.

OCBA also monitors the marketplace through a program of regular checks and specific programs targeting various regions, trades and practices, and is vigilant in monitoring the safety of products. Products found not to comply with the mandatory safety standards have been withdrawn from sale and recalled, as they pose a high risk of injury to consumers. Supporting OCBA's ongoing promotion of consumer safety, a short video was produced highlighting the safe use of prams and strollers. OCBA continues to inform consumers and traders about their rights and obligations through media alerts, regular radio interviews and presentations to business and consumer groups, as well as information on the OCBA website and through various publications.

The Office of the Liquor and Gambling Commissioner is responsible for exercising statutory functions under the Liquor Licensing Act and several other acts of parliament relating to gambling, racing, lotteries and charities. There are currently just under 6,000 premises holding liquor licences in South Australia, with licence types covering hotels, restaurants, etc. During the 2010-11 financial year, OLGC received over 18,000 applications under the Liquor Licensing Act, many of which were for limited licence events, ranging from major events such as Clipsal 500 to much smaller events.

During the 2010-11 financial year, the Office of the Liquor and Gambling Commissioner and the Office of Consumer and Business Affairs merged under the banner of Consumer and Business Services. Mr Paul White has been appointed to the position of Deputy Chief Executive for Consumer and Business Services and has the statutory roles of Liquor and Gambling Commissioner and Commissioner for Consumer Affairs.

On 20 July 2010, the Liquor and Gambling Commissioner released a discussion paper called 'A Safer Night Out', which outlined the scope and review of that particular act. A total of 61 submissions were received on the consultation papers, which included a review of the code of practice. These submissions were analysed and help inform the final set of proposals presented in the Liquor Licensing (Miscellaneous) Amendment Bill, which was also released along with the draft code of practice.

The year 2010 saw progress of the review of the Liquor Licensing Act, with a focus on measures designed to address alcohol-related crime and antisocial behaviour in and around licensed premises. The community expects the government to protect citizens and to minimise alcohol-related harm. The proposed amendments also give extra powers to the Liquor and Gambling Commissioner and the Commissioner of Police, to a greater extent, to help protect safety.

In closing, I will take this opportunity to thank the staff attached to both OCBA and OLGC for their ongoing commitment to meeting the needs of the industry and community and for the support provided to my office throughout the year.

Mr PISONI: The first question, minister, relates to Budget Paper 4, Volume 1, page 49: performance indicators, number of inspections. The program description talks about the purpose of the OLGC as being:

...to encourage responsible attitudes towards the promotion, sale, supply, consumption and...to minimise the harm

Further, it states, 'These objectives are pursued through rigorous regulatory regimes.' If the regimes are so rigorous, why do we need new laws to pursue these objectives?

The Hon. G.E. GAGO: Are you referring to the proposed liquor licensing amendments—the legislation that is before parliament at the moment?

Mr PISONI: Yes.

The Hon. G.E. GAGO: The statistics show us quite clearly that, in fact, the incidence of alcohol-related reportable offences is on the increase, particularly around our entertainment areas. The police have furnished these figures. This government has sought to put in place a number of new initiatives to combat these issues; however, it is quite clear that we need to do more. In response to the escalating problems associated with alcohol-related crime, we have sought to improve the public protections for members of the public. We have consulted broadly with the industry and a wide range of different stakeholders, including police.

There is also clear evidence that shows that there is a link between extended trading hours and problems associated with alcohol-related harm. One of the measures that we have put in place is obviously to introduce a mandatory closure of liquor trading, plus there is a wide range of other measures increasing the powers of the police commissioner and the liquor commissioner, and a code of practice that puts in place a number of measures to curb irresponsible behaviours around the service of alcohol.

Mr PISONI: We had some law changes in 2009 to make it easier to define intoxication. Why is it then that there has been no final prosecution of any intoxicated person since then?

The Hon. G.E. GAGO: Part of that question would need to be asked of SAPOL because they are the ones who enforce the bulk of complaints against intoxication. In respect of my agency—

Mr PISONI: What conversations has your office had with SAPOL?

The Hon. G.E. GAGO: I have not finished answering the question. As I said, that question really needs to be directed to SAPOL in respect of my agency. We did seek to strengthen the provision; however, there are many problems associated with identifying someone as intoxicated. Often a person can present extremely well when they request the service of alcohol. They present quite well and meet the criteria around the assessment of intoxication. However, there might be some sort of an event—someone might knock them or some incident occur, either somewhere else in the bar or outside the premises—where the behaviour can then escalate into behaviour that is clearly affected by alcohol.

So it can be extremely difficult. Purchasing a beverage is often a short and simple interaction and often does not allow a great deal of time for the person selling the alcohol to make an assessment other than that the person is probably okay. Unless you are suggesting that we breath test everyone who orders a drink at the bar or give them a blood test, it is a subjective assessment and, as I said, it is a brief assessment. It is simply a very difficult task to use that time to deem someone to be intoxicated.

I take this opportunity to point out that there are other additional means that licensees may use to deal with intoxicated persons on their premises. They may actually bar someone from their premises if the person is exhibiting drunken behaviour, behaving offensively or in a disorderly fashion, or if the licensee is satisfied that the welfare of the person is seriously at risk. The OLG records show that over 700 barring orders have been issued by licensees since 3 May 2010 for incidents such as drunken behaviour and disorderly behaviour. Other barring orders relate to behaviour including assault, property damage and theft, all of which may also have been related to intoxication and associated disorderly behaviour.

I think these figures very much indicate that licensees are taking their responsibilities seriously to identify intoxicated persons within the definitions and within the parameters that are available to them. As I have tried to explain, they are fairly limited and seek to have them removed or barred from the premises if they are causing issues.

Mr PISONI: How many of those have led to charges? It sounds like some fairly serious criminal offences which people have been barred for, such as disorderly behaviour and violence that you mentioned in your response. How many of those were referred to police?

The Hon. G.E. GAGO: We would not have the figures. Often licensees pick up the phone and refer matters so they are not necessarily complaints that would come through our office. Obviously, our officers refer matters from time to time that are of a criminal nature. I know that the

police have reported, for instance, that there were some barring orders around an assault that involved a member of a bikie gang very early in the piece, so there are certainly investigations and actions taken but we would not have the complete figures to be able to answer that question.

The Hon. S.W. KEY: My question relates to Budget Paper 4, Volume 1, page 50, which refers to the merging of the Office of the Liquor and Gambling Commissioner and the Office for Consumer and Business Affairs to form the new Consumer and Business Services Division of the Attorney-General's Department. Can you provide more information about what some of these changes will mean once they are finally implemented?

The Hon. G.E. GAGO: OLGC has been undertaking a continuous improvement program since 2009. As part of the program, OLGC has undertaken a review of its operational processes and, as a result, the operational model of OLGC was reviewed and changed from an industry-based model to a functional-based model. This process better aligned the operations of OLGC and OCBA and facilitated with the merger of these two agencies.

The second stage of the CIP has been to re-engineer each section of OLGC. This stage is ongoing and has involved the critical examination of business processes and the understanding and streamlining of procedures. This process has also included the development of new job descriptions and the costs skilling of staff.

Furthermore, as part of the continuous improvement program, I understand that some issues with the OLGC call management system were identified. I am advised that the main issue identified with the system was a bottleneck of calls in the reception area and this was because there was often only one person available to answer calls and provide advice. To remedy the problem, OLGC implemented a new call management system and uses technology which allows callers direct access and, in particular, around the services area of the office to which their query relates.

The basic objectives of the call system are, obviously, to provide better customer service, automate the answering and distribution of calls and a number of other functions. From a number of options investigated, the auto-attendant function that was ultimately implemented allows callers to be automatically transferred to an extension of a relevant OLGC officer by pushing a designated number on the telephone keypad, and callers can still contact individual staff members by dialling them direct.

Amalgamation of the new call management system has contributed to CIP's goal of enhancing all aspects of OLGC in relation to the delivery of a range of front-line services to the liquor and gambling industries. As part of the amalgamation, the Consumer and Business Services Change Program Team will continue to undertake work to ensure that any impact that the merger may have on the manner in which calls are managed be kept to a minimum to reduce the likelihood of any inconvenience to customers.

Mr PISONI: Can the minister provide a list of how many FTEs worked within OCBA in June 2009 and how many are estimated once the merger is complete? The minister has mentioned the merger several times in her answer.

The Hon. G.E. GAGO: I am advised that there are planned to be 206.8 FTEs for OCBA for 2011-12, and the estimate for 2010-11 is 205.2 FTEs.

Ms BEDFORD: My question refers to Budget Paper 4, Volume 1, Portfolio Statement, page 45, Program 10.5, which has the objective of educating consumers. South Australia has Indigenous communities that are scattered far and wide across the state, with many Indigenous people living in isolated or regional communities, which makes them extremely vulnerable as consumers because they have far fewer choices. My question is: can the minister inform the chamber of the steps being taken to assist the state's Indigenous consumers in understanding and asserting their consumer rights?

The Hon. G.E. GAGO: I thank the member for her question. One of the objectives of the Office of Consumer and Business Affairs is to ensure that vulnerable consumers, in particular, are empowered when it comes to understanding and asserting their consumer rights. Given the geographic isolation and relatively low English and financial literacy levels of many Indigenous people living in South Australia, it is fair to say that Indigenous consumers may well be the most vulnerable people in the state, and that is why it is so important that Indigenous people are educated about their rights and obligations as consumers.

As part of its commitment to this group of consumers, OCBA has been part of the National Indigenous Consumer Strategy reference group since 2005, when the first strategy was launched.

The main national priorities for 2010-13 are improving consumer literacy, improving trader behaviour and also improving access to housing. In terms of education initiatives, during the 2010-11 financial year OCBA continued its focus on informing Indigenous people from the APY lands about their consumer rights.

In August 2010, thanks to an invitation from the Department for Families and Communities, OCBA took part in the Gateways Training Camp near Alice Springs for a group of about 20 Indigenous people from the APY lands who had just gained employment as home and community care workers and as youth workers. Two staff were sent along to deliver training sessions about topics which included refund rights, avoiding credit traps and picking the right mobile phone deal, and also tips on how to go about buying a second-hand car.

Feedback from this was very positive, and in March this year OCBA began delivering consumer rights information sessions to a group of Indigenous people. The consumer awareness sessions covered everything from why it is important to keep receipts and contracts to planning purchases, avoiding scams, and using your key card and PIN number safely. So there were a number of different issues that were discussed. Several DVDs have also been used to bolster messages, including OCBA's recently produced pram safety and second-hand car laws DVDs. About 16 sessions were conducted there. OCBA hopes to deliver similar education and information sessions through Tauondi College at Port Adelaide. Discussions are currently underway.

Ms THOMPSON: My question relates to Budget Paper 4, Volume 1, Portfolio Statement, page 43. OCBA recently produced a short video highlighting the safe use of prams and strollers (sorry; I am doing a double dip here). Can the minister advise how this has been received?

The Hon. G.E. GAGO: Obviously, buying a baby pram and stroller is quite a significant purchase for a new parent and, although prams and strollers are a wonderful way in which to transport children, they can cause serious injury. If not used correctly, prams and strollers can be dangerous to children, causing injury and even death. Injuries are often caused by falls, where children have not been properly restrained in the pram or stroller. OCBA has several major educational materials, which are distributed via a range of different means, including the website. They are used by other government and non-government bodies, which are tasked with educating consumers, including newcomers to South Australia, as well as the vulnerable, who might have poor financial literacy.

Earlier this year, as part of this obligation to inform consumers and traders, OCBA produced a short video highlighting what to look for when purchasing prams and strollers and how to use them safely. The video was produced in response to multiple reports of 'runaway' prams and strollers nationally. I am sure that honourable members would recall the two very tragic occurrences that occurred here in South Australia, both of which resulted in a death, I believe.

Although a safety standard was introduced on 1 July 2008, mandating critical safety features, such as a tether strap, easily identifiable brakes and safety harness, things we are obviously trying to gain media attention for, the key message of the safety video was to stress the vital importance of always using those mandatory safety features. In addition, we have contacted a number of community-based pram walking groups to promote the availability of this material. The Queensland Office of Fair Trading also played our video as part of its display in a baby expo in June.

Mr PISONI: I refer to page 39, leadership of OCBA. Mr Mal Hemmerling was the last Commissioner for Consumer Affairs; he left the position in 2009. Ms Anne Gale holds the title of acting commissioner on recent OCBA media releases, but is Deputy Commissioner on the SA Direct website. What is Ms Anne Gale's position and title, and is there a Commissioner for Consumer Affairs?

The Hon. G.E. GAGO: I am advised that Ms Anne Gale's current position is Deputy Commissioner, Consumer Affairs. In answer to your second question, yes, there is a Commissioner for Consumer Affairs.

Mr PISONI: And that is?

The Hon. G.E. GAGO: Mr Paul White.

Mr PISONI: I refer to page 40. In response to a question on notice from 28 October last year in relation to residential tenancies, the minister stated that the decision to introduce the \$35 fee for applications to the Residential Tenancies Tribunal was aimed at reducing the number of disputes which could perhaps unnecessarily end up before the tribunal. For the 2010 calendar year, how many Residential Tenancies Tribunal hearings were heard?

The Hon. G.E. GAGO: I have been advised that the number of tribunal applications has fallen significantly and that, from the period of 1 July 2009 to 2010, there were 12,753 applications for tribunal hearings and that between 1 July 2010 and 30 April 2011, there were 8,847 applications for tribunal hearings.

Mr PISONI: In your answer on the 28th you said that, in 2009, there were 9,370 hearings and, to October 2010, there were 7,108. Are you able to answer that question in the same form? I asked for calendar years and you have given me financial years. What is the number for the calendar year 2010, and perhaps you can advise the committee again on what the figures were in 2009, because we have heard a different set of figures?

The Hon. G.E. GAGO: I would have to take that on notice. We only have the financial year figures before us. As I said, I can assure members that the trend is a significant decline in hearings, but I will take that on notice.

Mr PISONI: So what are the current FTEs for this subprogram and what was it in the previous year?

The Hon. G.E. GAGO: I have been advised that we do not have the FTEs for this subprogram. I am happy to take that on notice and bring back a response.

Mr PISONI: How many tenancy and tribunal file matters did OCBA assist with in the 2010 calendar year as opposed to hearings?

The Hon. G.E. GAGO: I am struggling to understand the question. I gave you figures for hearing applications. You want something other than that?

Mr PISONI: Well, applications for hearings—obviously, you would have the number of hearings—and then the number that you would actually assist with. They would be all different numbers, I would imagine.

The Hon. G.E. GAGO: I am not too sure how your question relates to the performance indicators within the budget papers. You need to explain that to me. I do not understand what other information you are asking for.

Mr PISONI: Well, you have spoken about hearings.

The Hon. G.E. GAGO: The performance indicators are there.

Mr PISONI: You have spoken about applications for hearings.

The Hon. G.E. GAGO: Yes.

Mr PISONI: I have also asked for the numbers that OCBA has assisted with.

The Hon. G.E. GAGO: I do not know what you mean by 'assist with'. That is not part of our performance indicators within the budget.

Mr PISONI: So you do not know how many phone calls you take or letters you write to assist with tribunal matters? You do not measure that?

The Hon. G.E. GAGO: I am sure we probably do have those figures. We could try—

Mr PISONI: They are three different things, minister.

The Hon. G.E. GAGO: That is why I am asking you for clarification about exactly what figures you are after. So, you want the number of telephone calls made from the office?

Mr PISONI: The number that you have assisted with.

The Hon. G.E. GAGO: You want the number of telephone calls related only to some matters or all matters?

Mr PISONI: Tribunal matters.

The Hon. G.E. GAGO: Tribunal matters.

Mr PISONI: The first point of call for people who have an issue—

The Hon. G.E. GAGO: So, you want to know every telephone call, every email and every piece of correspondence relating to a tribunal matter? Is that what you are really asking me for?

Mr PISONI: The Office of Small Business measures those inquiries.

The Hon. G.E. GAGO: We can obtain those for you. I do not know for what benefit, given that we have key performance indicators available to you that clearly measure the activity and the trending of activity in the office. I am just not too sure what comparing the number of telephone calls will do other than consume officers' time, taking it away from the work that should be done, which is looking after tenants.

Mr PISONI: I will explain why it is important to provide them. You have answered the question; you said that you would provide them. And it is important because it measures the effectiveness of your office. If you can deal with these issues at the first or second point of contact and it does not go any further, it means that the department is working. If it leads to applications for hearings or hearings, that means there are obviously some issues that your department has in dealing with these issues, so it is a very important indicator. I do not know why you have left it out when other departments which perform a similar role have that information, but you have said that you will provide it, so I will look forward to receiving it.

The Hon. G.E. GAGO: And what years do you want them for?

Mr PISONI: We will have them for the two years we have been talking about.

The Hon. G.E. GAGO: Calendar years or financial years?

Mr PISONI: The 2009 and 2010 calendar years will be fine.

The Hon. G.E. GAGO: It is outrageous, but anyway. What a nonsense! What an absolute waste of officers' time! I will put on record that we will provide as much information as we do have in relation to the requests that the member has asked for.

Ms THOMPSON: I refer the committee to the Highlights of Budget Paper 4, Volume 1, Portfolio Statement, page 46. Can the minister advise how the recent reforms to the second-hand vehicle dealers legislation were communicated to dealers and what protections there are for consumers?

The Hon. G.E. GAGO: The new second-hand dealer legislation commenced on 29 November 2010. The reforms are an example of the commitment of this government to ensuring that South Australian legislation supports and protects all South Australians so that they can be treated fairly, efficiently and safely as consumers.

The legislation has several features that ensure second-hand dealers conduct themselves in a safe and competitive manner. These include introducing a two-day cooling off period for people who purchase second-hand cars from dealers. Also, the introduction of new provisions makes it harder for dealers to avoid regulation through conducting backyard transactions, and the introduction of a negative licensing scheme for salespeople ensures that the best people are recruited for those positions.

Changes will also enable the introduction of provisions that expand the use of the Second-hand Vehicles Compensation Fund to include prescribed education programs for the benefit of the public, dealers and salespersons; and the costs of investigating compliance or possible misconduct of dealers or salespeople. With these changes we have also introduced a significant education program for industry and the general public.

In addition, the direct telephone number of an OCBA policy officer was provided to handle queries and give out additional information. There has also been communication through DVDs. I am advised that the education program is now complete at the total cost of \$79,300, as well as two compliance officers having been appointed to specifically monitor compliance with the new provisions of the legislation. This is in addition to the work OCBA does in relation to breaches of second-hand vehicle dealing. The cost of this is estimated at about \$169,700 and will be funded from the Second-hand Vehicles Compensation Fund.

The Hon. S.W. KEY: My question is with regard to unsafe products. I refer to Budget Paper 4, Volume 1, Portfolio Statement, page 43. I am aware that certainly there has been a good record of the withdrawal of some unsafe products from the market, particularly with regard to infants and children. Minister, I am wondering whether you could outline what has happened over the past year in this really important area.

The Hon. G.E. GAGO: It is the responsibility of Consumer and Business Services to oversee the protection of consumers by ensuring compliance with relevant laws, including the Australian Consumer Law (the ACL). During the year, the Product Safety Unit identified 'Wicked Fizz' liquid candy as a high potential choking risk for children, and I subsequently issued a ban which was followed by a national recall of the product.

Other products banned include the Papaya candleholder which was subject to permanent ban after it was discovered to be flammable.

Other investigations by the Product Safety Unit led to a number of national recalls during the year: there was the Wiggles clock, which had small parts that easily came apart and obviously posed a potential choking hazard to children; a baby jogger toddler's seat, which was a pram attachment and was an unsafe design, which caused the product to fail and could have created injury; a glow whistle, which had small parts released during its use, posing again another choking hazard for children, and a number of other products. There were pop-top water bottles had a part that was easily removed—a very small part and also a choking hazard; a baby rattle which, when a small part was released, posed a high risk of choking; another novelty whistle, a dog toy, and a number of other products.

Five items were removed from our show bags in our monitoring of show bags this year and included three items which released small parts that were clocking hazards, one being an entrapment risk for children and one item that posed a laceration risk for children as well.

The Product Safety Unit continues to survey the market during program surveys and as part of investigations regarding unsafe products. They work in tandem obviously with the ACCC by ensuring compliance with mandatory safety standards. The Product Safety Unit contributes to making consumer protection more effective and maintaining consumer confidence in the safety of products available in the marketplace.

Ms BEDFORD: My question relates to Portfolio Paper 4, Volume 1, statement page 50, which refers to the Office of Liquor and Gambling Commissioner coordinating and hosting the Indigenous Australian Liquor Licensing Authority's Conference at Port Augusta. Does the Office of the Liquor and Gambling Commissioner have any representation in discussions at a national level on issues and practices relating to indigenous Australians and liquor?

The Hon. G.E. GAGO: In October 2010 the Office of the Liquor and Gambling Commissioner hosted the Indigenous Australasian Liquor Licensing Authority's Conference over at the IALLAC over two days at Port Augusta. The conference brought together delegates from across Australia to discuss liquor-related issues and practices, particularly how they relate to indigenous Australians.

The objective of the conference was to share information and discuss current and emerging issues relating to alcohol regulation and its impact on indigenous communities in each jurisdiction, develop and promote partnerships between the IALLAC jurisdictions, facilitate dissemination and analysis of relevant research and make recommendations to the Australasian Liquor Licensing Authority's Conference regarding any strategies and initiatives identified by the group that may minimise the harm associated with alcohol issues in indigenous communities.

Information on liquor and its effect on indigenous Australians were discussed at the conference, including dry area regulations and impacts, alcohol-related violence, compliance with licensed premises and secondary supply of alcohol to minors. OLGC received positive feedback from locals in Port Augusta about holding a national conference, such as the IALLAC, in a regional area saying that it indicates a strong commitment to solving the problems associated with alcohol misuse within indigenous communities.

The CHAIR: One last question from the shadow minister.

Mr PISONI: I have to say that I can't believe that this minister is Leader of the Government in the Legislative Council, when she has blocked—

Ms BEDFORD: On a point of order, it has nothing to do with the budget.

The CHAIR: No, I don't think it is in order.

Mr PISONI: The minister asked me beforehand whether we would shorten the time if we didn't have Dorothy Dixers, so these prepared questions and answers that were asked by government members were not important to the minister, because she was prepared to let them go. She has simply used them to block the opposition from asking questions.

The CHAIR: What is your question, shadow minister?

Mr PISONI: There are two dozen advisers out there and we are still waiting for questions to come back. The only questions that have been answered are ones that have been written by the government.

The CHAIR: What is your question, shadow minister?

Mr PISONI: It is outrageous. This question relates to Budget Paper 4, Volume 1, page 32: Business Registration Unit. The number of renewals and registrations of business names within OCBA under the Business Names Act 1996 has been declining and the government has put smaller figures on its targets over successive budgets. The target for 2011-12 was simply 13,000 new business names. In 1999, there were 17,426 business names registered. Has the minister had any comparisons with other states to see why we are seeing a reduction in small business registrations and renewals in South Australia? My interest would be as to whether there has been any interest with the minister to compare those figures with other states and analyse why that might be happening.

The Hon. G.E. GAGO: I thank the member for his question. Indeed, it is a lazy opposition—a lazy opposition, indeed. If the member bothered to refer to Budget Paper 4, Volume 1, page 13, he would see that the minister responsible for registration services is, in fact, the Attorney-General, the Hon. John Rau.

Indeed, I did offer to forgo government questions, which the honourable member declined. So, I think it is an absolute hypocrisy that the honourable member then whinges that government questions consumed part of the procedure. It was right and fitting for it to do so. It is just a lazy, unprepared opposition.

The CHAIR: Thank you, minister. Thank you, shadow minister. I thank the advisers and also the members of the committee. We now go to the Minister for the Status of Women.

Membership:

Ms Chapman substituted for Mr Pisoni.

Departmental Advisers:

Mr J. Maguire, Chief Executive, Attorney-General's Department and Department of Justice.

Ms V. Swan, Acting Director, Office for Women.

Ms J. Byrne, Deputy Chief Executive, Building Communities, Attorney-General's Department.

Mr A. Swanson, Director, Business and Financial Services, Attorney-General's Department.

The CHAIR: Does the minister wish to make an opening statement?

The Hon. G.E. GAGO: I have a short opening statement. This state Labor government is committed to achieving gender equity and positive change for women in South Australia. It is committed to ensuring that policy across government provides a more equitable community for all South Australians. The last 12 months have seen some significant achievements for women and I would like to share with you some of the milestones that have taken place.

The family safety framework was expanded out to a number of new areas. The Premier's Council for Women actively contributed to the strategic plan review process by hosting consultation sessions with women across South Australia to listen to what issues are important to them. In January this year, the research officer commenced in the Coroner's office to investigate and research domestic violence related deaths, looking at both open and closed cases. In February 2011 the National Plan to Reduce Violence against Women and their Children was released.

Significant progress has been made on the election commitment to develop a promotional campaign to encourage women to access training in high demand, non-traditional areas, such as mining, defence and construction, with the commencement of two successful pre-employment programs in the electricity and construction industries. The number of women on state government boards and committees increased to 46 per cent and the number of women chairing government boards increased to 35 per cent. I am very pleased that I was able to award the inaugural Women Hold Up Half The Sky Australia Day Council of South Australia award to Pat Waria-Read for her contributions to the community.

The Women's Information Service is developing a community engagement framework, which will identify a number of projects to empower women who do not have direct access to the internet or to the WIS shopfront to make informed decisions. WIS is also developing a digital engagement strategy which will include projects that aim to increase women's access to new

technologies and areas of knowledge, particularly Web 2.0 initiatives, and these are obviously exciting new developments. It has obviously been a very busy year for the Office for Women.

The CHAIR: Thank you. Would the shadow minister like to make an opening statement?

Ms CHAPMAN: No.

The CHAIR: Straight to questions. You have the call.

Ms CHAPMAN: I refer to Budget Paper 4, Volume 1, pages 47 and 48, which is the entire published statement under the budget papers for status of women. I refer in particular to the opening statement which is a description of the objective:

Pursuit of the full and equal participation of women in the social and economic life of the state by providing innovative and balanced public policy advice to government.

The minister has outlined a number of initiatives, which she describes, I think, as highlights or milestones, in the preceding 12 months. I do not propose to cover them in depth, but I will raise this matter, minister. This morning you no doubt read the article published by Mr Bob Ellis, which, I am sure you would agree, was both offensive and totally unacceptable in the announcements in relation to women.

I know his previous publications on women and the Defence Force, and his again, I think, offensive and unacceptable statements about women, have been raised with you in the parliament earlier. In the light of his history in provision of financial support from this government as a speechwriter to the Premier, have you now acted to advise the Premier, or has your Premier's Council for Women advised the Premier, that he is no longer to be employed by this government?

The Hon. G.E. GAGO: I thank the member for her question. I do not think it has any relevance whatsoever to the budget documents before us—it has no relevance—but nevertheless I will put on record, as I have already in parliament, that I did correspond with Mr Ellis and I did make a comment on his article in relation to an incident that occurred with a woman cadet in the Defence Force. I did indeed call him to task on his article. I did take time to point out that it was completely unacceptable.

Although I had enjoyed his thought-provoking and often controversial and provocative work in the past, I believe that this article went completely outside the bounds of what is reasonable, and I did publicly criticise him for that. I certainly let the Premier know of the comments that I had made public about him.

Ms CHAPMAN: The statements made in this article include:

Mike Rann, a world-famed green-leaning premier, is accused of consensual sex by a waitress, and in six weeks plunges Labor here into also-ran.

There are further statements about not only the Premier in this state but others, and then he accuses what he describes as 'wowser feminism' as having gone too far. I take it that you are going to speak to the Premier about this and ensure that he is not invited to make statements on behalf of the Premier or this government as a speechwriter to the Premier.

The Hon. G.E. GAGO: Again, this has no relevance whatsoever to the budget documents in front of us. I have put on public record in the past that, wherever I see conduct that is unacceptable I call it, irrespective of who the perpetrator might be, and I will continue to do that.

Ms CHAPMAN: Just so that we are clear, the reference is the opening statement (which I referred to) about public policy and advice to the government in relation to these matters, seven of which the minister referred to in her opening statement, as referred to and published on the two pages.

I move now to some other areas of public policy. The Fair Work Australia case of which the minister is aware is currently proceeding. There was a preliminary decision made on 16 May about that. Minister, you have spoken about the equal pay case and the importance of this to women. We have had an announcement from Treasurer Snelling that he has made a contingency provision in the budget for this in relation to social and community service workers, which everyone welcomes.

Has this issue been referred to the Premier's Council for Women or to your department? Have either of them given you advice on the matter? Have you or your department made any submission as to the policy development in that regard? I add that it is not just the case, of course, it is the consequence of your government accepting that there will be provision to non-government organisations to cover the extra costs of employment for women particularly.

The Hon. G.E. GAGO: The government does, indeed, take the issue of pay equity very seriously and has been very supportive of the pay case that went before the commission. The South Australian government took the historic opportunity to make a submission to the inquiry. The Premier's Council for Women, which has established women's economic status as one of its priority areas, also prepared a submission to that inquiry supporting the case.

Of course, as we know, the interim decision on that landmark case was recently handed down on 16 May. It is a very pleasing outcome for a group of predominantly women workers who are some of the most underpaid in our community and whose work, obviously, is vital to our social needs. It is because of that commitment to the importance of that work that this government, as the Treasurer has indicated, made provision for that claim.

Ms CHAPMAN: As a supplementary: I hear what you are saying, and I think I conveyed all that in the question, but my particular question was as to the consequence. Although the Treasurer has announced that there is some contingency provision in the budget, I am asking whether the Premier's Council for Women has been consulted on the next question which is whether there will be a follow-through from your government of provision for the extra funding to the NGOs to support the preliminary decision of Fair Work Australia?

The Hon. G.E. GAGO: The government has not consulted with PCW on this. The council has made a submission, it has made its support very clear, and the government has indicated just as clearly that it is committed to paying its share of that claim. Obviously the amounts have not yet been determined and the decision has not yet been finalised, so that needs to occur, but we have given an up-front, in principle commitment to pay our share of that claim. I am not too sure how much more of a commitment we can give, given that the case has not yet been fully determined.

Membership:

Ms Sanderson substituted for Mr Gardner.

Ms THOMPSON: I refer to Budget Paper 4, Volume 1, page 47. This portfolio statement refers to the implementation of the Family Safety Framework in Sturt, Adelaide and Mount Gambier. Can the minister tell honourable members more about the planned Family Safety Framework?

The Hon. G.E. GAGO: The Family Safety Framework seeks to ensure that services to families most at risk of violence are dealt with in a more structured and systematic way through agencies sharing information about high-risk families and supporting these families as they navigate through the system. The Family Safety Framework includes family safety meetings, which are held at a local level and which are focused on individual high-risk cases. The framework focuses on well-regarded common risk assessment, which ensures consistency in the assessment of cases. A number of agencies are involved in these meetings.

The meetings can achieve a variety of different outcomes. Actions that can arise include domestic violence restraining orders, and joint visits from SAPOL and DV services to engage with the victim, etc. It was initially trialled at Holden Hill, Noarlunga and Port Augusta, and the evaluation of the framework from these first sites has been very positive. As well as that, the framework was established in Elizabeth, Port Adelaide and Port Pirie in 2008, in addition to Sturt and Adelaide East. This now gives us complete metropolitan coverage for the Family Safety Framework, and a third country location, Limestone Coast, has also been confirmed. That began in June 2011. I am pleased to announce today that the Family Safety Framework will now be rolled out to the Murray Bridge and Berri policing areas.

The Family Safety Framework evaluation, as I said, did find that the majority of victims who were assessed were, in fact, safer. The Office for Women will continue to take the lead on this important work in terms of providing training and other materials to support agencies.

Ms THOMPSON: Following on from that, Budget Paper 4, Volume 1, page 48, refers to the refresh of the Women's Safety Strategy. Can the minister outline what this refresh will entail?

The Hon. G.E. GAGO: Members are aware that the Labor government's commitment to women's safety in South Australia was launched on International Women's Day, 8 March 2005. The strategy outlined the South Australian government's vision to address the issue of violence against women, including both rape and sexual assault and Aboriginal family violence, for the next five years. Over time it became known as the Women's Safety Strategy.

The strategy has a broad focus, from early intervention work focusing on preventing violence through to community education to raise awareness. It involves a whole of government approach. The directions for our refresh strategy involve the four Ps: prevention, provision, protection and performance.

The Women's Safety Strategy was coordinated through the Office for Women, with a whole-of-government reference group reporting to and chaired by the then minister for women. The group had a wide representation in order to present a strategic view. The refresh strategy will link up with our national plan and, as a result, reporting requirements will be streamlined into one process and be provided annually, as committed to in the national plan.

As part of refresh, a high-level executive group has been established, which I chair. The group's role is to identify and implement strategies for systems improvement. Members of the group include a wide range of different agencies, as well as the advisory group mentioned. Task focused working groups will also be established in the areas of prevention, service provision, protection and performance, and membership of those groups will involve government and non-government organisations. All of these important groups will feed into our new strategy, ensuring that we continue to work to prevent violence against women, both here in South Australia and at a national level.

The Hon. S.W. KEY: My question is also in reference to Portfolio Paper 4, Volume 1, Portfolio Statement, page 48. As the member for Bragg pointed out, there are not too many pages we can point to, sadly. I wonder, minister, whether you can tell the committee about the future of the Women's Information Service and what that is likely to entail.

The Hon. G.E. GAGO: As members no doubt are aware, the Women's Information Service (WIS) is a free and confidential information referral and support service for all women in South Australia. Assistance is provided either in person, over the phone, through email or the internet, and there is a toll-free number available.

In addition to maintaining the Women's Information Service shopfront and telephone service, there are a number of other programs being made available to women, such as community engagement activities and Family Court support. There is a long list of them, which I will not go into now. WIS currently has 29 volunteers, with new volunteers recruited annually. Two volunteer training programs are run through WIS. As part of the WIS Outreach program 2007-08, WIS information hubs were established at DECS children's centres in a number of locations.

As part of our government's drought response program, WIS was funded to provide WIS information hubs in areas involved in the rural drought. Through this Outreach program, WIS continues to work with local service providers to identify issues being experienced by local women and also identify gaps in services.

Obviously, the Office for Women tries to maintain a contemporary service and ensure that the role and function of WIS continues to be relevant and in line with community needs and expectations. An external audit was conducted in December 2010, which was followed by a comprehensive strategic planning process, which involved staff and stakeholders.

This planning process identified that WIS should refocus its priorities from providing a small number of women with direct services to becoming a gateway to empower a much larger number of women to engage with the new world of knowledge, development and emerging technologies. A gateway will also connect women to a larger number of services and organisations that might better meet their needs. Obviously, further consultation with stakeholders will continue. I just need to clarify for the record that the Limestone Coast Family Safety Framework began to be rolled out in June 2011. The meetings did not begin then.

Ms CHAPMAN: The prostitution law in South Australia is currently under review in this parliament. In fact, it has been moved by a member of this committee. Has that legislation—or the bill—been referred to the Premier's Council for Women and, if so, what is its view; if it has not, when will it be; and, if it is not going to be, why is it not?

The Hon. G.E. GAGO: First, I would like to say that I do not believe that the prostitution bill has any relevance at all to the budget papers before us. However, as I have said in this place before, I think we went into it at great length in terms of the way the Premier's Council for Women operates and establishes its own agenda which feeds in to the government. As I have said before, the council provides independent advice and it is its right to set its own priorities and strategies for achieving the work it has chosen to focus on in line with South Australia's Strategic Plan. Indeed, the council has gone through a very extensive community engagement process in which it held a

large number of consultations with more than 250 women across metropolitan and regional South Australia, and that work is helping to guide its work plan which it is putting together around that.

Most importantly, the council has established a number of priorities and, out of the consultation process, it has identified women's health and well being, violence against women and safety, and women's employment and economic status, including training, workplace conditions, flexibility, work-life balance, child care, women's leadership in all sectors and women and disabilities. So, they will be the areas which will guide the work the council does in its future work plan. As I said, the council works relatively independently to develop the agenda it believes is a priority for government, and it reports to government accordingly.

Ms CHAPMAN: On the same matter, given that one of the descriptors of the council's objective is to provide advice to the government on public policy, do I assume from that answer—noting that the Premier's Council for Women can pick up issues it considers important and a priority—that you will not be sending this bill to the council for consideration? On the website, the council set up a number of achievements and priorities in advising your government on things such as the domestic violence legislation, the equal opportunity legislation, etc. So, I just wonder whether this piece of legislation is somewhat different that you would not refer it to the council for advice as to where the government might go on it?

The Hon. G.E. GAGO: Quite the opposite. As I said, the practice has not been to send all government policy off for advice from the council. That would be time-consuming and would not necessarily be good use of its time. The council itself conducts its own planning sessions, it identifies what it believes are its priority areas for government on which to inform and advise government. They are, indeed, an extremely well-informed group of women. They would be well aware of all of the relevant legislation around women's issues that would be before parliament and, if they believed it was a priority for them, no doubt they would include that in their considerations.

They are a group that has made a decision to focus on a number of core priorities. They understand that they cannot involve themselves in every issue that is relevant and important to women; although they might like to, they simply are not able to, so they have to refine and prioritise their time on those issues where they believe that those attentions are probably best needed.

Ms CHAPMAN: Thank you for that, minister. One would hope that they have a chance to find out about these things because it does seem—

The Hon. G.E. GAGO: That is quite demeaning of the group.

Ms CHAPMAN: No. I agree with you, minister.

The Hon. G.E. GAGO: It is. It is quite a put down. They are a well-informed and up-to-date group and to suggest that they are unaware of that legislation is offensive to that council, and the member should apologise.

Ms CHAPMAN: Assuming for the moment that they keep an eye on what is happening out there, because you do not tell them, and they find out about it or they know about it from their own work or an experience—and there is a breadth of experience on the council—then hopefully they will pick up this issue. I think you would agree, minister—

The Hon. G.E. GAGO: Well, it is offensive, as I said. They are made aware. I meet with the chairs monthly or six-weekly. They are aware of all relevant legislation that is before parliament, so to suggest that they are not informed and unaware is quite simply offensive.

Ms CHAPMAN: I hope they are still meeting with the Premier, because I think when they were set up they were supposed to meet once a month with him.

The CHAIR: The member for Bragg has her third question for this segment.

Ms CHAPMAN: My next question is on legislation that they have considered and are proud to say that they have made a contribution to, and I am referring in particular to the domestic law reform in 2009, which you would be familiar with. It involved extending powers to the police to deal with intervention orders—restraint orders, as they were formerly known—and the like. They were reforms in domestic violence legislation, as you know, minister.

That is now approaching two years since the passage of that legislation, and it still has not been proclaimed to take effect. Excuses that have been given to date are that they have not done the training or they have not had the regulations ready. This is legislation that trailed the rest of Australia and followed some years before the report of Maurine Pyke QC. It was supported by all major parties represented here in the parliament and it is still not effective. Minister, my question to

you is: have you reported back to the Premier's Council for Women as to why this matter has not been progressed which they proudly made a contribution to some years ago?

The Hon. G.E. GAGO: Indeed, these reforms around domestic violence in terms of this new legislation are quite incredible reforms for the victims of domestic violence. They are major initiatives that have been put forward. The state government has committed \$7.8 million over four years to ensure the implementation for Intervention Orders (Prevention of Abuse) Act. It has also developed an IT system to facilitate the sharing of information in relation to the intervention orders between public sector agencies and administrative responsibilities to manage the expected increase in the number of intervention orders and processing requirements under the act.

I am advised that agencies are working towards the implementation. A great deal of work has been done and continues to be done. I have been advised that it is planned to be implemented by the end of this year. The new laws will obviously compliment the goals of one of the key initiatives of the Women's Safety Strategy. It should be implemented by the end of this year.

The reasons for the delays are simply the scope of the work that is needed to be done, putting procedures and processes in place and education and training programs for relevant staff. That needs to be comprehensive. The reforms are quite radical and a comprehensive series of reforms. It will involve a great deal of new changes, so we need to make sure all the preparation work is done and put in place and ready to roll. It involves a wide range of different agencies, so work has to be done across the whole of government.

In relation to reporting to the PCW, as I said previously, I meet regularly with the chairs and also attend council meetings from time to time, and I certainly regularly report on giving updates of relevant legislation that may be of interest or concern to the council.

Ms CHAPMAN: By way of supplementary question, in relation to the safety for women in domestic violence circumstances, and I suppose generally, the minister will have seen on the front page of the *Sunday Mail* (I think) the complaint of Leena Sudano, the Health and Community Complaints Commissioner. In response to some other issues, she complained publicly that, in some five cases in the previous 12 months of assaults against a person with a disability, one of whom was a woman who she claimed had become pregnant as a result of an unlawful assault against her (and I am sure you were as horrified as the rest of South Australia), there was a failure to investigate and/or prosecute these cases.

Since that time the police have denied that and the Attorney-General has suggested that he will introduce some laws to tighten up part of section 34 of the Evidence Act. That, of course, allows for special conditions to apply to the giving of evidence by someone with a mental disability or impairment (as it is described), and we would welcome that if it could improve it. In relation to this issue, first, is this a matter you have referred to the PCW for their advice on what should occur; and, secondly, has your department received any notice of any of these cases and, if so, what action have you taken?

The Hon. G.E. GAGO: In terms of the latter question, I am advised that to the best of our knowledge our office has not received any of those complaints. I have already answered your question about referring matters to the PCW.

Ms CHAPMAN: Have you referred this issue?

The Hon. G.E. GAGO: I have already put very clearly on the record several times that we do not refer matters to the PCW, that they in fact set their own agenda and provide advice and direction to the government through its planning process, which is a very comprehensive process and involves community engagement with many women. That is how it occurs.

In terms of the work, the Attorney has come out and publicly indicated that he will tighten up the Evidence Act and make changes there. In terms of some of the areas which I have responsibility for, the overseas studies have found that women with disabilities, regardless of age, race, ethnicity, sexual orientation, etc., are assaulted, raped and abused at a rate of between two and 12 times greater than are women without disabilities—an appalling statistic. Women with disabilities are particularly vulnerable to intimate partner violence, especially where the abuser is also a carer and can exercise control over access to things like medication or restrict mobility and access to external supports.

In terms of some of the things that we have done to address that, obviously, amendments to the Intervention Orders (Prevention of Abuse) Act, that are currently being implemented, will enhance safety and improve access to domestic violence support, to some degree, for women with

disabilities. The Office for Women has also advocated for women with disabilities in the development of the National Plan to Reduce Violence against Women and Their Children.

So, we are trying to articulate strategies at a national level. In April 2011, I announced the provision of \$50,000 in grants as part of our Anti-Violence Community Awareness Campaign. This third round of grants under the campaign targets communities and organisations that will educate young people with disability about respectful relationships and violence against women.

Advice from stakeholders, such as Women with Disabilities Australia, indicated that it was very important to get an anti-violence message out to people with disabilities, particularly women, who, we are told, can be more vulnerable to abuse than non-disabled women. The successful grant recipients include the Tutti Ensemble, which will raise awareness about sexual assault, rape and domestic violence in South Australia's communities with disabilities.

The ensemble's long-term success in using the creative arts to promote messages by young people with a disability, for young people with a disability, is a key to their Respect Me, Respect You program. Other recipients are the Yarredi service at Port Lincoln, which will be working with 18 to 25 year olds with a disability to produce a DVD about respectful relationships; and Christies Beach High School, which will develop a project with their senior students with disabilities.

This project will provide the students with skills for the future, preparing them for leaving school and also a safe and independent life. Young people will also develop their knowledge of sexual assault and domestic violence and learn about respectful relationships. The Expect Respect program, run by the Legal Services Commission, also received a grant from us to raise awareness among young people about the social and legal implications of relationship violence and sexual assault.

This highly successful program was recently a finalist in the Building Communities category of the Premier's Award. Women with Disabilities South Australia has also been provided with a one-off grant of \$13,000 from the Don't Cross the Line campaign to provide training and information sessions targeting young women with a disability and women's domestic and Aboriginal family violence services.

So, you can see that, whilst there remain many challenges for us, nevertheless, the Office for Women has been conducting a number of programs to increase people's awareness of former abilities and risks associated with disabilities.

Ms CHAPMAN: I have a further supplementary. So, I understand then from your answer, minister, that the answer is no. You have not referred that issue for consideration by the PCW—

The Hon. G.E. GAGO: I have already answered that question.

Ms CHAPMAN: —on the basis—

The Hon. G.E. GAGO: I have answered that question.

Ms CHAPMAN: —of it being autonomous. I just want to clarify it. You mean, you have never even raised what they might be appraised of, of what is in the community, in the meetings you have with them?

The Hon. G.E. GAGO: I have already answered that question. I have already indicated that the Premier's council conducted extensive community engagement that identified their key priorities. I listed those, and women with disabilities was, in fact, one of those. I believe they consulted with the Social Inclusion Board that currently has an inquiry into women with disabilities.

So, they are liaising with them. They are well informed and have established women with disabilities as one of their priorities for their future work plans. So, I would be looking forward to them assisting the government in providing policy direction and other advice in relation to this most important matter.

Ms THOMPSON: Minister, you have just referred to some issues of the Don't Cross the Line campaign. I am interested in learning more, so I refer to Budget Paper 4, Volume 1, page 47: Highlights 2010-11, which refers to the Anti Violence Community Education Program, a program which provides information on rape, sexual assault and domestic violence legislative reform. Can the minister elaborate on how this program is benefiting the community?

The Hon. G.E. GAGO: I thank the member for her question. As members may recall, in 2008-09 the state government committed \$868,000 over four years to the anti-violence community awareness campaign. As part of this commitment the Don't Cross the Line anti-violence campaign

aims to change community attitudes, increase awareness for workers who respond to perpetrators and victims, encourage a culture of perpetrator accountability and highlight the important work, including legislative reforms, being undertaken by the South Australian government.

The education grant fund, which forms part of the broader Don't Cross the Line campaign, is aimed at informing and educating groups in the community who are not necessarily targeted through mainstream campaigns and the more general public information that is available. Therefore, the campaign includes rounds of grant funding primarily aimed at organisations which work with these groups.

The Don't Cross the Line campaign aims to demonstrate what is and is not acceptable behaviour in relationships and to help reduce violence in South Australian families. Organisations eligible for grants include groups such as the not-for-profit incorporated foundations, service clubs, schools, sporting bodies, Aboriginal groups, ethnic communities, church groups, etc. To date three funding rounds have been made available and these gave organisations the opportunity to receive funding towards anti-violence education programs. I have had the pleasure of being able to inform you about a number of those already, so I will not go into those details again.

The Hon. S.W. KEY: My questions all seem to be historic, minister. I refer to Budget Paper 4, Volume 1, page 47. The reason why I say this question is historic is that it regards the ongoing campaign that is being taken up with regard to non-traditional employment opportunities for women.

The Hon. G.E. GAGO: The construction, mining and defence industries are currently high-growth areas here in South Australia. Historically, women's employment participation has been in female industries, such as administration, child care, health care, education and retail, while growth industries such as construction, defence and mining have consistently low levels of female participation.

Apart from being an issue of equity, increasing the participation of women in these non-traditional areas is an economic issue. According to reports, economic benefits of improving women's productivity include alleviating labour market shortages, lowering interest rates, raising income and demand, and improving public finances. That is why the Labor government has made an election commitment to the development of a promotional campaign to encourage women to access training in high-demand, non-traditional areas.

There is a number of initiatives, such as work with the Powerful Pathways. The ETSA utility's Powerful Pathways includes training for 15 women in the northern suburbs, which commenced in March 2011. The training program comprises a Certificate II in Women's Education, a Certificate I in Information Technology and a Certificate I in Electrotechnology, culminating in ten days of practical training. Upon completion of the training, ETSA will offer suitable applicants an apprenticeship, hopefully putting them on a pathway towards a successful career.

There is also a program involving training almost 40 Aboriginal and Torres Strait Islander men and women. Following that program, positions will be offered by Holland Construction, and that involves the urban superway extension at South Road. So, as you can see, we are participating in a number of initiatives to assist women in those non-traditional areas where there is rapid growth and lots of opportunity.

Ms CHAPMAN: While we are on primary industries that are particularly absorbing women into employment, could you indicate whether you or your department either supported or put in any submission to the government in this year's budget when it axed the support for women in agriculture and business? Historically this has had (I think for decades now) an office and support in the department of primary industry, particularly as you say, in the areas of mining and agriculture and other areas where women have not traditionally been involved on an employment basis. Did you or your department make a contribution to that decision to support it, reject it, oppose it or otherwise?

The Hon. G.E. GAGO: Indeed, a number of extremely tough budget decisions had to be made and, unfortunately, that was one area that was subject to budget savings. As I said, there were a number of very tough decisions that the government had to make. We had a Sustainable Budget Commission established to look at a wide range of different potential program activities that could bring about savings for this government. Obviously, because of the economic crisis and a range of other economic contexts that we were operating in, we had to make significant budget savings to ensure the long-term future sustainability and viability of the state, and that was one program area that was subject to savings.

I have, however, outlined in the last government question a number of specific initiatives targeted at women to assist them in areas of rapid growth and expansion—mining, defence and construction—so we are, indeed, still assisting women in those areas. We are targeting our programs in a way that I think delivers real changes and real outcomes on the ground, and outcomes that we can be very proud of.

Ms CHAPMAN: While we are on other initiatives, the government announced last year that it would be closing the Eating Disorder Unit as part of Ward 4G in the Flinders Medical Centre. This year's budget has confirmed that it will not be closing but there will be a decentralisation. On that issue, particularly as it affects women primarily and many young women, is this a matter on which you or your department have presented a submission? Do you have any view about whether that decentralised program is acceptable to you or your department?

The Hon. G.E. GAGO: Indeed, I do: I have very strong views on the issue of Ward 4G. I am very familiar with this facility, both as a former healthcare professional and also in my formal role as minister for mental health. I have gone on the record many times before saying that, although the work done in 4G is remarkable and the staff there are to be absolutely commended for doing invaluable work, nevertheless, I have made it very clear that my personal view is that that facility is not as conducive as it could be as a therapeutic environment for these particular patients as they share a facility with other mental health patients.

The world has moved on and has considered best practice around eating disorders and the model to cater for that in a very different way to the institutionalised model that we put in place decades ago. I understand the general public's attachment to the facility—particularly of those who have used it, past and present—and their ferocious lobbying for that facility. The staff there, the services they provide, and the treatment people have received, save lives.

We have parents here in South Australia who can look at ward 4G and say that their son or daughter—and it is usually daughters—is alive today because of the help they received there and there are many young people who can say, 'I am well and healthy today because of the services I received there.' So you can understand the attachment to that ward and to that particular hospital facility; however, that does not necessarily mean it is the best model for today.

What we are striving to do is create the best model available. A great deal of work has been done by the Minister for Health in terms of consulting with relevant stakeholders and looking at designing the best, most contemporary model of care for these particular clients, and it would appear that models are showing that at least some community engagement is key to that. That work is still being completed.

I have been advised that it has been decided not to go ahead with the proposal to move those clients to the Margaret Tobin Centre, and my understanding, from the latest advice, is that ward 4G will remain open until the completion of the modelling work and a final care plan for eating disorder patients has been delivered.

Ms CHAPMAN: Minister, next year I will ask where you think they should go, or have gone, for acute services, given that the Margaret Tobin proposal has been abandoned. Of course we all await, with bated breath, to find out where the acute services will be provided for this cohort of women with high health needs.

My next question relates to the women's and children's unit at the Glenside campus of the Royal Adelaide Hospital, Helen Mayo House. The minister will know, from her previous ministerial role in mental health, that this facility is currently situated on the campus and provides mental health services particularly for women with postnatal depression and their young children. It is independent of the rest of the acute facility, but collocated on the same grounds.

As the minister knows, under the new rebuild of the Glenside Mental Health Services in the corner of that block, there will be a facility for mothers and babies—I think the entrance is through the old post-mortem chamber actually, which is rather an ugly thought. Nevertheless, it will be accommodated under the same roof. Also collocated on that same campus will be facilities for those who need drug and alcohol services acute care.

Given the minister's last statement that the antiquated and inappropriate provision of services for mental health patients in the precinct of other people with acute mental health services is a primary reason for taking young women with eating disorders out of the facility at the Flinders Medical Centre, particularly because of that view and the need to be contemporary, does the minister still support the facilities for mothers and babies being under the same roof with other

mental health patients, as well as drug and alcohol inpatients (we are yet to find out what happens with drug and alcohol outpatients)? If not, has the minister conveyed that to the government?

The Hon. G.E. GAGO: Chair, I believe that I have shown a great deal of cooperation and leniency in dealing with the member's questions that really do not relate to these budget documents. I have been, I think, incredibly generous with my time in attempting to provide some information. The questions the member has asked me clearly relate to the responsibilities of the Minister for Health and the Minister for Mental Health and Substance Abuse, and they needed to be directed to him.

The CHAIR: Thank you, minister. I thank the members—

Ms CHAPMAN: I have a supplementary on that.

The CHAIR: We are out of time, unfortunately. I thank the advisers for their assistance.

Membership:

Hon. I.F. Evans substituted for Ms Chapman.

Departmental Advisers:

Mr W. McCann, Commissioner for Public Sector Management.

Mr. J. Hallion, Chief Executive, Department for the Premier and Cabinet.

Mr B. Cinnamon, Director, Public Sector Performance Commission.

Mr B. Morris, Executive Director, Services Division, Department of the Premier and Cabinet.

Mr T. Ryan, Director, State Records, Department of the Premier and Cabinet.

Ms J. Ellis, Director, Office for Ethical Standards and Professional Integrity, Department of the Premier and Cabinet.

Mr L. Jones, Director, Corporate Affairs, Department of the Premier and Cabinet.

Ms M. Evans, Manager, Strategic and Support Services, Department of the Premier and Cabinet.

Ms A. Barclay, Ministerial Chief of Staff.

The CHAIR: We now go to the public sector. Minister, do you wish to make a brief opening statement?

The Hon. G.E. GAGO: Yes, please. The public sector employs more than 100,000 people, making it the largest employer in the state in key jobs, including nursing, teaching, policing and emergency services.

The role of the Commissioner for Public Sector Employment (Warren McCann) is crucial in ensuring that an effective and fair employment framework is in place for the Public Service and other public sector employees. The commissioner heads the Office for Ethical Standards and Professional Integrity. The office supports the commissioner in meeting his statutory functions, as well as undertaking other important employment, monitoring, reporting and governance functions.

The government has begun to implement the reforms created by the Public Sector Act 2009. The Commissioner for Public Sector Employment issued a new code of ethics for the public sector in 2010, and work continues to embed the values of service: respect, courtesy, honesty and accountability. Work also continues on advancing the objects of the act by defining the public sector principles and developing strategies to encourage observance of the principles across the sector.

I should also mention the important work done by the Public Sector Performance Commission, which I am pleased to say has delivered on its commitment to government by outlining the reform program that will deliver sustained improvement in capability and productivity across the public sector.

The main features of the reform program are the high-performance framework, the South Australian Executive Service (SAES), and building a sustainable workforce. Even though the PSC

has completed its work, the public sector will continue to progress and reform process that has been initiated. From here, the public sector's management council, consisting of all chief executives from the portfolio departments, has determined that it will play the lead role on issues of reform in public sector management.

To support the work of the council, the Department of the Premier and Cabinet will, from existing resources, establish a public sector management division from 1 July 2011 and also resource the division with six FTEs. Such resources will be directed to assist public sector agencies in implementing a reform program. The budget for the operation of the division will be taken from the DPC operating budget for 2011-12.

Finally, as Minister for Public Sector Management, I am also responsible for State Records. State Records has across government responsibilities related to official records and archives, freedom of information, personal information privacy and copyright. State Records is established under the State Records Act 1997 as the principal repository for the official records of state and local government that are no longer required for administrative purposes and to administer that legislation.

State Records also administers the Freedom of Information Act 1991 across government and administers the state's copyright agreements. State Records also supports the Privacy Committee of South Australia administer the state's Information Privacy Principles through the provision of executive support, advice and policy development.

The Hon. I.F. EVANS: We do not have an opening statement. We will go straight to questions, if we can. I refer to Budget Paper 4, Volume 3, pages 130 and 131 and 153 onwards, which deal with ethical standards and professional integrity and the Public Sector Performance Commissioner. That will be the focus, as such. In last year's budget, the government announced the abolition of the separate position of the Commissioner for Public Sector Employment, saving about \$500,000 a year. Why has the government reversed that decision?

The Hon. G.E. GAGO: The Office for Ethical Standards and Professional Integrity is led by the Commissioner for Public Sector Employment, Warren McCann. I advise that, currently, it has 16 staff members, including the commissioner and the Public Sector Grievance Review Commissioner, David Smythe, who is also attached administratively.

The 2011-12 budget measures indicate revised arrangements for the Commissioner for Public Sector Employment. The initiative provides savings of \$3.4 million in the first year from the cessation of the commissioner's position, and \$0.5 million per annum on an ongoing basis. Since that decision, it has been decided to retain the Commissioner for Public Sector Employment as a separate but part-time position. This will ensure that the commissioner is able to continue to operate as an independent statutory officer, and Warren McCann has been appointed to the role for a further three-year term, commencing 1 November 2011 at a point 5 FTE.

The Commissioner for Public Sector Employment will be able to meet the outcomes of his role while working on a part-time basis, because much of the initial implementation work associated with the Public Sector Act and the Code of Ethics has been done. The savings have been noted accordingly.

The Hon. I.F. EVANS: Thanks for that information, but the question was: why did the government reverse its decision? Last year in the budget, it took a decision to abolish the position altogether, which was going to save \$500,000 a year. Now you have advised us that Mr McCann has been reappointed, but on a part-time basis. Why the change in policy? Basically for 10 years you had a full-time commissioner. Last year it was going to be abolished; now it is part-time. Why the decision to reverse the decision?

The Hon. G.E. GAGO: I believe it was considered that the bulk of the new reform work would be in place. We considered a wide range of budgetary saving measures. They were tough measures; they were very difficult decisions to make. The thinking at the time was that, because the bulk of the reform work would be in place, we would be able to manage without a commissioner. We have since revised that position and, although the bulk of the work has been done, we believe it would be prudent to continue with a commissioner on a part-time basis.

The Hon. I.F. EVANS: What are the details of the employment package of the part-time commissioner? What are the terms of the part-time appointment?

The Hon. G.E. GAGO: It is 0.5 FTE—50 per cent.

The Hon. I.F. EVANS: And the remuneration package for undertaking this part-time appointment?

The Hon. G.E. GAGO: I am advised it is 50 per cent of the previous package.

The Hon. I.F. EVANS: Which was?

The Hon. G.E. GAGO: I am advised that it will be \$188,668.

The Hon. I.F. EVANS: Last year you were going to save \$500,000 by abolishing the position and now you are spending basically another \$200,000 keeping the position, so that is a \$700,000 turnaround. Does your portfolio have to find the \$500,000 saving that was announced last year that was carried forward? If you do, where is that saving going to be made within your portfolio, and where is the extra \$188,000 being found to keep now a part-time commissioner?

The Hon. G.E. GAGO: I have been advised that the difference in savings of \$300,000, of the \$500,000 expected by going to a 0.5 FTE role, will result in a \$200,000 difference that will need to be found, and that will be found within the general expenses of DPC.

The Hon. I.F. EVANS: Last year, minister, the government announced a \$500,000 saving and now you are going to spend \$200,000. One of your officers is shaking her head. I understood that you were going to spend \$188,000 on a part-time commissioner, so \$500,000 less the \$188,000 leaves a \$300,000 saving, doesn't it? Are you still required to find a \$300,000 saving? You mentioned a \$200,000 figure.

The Hon. G.E. GAGO: I will ask Mr McCann to answer that question.

Mr McCANN: The full amount of the initiative in terms of savings on a full-year basis was \$500,000. As a result of the commissioner reverting to a part-time basis at 50 per cent of the initial remuneration, approximately \$200,000 will be met from that source. The commissioner's office is required to meet a further \$100,000 from its own resources. That makes \$300,000 of the original \$500,000 found as a result of those two initiatives. That leaves a balance between the initial saving initiative and what the department now needs to occur of \$200,000. That \$200,000 will be found from general expenses within DPC.

The Hon. I.F. EVANS: When we are advised 'general expenses', from where? There are already procurement savings in place and already supposedly 15 per cent savings in place from ministerial offices. There are already staff reductions across the public sector generally and already a Shared Services initiative to save money there. Where would you be looking to save the extra \$200,000?

Is one of the options for your agency to on-charge services to other agencies that report to you and recoup your \$200,000 by charging agencies that report to you? For instance, the Attorney-General's Department charges the Office for Recreation and Sport a few hundred thousand dollars a year now that it reports to it. Is that a mechanism your agency would be looking at?

The Hon. G.E. GAGO: You are giving us ideas. I will hand over to Jim Hallion in a moment, but the agency works with a model of ongoing continual improvement. We continually look for efficiencies for improvements, for reducing duplication, and it will be found within, but I will ask Jim Hallion to provide further detail around that.

Mr HALLION: This obviously relates just to the \$200,000 that will be met from the department's budget. In that issue, as the minister said, we will be looking at efficiency measures across the department. The net effect on DPC from this decision is a \$200,000 a year cost pressure, and we will meet that by looking at efficiencies across the department. It will be spread across the department. We do not intend to on-charge other departments.

The Hon. I.F. EVANS: The part-time appointments are for how many years; what is the term?

The Hon. G.E. GAGO: I am advised three years.

Ms THOMPSON: My question relates to excess employees, and I refer to Budget Paper 4, Volume 3, page 130 in the financial commentary in which changes in expenditure due to the targeted voluntary separation package scheme are outlined. What steps is the government taking to effectively manage excess employees?

The Hon. G.E. GAGO: I am pleased to advise that employees who wish to continue their public sector career can utilise the redeployment management process aimed at placing as many employees as possible in vacancies that arise. A whole of government redeployment reference

group has been established to form and guide the enhanced redeployment management process. The group is chaired by Paul Case, former chief executive and commissioner for public employment.

The redeployment reference group is comprised of executive level agency representatives with primary responsibility for human resources and redeployment. The Commissioner for Public Sector Employment, Warren McCann, has developed an online database that holds the employment, placement and skills details of excess employees. The database is used to improve the monitoring and reporting of information on excess employees and, most importantly, to identify and match excess employees to suitable roles across government.

A thorough and rigorous matching and assessment process has been put in place in order to maximise redeployment opportunities. The commissioner has also issued a new employment determination and guideline to support and reinforce the enhanced redeployment processes and practices. I am also pleased to advise that, in order to provide better help to employees trying to find a new position, a central redeployment unit will be created to retrain, support and place redeployed public sector employees.

This unit will have an appropriate authority to provide more intensive support to redeployees, to assist them finding appropriate jobs anywhere across government. Employees who are declared redundant will receive case management to a defined level, appropriate for the needs of the employee. This may encompass, for each employee, an individual-based skills and capabilities assessment, career and personal counselling, job search, identifying opportunities for training and retraining, and support during placements in temporary ongoing duties.

Other measures include changes to the advertising process to maximise the number of roles available to excess employees; increased utilisation of excess employees rather than contractors, consultants and labour hire staff; and placement of excess employees into positions previously occupied by temporary and contract staff.

Ms THOMPSON: This time I refer to Budget Paper 4, Agency Statements Volume 3, program 11, page 153. Under the heading Highlights 2010-11, there is mention of the High Performance Framework. Will the minister provide details on the outcomes of the High Performance Framework within government agencies?

The Hon. G.E. GAGO: The High Performance Framework ensures and confirms alignment of agency programs with government priorities and identifies areas for performance and productivity improvement. A successful pilot of this initiative was undertaken during 2009-10, with immediate results for those agencies participating. In particular, there were a number of performance improvement areas that have not been previously identified by existing performance measurement processes. For example, in the Department of the Premier and Cabinet, the pilot resulted in increased agency capability through the creation of a new approach in leadership development and improved approaches in employment performance management and innovation.

The design of the HPF provides the public sector with a systemic approach and tools for agencies to evaluate, improve and report on their performance. I am pleased to inform the committee that feedback has consistently indicated very positive support for the formal implementation of HPF across the public sector. The performance commission program for implementation is focused on embedding the framework so as to increase capability and the development of performance and productivity culture.

During 2010-11, HPF is being formally undertaken by four agencies, with all producing statements of their performance and detailed improvement strategies. Outcomes of the agency HPF reviews are formalised in performance and accountability statements, which identify the level of agency performance and improvement strategies. That creates a baseline for future agency performance assessment measurements. The direct benefits of the adoption of HPF will be measured through performance results, headline KPIs, improved performance culture and efficiency gains and savings from specific improvement initiatives.

The Hon. I.F. EVANS: Minister, during last year's estimates, the then minister said that there was a review by the advisory board of the Public Sector Performance Commission. Was a report actually prepared and is it publicly available?

The Hon. G.E. GAGO: I am advised that the recommendations from the PSPC advisory board's report to government were noted by the government on 10 October. The final report reflects the observations of the Economic Development Board that a responsive and highly-skilled public sector is vital to meeting increased community demand for infrastructure and services, while

providing businesses with the efficient professional services that they might expect in a modern and cooperative economy.

The four key recommendations of the report were that the public sector agencies adopt and embed the High Performance Framework, that the government mandates investment in the South Australian Executive Service (SAES), that it mandates a sector-wide reform of workforce planning and management, and that a central body be established to manage change across government. Obviously, government will now begin the process of implementing that report to government's recommendations. I have been advised that the report is on the South Australian government website, so it is publicly available.

The Hon. I.F. EVANS: The Public Sector Performance Commission is set to be abolished. Did the advisory board recommend the abolition of the Public Sector Performance Commission and, if so, for what reasons?

The Hon. G.E. GAGO: We have not abolished: we have restructured and reconfigured. It will now be rebadged as the Public Sector Management Division, whose role will be to continue the work of supporting SAES. It will continue to support and assist terms of the high performance management framework and it will continue with the other reforms as outlined in the report.

As I said, it has been slightly reconfigured and restructured to better align with the Senior Management Council. I think this is a really positive thing. That council consists of all portfolio chief executives and has determined that it will play the central role in leading the South Australian public sector on implementation of the reform program. Members of the council obviously have the experience and seniority required to ensure that the reform program is effectively managed and implemented. We would see that as also a major vehicle of ensuring across government ownership and connectivity. As I said, it is a newly structured, rebadged part of the agency.

The Hon. I.F. EVANS: And the level of staffing compared to the Public Sector Performance Commission and the total budget compared to the Public Sector Performance Commission?

The Hon. G.E. GAGO: I have been advised that the budget for the new unit is \$1.2 million. The staffing is 6 FTEs, and that has been reduced from formerly approximately 17 FTEs. That is in line with the bulk of the reform work having been rolled out and implemented, so we are now moving on to the next phase, which is consolidation, support and maintenance of that reform agenda. The change in the unit and the change in its structure reflect its new support role.

The Hon. I.F. EVANS: And the chief executives could not manage that role? Now you have set the framework in place, you have had this new beaut review, and it has been adopted by government. It is all about how the public sector is skilled and how it maintains a high level of service. The CEOs of the various departments could not actually implement that on behalf of government?

The Hon. G.E. GAGO: I am not too sure if you are suggesting it should be dismantled altogether. I am sure you would not be suggesting that, because it plays such a vital role. Indeed, it provides the support and consultancy to chief executives to assist them in their job. I am sure that, if we had completely dismantled the unit, I would be sitting here taking questions from you demanding to know why this support was removed.

It is a support role to chief executives. As I said, the fundamental reforms have been implemented in terms of the SAES programs and also the high performance framework. There are still some agencies where we need to roll out the high performance framework, so that work has not quite been completed yet, but there are also support and maintenance roles that chief executives, I am sure, will benefit from in terms of this new rebadged, restructured support unit.

The Hon. I.F. EVANS: How many excess employees were there in the Public Service as at 30 June 2011?

The Hon. G.E. GAGO: I have been advised that the government has implemented a full-time equivalent reduction management strategy comprising of a generous TVSP scheme and a comprehensive redeployment and management process. The Commissioner for Public Sector Employment collects data on the number of excess employees in the public sector. The commissioner has recently implemented an online database to improve the monitoring of excess employees and information to support the placement of excess employees into ongoing vacancies.

I am advised that there were 439 employees who were excess as at 31 May 2011. Of these employees, 208 were active, which means that they are currently being managed by their agency to find suitable ongoing placement; 131 were in long-term placements; 32 were on leave; 59 were inactive—for example, on workers compensation; and nine were in trial placements leading to ongoing placements. The number of excess employees (that is the 439) reported by agencies as at 31 May 2011 represents an increase of 30 excess employees since 31 March 2011.

In terms of the answer to the former question (in terms of the new rebadged, restructured support for executives), I want to put on the record that there will also be a redeployment unit established in response to savings measures announced in the 2010-11 and 2011-12 budgets, with the reduction of employees. The funding for that unit will be \$1.218 million over the 2011-12 financial year and has been provided to DPC for the operation of that redeployment unit. That will resource the unit with up to 12 FTEs, so there are considerable resources to assist that matter.

The Hon. S.W. KEY: My question refers to Budget Paper 4, Volume 3, Agency Statements, page 131. This probably leads on from comments you have just made in support of public sector workers. On that page it states:

Develop and build on employment policies and strategies to provide a foundation for the effective and fair employment of public service officers and other public sector employees in order to lift productivity and provide better services to the public.

What is the government doing to support public sector workers with particular reference to the Public Sector Act 2009?

The Hon. G.E. GAGO: As members would know, the Public Sector Act 2009 was implemented last year. The objects of the act include: ensuring the public sector is viewed as an employer of choice; making performance management and development a priority in the public sector; facilitating integration of employment and management practices across the public sector; and providing a framework for the effective and fair employment and management of public sector employees.

All of these elements are important in achieving a culture that attracts and retains the very best employees. The public sector context and the needs of workers are changing. Some of these changes include the increase in women's participation in the workforce, the changing role of fathers and an ageing population and workforce and, of course, we are all working in a constrained budget environment with increasing demands for services.

These and other changes have increased the need for flexibility in the workplace, and I am delighted that with the implementation of the Public Sector Act 2009, flexible leave and working arrangements have been embedded within legislation for the first time. The act enables public sector employees to access leave and working arrangements that aim to help them move within the public sector and also assist public sector employees to gain a work/life balance.

Public sector employment has a lot to offer and, in addition to flexible work practices, public sector employees have access to a wide variety of employment opportunities with the one employer. They also have an opportunity to work for an organisation with a commitment to a strong set of values.

Some of the most generous provisions available for balancing work-life responsibility are to be found in the public sector; however, there is always more to be done to build on the culture, processes and policies that support public sector employees to give them the tools and support they need to do their jobs better and to increase productivity and improve services to the public sector.

Obviously, we have regular meetings to discuss these issues and, as Minister for Public Sector Management, I am committed to making public sector employment a career choice for high-performing, committed and innovative employees who want to make a real contribution to the community and the state.

The Hon. S.W. KEY: My other question is with regard to the Public Sector Act and Code of Ethics, and I refer to Budget Paper 4, Agency Statements, Volume 3, page 131. We have had quite a big discussion about the role of the Commissioner for Public Sector Employment; I am wondering how work undertaken in the Public Sector Act 2009 and the Code of Ethics is being used to create a high-performing, ethical and professional public sector.

The Hon. G.E. GAGO: The Public Sector Act 2009 provides a modern and streamlined employment framework to support a public sector that is positioned to capitalise on the state's

prospects for strong economic recovery and growth. Under the act, agencies and employees across the whole of the public sector are governed by a comprehensive set of principles with greater emphasis on government as a whole, responsiveness to government priorities, and delivery of services to the public.

The act seeks to move the public sector from an employment framework based on rules, regulations and procedures to one defined by employment principles. Chief executives are required to advance the public sector principles, and the act provides them with greater authority and flexibility to enable them to manage employees in their agencies. The principle-based approach provides a guide for public sector operations, facilitates the integrity of employment and management practices, makes performance management and development a priority, and promotes uniformity and transparency in government agencies.

To support the operation of the Public Sector Act, the Commissioner for Public Sector Employment issued a new code of ethics on 1 February 2010. The code embodies and builds upon the principles of the Public Sector Act, and in doing so seeks to advance the objects of the act in the pursuit of good government in South Australia rather than rely on a rigid set of rules. The code places more emphasis on guiding values and principles of behaviour and less on the punitive measures usually associated with codes of conduct. The code guides and supports public sector employees in all of their professional decision-making and seeks to strengthen public confidence.

Obviously the code has a number of very important goals. South Australia is looking to improve the productivity and professionalism of the public sector, and the code seeks to recognise that public sector employees, in striving for excellence in a changing world, need to be encouraged to be more creative and innovative and to rely on the existence of mature judgment and common sense rather than a set of rigid rules in the performance of their everyday work.

The Hon. I.F. EVANS: The Commissioner for Public Employment, as head of the Office of Ethical Standards and Professional Integrity, has been paying two officers in nonexecutive classified positions an additional allowance which makes them equivalent to an executive classification salary package but allows them to maintain tenure. Is this standard practice across government, or is it just an arrangement established in that office?

The Hon. G.E. GAGO: I will ask Warren McCann to provide an answer to that.

Mr McCANN: The payment of allowances for matters like attraction and retention is a standard package available to chief executives across the public sector. It provides some flexibility in employment arrangements, and it is a very sensible degree of flexibility for chief executives to have. I issue a determination, which provides some basis on which the retention and attraction allowances can be paid; for example, they are not to be ongoing, they are required not to form part of the normal salary package, and they are required to be reviewed regularly. In summary, it is not something that just applies to my office; every department and agency would utilise this flexible employment opportunity from time to time.

The Hon. I.F. EVANS: Your advice to the committee is that these allowances are not ongoing. How long have the allowances been paid to the two people in your office, for example: is it more than year?

Mr McCANN: Yes. I cannot go back beyond when I was appointed, but it has been paid for the full three years of my employment.

The Hon. I.F. EVANS: If it is not ongoing, at what point does the arrangement for those two staff in your office cut off?

Mr McCANN: The determination requires that they be regularly reviewed. The determination does not, in any case, not only in my office but across the system, set a standard maximum period. It is a question of regular review of whether those allowances continue to be appropriate, and I will be conducting that review within the next coming months.

The Hon. I.F. EVANS: So, they could be ongoing if the review allowed it?

Mr McCANN: They could continue; they would not be ongoing without review. The purpose of their not being ongoing is that we do not want it to become part of the regular salary package. There are legitimate reasons why you might want to pay more on occasions to retain someone in a particular position. It is not a technique to avoid paying an executive salary; it is there for a specific purpose.

The Hon. I.F. EVANS: Why would someone take an executive salary and lose tenure if they could negotiate with you or another chief executive? Why would someone take an executive

salary and lose tenure if they could do a deal and get a retention allowance, or an attraction allowance, to give them an executive salary and still have tenure? Why would you take an executive salary and lose tenure?

Mr McCANN: It is a legitimate question. At the top end of the administrative class, of course, attraction or retention allowances are available right across the spectrum. It is only a particular set that fits within that issue you are raising. An executive position is an executive position; it brings, in terms of responsibility, certain other benefits associated with it. A retention allowance is of a different order: it recognises that there is a short-term need to pay an allowance in order to retain the person to whom you pay it.

The Hon. I.F. EVANS: Does your office review the retention allowances in all the other agencies, or do we just rely on the relationship between the chief executive and the person getting the retention or attraction allowance?

Mr McCANN: My office does not conduct such a review. It is a tool—

The Hon. I.F. EVANS: So, no-one knows, then. Who would know, then, whether these retention or attraction allowances had not been ongoing for 10 years in some cases? Who would know?

Mr McCANN: That data is not collected.

The Hon. I.F. EVANS: Sorry?

Mr McCANN: You are quite correct.

The Hon. I.F. EVANS: So, no-one collects it?

Mr McCANN: No.

The Hon. I.F. EVANS: And the agency which sets it does its own review?

Mr McCANN: Yes.

The Hon. I.F. EVANS: We are told that some of these retention and attraction allowances can be anywhere between \$5,000 to \$40,000 a year above the employee's stated classification level and are often paid in perpetuity. For example, if an employee occupies a position and/or salary of \$90,000, and the position stated classification level has an attraction allowance of \$15,000, the employee would actually be paid \$105,000 for as long as they retain that position. Is that your understanding?

The Hon. G.E. GAGO: I believe that Mr McCann has already answered that question—that they are reviewable, that they are not in perpetuity. I believe he has already answered that question, and I think he has gone to great lengths to provide a great deal of detail.

The Hon. I.F. EVANS: Minister, when did you find out about the retention and attraction allowances? When did you first know of them? Surely you do not have to ask your officers to find out when you first knew.

The Hon. G.E. GAGO: Well, I am not aware of them.

The Hon. I.F. EVANS: If it is common practice within the public sector and you are responsible for the public sector, surely someone would have brought to your attention that this practice is going on. So, when the opposition asks a question about the classification of wages, can you give us the number of people below \$100,000 and above \$100,000? Is the retention and attraction allowance included in the \$100,000, or does the Public Service give us the answer that its stated position is \$90,000—therefore, that salary is below \$100,000—and ignore the fact that an attraction allowance takes it above \$100,000? How does the agency respond when those questions are asked? Is the attraction allowance in the package or outside the package?

The Hon. G.E. GAGO: First, in relation to what matters I am and am not aware of, I have not had responsibility for the public sector reform portfolio for very long, so it would not be surprising that I might not be familiar with the level of detail that you are talking about. In relation to your second question, I am advised that, yes, it is part of the package.

The Hon. I.F. EVANS: Can an attraction allowance be paid to somebody who is already in the Public Service to take another position in the Public Service? If so, why would you pay an attraction allowance when it is an open bid for the job? If that person was interested in the job, they could apply for it. Why would you offer an attraction allowance to a public servant to take another job in the Public Service?

The Hon. G.E. GAGO: In relation to your first question, I am advised that the answer is yes. In relation to the second question, Mr McCann will respond.

Mr McCANN: It would be unusual to pay an attraction allowance in such circumstances. The great bulk of—

The Hon. I.F. EVANS: With due respect, Mr McCann, your answer earlier indicated that no-one is monitoring it, so how can you possibly advise the committee through the minister that it would be 'unusual'? If no-one is monitoring it, it could well be common practice, could it not?

Mr McCANN: I would be very surprised, but you are quite right. The data that would answer that is not collected, but I am of this institution and I talk to all my colleagues regularly. I understand a fair bit about what employment practices apply. But there might be occasions when, if you are a chief executive and you want to attract a particular person with a particular skill set to a position, and that person is not persuaded at that level of salary to accept that appointment, the opportunity to pay an attraction allowance is available. These are very useful and important employment tools—

The Hon. I.F. EVANS: Yes, but—

The CHAIR: Order! You have the call, Mr McCann.

Mr McCANN: —just to make the system work effectively.

The Hon. I.F. EVANS: So, how does the process work? You advertise a job in the public sector, and I am sitting in another agency saying, 'Well, I won't apply for that because the salary is not quite what I think.' The advertising agency then says, 'Well, Billy Bloggs sitting over in the other agency has the skills we need; we'll go over there and offer him \$15,000 extra a year.' And I am sitting in the other agency saying, 'Actually, I didn't know that. If I was going to get another 15 grand a year, I might have applied.'

So, where is the scrutiny here that the process is actually fair? If the job is not advertised at the higher level with the attraction allowance in it, then the person in the example I have just given who was unaware that the attraction allowance was going to be given is disadvantaged. Where in the process is the scrutiny on the fairness of the process? It seems to me that no-one is monitoring it.

Mr McCANN: Your observation is correct. The act makes it very clear that responsibility for questions of fairness in terms of appointments and employment are the responsibility of chief executives of departments. Included within that is the requirement to ensure that the employment process is based on merit—that is a very strong requirement of the act, as you know, that all appointments be based on merit. Chief executives are clearly accountable for that. It would be possible that, if there were thought to be a general concern about the extent to which attraction and recruitment allowances are being paid, there would be nothing in the future to prevent the commissioner from gathering data about that.

The Hon. G.E. GAGO: If I could just add that it has been drawn to my attention that attraction and retention allowances have been a longstanding practice of both governments—your own former government included. In terms of transparency and accountability, above \$100,000 salaries (which includes attraction and retention allowances) are reported in annual reports. So, they are there on the public record for those who are interested.

Ms BEDFORD: My question is about State Records. I refer to the performance indicator in Budget Paper 4, Volume 3, page 152 under the heading 'Performance Indicators' where it states the number of visits to State Records research centres. Having visited both of them in the last 12 months, I am particularly interested to hear your advice on how the public can learn more about State Records and their archive collections.

The Hon. G.E. GAGO: I thank the honourable member for her question, and I know her intense passionate interest in matters of history. The State Records Act 1997 establishes State Records as the principal repository for South Australia's official records that are not required by government for current administrative purposes. Permanent archival records of both the South Australian government and local government authorities are held in the custody of State Records at the state government's repository at Gepps Cross. Towards the end of 2010 the repository held over 75,000 shelf metres of records including maps, plans, correspondence, files, volumes, audio tapes, videotapes, film, photographs and microfiche/microfilm.

As the agency charged with ensuring records of enduring value are preserved for current and future generations to access, State Records have been proud supporters of the About Time

history month and its predecessor, History Week. Tours of the repository and a chance to get to know the organisation's search and ordering system have been key elements of the events held by State Records in previous years.

I am advised that this year the Gepps Cross repository hosted 'An Afternoon in the Archives'. To mark 175 years of European settlement, a selection of founding documents and items relating to the celebration of the state's 100th anniversary in 1936 were on display. Items of interest included congratulatory telegrams, photographs, and our first coat of arms, which were available for viewing.

It is important to realise that people do not have to wait for history month to access these materials. This year approximately 3,000 people visited the Leigh Street and Gepps Cross research centres to access archive records. State Records received requests to access nearly 13,500 archived items. The number of records viewed in the research centres ebbs and flows, depending on the number of large-scale research projects underway.

The growth of TV programs featuring stories about family members discovering information about their forebears often, with the assistance of official government records, also continues to encourage the public to research their family history. These are there for the public to look at. I certainly encourage people interested in learning more about South Australia's rich history to utilise the services on offer and access the materials available at State Records both online and at the research centres.

Ms BEDFORD: I also put on record how terrifically helpful were the staff there. My next question relates to women in leadership, Budget Paper 4, Volume 3, page 131. The second dot point under Highlights 2010-11 states that strategies have been put in place to increase the number of women entering and achieving leadership roles in the South Australian public sector as per South Australia's Strategic Plan target T6.23. What is the minister doing to encourage women to pursue leadership roles in the public sector?

The Hon. G.E. GAGO: I am very proud that this government is committed to ensuring gender equity at the leadership level in the public sector. We have gone so far as to enshrine this commitment into a strategic plan target—so at least this government is prepared to have a go at it—for which we are held publicly accountable. The South Australian government is the only jurisdiction in Australia to have a target to have women in 50 per cent of executive positions as part of its State Strategic Plan. South Australia is already one of the leading jurisdictions with respect to gender diversity at executive level and at 42 per cent has the highest percentage of women in executive positions of all Australian jurisdictions in June 2010.

The Commissioner for Public Sector Employment has developed commissioner's guidelines on the recruitment of women to executive positions, covering attractions, selection and retention. The Office for Ethical Standards and Professional Integrity has established a dedicated website as a means of communicating strategies to achieve the target, based on case studies of women who have advanced to executive level and provided resources on such matters as work/life balance and development. A group made up of representatives from the senior management of each department (known as the agency's champions group) was formed in late 2009 and continues to be facilitated by the Office for Ethical Standards and Professional Integrity to actively implement strategies to achieve the target.

In late 2010 the Office for Ethical Standards and Professional Integrity launched online tools to collect information that will assist in providing information to aid the achievement of women in executive positions, such as an exit survey, etc. The two surveys were endorsed by me as Minister for the Status of Women. The champions and representatives from other public sector agencies are currently implementing the tools at the agency level.

The executive feeder group survey opened on 28 March and closed on 15 April and is available for completion by employees at two levels below executive level across most of the sector. Over 15,000 employees, both men and women, completed the survey during this period and a report on the results of this survey will be available this year. The Commissioner for Public Sector Employment is seeking to further engage male leaders to promote the achievement of this target. He sought nominations from departmental chief executives in March 2011 of male leaders to be champions for women in leadership and it also went to ministers as well.

I am delighted to report that the representation of women at the executive level has increased by 3.3 percentage points since 2009, by 12.6 percentage points since its baseline of 32 per cent in June 2003, and to 42 per cent as of June 2010. The actions undertaken by this

government will ensure that South Australia remains at the forefront of achieving equal representation of women at the executive level.

The Hon. I.F. EVANS: How many targeted voluntary separation packages have been budgeted for in 2011 and each of the forward estimate years?

The Hon. G.E. GAGO: I thank the member for his question. I am advised that the Treasurer has ministerial responsibility for the administration of the TVSPs. As Minister for Public Sector Management, I have responsibility for the enhanced redeployment management processes, which I have already spoken at length about in terms of our future strategies. The 2011-12 budget has introduced a further reduction of 400 full-time public sector employees over two years—2012-13 to 2013-14. These reductions will be fully offset by expenditure initiatives, except for 2014-15, and that is in Budget Paper 3.

As I said, in terms of the details of the actual budgeted amount, it is a matter for the Treasurer and you would need to refer those detailed questions to him. The 2011-12 budget measures are in Budget Paper 3, table 2.4. So, there is a table there, but, other than that, you would need to direct those questions to the Treasurer.

The CHAIR: Thank you, minister. Thank you to the shadow minister, to the members of the committee and thank you to the advisers.

[Sitting suspended from 12:47 to 13:45]

Membership:

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

Mr Gardner substituted for Ms Sanderson.

Departmental Advisers:

Mr J. Maguire, Chief Executive, Attorney-General's Department and Department of Justice.

Mr P. White, Deputy Chief Executive, Consumer and Business Services, Attorney-General's Department.

Ms P. Black-Tiong, Acting Director, Gambling Policy, Department of Treasury and Finance.

Ms B. Venner, Principal Policy Officer, Department of Treasury and Finance.

Mr R. Chappell, Director, Independent Gambling Authority.

Ms J. Hall, General Manager, Business Services, Office of the Liquor and Gambling Commissioner.

Mr A. Swanson, Director, Business and Financial Services, Attorney-General's Department.

Mr S. Cole, Executive Officer, Office of the Liquor and Gambling Commissioner.

Ms M. Morgan, Ministerial Adviser.

Ms A. Barclay, Ministerial Chief of Staff.

The CHAIR: I invite the minister to make a statement if she so desires.

The Hon. G.E. GAGO: I would be very pleased to make a short opening statement. The financial year 2010-11 has been a significant one for the gambling portfolio. South Australia has been acknowledged at a national level for its contribution to the Select Council on Gambling, established by the Council of Australian Governments. With key areas of national reform relating to electronic gaming machines, including precommitment, dynamic warning messages and ATM withdrawal limits, these changes are anticipated to have a widescale impact on gambling practices in South Australia.

Substantial and persistent work by the industry and community sectors came to fruition with the release of the Responsible Gambling Working Party's fourth progress report and the results of one of the most significant precommitment trials in Australia and, for that matter, the

world. This included the associated trial evaluation reports for ChangeTracker and PlaySmart systems.

With this work, South Australia has led the discussion about precommitment with the commonwealth, state and territory governments. There is consensus that precommitment is an effective tool and it helps individuals who want to budget to keep within that budget. However, there are differences between the commonwealth, state and territory governments. Those differences remain around the detail of precommitment and we are still working towards resolving those.

The Responsible Gambling Working Party will provide advice to the government about implementing precommitment. This advice will address the South Australian government support for a model of mandatory availability of precommitment, but voluntary take-up. It will also consider the potential mandatory take-up model preferred by the commonwealth government. That advice needs to be supported by a strong evidence base.

The year 2010-11 also saw parliament make significant amendments to the Gaming Machines Act. We will see the first gaming machine entitlement trading round under the new trading system that will come in in 2011-12. These trading system rules have been subject to extensive consultation with the industry and community sector representatives.

In addition, we have continued to maintain our strong position on responsible gambling by carrying out a number of operations to guarantee that licensed premises, specific localities and events are adhering to the relevant legislation. We are committed to enforcing conditions and agreements that achieve a responsible gambling environment that achieves high standards of integrity.

Significant disciplinary action, including fines and licence suspensions, has been taken against gaming licensees for noncompliance with the legislative requirements. I look forward to 2011-12 because this will be the year that government, industry and community sectors work together to set out a long-term path for gaming in South Australia.

The CHAIR: The shadow minister.

Mr GRIFFITHS: I am not responsible for this area, but I am for the portion of the debate here, Mr Chairman. Minister, can I just ascertain: are there questions from your own side as part of this half hour that we have allocated?

The Hon. G.E. GAGO: Yes. I think there was an offer to reduce the time by half and forgo government questions, but that was not agreed to, so the half an hour consists, on my understanding, of both opposition and government questions.

Mr GRIFFITHS: The reason for my smile is that reducing it by half, from 30 minutes, leaves very little time.

The Hon. G.E. GAGO: You had better get cracking!

Mr GRIFFITHS: I will. I refer to Budget Paper 4, Volume 1, page 49. Last year the estimates committee was told there were 29 inspectors, 10 of whom were involved in liquor and gambling. At that time the committee was also informed that 11 of those were casino-based inspectors and their role was under review. Can you confirm what percentage of inspections occurred between the times of 4am and 7am?

The Hon. G.E. GAGO: I have been advised that, in fact, the inspectors conduct their rosters over 16 hours, not 24, but the hours do vary from time to time. It is a risk-based assignment of inspections, and that has been based on a report by Dale Cooper that supported this type of approach.

Mr GRIFFITHS: I thank the minister for her answer. As a supplementary to that, are all inspectors involved in monitoring the late night gambling issues or is it only some inspectors that are on night shifts? Do the shifts rotate or is there a focus for just some people?

The Hon. G.E. GAGO: I have been advised that over the 16 hours there are two shifts rostered: a day and an evening/night shift.

Mr GRIFFITHS: I refer to some of the comment in your opening words where you talked about the cap being removed and that coming into effect in 2011-12. Can you confirm for me, because I was not aware of that fact, not having shadow responsibility for it, that it was not designed to commence until 1 July (some four days ago); what is the number of machine entitlements that is currently in place in South Australia, having come down from the original 15,000 and targeted to go to 12,000; what is your comment on how you think the removal of the

cap option will open up and allow sales to occur; and, given the uncertainty regarding the federal legislation that might be in place here too (because of one particular federal member of parliament who is elected on a particular focus), do you think that is going to make cap trading a bit restricted for a while until they know what the implications are going to be?

The Hon. G.E. GAGO: I will answer the last question first. I do not believe that the negotiations around the Wilkie-Gillard agreement (particularly in relation to pre-commitment) have a great deal of bearing on the number of pokie machines. That is my understanding. However, in terms of the numbers, I have been advised that the Gaming Machines (Miscellaneous) Amendment Act removed the \$50,000 fixed price on gambling machine entitlements in order to stimulate the market. The fixed price was identified by the IGA as the reason why some venues were not selling their machines.

The new approved trading system for gambling machine entitlements will allow buyers to indicate how many entitlements they wish to buy and the maximum price they are willing to pay and for sellers to indicate how many entitlements they wish to sell and the minimum price they are willing to receive. So the removal of the fixed price and the introduction of the new approved trading system should increase trading of gaming machine entitlements as sellers and buyers will be able to make offers rather than being constrained by a fixed price that does not necessarily, as you would be aware, reflect the real market value of the machines.

The aim to reduce gaming machine entitlements by 3,000 has involved two stages: the compulsory reduction of 2,168 entitlements without compensation in 2005, followed by the cancellation of one in four gaming machine entitlements traded through the approved trading system. As a result, in the three trading rounds held in May and September 2005 and April 2007 a further 50 entitlements were cancelled—

Mr GRIFFITHS: So the current balance is?

The Hon. G.E. GAGO: The current balance is the remaining 782 gaming machine entitlements.

Mr GRIFFITHS: It has been that number for some time because I have had that figure in my head for a while, so—

The Hon. G.E. GAGO: You need not have asked the question then. We have wasted that time, haven't we?

Mr GRIFFITHS: No; I was hopeful that there had been a change. Have you done any estimates on what you believe will be the number of entitlements that will trade over the coming 12 months and the resultant drop in numbers?

The Hon. G.E. GAGO: The advice is that at this point we do not know. It is not possible to predict how the market will respond, because it will now be open to market prices and pressures. It is not possible to predict how many trades there will be, and it is therefore not possible to determine how long. However, we certainly believe that this will improve our ability to remove that final 782 from the stream. The Office of the Liquor and Gambling Commissioner will hold the first trading round under that new trading system in 2011.

Ms THOMPSON: I am sure the minister will recognise these questions as coming from an area I have had considerable discussion with her about. I refer to Budget Paper 4, Volume 4, Portfolio Statement, page 126, which relates to reform to the Gaming Machines Act 1992 to establish a market-based trading system for gambling machine entitlements. Can the minister inform the committee how the government is progressing with these amendments?

The Hon. G.E. GAGO: This is a very topical question, and there is obviously a great deal of interest in this issue. It is a most important issue. It is the intention of the gaming machines amendment bill to create responsible gambling environments and to reduce the risks and costs associated with gambling machine regulatory work. The bill also makes administrative improvements and contains an amendment to establish this market-based trading system for gaming machine entitlements.

I have talked about removing the fixed cap. The removal of the fixed cap requires a new, approved trading system for gaming machine entitlements to be set by regulation in the future. The new approved trading system for gaming machine entitlements will allow buyers to indicate their offers, and we have received advice from the gambling working group in relation to that and put that in place. We have undertaken a great deal of consultation to help inform us on that, and the

subcommittee has made recommendations with regard to the proposals presented in the consultation phase paper and submissions received, as well as reviewing draft regulations.

As I said, it is expected that the first trading round will take place in the second half of 2011, with the start of the trading round to be announced as soon as possible after the regulations have been made. The successful trades by hotels will, we believe, result in a reduction in gaming machine entitlements—

Mr Griffiths interjecting:

The Hon. G.E. GAGO: It is one out of every four entitlements traded by hotels that will be cancelled. I am happy to respond to that interjection, but—

The CHAIR: All interjections are out of order.

The Hon. G.E. GAGO: Of course they are, sir. However, going on the advice we have received and the reports that have been done, it has been indicated that the fixed price was an inhibitor to trading.

So, it stands to reason that a reasonable human being would suggest, given the expert advice we have received, that removing that fixed price and allowing machines to trade at the real market value will increase the likelihood of those machines being traded. As with anything open to the marketplace, it is open to the vagaries of market forces that are not able to be predicted. However, you can rest assured that all the advice we have received is that it will help increase the number of gaming machines being removed.

The Hon. S.W. KEY: My question relates to Portfolio Paper 4, Volume 1, Portfolio Statement, pages 51 and 52, with regard to the code of practice. Minister, I imagine that most of us, as members, would be interested in getting more information on the charity code of practice, considering the number of organisations in our electorates in this area that we support. I would be interested to get your comments.

Mr GARDNER: Sorry; what is the budget line?

The Hon. S.W. KEY: Portfolio Paper 4, Volume 1, pages 51 to 52.

Mr GARDNER: Sorry, I just do not see the—

The Hon. G.E. GAGO: Paper 4, Volume 1, Portfolio Statement, pages 51 and 52.

Mr GARDNER: I am looking at those pages; I do not see the issue that was referred to in the question.

The Hon. G.E. GAGO: A review of charity regulations.

Mr GARDNER: I see; thank you.

The Hon. S.W. KEY: Charity code of practice.

The Hon. G.E. Gago interjecting:

The CHAIR: I am sure the question is in order.

Mr GARDNER: See regulation of the code of practice.

The CHAIR: Yes, that is right; we do not want to waste any valuable time.

An honourable member interjecting:

The Hon. G.E. GAGO: I thank the honourable member for helping us point out and clarify that; it is most important. We would not want to waste time, would we? We would not want to be answering questions that, in fact, are not relevant to the budget papers, so I am glad we have cleared that up. I thank the honourable member for this most important question. The principles of the draft code of practice ensure the following regulatory objectives: integrity, disclosure, respect, minimal red tape and the improving of regulations.

The final report and the draft code of practice were released in November 2010, with consultation closing on 14 January 2011. A total of 34 submissions from the public were received; these submissions were quite extensive and detailed. To ensure that they are appropriately addressed, the Office of the Liquor and Gambling Commissioner has delayed implementation beyond the initial target date of 31 March 2011.

They are in the process of reviewing those submissions, and it is anticipated that, if required, changes to the code or any legislative amendments will be implemented during the 2011-12 financial year. In working on the draft code, the Office of the Liquor and Gambling Commissioner will take into account the work occurring at a national level to move towards a more nationally consistent approach to fundraising in coming years.

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 1, page 51. In 2007, the Rann government introduced legislation which was somewhat in direct contravention and resulted in increased taxation revenue, which impacted both the TAB and the Casino and introduced new fees to recover the regulatory cost incurred by the Office of the Liquor and Gaming Commissioner.

Smaller fees have been part of the budget that Treasurer Snelling has just introduced, and this will impact hotels and restaurants. But the question is: has any of the \$1 million or so that has been raised annually from the TAB and the Casino for Office of the Liquor and Gaming Commissioner cost recovery actually gone to the OLGC, or has it gone into Consolidated Revenue within Treasury? Indeed, has OLGC received any additional funds at all to allow it to undertake more inspections or to do more work in the gaming area?

The Hon. G.E. GAGO: Perhaps I will ask Jerome Maguire to provide some detail to that question.

Mr MAGUIRE: It is our understanding that the net cost of service is what OLGC has in its budget line, which includes revenue coming in from various sources—and you mentioned two—in addition to a consolidated appropriation from the Consolidated Account. Its budget is revenue sourced plus money coming from Treasury.

Mr GRIFFITHS: So there are no surplus revenues that go straight to Treasury; there is a need to actually supplement the appropriation to OLGC because the cost of operating it is above revenues?

Mr MAGUIRE: That is our understanding. We can come back to you if it is different, but our understanding is that that is how it works.

Mr GRIFFITHS: I would appreciate it if the minister would be good enough to come back. Indeed, if that is the case, can the minister identify what the surplus was for the 2010-11 financial year and what the projected surplus is for each year over the forward estimates?

The Hon. G.E. GAGO: Will do, and I am happy to take that on notice and bring back a response.

Mr GRIFFITHS: I refer to page 50 of the same budget paper in regard to OLGC inspections of licensed venues, which, as I understand it, are broken down into three priority categories. Minister, how long does an inspection take, and do inspectors use checklists?

The Hon. G.E. GAGO: I have been advised that the length of time taken for an inspection varies according to the circumstances of each establishment, and I have been advised that a sort of template type of checklist is used as a framework to conduct inspections.

Mr GRIFFITHS: Minister, you said that the time taken actually depends on the particulars; is that because they are different priority categories?

The Hon. G.E. GAGO: I would imagine the higher risk establishments would take more time than the lower risk ones, but I think there is a variation between those as well.

Mr GRIFFITHS: Also, does the time of day that the inspection is undertaken impact on the time taken for the inspection?

The Hon. G.E. GAGO: Do you mean if an inspection taken at midday takes longer than an inspection taken at—

Mr GRIFFITHS: Three o'clock in the morning, or vice versa.

The Hon. G.E. GAGO: I am advised that the variations around the time that an inspection might take depend basically on the complexities of the issues that an inspector might discover. When everything is in order and there is little out of place and compliance is high, then the inspections are much quicker. When there are aspects that are found to be deficit—bookwork that is missing and other compliance issues—then each of those issues has to be looked into in greater depth and, therefore, the inspection takes more time.

In terms of the hour of the day that inspections occur, the inspections are deliberately planned to occur over a wide range of hours of the day so that licensees are never able to predict in advance exactly when an inspection might take place. For instance, if they only ever occurred between 9am and 11am, at times when they were not very busy, we might find that compliance after those times might start lapsing, therefore inspectors deliberately attend inspections over a wide range of times of the day when the venue might not be busy right through to when a venue might be extremely busy. It just ensures that everyone is kept up to top performance.

I am also advised that the commissioner places emphasis on ensuring high-risk venues are inspected regularly. The nature of the business and its associated risk factors obviously assist in determining risk levels. Risk factors that may influence and determine risk levels of a licence include trading hours, venue capacity, entertainment type, entertainment hours and gaming machines. There are theme-based inspections that also form part of the inspection regime. These inspections concentrate on common themes of non-compliance that have been highlighted either through an analysis of OLGC inspection data or patterns of complaints, for instance, that might come in from members of the public or police.

Some of the theme-based operations include things like how well a licensee might be meeting their supervisory and management responsibilities, confirming licensees and staff have full understanding of responsible gaming and intoxication issues, checking that there are appropriate systems and procedures in place, etc. Also, task force operations may concentrate on a particular region or event, so inspections are also planned around those sorts of elements.

Ms BEDFORD: My question is in relation to gambling research initiatives. I refer to Budget Paper 4, Volume 4, pages 125 and 126. I ask the minister to explain how South Australia is contributing to research into responsible gambling initiatives.

The Hon. G.E. GAGO: Gambling Research Australia (GRA) was established by the Ministerial Council on Gambling to undertake gambling research for Australian governments. It is currently operating under an intergovernmental agreement until 2014. Currently, it is chaired by Mr Robert Chappell, Director of the Office of the IGA. This also provided a financial budget allocation. The research agenda is driven by the former Ministerial Council on Gambling future work program, focusing on helping individuals set their limits, responsible gambling environments, gaming machine standards, interactive gambling, and early intervention and prevention.

To date, the GRA has published 15 project reports, with nine published during 2010 and 2011. That includes the landmark studies on precommitment and suchlike. There have been several studies targeted at particular demographic cohorts such as Indigenous, the culturally and linguistically diverse, youth and international students. A strong gambling research program is essential for ensuring that gambling policy is supported by the best available evidence.

While the majority of the \$50,000 budget allocation for South Australia's contribution goes to the GRA, \$8,522 is also allocated to administrative costs associated with the responsible gambling working party, and the work of that party has been crucial to provide an evidence base for the national pre-commitment discussions.

The CHAIR: Thank you minister. I thank members of the committee and the advisers. There being no further questions, I declare the examination of the proposed payments for the Attorney-General's Department and the Administered Items for the Attorney-General's Department adjourned until tomorrow, and the proposed payments for the Department of the Premier and Cabinet, the Administered Items for the Department of the Premier and Cabinet and the Independent Gambling Authority concluded.

DEPARTMENT FOR TRANSPORT, ENERGY AND INFRASTRUCTURE, \$168,429,000

**ADMINISTERED ITEMS FOR THE DEPARTMENT FOR TRANSPORT, ENERGY AND
INFRASTRUCTURE, \$13,704,000**

DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT, \$51,390,000

Witness:

Hon. G.E. Gago, Minister for Regional Development, Minister for Public Sector Management, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for Gambling.

Departmental Advisers:

Ms T. Meakins, Acting Chief Executive, Department for Transport, Energy and Infrastructure.

Ms J. Roache, Chief Executive, SA Lotteries.

Ms J. McConchie, Acting Executive Director, Service SA.

Ms J. Formston, Acting Manager, Budget and Investment Strategy, Department of Transport, Energy and Infrastructure.

Mr C. McSporran, Chief Financial Officer, Financial Corporate Services, SA Lotteries.

Mr P. Welling, Director, Service SA.

Ms M. Morgan, Ministerial Adviser.

Ms N. Rutherford, Ministerial Adviser.

The CHAIR: I declare the proposed payments reopened for examination and refer members to Portfolio Statement Volume 4. I call on the minister to make a brief statement if she so wishes.

The Hon. G.E. GAGO: I take this short moment to demonstrate that we have three executive women sitting on the front desk of estimates and a female minister as well. This may be the first time in history that we have had four—

The CHAIR: We would expect that quite a few of the answers will reflect that contribution you have made to us.

The Hon. G.E. GAGO: Indeed they will, sir. We are out to impress. We also have three women on the government side of the committee. I have a short opening statement. As Minister for Government Enterprises I am responsible for the portfolios of Service SA and SA Lotteries. Both services have had an extremely productive 2010-11. Service SA provides access to government information and transactions through its online presence, customer service centres, contact centre network its agents.

Service SA has responsibility for driving improved access to government transaction and information services. Service SA's aim is to provide convenient access options for a wide range of government information products and services throughout the Service SA network and be recognised as a leader in service delivery. A single entry point online for government, sa.gov.au, provides a customer-centric approach to the provision of information and services. Customers have easier access to the information and services they require. Service SA continues to implement a variety of initiatives to improve services to the public across all of its service delivery channels.

SA Lotteries has been promoting and conducting lotteries responsibly for the benefit of the South Australian community since 1967. SA Lotteries has experienced extensive incremental growth in sales over the last 10 years, with SA Lotteries' annual sales in 1991 totalling \$242 million and, 10 years later, reaching a staggering \$309 million. SA Lotteries is a great champion for South Australian businesses and for the general prosperity of our state and its people.

SA Lotteries is performing well in the 2010-11 financial year and will achieve a targeted return to government of \$85.3 million. This is \$3 million or 3.5 per cent greater than the original budget for 2010-11. This estimated return will provide approximately \$85 million to the state's hospitals fund and \$0.3 million to the recreation and sports fund. This year has been extremely successful for both SA Lotteries and Service SA, and looking forward to the 2011-12 financial year, I am sure will bring further very positive outcomes.

Mr GRIFFITHS: Minister, I refer to Budget Paper 4, Volume 4, page 67, in relation to registration renewals. Certainly, it is a fact that fees are increasing significantly. I believe it was advertised that it is something like 32 per cent from 1 July. I had contact from two people who are rather concerned. These were pensioners who contacted my office saying that their registration renewal was due on 30 June and, when they made contact with Service SA centres, they were told that the costs were actually based upon the new fees to come in from 1 July. Can you make a very clear statement about, if the renewal period is from 30 June, why the new fee from 1 July was charged to these people?

The Hon. G.E. GAGO: I will just ask Peter Welling to answer that question as it becomes quite technical.

Mr WELLING: I think your question related to people who have a renewal notice in their hands prior to the end of 30 June and then come in to renew it.

Mr GRIFFITHS: No, it expires on 30 June. The new renewal period is for 30 June onwards.

Mr WELLING: Sorry, could you say that again?

Mr GRIFFITHS: I am advised by these people that they were due to pay for their renewal on 30 June. They are asking me why, if the fee increase is from 1 July onwards, they have been charged at the higher rate. Surely, they would have had to renew at the fee that was in place at 30 June?

Mr WELLING: My understanding is that there have been some people who have come in and been confused about the expiry date of their registration. We might have to take some details on that to check it out. There are a small amount of people who have a renewal that expires post 1 July, even though they are coming in in June. As soon as the fees are gazetted on the budget day, and the expiry date is post 1 July, the new fees apply.

The Hon. G.E. GAGO: If the honourable member has details of individuals who believe they have been unfairly dealt with, we would be happy to look at those and double-check to make sure they have been charged the appropriate fee.

Mr GRIFFITHS: I would be pleased to do that, minister, but my understanding was that the expiry date was 30 June. I understand the position put by Mr Welling, but I have had a different story conveyed to me. We will try to sort this out because it is important and there is confusion out there.

The Hon. G.E. GAGO: Let us check it out.

Mr GRIFFITHS: So I am sure though, the computer was set up in a way that only renewals from 1 July onwards were actually charged that higher rate. If it was pre 1 July, they were charged at the previous rate.

The Hon. G.E. GAGO: Sorry; this again will require some explanation.

Ms McCONCHIE: The renewal period is from 1 July for the new fees, so if there has been an error, then that needs to be resolved, yes.

Mr GRIFFITHS: Okay. Minister, the same budget paper refers to the decision to remove the six and nine-month renewal options. Is that a matter that is hard and fast, or are you prepared to reconsider that, based on community feedback? I have received contact from people for whom, for whatever reasons, the three-month option does not fit, and the 12-month option is not their preferred; they like the six or nine-month flexibility that is in there. Are you prepared to look at that?

The Hon. G.E. GAGO: At this point in time we obviously want to implement these changes and monitor to see how they go. We certainly understand that people do not like change and are resistant to change. Nevertheless, this government has put in a number of very strict budgetary measures; they were very difficult budgetary measures. This was one of the savings measures that we put forward.

We believed in putting this forward that it would make savings; that it would streamline the administrative system and reduce red tape. I absolutely accept that for some people it can potentially have a degree of small impost. I think we should leave it in place. I think we should monitor and see how this thing settles. My sense is that it will settle down eventually.

I am advised that the renewals during that period, for the six-month in particular, were declining, so people were really voting with their feet. Obviously we targeted those renewal periods that were least popular. That is not to say they did not remain popular with some but, as I said, people were tending to vote with their feet anyway.

I think we should implement this. If we do not go ahead with this savings measure, we have to find the savings from somewhere else in the budget that is likely to have far more of an impact on more people. I think we should wait and see and monitor the impact that this has.

Mr GRIFFITHS: Mr Chairman, may I ask a supplementary as it relates to the same issue of registration renewal payments? Minister, I wrote to you on behalf of one of my constituents and

you gave some hope that you are considering direct debit opportunities for future registrations so that it can be a monthly charge that goes to the person's nominated account. Is that something that you are looking at? Given that we live in a world of people with a lot of financial commitments and the ability to spread their costs over a greater period, do you consider that an option for registration renewals also?

The Hon. G.E. GAGO: I have been advised that, although we have looked at BPAY, it does potentially create some problems for us. If a person only pays part of their payment by direct pay they might feel that they are fully paid up and continue to drive when in fact they have not been fully—

Mr GRIFFITHS: Would that only be when there are not sufficient funds in the account to pay for the full amount? Is that what you mean? How else would you only pay part of it, if it is a direct debit system? Or are you talking about BPAY?

The Hon. G.E. GAGO: A person can nominate any amount that they want to pay by direct debit—

Mr GRIFFITHS: Okay.

The Hon. G.E. GAGO: —so they might not nominate the full amount, and we cannot force them to nominate a full amount. So there are some problems in the system. However, we have looked at a BPAY option. We certainly support a BPAY option as a method of payment.

Mr GRIFFITHS: But that does not spread the payments out, minister. You are still required to make only the one payment with that option. The insurance industry, for example, uses direct debit opportunities on a monthly basis for accounts that I hold, so presumably the resources of government would be able to establish a similar system that would allow registration costs to be spread evenly over a 12-month period.

The Hon. G.E. GAGO: Technically, you are right, but I have explained to you some of the problems associated with direct debit; that is, we cannot compel people to pay the full amount; therefore we increase the risk of people only paying part amounts and then driving without proper licence and insurance. Clearly that has potentially drastic effects for the community. It is not like a house insurance policy where, if you only pay part of the amount, when that date reaches the payment period, your house is simply not insured and you pick up the risk. That is not so with the sort of licences that we are talking about.

Mr GRIFFITHS: That is not my understanding of how direct debit works, either. You actually make a commitment to a financial institution of any kind for a regular amount to come out every month and that is what happens. There is not a conscious decision made each month as to what amount may be deducted from that account. You sign the authority for—

The Hon. G.E. GAGO: But you can nominate whatever amount you like. Not only can you cancel or modify it but I cannot force you to nominate the full amount. You are not required to nominate the full amount.

Mr GRIFFITHS: We hold slightly different positions.

The Hon. G.E. GAGO: I can only go on the advice that I have received. It is something that we have looked at. We have explored the possibility. We are always looking for opportunities to make it easier for people to make their payments, particularly using electronic options. We will continue to explore these options and, when we can overcome these difficulties, we will continue to open up new channels for payment.

Mr GRIFFITHS: Do you have responsibility for the setting of the various registration fees for articulated trucks?

The Hon. G.E. GAGO: Sorry?

Mr GRIFFITHS: For trucks, prime movers, lead trailers and second trailers. Is that something that Service SA is involved in setting or is that more of a minister Conlon responsibility?

The Hon. G.E. GAGO: My understanding is that we do not cover that.

Ms MEAKINS: No, the heavy vehicle registration fees are set nationally and it is a responsibility falling within Mr Conlon's portfolio area.

Ms THOMPSON: Continuing on with some of the things already discussed and referring to Budget Paper 4, Volume 4, page 67, I recognise that Service SA has been active in trying to

develop a number of strategies to improve service delivery and particularly to reduce the cost of these services. Can the minister please explain how Service SA is making it easier for car dealerships and consumers to register vehicles?

The Hon. G.E. GAGO: A core component of Service SA's business strategy during 2010-11 (and to continue in 2011-12) has been to encourage the migration of transactions from customer service centres to the lower cost and more convenient online channel. The migration of services to the online channel not only reduces the cost of delivery but it also reduces pressure on queue waiting times in face-to-face and call centre channels. Additionally, the community can access these online services through the internet 24 hours a day, seven days a week.

In order to further promote channel migration and to increase convenience, Service SA has expanded the EzyReg online capacity. Using that system, vehicle dealers do not need to bring paperwork to Service SA customer service centres in order to complete a number of registration and licensing transactions. They can simply and conveniently conduct transactions online, and this can reduce the time that it takes for customers to wait in line.

Service SA has also increased efforts to sign up more used-car dealers as dealer delegates. There are a number of dealer delegates who have decided to take up this opportunity, and the numbers are growing. In May there were 180 new car dealerships and 46 used car dealerships that had taken up that opportunity. These successes in signing up new dealer delegates has resulted in a significant shift in trade transactions away from Service SA customer service centres. I am pleased to advise that in May 2011 there was an 18 per cent increase in online dealer delegate transactions.

Service SA, through their organised and innovative methods, will obviously continue to provide impressive economic results under this government while offering customers efficiency and flexibility when conducting motor vehicle transactions.

Ms BEDFORD: My question relates to Budget Paper 4, Volume 4, page 67, where a key focus for Service SA is to improve service delivery and provide the South Australian community with a range of convenient access options for obtaining a wide range of government services. Could the minister let us know how Service SA is making continual improvements to the Service SA experience, and how it will become more efficient and customer friendly?

The Hon. G.E. GAGO: Service SA is actively expanding the range of government services and the information available online through the internet single entry point for government, sa.gov. From April there were over 2,500 pages on the site, 4,600 visits and nearly 16,000 page views per day. The single online entry point for government provides a customer-centric approach to the provision of information and services. In May Service SA upgraded the look of the site with a whole range of new design elements, and it won a very prestigious e-government iAward for innovation in the delivery of services at the Australian Information Industry Association South Australian awards.

In addition Service SA, in collaboration with an external provider, has developed an iPhone Android application for registration applications and inquiries. This application has been specifically designed for EzyReg customers accessing the site with their smartphones. It saw almost 3,500 downloads in its first week and in excess of 480 downloads per day since its release. So Service SA is obviously working very hard to continue to provide excellent services to its customers.

Mr GRIFFITHS: I am going to ask some questions about the suggestion to lease or privatise—whatever word you want to use—the Lotteries SA operations, and I hope you will be able to give me some answers on this, because there is a reasonable level of media speculation. Can you confirm the projected period in which an alternative management arrangement will be in place, and what level of expectation of financial return up-front does the government have?

The Hon. G.E. GAGO: At this point in time I have been advised that we have no expectation about the term of the lease arrangements. The considerations are still in a very early planning position, so those matters are still to be worked through. In terms of the level of return, obviously they will be part of the negotiations that government undertakes with prospective new lessees.

Mr GRIFFITHS: I respect the fact that because the budget papers highlight that it is not until the 2013-14 financial year there is a lesser return, and I therefore assume that that is when the alternative arrangements come into play. However, there is a lot of interest, and I have had newsagents, for instance, contact me concerned about their agency agreements that are in place. Indeed, one newsagency sale has fallen through completely because of the uncertainty that exists.

So there is an industry out there that services the operations that is concerned about the uncertainty and that would like to be informed about some plans and about what assurances you can give. I know there will be a retention of agency agreements for a five-year period but, because these people are making long term investments, they want to have some confidence that the purchase they make is an appropriate one.

The Hon. G.E. GAGO: I must admit that I am completely astounded that the honourable member suggests that someone has dropped out of—

Mr GRIFFITHS: That is true.

The Hon. G.E. GAGO: —the business. We are unaware—

Mr GRIFFITHS: Minister, a potential sale has fallen through because the purchaser who was looking at the business was concerned enough about the future to decide not to proceed.

The Hon. G.E. GAGO: We are not aware of such arrangements. Obviously, the Lotteries will continue to monitor agents' concerns. We are already meeting with them, and we will continue to meet. We have set up an agent reference group. That has been in place since 1996, and it provides us with a very valuable forum for the presentation of new ideas or concepts that affect agents.

The agent reference group comprises a number of people who represent the industry. We have put a number of protections in place to provide the stability and security we think is necessary. Agents are a core element of the lotteries business. They are very important partners of ours and they will continue to play a critical role into the future. The sorts of things we have put in place to protect them are that all agents' agreements will be reset for five years from the date of the transfer of the sub-licence to a new operation.

Mr GRIFFITHS: Sorry, minister. I interrupt only because I need clarification: if an agreement is close to expiring, it is reset for an automatic five-year period from date, is it?

The Hon. G.E. GAGO: I am advised yes. Also, an option exists to further extend arrangements for an additional five years if the terms and conditions of the agreement have been met. In this day and age and with the ferocity of our marketplace, I think that is a considerable protection. Also, the commission rates paid currently will be maintained—so the rates of pay to our agents have been locked in—and SA Lotteries' corporate branding and the product branding will not change. Obviously, there are concerns about unknown products in the marketplace and the impact they might have, so we have again reduced the potential for that to have an impact by ensuring that the branding of the Lotteries products will not change. This is a significant protection of agents' investment.

I guess the only other thing I would like to add is that, currently, with our agents, the negotiations and agreements that we enter into with individual agents as to their being licensed to sell our lottery products are based on a commercial decision: they have to be viable. Their business arguments have to be able to stand up. It has to be a viable business case. No doubt, these will be the same sorts of decisions that a new licensee coming in will base their decisions on as well. If the business case of agents is strong enough to stand up in the marketplace currently, it augurs well for a new licensee because they are clearly in the right place at the right time and doing the right thing.

Mr GRIFFITHS: I do respect that 10 years offers some security of tenure. I am pleased that an opportunity for five plus five years on the agency agreement exists. Since 1967 the fund has returned some \$2 billion, I think, to health funding in South Australia (a wonderful effort). As part of the agreement, are there commitments required to ensure that the level of funding that goes into the public hospital system and recreational and sport grant programs will be maintained in real terms across the forward years of the lease or privatisation of Lotteries SA?

The Hon. G.E. GAGO: I have been advised that it does not need to be part of an agreement. The taxation benefits that the government derives from lotteries will continue to be derived from lotteries and the new licensee, and the moneys derived from taxation will continue to go into the health fund as the current arrangements exist.

Mr GRIFFITHS: And that is approximately \$60 million per year?

The Hon. G.E. GAGO: The amount is not committed in the agreement. It is gambling tax, which is 41 per cent of net gambling revenue. So, it is the same formula but it is not a given amount each year. It is a percentage of net gambling revenue, and that will not change—that is the most important thing—and it will continue to go into that fund.

Ms BEDFORD: My question really is the reverse. It is about the consumers who are due to have a change of luck. I refer to page 50 of the Capital Investment Statement, which refers to the online lottery system and the distribution of prizes. I would like the minister to explain how players can be assured of the security of their prize money. Player security is the key point.

The Hon. G.E. GAGO: SA Lotteries has established procedures that must be followed by all agents and staff in the prize claim process and in the availability of game results. Great care is taken to ensure that players are aware of game rules and the outcome of draws, with ticket registration offered to players free of charge and all validation slips generated as a result of checking tickets being provided to the customer.

Self-service ticket checkers have been installed in all agencies to enable players to check their tickets for prizes. This allows for greater efficiency in processing of ticket claims and gives customers complete transparency in viewing the results. Ticket checkers direct players with minor prizes to the agent for prize payment, and major prize winners to SA Lotteries head office.

With the improved functionality of SA Lotteries' replacement online lottery system, SA Lotteries has been able to introduce several initiatives to further improve the transparency of transactions for customers and agents.

Mr GRIFFITHS: I am advised that some 80.57 full-time equivalent persons work within SA Lotteries. What is the impact on those positions as a result of the change of management?

The Hon. G.E. GAGO: Just while we are finding the detail, we have put into place arrangements to consider staffing issues. As you are well aware, the state government will retain ownership of the lotteries licence and also the intellectual property with the SA Lotteries brands. At the time of the announcement, SA Lotteries staff members were sent a letter from the Treasurer outlining the government's commitment to all staff. In this letter, the government indicates that it is committed to ensuring that staff maintain their entitlement as public sector employees and that superannuation benefits under the SA Lotteries scheme will be protected.

The staffing arrangements and entitlements of SA Lotteries staff are governed in part by the State Lotteries Act 1966 and, in part, by sections of the Public Sector Act 2009, and the Lotteries Commission of South Australia Enterprise Agreement 2010. They are well covered really. SA Lotteries staff obviously have the following standard entitlements: annual leave or rec leave, long service leave and sick leave. Staff members also have wages parity with the public sector; therefore, there are protections afforded to them.

Mr GRIFFITHS: Are they as equally exposed, as any public servant is, to the budget requirement for a 400 full-time equivalent reduction in the Public Service?

The Hon. G.E. GAGO: The advice I have received is no, that Lotteries has never been included in any of the FTE saving arrangements because of its government business sector status.

Mr GRIFFITHS: Its rather unique circumstances.

The Hon. G.E. GAGO: Yes, it is not a public service.

The CHAIR: I thank the minister, the members of the committee and also the advisers. We will now go to regional development.

Departmental Advisers:

Mr L. Worrall, Chief Executive, Department of Trade and Economic Development.

Mr L. Bruce, Deputy Chief Executive, Department of Trade and Economic Development.

Mr P. Polychronopoulos, Chief Financial Officer, Department of Trade and Economic Development.

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

Mr T. Mader, Director, Industry Liaison and Regional Development, Department of Trade and Economic Development.

Mr B. Paolo, Manager, Regional Industry Liaison, Department of Trade and Economic Development.

Ms N. Rutherford, Ministerial Adviser.

The CHAIR: I invite the minister to make a brief opening statement, if she so desires.

The Hon. G.E. GAGO: We are continuing to build towards stronger economic growth across the state, with benefits for both metropolitan South Australians in Adelaide and South Australians based in regional areas. South Australia is progressively closing the gap on its performance in comparison with the rest of Australia, with the promise of sustaining strong growth and other key indicators at or above the national average over the coming decade.

Access Economics has noted that increasing regionally based resources and associated construction investment is a major factor in the state's future growth, and this reflects the government's focus on creating a climate of certainty for long-term investors. We are obviously committed to significant new resources to regional development.

The government's regional development portfolio comprises programs and services to support regions and to monitor regional service delivery through DTED. DTED coordinates a cross-government approach to regional development. The government continues to support the important work of the Regional Communities Consultative Council (RCCC) and also the Regional Development Infrastructure Fund (RDIF).

The fund provides for a number of grants. Approximately \$32 million of RDIF investment has supported projects that have contributed an estimated \$1.4 billion in total investment, creating an estimated 5,543 new jobs. Since June we have announced a number of commitments from the RDIF fund, and I am happy to list those for members, but I am sure if they want that detail they will ask for it later—there is a long list of them.

The government has honoured all of its election promises to regional South Australia and has targeted significant resources for both the Riverland and Upper Spencer Gulf communities. We have focused on giving those a hand up and not a handout, and our commitment to regional communities is again confirmed in our state budget, which looks at an infrastructure and services spend of around \$276.3 million.

The recently announced regional statement for South Australia to be developed will articulate the government's commitment and consolidate our focus, which will be an important map or pathway forward. The state government recognises that the continued prosperity and wellbeing of people of communities in regional South Australia is critical to the sustainability of the entire state, and there are many opportunities to grasp and challenges to embrace and no doubt there will be many others to emerge. The government will continue to pursue close and ongoing ties with the commonwealth government to maximise opportunities for regional SA as part of the commonwealth's regional development initiatives.

Mr GRIFFITHS: Minister, I note in Budget Paper 4, Volume 4, page 37, where it looks at the budget set for 2010-11 for grants and subsidies, it was some \$9.8 million but the actual delivery was \$4.8 million. It is my understanding that the gap of approximately \$5 million relates to \$4 million from the Riverland Sustainable Futures Fund and \$1 million for the Enterprise Zone Fund. Why were those funds not expended and are you able to give an assurance that the commitment of those dollars is not impacted because of the delay in implementing the program?

The Hon. G.E. GAGO: I sought and was approved carryovers in relation to the fund underspends in the regional development portfolio: the Upper Spencer Gulf and Outback Enterprise Zone Fund of \$1 million, the Upper Spencer Gulf feasibility of \$200,000 and the Riverland Sustainable Futures Fund, \$4 million. These carryovers were required due to the delayed start to these programs and as a result of the timing of the state budget. You may recall that it was in September 2010 rather than May, so that was a bit late. Also we have undergone a DTED restructure that was quite significant as well.

It is like with any new project: it takes time to put all the building blocks in place, particularly the Riverland Sustainable Futures Fund. The road map had to be written, the prospectus needed to be done—a consultant was brought in to do that—and that work has now been done. The maps have been completed. We know quite clearly in which direction we need to head.

Although a lot of that preliminary work needed to be done, it was difficult to be clear about what direction investments needed to take when that work had not been completed. It has now been completed. The task force has completed its job, the building blocks are there and I note that, particularly with the Riverland Sustainable Futures Fund, there has been an increase in the number of applications coming through—and they are high calibre applications as well.

That is also something I am pleased about from less strategic approaches to more strategic approaches as time has gone on, where more information is available and more assistance is being provided. So, the carryovers will ensure that our election commitments are absolutely stood by. I am confident that those funds will be spent on projects that will result in lasting sustainable change to the regional areas involved.

Mr GRIFFITHS: I just have a supplementary to that answer. Minister, I thank you very much for the detail there, but what I did not quite get from that is, while you have got permission for carryover, is it still intended to expend the full value of both of those funds within the original time frames that were set?

The Hon. G.E. GAGO: The Riverland Sustainable Futures Fund, I understand, is within exactly the same time frame. However, I understand that, with the Upper Spencer Gulf and Outback area, that has been extended by one year, because the feasibility study has yet to be completed and we are less sure that those building blocks are being completed to enable strategic work to be done.

Mr GRIFFITHS: And that is a position that is known by the—if I can use this term—Iron Triangle communities? Are they aware of the pushing out by one year?

The Hon. G.E. GAGO: I have certainly been completely frank and open with anyone who has asked me and also in the media. I have had many media interviews and discussions and I have made that information available. I cannot be exact about what has been reported, but I make lots of regional visits, I am out there talking in a wide range of forums and I have been very clear about that. The Riverland Sustainable Futures Fund is in the same time frame as the budget committed.

I beg your pardon, I have just had that clarified. The Sustainable Futures Fund is in the same time frame as was given in the election commitment, and the Upper Spencer Gulf and Outback Enterprise Zone's \$1 million that was carried over is also within the election commitment time, so it is only the feasibility study that has been pushed out and that is because it is a project.

Mr GRIFFITHS: Minister, thank you for that answer. I refer now to RDIF. I think you referred in your opening statement to some \$32 million. I presume that was from 2002, but my question actually relates more to the 2010-11 financial year. I would be very interested to receive from you the details on the number of applications that were lodged for that and what the value of funding sought through RDIF for the 2010-11 year was.

The Hon. G.E. GAGO: I am happy to give you the details of the applications that have been approved. I would have to take on notice the number of applications that would include those applications that obviously did not meet the criteria.

Mr GRIFFITHS: That is the one I am interested in and, indeed, where they do meet the criteria, but where the difficulty in prioritising where the money goes comes into it also. I suppose I am more interested in applications that do meet the criteria and that were unable to be funded.

The Hon. G.E. GAGO: Well, they did not meet the criteria; that is why they were not funded.

Mr GRIFFITHS: No, but surely, with the available dollars, my estimate or guess would be that you would have a number of applications that is far in excess of your ability to fund, and that is my question: where they meet the criteria but, in the instance of first being lodged with your department, there is an inability to fund them because of limited dollars.

The Hon. G.E. GAGO: They exceeded the funding available? Are you asking for the number of applications that exceed the amount of funding that is available in the fund?

Mr GRIFFITHS: Yes.

Membership:

Ms Geraghty substituted for Ms Thompson.

The Hon. G.E. GAGO: I do not have the actual numbers. We can try to find those for you. In terms of the principles, though, that I think you are trying to get at, I have been advised that the two main reasons that applications are not accepted are, firstly, they fail to meet the criteria stipulated by the fund; and, secondly, they do not provide matching funding, which is a condition of the fund as well.

I am advised that the fund has been around for quite some time, that people are fairly familiar with the amounts and tend to pitch their requests applications at what is available in the fund. As I said, it is not supported by data, but I am advised that it would only be on a rare occasion that we would receive an application requesting amounts exceeding what is available from the fund.

Mr GRIFFITHS: Is there a cap in place on any one grant?

The Hon. G.E. GAGO: I am advised that in fact we do not prescribe a maximum application amount. That is what I am advised anyway.

Mr GRIFFITHS: As a supplementary, can I presume from your comments, when you said it is very rare that someone meets all the necessary criteria but is not supported, that in 2010-11 every application that came in that met the eligibility criteria and was able to part fund towards the project (as required by the criteria) was also supported financially to the value that they sought?

The Hon. G.E. GAGO: I am advised that we generally negotiate amounts, and that they are often not funded in full, but in terms of the detail that you are clearly asking for, I will take that question on notice and bring back a response.

Mr GRIFFITHS: Thank you.

Ms BEDFORD: I refer to Budget Paper 4, Volume 4, page 38, the agency statements under Highlights 2010-11, and ask you to explain how the government has contributed to developing the capacity in the Upper Spencer Gulf region to support the expansion of the mining industry in South Australia.

The Hon. G.E. GAGO: I understand that South Australia began 2011 with 16 major mining operations nearing completion compared to just four at the time the government introduced the plan for accelerating exploration. The continued development of the mineral resources sector will provide economic growth for the decades to come. However, to ensure that the state and in particular our regional areas receive the maximum benefit from this growth, the South Australian government has planned ahead to take advantage of this new economic activity.

We recognise the importance of getting the settings right, and I have talked about some of the grants that we have available. The fund is also aimed at capturing benefits of growing industries to further strengthen the Upper Spencer Gulf. Communities also benefit by participating in projects that make a major impact in the region by changing competitive advantages in its favour—this is particularly the Upper Spencer Gulf fund that we are talking about—through securing a supply of skilled labour. Recently I was obviously very pleased to announce the grant of \$60,000 through the fund to the Port Augusta council to help fund a mentor for Aboriginal employees of mining enterprises.

In June I announced approximately \$80,000 had been awarded from the Enterprise Zone fund to Stark Aviation to help reinstate the aviation fuel facilities at Leigh Creek aerodrome by creating a 24-hour refuelling point. To help guide investment in the Upper Spencer Gulf the government has also committed a further \$500,000 towards a feasibility study to identify the extent to which South Australian manufacturing industries can maximise their involvement with the mining and energy sectors in the north, potentially through the co-location and integration with key infrastructure. Obviously, that is going to be a very important study in terms of our ability to capture the value-added chain.

Ms BEDFORD: From the same page, I refer to the Regional Development Australia Fund and ask the minister to explain the benefits of the federal government's Regional Development Australia Fund for regional South Australia and how the state government is assisting with the process.

The Hon. G.E. GAGO: Some of you may have heard me say previously that it is a truly remarkable time for regional Australia, and the evidence for that can be found in the commonwealth initiative to target regional Australia through the RDAF which was launched in March 2011. The fund is worth \$1 billion and it brings together funding program commitments; \$450 million from the priority Regional Infrastructure Fund.

The commonwealth has been quite explicit about how that fund will be allocated. It is a competitive fund, so there is no share allocated to states or any formula allocation. There is a range of broad principles involved, and the first round of applications closed in May 2011, with \$100 million made available for investment-ready projects. The fund criteria specified that eligible

applicants are local councils and not-for-profit organisations; however, the private sector or businesses can be involved in a consortium.

To enable the commonwealth government to gain a full picture of its alignment of proposals with the state government's strategic priorities, DTED, together with the Department of Premier and Cabinet, have worked with agencies across government to assess each project's alignment with the state's strategic objectives, and we have done a great deal of work in mapping that alignment.

In my role as Minister for Regional Development I have been progressively visiting our regions and the message that I have given them is the same: to be strategic and to get thinking and working on how to make the best out of projects. In South Australia we are exceptionally good at innovation and collaboration and making the best use of available resources. We have a great opportunity to demonstrate those qualities in the coming months to build our state.

Mr GRIFFITHS: I was just going to ask a supplementary question based on that answer, if I may.

The CHAIR: You may do so.

Mr GRIFFITHS: It is my understanding that the \$100 million available as part of the Regional Development Infrastructure Fund is also accessible by capital cities around the nation—and Mr Bruce is nodding his head in agreement.

Mr PEDERICK: As regions!

Mr GRIFFITHS: Yes, which frustrates me a bit, because we all know—and you, in your travels around regional South Australia, would respect the need for infrastructure investment to make opportunity become reality. Are you and your department actively in there trying to support a push for that fund to be focused within regional South Australia—the amount that comes to South Australia, that is—or are you open to suggestions from metropolitan Adelaide for access to that fund, too?

The Hon. G.E. GAGO: It is not a matter of whether the state government is open to it or not. These are rules that are very clearly established by the federal government and imposed by the federal government. In fact, it is my understanding that initially the plan for regional Australia was for every part of Australia to be allocated a region or to be considered to be part of a region. The whole of Australia, to my understanding, is being regionalised—that is cities, country, outback.

Mr GRIFFITHS: There are 55 or thereabouts, I think, yes.

The Hon. G.E. GAGO: So the whole lot has been regionalised. Initially, my understanding (and do interrupt and correct me if I am wrong; here is a sharp pencil to poke me with!) was that the first advice that we received from the federal government was that the metropolitan RDA was not to be included in these grant rounds.

Then, much to our astonishment, very close to the time when the first tranche was announced, a number of the rules changed, including that the metropolitan RDA would be eligible to participate in that round. For instance, the metro RDA was not required to do up a road map, which are the blueprints for these things. The metro RDA did not have a road map; they had to do the best they could—and they did extremely well, all power to them—and used our 30-Year Plan for Greater Adelaide as their regional road map and as a framework to couch their proposals.

However, it would be incredibly foolish, and I would not advise anyone, not to take advantage of the grants available if they met the criteria. There is no guarantee that those moneys that might not be spent there will necessarily be spent anywhere else. There is no formula, there are no commitments given about the distribution, so all advice such as that might do is, in fact, deny our metro areas the potential for strategic advancements. I have to say that that was a surprise to us, and to the metro RDA, and I congratulate them on how quickly they rallied and put together a number of proposals.

I think one has to be very careful when one talks about the city/country divide, because just as cities cannot survive without viable sustainable regional centres, so too viable sustainable cities are critical for the long-term viability of our regional centres. So, having healthy cities that invite and bring in businesses to set up service centres here that make it easier for regional centres to have access to services is a positive thing not just for us city slickers but also for those people living and bringing up families in country areas. So, we need to be very careful.

In terms of the criteria, these rules were established by the federal government. They did chop and change a bit—for instance, airports were out and then at the last minute airports were

in—so we just remained on our toes and, as information became available, our job was to let the RDAs know where opportunities were for them and to encourage them to get out there and ensure that we grabbed our lion's share of whatever was available by putting forward strong, credible project proposals.

Mr GRIFFITHS: I am very pleased to hear your words about the excellent work done by the RDAs, not just in the road map process but in much that they do around the community. The budget announcement last year of the intention to withdraw funding as of 30 June 2013 was disappointing to me. Can the minister give some feedback on discussions she has had with RDAs around the state, and what they have said the loss of that money will do—as I understand it, it is a little under \$4.1 million per financial year—as well as their ability to continue to operate and foster economic opportunities within their areas?

The Hon. G.E. GAGO: I have visited a large number of regional areas, and the matter has been raised, but it has been of great interest to me—and I am really pleased to note—that the RDAs are really just getting on with it. That is not to say they have not raised concerns, but the changes to the budget situation do not come in until June 2013. The former regional development minister and I have both indicated that we will continue to consider alternate funding sources and continue to explore those opportunities.

I have put it out to the RDAs that this RDA federal funding round will give the RDAs an opportunity to showcase their relevance and to showcase the impact they have and the contribution they can make to regional South Australia. I encourage them to get out there and do the job they have been structured to do. I have said that the more successful they can be in doing their job and doing it extremely well, the stronger case I have for championing future funding for RDAs.

They have taken up that challenge, I have to say. I am not suggesting for one minute that they are thrilled to bits about it. Nevertheless, like a lot of country people, they get on with it. I think they have accepted my word for what it is, and they are out there working to give me all of the ammunition I need to be able to demonstrate a case for just how important a contribution they are making, particularly in relation to the new commonwealth reforms and the large amounts of money that are available.

Mr GRIFFITHS: Minister, I was very pleased to hear your words in that answer and your reference to the Hon. Michael O'Brien and his attitude towards potential opportunities in the future. I took from your facial expressions the sincerity of your words, too, about your wanting to try to help as much as you can in the future. I come from the basis that, while two years remain on funding agreements, we all know that it is human nature that people want to have some surety in their future.

The good staff who work within the RDA boards, who have been through the restructuring from a much larger number to a lesser number, will face a critical point within probably 12 months about deciding what they choose to do with their future and the opportunity to go for alternative employment that offers some security for them. The thing I want to impress upon you is the need for a reaction sooner rather than later. I know that is subject to budget negotiations between you and the Treasurer but, please, be in there fighting for the RDAs.

The Hon. G.E. GAGO: I can absolutely assure the honourable member that I am indeed a passionate and somewhat loud and pesky advocate in cabinet for the regions, having come from country Victoria myself, although not from a farm; nevertheless, it was a country community. It was a regional centre, and its purpose for being was really to support regional Victoria. So, I certainly am fighting very hard.

I do accept the point that you and other RDAs make, and that is that, particularly with staff contracts, to keep good staff, they do need some sense of tenure and security. It is very critical that we do not lose the skilled workforce we have out there because of their fear of their losing their jobs. However, all of these funding arrangements—it is a tripartite system, as you know: federal, local and state government—have all been shorter-term agreements, anyway. The federal government agreement is for only three years; the local government's funding agreement, I think is for only three years as well, but I will need to double check that.

Mr GRIFFITHS: I think they signed up for a five-year agreement a couple years ago.

The Hon. G.E. GAGO: We did sign up for five. We are just checking local government; it will be either three or five, but the federal government is only three years. So, there is just not a lot of ironclad tenure available. We are doing the best we can. You are correct: I have just been

advised that local government is five years. Nevertheless, there is that element, with that type of program work, that there is no long-term agreement in terms of tenure. We are certainly doing the best we can. As I keep saying to the RDAs, their best chance at securing long-term funding is to get out there and do the job that the community has put it there to do.

Mr GRIFFITHS: In asking this question, I note the presence in the gallery today of Mr Peter Blacker, Chair of the Regional Communities Consultative Council, and congratulate him on his reappointment. He is a very dedicated person when it comes to regional South Australia and the work that he has done over many years. I note that there was some delay in the reappointment process of the new RCCC membership. My understanding is that it was initially advertised for a three-year appointment, intended at that stage to finish in late 2013, I think. But as I understand it, the appointment that you made only recently is only until March 2013. Can you just confirm if that is correct and, if so, why is it for a lesser period than was originally advertised?

The Hon. G.E. GAGO: My advice is that we have advertised up to three years. In terms of some of the timing of the reappointment of the board, you might recall that there was a change in the regional government minister at the time, and I was the new minister. I am a minister who works from primary principles. I do not just step into a position and accept the decisions of other ministers or other people. I go right back to the basics. I need to understand and think through it to land at a position for my own self, being convinced that that is the right way to go.

A lot of changes were happening federally in terms of the restructure of the RDAF and RDA structures. I needed to be able to get my head around that. I needed to convince myself that the RCCC and the terms of reference that had been fairly recently redone were, in fact, in good alignment with the federal objectives. We needed to make sure we had a structure that fit well with the new federal structures. So, I took some time to do that, and I also thought very carefully about the structure of the committee. I was concerned about the size of it.

I know from my own long experience and many, many hours in committees and other meetings that it is more efficient and more effective if you have a smaller group. Clearly, we wanted to make sure that we got the breadth of skill and experience right—I think it is about 50-50, previous members and new members. Again, I worked the networks extremely hard to come up with some new and fresh ideas about getting that balance and the complement right. That took me some time, and I know that it was frustrating for some individuals. It was not a reflection on former committee members; it was simply a matter of me having a chance to get up to speed and be very clear about the way forward. I have been advised that we appoint up to three years, and I think that is what we have done.

Mr GRIFFITHS: So, therefore, the intention is still for the RCCC to meet four times per year, to rotate those meetings around the state, and to ensure that it gives you frank and fearless advice about what regional South Australia is saying, so that the RCCC becomes a mouthpiece for the people it consults with. There is no diminution of responsibilities in that regard?

The Hon. G.E. GAGO: No, but I do not prescribe the number of meetings. I do not give directives to the chair about how many times he might meet, where he needs to meet or what the rotations might be. That is actually a matter for the chair and committee members. I expect that they would make those determinations. They had their first meeting just last week, which I was able to attend, and I was very pleased to do that, even though I have trouble remembering which week it is. It was wonderful. It is a great team and they are pretty gung-ho, I have to say.

Certainly we had some very frank and fearless discussion that occurred straight away. People were most forthright in expressing their views and raising issues. I think it augurs very well. As I said, my inclination is to be as least prescriptive—that is a matter for the chair, that is a matter for the committee—but I certainly have not given any directives, indication or guidance in any way, shape or form that would limit the activities of the chair and the way they might do their business.

Mr GRIFFITHS: Minister, could you take these on board for all the portfolio areas that you have had today? I do not believe they have been read to you yet. They are:

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 for 2010-11 financial year, for all departments and agencies reporting to the minister—listing the name of the consultant, the contractor or service supplier, the cost, work undertaken and method of appointment?

2. For each department or agency reporting to the minister how many surplus employees were there as at 30 June 2011, and for each surplus employee what is the title or classification of the employee and the Total Employment Cost (TEC) of the employee?

3. In financial year 2009-10 for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2010-11, and how much was approved by cabinet?

4. Between 30 June 2010 and 30 June 2011, will the minister list the 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?

5. For the year 2010-11, 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 Treasurer's Instruction No. 15?

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

7. For each department or agency reporting to the minister, how many Targeted Voluntary Separation Packages (TVSPs) will be offered for the financial years 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15? I thank the minister for her assistance this afternoon.

The CHAIR: I thank the minister, the shadow minister, the members of the committee and the advisers. There being no further questions for the minister, I declare the examination of the proposed payments for the Department for Transport, Energy and Infrastructure and the administered items for the Department for Transport, Energy and Infrastructure adjourned until tomorrow, and the proposed payments for the Department of Trade and Economic Development concluded.

At 15:33 the committee adjourned until Tuesday 5 July 2011 at 10:00.