

**HOUSE OF ASSEMBLY****Tuesday, 22 July 2014****ESTIMATES COMMITTEE B****Chair:**

Mr L.K. Odenwalder

**Members:**

Ms K. Hildyard  
Mr E.J. Hughes  
Mr C.J. Picton  
Mr D.G. Pisoni  
Ms R. Sanderson  
Mr V.A. Tarzia

*The committee met at 10:00**Estimates Vote***DEPARTMENT OF STATE DEVELOPMENT, \$644,298,000****ADMINISTERED ITEMS FOR THE DEPARTMENT OF STATE DEVELOPMENT, \$7,665,000****Minister:**

Hon. G.E. Gago, Minister for Employment, Higher Education and Skills, Minister for Science and Information Economy, Minister for the Status of Women, Minister for Business Services and Consumers.

**Departmental Advisers:**

Mr R. Garrand, Chief Executive, Department of State Development.  
Mr C. Fowler, Deputy Chief Executive, Department of State Development.  
Ms P. Chau, Director, Finance, Department of State Development.  
Ms M. Silva, Acting Chief Executive, TAFE SA.  
Mr J. O'Dea, Chief Financial Officer, TAFE SA.  
Mr P. Klar, Executive Director, Corporate Services, Department of State Development.  
Ms C. Harrison, Director of Skills, Department of State Development.  
Ms J. Rodger, Executive Director, Education, TAFE SA.  
Ms D. Barron, Acting Chief Operating Officer, TAFE SA.  
Ms C. Brown, Executive Director, Business and Regions, TAFE SA.  
Ms A. Barclay, Chief of Staff.  
Mr D. Foody, Ministerial Adviser.

**The CHAIR:** Welcome to Estimates Committee B. We have the Minister for Employment, Higher Education and Skills, and also the Minister for Science and Information Economy with us today. I understand the timetable has all been agreed to. That is fine with both parties? I will just

remind you that the estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask questions. We will try to stick roughly to three questions each side, but I will be pretty informal and flexible about that, as time permits. Questions do need to be asked of the minister, not of the advisers. Answers to questions on notice need to be supplied by Friday 27 September. I declare the proposed payments open for examination and I refer members to Agency Statements, Volume 4. I now call on the minister to make a statement, if she wishes.

**Mr PISONI:** Point of order. Did the minister say Mr Garrand was the acting chief executive or the chief executive?

**The CHAIR:** Minister?

**The Hon. G.E. GAGO:** Chief executive. I would like an opportunity to make a few introductory comments. This Labor government acknowledged in 2010 that in order to meet the needs of our changing economy and labour market we needed to ensure that South Australia had a highly skilled workforce. We committed to work with industry to identify labour market skills needs and gaps and build a VET sector able to provide quality training to meet those skills needs. That is why the state government committed \$194 million in skills training over six years, and I am confident that total expenditure will be broadly in line with budgeted funding over this period.

As we know, higher education and training is not just about completion rates, although they are obviously important, it also encompasses specific skill acquisition and development of job ready and personal skills people need to ultimately find employment. We are committed to investing this \$194 million over six years to create 100,000 additional training positions in our VET sector. We reached the 100,000 target some three years ahead of expectation and will continue to grow our training system to raise the skills levels of South Australians, remove barriers to training and employment through enabling people to undertake foundation qualifications, increase the number of South Australians with post school qualifications and, ultimately, increase employment participation.

In 2014-15 total operating expenditure for the DSD portfolio is \$514 million, and this budget reflects a significant investment in areas that directly shape our capacity to be a more highly skilled, innovative and industrious society. As the minister responsible for the administrative unit of the Department of State Development, I am therefore responsible for the oversight of its corporate functions. It is clear to me that bringing together skills formation, employment and science, with the state's growing resources and energy portfolio as well as our transition to higher-value manufacturing, investment and trade, is a very sound decision.

The DSD is well placed to leverage continued growth and create jobs across the South Australian economy. While the South Australian government is making these investments, sadly we have seen the federal Liberal government not only withdraw support for the car industry but also rip out \$400 million from VET and higher education research and science portfolios, and appears intent on forcing young South Australia's into higher levels of debt—debt not only for their higher education but also when they want to take the first steps to becoming a tradesperson.

I do not like this. It is an Americanisation of our further education system, just like I do not like the Americanisation of our health system that the Liberal federal government seems intent on forcing on to Australians. I prefer an Australian and South Australian way of a fair go for all, and equal access for all to a good education and training system.

The Labor government is committed to growing our economy and jobs. That is why the 2014-15 state budget included more than \$10 billion towards productive infrastructure, such as roads and railways to boost our economy and create up to 4,700 jobs a year. In addition, the state government's \$177 million investment in skills training and jobs growth acknowledges that higher levels of skills and qualifications progressively improve the capacity of individuals to participate in employment and community life.

This investment includes \$60.1 million over five years for our jobs plan, \$63 million over three years for skills training, \$44 million on initiatives for the resources and energy sector, and \$10 million for a regional jobs accelerator fund. Since the introduction in July 2012, Skills for All has achieved a significant success in attracting South Australians into training in 2013. There was an additional 50,600 enrolments, more than pre Skills for All levels.

We will continue to invest in jobs and skills training as training will be linked to areas of our labour market, and in the coming years the overall training levels will exceed by around 15 per cent pre Skills for All levels. As a result of skills in training, there are now more people in training and a greater choice of training providers. South Australia's growth in enrolments was the highest in the nation in 2013, with an increase of 43 per cent. Participation by disadvantaged groups in the community also increased. South Australia has one of the highest completion rates in Australia, and we have been expecting over 60 per cent of apprentices and trainees to complete their training.

The cost of the delivery of VET in South Australia has improved from one of the highest, most expensive in the nation, to now one of the lowest. We also fund a range of programs to prepare people for employment through partnering with industry and employers. These programs connect people, who are either at the margins of the labour market or are displaced workers, to find sustainable employment, and about 150 regional employment projects are delivered across the state every year through our jobs and skills strategy. Over 75,000 people across the state have participated in regional projects, with over 30,000 gaining employment.

TAFE SA, as the government's publicly-owned training provider, continues to deliver quality training to over 80,000 students each year. TAFE SA has a proud and distinguished history of providing high quality teaching and learning programs and services to a diverse customer base. Not only does TAFE assist individuals, enterprises, organisations and communities to build economic and socially sustainable futures, it also has a role as an instrument of government policy and an obligation to the communities and industries it serves.

We will now continue to build our focus on identifying labour market and industry skill needs and gaps and grow our labour force to fill current new and emerging job vacancies. We will continue to invest strongly in skills training and in our detailed plans for jobs and support this through a raft of other measures that attract investment to the state and grow business confidence.

**The CHAIR:** Does the member for Unley have an opening statement?

**Mr PISONI:** I would like the opportunity to make a quick opening statement, if I may. A fair go is about getting a job. I will start my opening statement by simply telling a quick story about our latest trainee in the Unley office. We were very fortunate to come across Sarah. It was her 150<sup>th</sup> job application before she got that job. The CommSec report on the state of the states released on Monday highlighted the fact that South Australia is losing momentum due to lack of a growth driver.

After 12 years at the helm of our economy, this government has failed to identify where jobs growth will come from in the future. Where are the new industries that will provide the jobs that will replace the thousands of jobs lost over the past six months and the tens of thousands of manufacturing jobs that will be lost when GMH and its support industries close in a couple of years' time?

Here are just a few statistics to consider. SA's unemployment rate on a seasonally adjusted term is 7.4 per cent, the highest in Australia, even higher than that of Tasmania. There are now 12,200 more unemployed South Australians compared to a year ago, and 23,000 more unemployed South Australians compared to a year before that, in June 2011.

SA's youth unemployment rose to 36.2 per cent in June, now the highest in mainland Australia. SA's regional unemployment has rocketed 25 per cent over the past month and is now the highest rate in 14 years, according to ABS labour force data released last week. Unemployment in regional South Australia rose from 6.8 per cent to 8.5 per cent in March, the worst in Australia. CommSec data released on Monday showed that South Australia had the weakest job market of all states and territories over the past decade. CommSec data released on Monday also showed that South Australia's jobless rate is up almost 29 per cent on the decade average of 5.4 per cent.

Under this state Labor government, which is far from being in a position to honour its commitment to create 100,000 new jobs by February 2016, our state is now in the back-land of the nation's economic growth, even dawdling behind Tasmania. Similarly, recent training figures from the December quarter showed that South Australia had the lowest apprentice and trainee commencements in the past 10 years of records and the lowest level of completions in the past seven years—unfortunately, the worst level of completions in the nation.

The latest high-taxing, deficit laden, state government debt expanding Weatherill government budget has also delivered:

- additional efficiency dividends to the Department of State Development totalling \$21.8 million over the forward estimates;
- TAFE staff reduced by 400 since it was corporatised in 2012;
- vocational education and training funding reduced by \$90.672 million;
- a \$47.7 million overspend in the Skills for All program in the 2013-14 year;
- TAFE paid an extra \$17.3 million transitional funding—or bailout funding—in 2012-13;
- TAFE paid an extra \$36 million of transitional funding in 2013-14;
- TAFE collected an additional \$6.2 million in fees above budget in 2013-14.

We know from experience through my office that much of that extra money in fees was increases in fees to students. It is telling of the Labor government's lack of commitment to employment and training that we currently have our sixth training minister in six years. Weatherill Labor's failed economic policies and jobs-killing tax regime have left our state with an army of 64,500 South Australians unemployed and 14,000 jobs lost since last year's disastrous budget.

Since the state Labor government promised 100,000 new jobs in February 2010, just 4,000 jobs have been created if we use trend terms or 6,400 if we use seasonally adjusted terms. A total of 24,000 more South Australians are unemployed on seasonally adjusted terms, or 16,600 on a trend term. Regardless of how you look at it, whether you are using trend figures or whether you are using seasonally adjusted figures, we are in a much worse position now than we were when Labor made that promise to create 100,000 jobs back in 2010.

**The CHAIR:** We will go straight to questions. Any questions?

**Mr PISONI:** Thank you very much, yes. This relates to Budget Paper 3, page 118, jobs growth. The figures given in the table provide for a 3 per cent rise in labour productivity for 2013-14, or at least that is how I read it. Can you confirm that that is the intention of those statistics? Also, which industries are the drivers of this 3 per cent labour productivity rise?

**The Hon. G.E. GAGO:** Which line was it?

**Mr PISONI:** This is Budget Paper 3, page 118, jobs growth. It is a very small section. You have gross domestic product, gross state product, state final demand, employment growth.

**The Hon. G.E. GAGO:** I have been advised that the productivity figure to which you refer is a figure derived by Treasury and you would need to direct your question to them in terms of that.

**Mr PISONI:** What industries are the driver of the productivity rise? You are the employment and training minister.

**The Hon. G.E. GAGO:** I am not sure. You would need to direct that question to Treasury.

**Mr PISONI:** So you were not consulted at all about achieving that figure?

**The Hon. G.E. GAGO:** Only in a very general way.

**Mr PISONI:** What does that mean?

**The Hon. G.E. GAGO:** In terms of setting my program parameters and key objectives, the State's Strategic Plan sets out a series of key determinants that direct the efforts of this government and they have been clearly focused on transitioning our economy, growing jobs, reducing red tape for industry, reforming WorkCover, reducing payroll tax for business and growing a skilled labour force.

**Mr PISONI:** What has been the productivity growth in labour since 2012?

**The Hon. G.E. GAGO:** I am happy to take that on notice.

**Mr PISONI:** You do not know that? What you are saying, minister, is that the Treasury arrived at its figures without any consultation with the department of employment?

**The Hon. G.E. GAGO:** Sorry, I beg your pardon?

**Mr PISONI:** What you are saying is that Treasury arrived at the figures in the budget on productivity growth without any advice from your department?

**The Hon. G.E. GAGO:** No, I did not say that.

**Mr PISONI:** Well, what—

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

**Mr PISONI:** Well, you have not. What specific advice did you give the Treasury? What are industries that are the drivers of the productivity rise?

**The Hon. G.E. GAGO:** I have already answered that question in part. It is obviously an across-government agenda. Treasury has set that target but our agenda is very clear and transparent. We have talked about transitioning our economy, shifting the reliance on the Holden industry and the automotive sector, and transitioning that into higher value, more advanced manufacturing. We have looked at opportunities around business and agriculture. We have strong growth as well, as has just been pointed out to me. For instance, investment is currently operating at near record highs with real private new capital expenditure for the March quarter 2014 being 3.4 per cent higher than the year earlier. It fell nationally. So there is some very strong activity there. Retail turnover is high, it is up, and construction with the number of house dwellings, so there are very strong economic and productivity indicators right throughout our economy.

**Mr PISONI:** Isn't productivity one of the three Ps that your department talks about—population, productivity and participation—yet you are not able to tell me what the drivers of the 3 per cent labour productivity growth are?

**The Hon. G.E. GAGO:** As I have already indicated, our key driving forces are resources, defence, advanced manufacturing, services, the health sector and agribusiness.

**Mr PISONI:** But you cannot tell us what the productivity gains have been in South Australia since 2012?

**The Hon. G.E. GAGO:** I do not have that level of detail on me, but I am sure Treasury could provide that.

**Mr PISONI:** Do you stand by the 100,000 new jobs promise made in February 2010?

**The Hon. G.E. GAGO:** Yes.

**Mr PISONI:** As the government's own budget forecast in the table predicts the creation of 15,000 new jobs between 2010 and 2016, can you confirm that the government will not meet its 100,000 new jobs promise?

**The Hon. G.E. GAGO:** Since March 2002, there have been 116,800 jobs created in South Australia, including 64,200 full-time jobs created here. This compared to a much smaller amount of 5,600 full-time jobs that were created by the Liberal Party between December 1993 and March 2002. In 2010, the government committed to an aspirational and challenging target to create an additional 100,000 jobs over six years from 2010 to 2016 and, during that time, the global financial crisis, along with South Australia's stronger reliance on industries (certainly, adversely impacted by the strong Australian dollar), had a fairly significant impact on both manufacturing and agriculture, including other sectors. That, combined with less reliance on growth industries like mining, contributed to, arguably, a relatively subdued labour market performance.

There are, however, many positive signs indicating the state economy is strengthening. Employment in South Australia has been increasing for six consecutive months for a total increase of 6,500, or almost 1,100 a month. Similarly, full-time employment has increased for eight consecutive months for a total increase of 6,700, or more than 800 per month. In seasonally adjusted terms, the growth in hours worked in June 2014 in South Australia was stronger than the national average in any other state.

In seasonally adjusted terms, the growth in hours worked over the year to June 2014 in South Australia was stronger than the national average. The labour force participation rate has increased for four consecutive months in South Australia, from 62 per cent to 62.5 per cent, the equal strongest increase of any mainland state. Over the same four-month period, the national rate was unchanged.

In the 12 months to May 2014, the value of South Australia's overseas goods exports totalled a record high of \$12.14 billion, which is the strongest growth of any state. I have already talked about the near high levels with real private new capital expenditure. Our retail turnover has picked up, our construction with the number of dwellings increasing is strong, and education services to international students is the state's largest primary service sector and the sixth largest overall export and it is expected to grow by around 7 per cent. So there are significant things happening there.

Of course, we have instigated a raft of measures to help grow business, including the introduction of payroll tax concessions to provide relief for small businesses. We are reforming WorkCover and we estimate there will be a savings to business of about \$180 million. We are building a workforce for transforming the economy through training in the critical skills area and providing more help to businesses to win government work. The Industry Participation Advocate's role is to ensure that local businesses maximise opportunities as well as supporting skilled migration. Although that figure is, at this point in time, assessed to be unlikely for us to achieve, nevertheless, it has provided us with an aspirational goal to improve and increase employment here in this state.

**The CHAIR:** One more supplementary on this line.

**Mr PISONI:** You earlier said that you stand by the 100,000 jobs promise made in 2010; now you are saying it is only aspirational and that it is unlikely to be reached.

**The Hon. G.E. GAGO:** That is right.

**Mr PISONI:** Were you briefed—

**The CHAIR:** Member for Unley, the member for Giles has been very patient. Let us give him a question.

**Mr HUGHES:** I refer the committee to Budget Paper 4, Volume 4, page 55. Can the minister outline what progress has been made in establishing the new Department of State Development and the opportunities the new department creates?

**The Hon. G.E. GAGO:** As at 1 July 2014, the Department of State Development was established, bringing together the former functions of DMITRE, DFEEST, Arts SA, InvestSA, the Economic Development Board, Health in SA and Aboriginal Affairs and Reconciliation. The creation of the new department is an exciting opportunity to coordinate the key economic development functions across government. For the first time, many of the key drivers of economic development, namely, skills, employment, immigration, investment, trade, manufacturing, mining and energy, science research, innovation and technology, small business, creative industries and Aboriginal affairs, are now in the one department.

DSD will have responsibility for our growing resource and energy sectors, the upskilling of our workforce, fostering innovation and commercialisation and better linking science and industry. DSD will help position South Australia to take best advantage of high-growth, high-value sectors, including minerals and energy, information and communications, technology, defence, agriculture and advanced manufacturing. The department will also have responsibility for implementing the automotive transformation strategy announced in Our Jobs Plan and coordinating the government's engagement with small business, in particular, ensuring that firms have access to growing supply chain opportunities in areas such as resources, energy and defence.

The success of the new agency will ultimately depend on how well it engages with industry and key stakeholders to increase investment and support economic transformation of our economy and increased trade, especially to markets in Asia. The department will have significant resources, with total staffing across the agency of around 1,400 employees and a net budget of \$620.9 million in 2014-15. Savings will be achieved from the establishment of the new agency, and I am advised that the initial savings of around 32 FTEs have already been achieved from the merger of various agencies.

The state development department will have a number of ministers who will work collectively on the Economic Development Committee of cabinet in overseeing the work of the development and working with the Economic Development Board. I have also been assigned to the role of minister to oversee administrative activities of the agency in terms of managing the overarching strategic priorities—in consultation, of course, with other ministers and the CEO—monitoring of performance, financial accountability and reporting. Mr Raymond Garrand, the former chief executive of DFEEST, has had responsibility for the formation of the agency in his interim position until 4 August.

Mr Garrand has extensive experience in the administration of key economic development agencies, having been chief executive of the former department of trade and economic development for five years and most recently as CE of the department of further education, employment, science and technology, a position he has held for the last six years. I would certainly like to thank Mr Garrand and his executive team for the work they have done in putting the new department together in such a short period of time. Mr Garrand advised the government that he will not be continuing as chief executive following his work in establishing the new department and after his 11 years of service as chief executive in the SA government.

I am very pleased to advise that we have been able to secure the services of Dr Don Russell, who will commence as chief executive on 4 August. Dr Russell is a leading economist, former ambassador to the United States, and most recently was the secretary of the commonwealth Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education in Canberra, and we are very pleased to have someone of Dr Russell's calibre to take on the new department.

The establishment of this new agency comes at a critical time for our economy and provides an exciting and wonderful opportunity to harness our full economic development capability across government, and to work in partnership with industry and other stakeholders in seizing the opportunities for growth both now and for future generations.

**Mr PISONI:** Were you briefed when you became the minister on the fact that for the government to actually achieve its 100,000 new jobs by 2016 it would require an annual employment growth of over 6 per cent?

**The Hon. G.E. GAGO:** Sorry, was I briefed on setting the target?

**Mr PISONI:** No, were you briefed that, in order to achieve the target of 100,000 new jobs by 2016, an annual employment growth rate of over 6 per cent is required?

**The Hon. G.E. GAGO:** Yes.

**Mr PISONI:** As no other state is forecasting jobs growth of more than 2.5 per cent in any future year, how will South Australia achieve a jobs growth of 6 per cent between now and 2016 required to reach 100,000 new jobs?

**The Hon. G.E. GAGO:** I have already indicated that it is most unlikely.

**Mr PISONI:** As the government has lost 14,000 jobs since the 2013-14 budget, how will the 8,000 new jobs forecast in the budget be created over the next year?

**The Hon. G.E. GAGO:** I have already really answered that question. I have outlined the growth potential in a number of sectors. I have outlined the increase in export, retail, construction and new dwellings, so I have already outlined where our growth potential is in the sectors that we have targeted.

**Mr PISONI:** Perhaps you can advise the committee what sort of modelling was used to arrive at your jobs growth forecast and whether your department was involved in this modelling and if not, why not?

**The Hon. G.E. GAGO:** I am advised that we do participate in a modelling exercise; we do that with Treasury. I do not have the details of that model here with me, but it is a pretty rigorous and thorough process that it has gone through with Treasury.

**Mr PISONI:** And you cannot provide any detail of that modelling?

**The Hon. G.E. GAGO:** I just said that—

**The CHAIR:** The minister indicated she will bring the answer back.

**Mr PISONI:** Earlier you answered a question in regard to the 3 per cent rise in labour productivity that your department was not involved in achieving, so there was no advice given on productivity to Treasury, but there was advice given to jobs growth.

**The Hon. G.E. GAGO:** I am advised that the Economic Development Board prepared the last economic development statement and worked with Treasury and the Training and Skills Commission to provide labour force modelling.

**Mr PISONI:** Did the Skills and Training Commission advise you that jobs growth would be 0.75 per cent from 2011-12 to 2016?

**The Hon. G.E. GAGO:** I am advised that the Training and Skills Commission launched the 2013 annual update of its five-year plan for skills and workforce development, Skills for Jobs, on 26 November 2013. The update focused on the demand for qualifications over the five-year period, 2011-12 to 2016-17, including a detailed analysis of skilling requirements for specialist occupations.

The plan was updated following extensive consultation with industry and community stakeholders and, over the period 2011-12 to 2016-17, the commission expects employment growth between 0.75 and 1.75 per annum. The combined impact of employment growth and the need to replace existing workers is estimated at between 116,000 and 154,000, and this compares with 139,000 job openings projected in the commission's 2012 plan. The modelling is based on an economic outlook for South Australia which takes into account private economic forecasters' views combined with employment impacts of major projects considered to be above average.

Industry demand for qualifications will favour growth of higher level qualifications, as the economy of the future will obviously require a more highly-skilled workforce. While the commission's projections for the economy and labour market are less buoyant than those published in the 2012 plan, the commission is confident that the economy will grow sufficiently fast to enable a successful response to the structural adjustment challenges facing the state.

The work of the commission is used by the Department of Further Education, Employment, Science and Technology in determining its funded training list and incentives under Skills for All, and the 2013 plan also provides an analysis of the participation challenge facing South Australia and how the government can maximise its Skills for All investment.

**Mr PISONI:** You did not really answer the question. The question was: were you briefed that the employment growth would be 0.75 per cent from 2011-12 to 2016 by the Skills and Training Commission? Was that the advice given to you by the Skills and Training Commission?

**The Hon. G.E. GAGO:** Yes, I received that advice.

**Mr PISONI:** Were you also briefed in April this year that the unemployment rate for South Australia is forecast to be between 6.7 per cent and 6.9 per cent for the forecasted period to 2017-18 and that employment for the state is forecast to increase by 0.6 per cent per annum over the next five years to 2017-18, which would result in 25,000 additional people in employment?

**The Hon. G.E. GAGO:** I would have to check that. I am briefed on many things, but I will just have to check my files.

**The CHAIR:** The minister will come back with that. The member for Kaurana has a question.

**Mr PICTON:** I refer to Budget Paper 4, Volume 4, page 67, where it talks about providing opportunities for people to participate in employment. What has the state government done in that regard, particularly in regard to long-term jobless families?

**The Hon. G.E. GAGO:** I thank the honourable member for his most important question. Children growing up in jobless families are at a higher risk of becoming parents at an early age, leaving school early, receiving income support and becoming welfare-reliant themselves when compared to children raised in working households.



Improving the social and economic participation of jobless families improves the economic circumstances of individuals, contributes to increasing the workforce participation rate, reduces government expenditure on social assistance and increases tax revenues. Above all, by focusing on increasing the social and economic participation of jobless families, we are investing in reducing the intergenerational transmission of disadvantage, social exclusion and joblessness.

The Building Family Opportunities (BFO) program breaks the cycle of long-term and intergenerational family joblessness by providing professional and practical whole-of-life services that enable members of jobless families to reach their full educational and employment potential. The BFO program assisted 612 jobless families and 1,800 individuals, and about 32 per cent of these families were Aboriginal families. A total of 395 employment outcomes were achieved as well as 713 training outcomes. Given the outstanding results of this unique program, an additional \$2 million has been allocated through the government's jobs and skills policy for a further three years to assist 350 jobless families living in the Playford area.

UnitingCare Wesley Port Adelaide is delivering this program, which has already resulted in 53 jobless families being assisted in the first five months of this year. Remarkably, 37 people have already gained a job and 49 people have started training. BFO is also being delivered in southern Adelaide, the Far North, the Southern Flinders and Whyalla to assist 105 jobless families through the Skills for Jobs in Regions program. This is additional to the \$2 million Playford commitment.

The need to engage even more intensively with Aboriginal families has led to the delivery of Building Aboriginal Family Opportunities, and BFO programs specifically for Aboriginal families that have been identified by the South Australian Police as being on the cusp of offending, who have links with offenders or are engaged in related activities. These families face even more significant barriers to getting a job. While supporting participant families to engage in learning, training and work this program will help reduce contact with the criminal justice system, and \$370,000 over 18 months is being invested to deliver this specialised program.

The strength of the BFO program is the ability to advocate and navigate through the myriad of services required to support families. For example, through the BFO program 306 individuals received support through children's services, 105 children returned to school, there were 191 legal support advice services and 681 health services, and 489 individuals received support for housing. These non-vocational services—and many more—are critical in a family achieving their employment goals. In addition, Deloitte Access Economics concluded that, based on the cumulative wage earning of family members gaining a job, the BFO program returns a strong economic dividend to the state and represents a proven, cost-effective model to reverse family joblessness.

I think I have the answer to the previous question; could you just repeat the last question you asked?

**Mr PISONI:** I do not know what the last question I asked was; you will have to go back to *Hansard*.

**The Hon. G.E. GAGO:** It was about something back in April—

**Mr PISONI:** We will take it on notice; that is fine. I have a question supplementary to that last question. Minister, are you able to advise the total cost of the Building Family Opportunities program?

**The Hon. G.E. GAGO:** I have been advised it is \$9.6 million over four years.

**Mr PISONI:** Was \$1 million of that amount for the evaluation? Has the evaluation been completed, and what did it show? Will it be made public?

**The Hon. G.E. GAGO:** I have been advised that an evaluation has been completed. I would have to check what the cost of that evaluation was; I certainly cannot confirm that at this point. I am also advised that the result was that it was an extremely effective program helping to increase employment for families of significant disadvantage.

**Mr PISONI:** Will the evaluation be made public?

**The Hon. G.E. GAGO:** We believe it is already public to the stakeholders involved but I have no problems with putting it on our website, for instance; I am happy to do that.

**The CHAIR:** Member for Unley, you have the call.

**Mr PISONI:** This goes back to Budget Paper 3, page 118, jobs growth. Your 2011 Strategic Plan target was to maintain equal or lower unemployment than the Australian average through to 2020. The baseline was set in 2004. Does this remain your target? Given that Deloitte Access Economics has forecast that the unemployment rate in South Australia will remain above the national unemployment rate for each of the next five years, how are you going to reach this target?

**The Hon. G.E. GAGO:** I have been advised that Deloitte Access Economics released its latest outlook for the state and national economies. Whilst the report indicates that economic conditions are currently subdued with some risks, the outlook and growth for South Australia over the next decade is not much less than that recorded over the past two decades. Deloitte suggests that the fears around the broader economic impacts from Holden closing its manufacturing operations at Elizabeth are heavily over-exaggerated. Deloitte states that the combination of a lower Australian dollar and near record low interest rates is much better news for job creation in South Australia than Holden and its associated effects are for job losses.

Strengthening South Australia's housing construction sector and healthy levels of retail that are referred to in terms of spending, they advise, will continue to support economic growth. South Australia has the largest pipeline of investment in relative terms, with its ratio of pipeline prospects to current construction looking healthy, and includes the \$4.5 billion Central Eyre Iron Project, which was recently given major project status and is under consideration.

Engineering construction activity in the state has been supported by major transport and utility projects. Current project supporting activity includes: \$468 million on the Noarlunga line electrification and station upgrade, \$408 million on the Southern Expressway duplication, \$443 million on the Goodwood and Torrens rail junction upgrade and, in addition, construction on the proposed \$1.5 billion Ceres wind farm will commence in 2015 after receiving state government approval.

In relation to achieving our employment SASP target, some of the actions that we have undertaken to address that outcome include: implementing the government's jobs and skills policy, which is introducing new or expanded initiatives to enable more people into jobs, more people into training and provide more support for retrenched workers who need new skills to find work; bringing forward local council infrastructure projects to create jobs now; partnering with local employers to identify job opportunities and skill gaps that can be filled by disadvantaged job seekers, with a focus on regions in greatest need; intensive case management support for 350 families in the Playford region who experience intergenerational joblessness to break the cycle; priority access to training for people who are unemployed at a certificate III to advanced diploma level, and supporting access to certificate I and II courses, and for those without a secondary qualification.

There is also support for workers in areas of transition to retain and find new work quickly and exploring ways that the government's successful 15 per cent policy (ensuring that 15 per cent of jobs on major projects go to local people and those who have barriers to entering work) can be applied to other areas of government procurement. A further initiative involves boosting productivity and innovation by increasing the skills and capability of existing workers, particularly in the manufacturing sector. There are many other matters that I could talk about in terms of our jobs plan, but I think that is a good thumbnail sketch at this point.

In relation to productivity, I have an answer. I am advised that in relation to the question that you asked about labour productivity, the TaSC set a modelling of 1.75 per annum, and the most recent data from 2012-13 shows that South Australia's Labor productivity rate is 1.8 per cent above the Australian average.

**Mr PISONI:** So how have you achieved the 3 per cent?

**The Hon. G.E. GAGO:** These are labour productivity figures, which is different from the figure Treasury has put in. I have already answered that question: I said that in terms of the detail,

the modelling that goes into that figure is done by Treasury and you would need to direct your question here. This is labour.

**Mr PISONI:** Isn't TaSC your responsibility as a part of your ministry? Don't they do the modelling?

**The Hon. G.E. GAGO:** I have already answered this question in detail.

**Mr PISONI:** Is TaSC part of your ministerial responsibility?

**The Hon. G.E. GAGO:** Treasury set their own forecasts—

**Mr PISONI:** The question is: is TaSC part of your ministerial responsibility?

**The Hon. G.E. GAGO:** Yes, I am advised, yes it is.

**Mr PISONI:** You are advised?

**Ms HILDYARD:** I refer to Budget Paper 4, Agency Statements, Volume 4, page 65. How many VET sector course enrolments did Skills for All support in 2013?

**The Hon. G.E. GAGO:** This Labor government governs for all. It is committed to ensuring that South Australians, regardless of age or where they live, are able to find meaningful employment in their local communities. We recognise that a skilled workforce underpins achievement of both social and economic development. After nearly two years of Skills for All there are more people in training, a greater choice of training providers and better skills development supporting the state's key industries, now and those of the future.

Skills for All attracted over 200 training providers, offering more than 900 courses to South Australians. This government's investment in skills, combined with the enthusiasm shown by South Australians to gain new skills, meant we reached our target of 100,000 training places three years in advance. The 2013 Skills for All figures show that tens of thousands of South Australians have taken the opportunity to boost their skills and enrol in government-funded training. In 2013 Skills for All funded some 134,900 course enrolments. This is an increase of some 50,600 from the previous year—a 60 per cent increase.

In looking at the 2013 enrolment data, I am very pleased as minister for women to see that significant numbers of women are accessing training, with an increase of 69 per cent in Skills for All enrolments for women. There has also been a significant increase in training participation for groups in the community that are often disadvantaged in the labour market. In 2013 we saw an increase of around 38 per cent for young people (14,200 more enrolments), a 149 per cent increase for mature-age students (6,800 more enrolments), a 69 per cent increase for Aboriginal people (1,300 more enrolments), 58 per cent for people with disabilities (3,200 more enrolments), 60 per cent for people of low socioeconomic backgrounds (11,400 more enrolments), 57 per cent for employed people (28,400 more enrolments), and 117 per cent for unemployed people (21,200 more enrolments).

There has been a marked increase in the number of Skills for All qualifications issued. In 2013 there were 40,600 qualifications issued. That is 17,500 more qualifications issued in 2013 compared with 2012, an increase of 76 per cent. I commend all students who have taken the step towards gaining qualifications and accessing Skills for All training places, and I congratulate the students who have gained qualifications in the past year.

**Mr PISONI:** Is the minister able to advise how many of those 134,900 training positions led to full-time jobs and in what areas?

**The Hon. G.E. GAGO:** I do not have figures for the exact ratio. However, the Training and Skills Commission has completed a report in which it states that the training aligns very closely with industry needs, which is obviously a good indicator for future employment prospects. The National Centre for Vocational Education Research (NCVER) has a publication of student outcomes in 2013. It presents results from a survey of vocational education and training (VET) students who completed their training during 2012. The survey is conducted annually and focuses on students' employment outcomes, benefits of training, satisfaction and improved employment status with VET in Australia.

VET graduates in South Australia continue to experience high levels of employment and satisfaction with their training. Eighty per cent of South Australian graduates were employed after training, which was above both the national average of 78.2 per cent and the previous year's figure of 79.5 per cent. Ninety per cent of South Australian graduates were employed or engaged in further study after training, which was again above the national average of 88.1 per cent, as well as the previous year's 88.2 per cent.

In South Australia, 88.4 per cent of graduates are satisfied with the overall quality of training, again above the national average of 87.3 per cent, and 81 per cent of South Australian VET graduates reported that the training was relevant to their current job, which was above the national average of 80.7 per cent. We also have 46 per cent of graduates unemployed before their TAFE course who found work after training, and the satisfaction rates are very high as well, most impressive.

**Mr PISONI:** When Skills for All was announced, it was announced that there would also be a review of Skills for All after the first year. Why was that delayed?

**The Hon. G.E. GAGO:** Yes, we did give a commitment to complete a review within 12 months. However, we reviewed that for a very good reason and have set a new timetable. The Department of State Development is commissioning an independent external evaluation of Skills for All that will be completed by the end of this year. The evaluation provides evidence-based advice to help improve the ongoing sustainability and effectiveness of the publicly-funded VET system in South Australia. The Skills for All reforms were significant, and a very fundamental change of the SA VET system to improve access and participation in training, and increase participation and productivity in the workforce.

An internal evaluation by DFEEST was completed early in 2014, which found that since the implementation of Skills for All there had been increasing rates of participation and training, growth in the publicly-funded VET market for both TAFE and private providers, and improving efficiencies in the South Australian VET system.

**Mr PISONI:** So what is the reason for the delay?

**The Hon. G.E. GAGO:** No, I have not finished yet. That report, I am advised, is on the public record so that is publicly available. Since the commencement of Skills for All in 2012, economic conditions and the labour market requirements for South Australia have changed. The national policy context for VET has also altered, including some significant implications emerging from the recent federal budget.

An external evaluation of Skills for All will provide independent evidence-based advice regarding future directions for Skills for All. The evaluation will consider the extent to which the current design and operation for Skills for All supports achievement of the policy objectives given changed economic and policy conditions, and it also provides advice on changes that could improve the sustainability and effectiveness of the publicly-funded VET system within the existing forecast budget.

We will use an external evaluator and that will be selected through a tender process. That will take place in September and the evaluation, which will include consultation with a range of stakeholders, will be completed by the end of the year. It is really about the level of change that took place within that period of time that really changed a whole range of policy and funding settings that would have made the worth of the review much more limited, so we have allowed an opportunity for those policy changes and new funding changes to be implemented.

I am being advised to correct the record. That internal evaluation which I have received has not yet been placed on the website, but it will be.

**Mr PISONI:** I refer to Budget Paper 4, Volume 2, Overview, Workforce summary. A memo was sent from the chief executive, I think last year, asking to undertake a review of portfolio and boards and committees. The aim of the review was to rationalise the number of boards and committees to achieve savings and to make greater use of alternative forms of community consultation and engagement. I understand that the outcome of that review was to be available some time in June. Are you able to advise just what the outcome of that review was?

**The Hon. G.E. GAGO:** I have been advised that that review enabled the chief executive to compile and basically do an audit of the boards and committees within the department. That information will now be fed into the changes that the Premier recently announced. He has indicated that all government boards and committees will be abolished unless they can demonstrate that they have an essential purpose that cannot be fulfilled in an alternative way. The aim is to remove duplication of red tape, as well as giving the community more direct access to government. A process has been put in place that enables the boards and committees themselves to present a point of view about their future and any proposed changes that they might deem appropriate in relation to their long term—

**Mr PISONI:** Have there been any changes to that review since it was first completed in June?

**The Hon. G.E. GAGO:** That review, as I indicated, I am advised was information that was basically an audit—a compilation of the existing boards and committees and structures that are in place—and that internal review, or information, will be used to input into this most recent announcement.

**Mr PISONI:** Austraining International was exempt from the review, as it was described as a commercial organisation wholly owned by the South Australian government whose board also reports to the minister for further education, employment, science and technology. However, the organisation was at that time currently being considered for sale by the Department of Treasury and Finance. Are you able to advise whether it is still being considered for sale or whether there have been any processes in place to prepare it for sale?

**The Hon. G.E. GAGO:** I think what you refer to is a process that was undertaken last year by Treasury in looking at Austraining to see whether it was beneficial to sell that organisation. It determined that it was not, so we are certainly not considering the sale of that at this point in time. That was a process that was done last year and we have resolved that and made a decision to retain it.

The member keeps talking about the review of boards and committees done last year. I have already indicated that we see it as more of an audit of the existing boards and committees that were in that particular department. In relation to Austraining, my understanding is that they will be participating in that process that the Premier recently outlined, which is that all boards and committees face abolition unless they can put forward a sound reason for them to continue to exist, and that will include Austraining as well.

**Ms SANDERSON:** Budget Paper 4, Volume 4, page 72, financial commentary on the 2014-15 budget versus the 2013-14 estimates, point 2. Given that \$0.7 million is the final payment to Carnegie Mellon, what is the total amount of government money, both state and federal, that has been paid to Carnegie Mellon?

**The Hon. G.E. GAGO:** I have been advised that the state's financial commitment to Carnegie Mellon University is \$22.45 million over 10 years.

**Ms SANDERSON:** How many students have completed courses with Carnegie Mellon, and what is the breakdown per course?

**The Hon. G.E. GAGO:** I have advice that, since 2006, 322 students have graduated from Carnegie Mellon and 143 students were enrolled at the Adelaide campus.

**Ms SANDERSON:** So, there are still 143 who have not graduated on top of the 322; is that what you mean?

**The Hon. G.E. GAGO:** I would have to confirm that. It is likely, but I am not absolutely sure. We think that is the number currently enrolled.

**Ms SANDERSON:** Of the 322 students who have graduated, can the minister break that down by fee-paying private Australian students, fee-paying overseas students, students on scholarships and students paid for by government departments?

**The Hon. G.E. GAGO:** I do not have that level of detail. I am happy to take that on notice and bring it back.

**Mr HUGHES:** I refer to Budget Paper 4, Volume 4, page 67. How has the state government supported adults who may not have some of the foundation skills necessary to help them participate in the workforce?

**The Hon. G.E. GAGO:** I thank the member for this most important question. Some South Australians miss out on job opportunities because they lack foundation skills such as really basic language, literacy, numeracy and employability skills such as problem solving and digital literacy. The Adult Community Education program is the community-based learning gateway for people with low levels of educational attainment and/or digital literacy to participate in learning, training and work.

The benefit to employers of lifting foundation skills is significant. As little as a 1 per cent improvement in adult literacy levels can lead to a 2.5 per cent improvement in productivity, according to the Standing Council on Tertiary Education Skills and Employment's National Foundation Skills Strategy for Adults. Between 2010 and 2016, some \$11.7 million has been committed by the department of further education employment, science and technology to adult community education. In 2013-14, \$2.5 million in adult community education foundation skills grants supports over 1,000 people in accredited training and 13,500 enrolments in non-accredited training.

In addition, 450 community centre staff and volunteers will undertake skills training to build their professional capacity to deliver foundation skills. Under Skills for All, course enrolments for foundation courses that include literacy and numeracy increased by 46 per cent in 2013 when compared to 2012, and this was an increase of 3,600 course enrolments from 7,700 to 11,300. Over 115,000 people have participated in courses since the program commenced in 2005-06. DSD is working with Community Centres SA to increase the delivery of ACE courses in regional South Australia and, as of 2014-15, the three-year ACE funding model will be implemented in response to the sector's proposal for a multi-year funding model.

This new funding approach for 60 per cent of proven providers will assist ACE providers to plan for the longer term, support security of tenure and improve services to the community. Community Centres SA, the peak body for community centres and neighbourhood houses, is leading the work to implement a three-year workforce development plan to strengthen the sector's ability to deliver foundation skills training and assist people to move into certificate III and above.

**Mr PISONI:** I would like to move to TAFE now, if we may. Minister, are you able to advise the committee whether you have been briefed on expenditure budget reductions in TAFE SA and DFEEST by 2017-18. My understanding is that the 2013-14 expenditure for both DFEEST and TAFE SA is about \$607 million: \$338 million for TAFE SA and \$269 million for DFEEST. I understand that the expenditure budgets have been reduced to \$246 million for TAFE and \$245 million for DFEEST by 2017-18. Are you able to confirm that you have been advised on those figures or something similar?

**The Hon. G.E. GAGO:** The figures that I have been briefed on include the DFEEST portfolio, which will have an expenditure budget of \$627 million in 2013-14 comprising of \$345 million for TAFE and \$282 million for DFEEST. The expenditure budget is reduced to \$251 million for TAFE and \$229 million for DFEEST by 2017-18, primarily due to the ongoing implementation of significant saving measures and once-off TVSP costs in 2013-14. TAFE will have a revenue budget of around \$102 million in 2013-14 for external revenue, including training and course fees, grants and subsidies, increasing to \$116 million in 2017-18.

**Mr PISONI:** That leaves a significant gap. Have you also been briefed that in TAFE the FTE at the moment is around about 2,600, but will be reducing to just under 1,800 FTEs by 2017-18?

**The Hon. G.E. GAGO:** Is this for DFEEST you are asking or TAFE?

**Mr PISONI:** This is specifically TAFE.

**The Hon. G.E. GAGO:** I have been advised that TAFE SA has moved to a one institute model and has reduced its FTE count as a result of reduced duplication and achieving various efficiencies and economies of scale. The transitional arrangements for DFEEST ICT corporate services to transfer to TAFE SA are in progress and as at 30 June 2014 there were 2,388.47 FTEs

in TAFE, including employees engaged on a casual basis and hourly paid instructors. TAFE SA has revised an FTE cap of 2,609 in 2013-14 and in the last pay period for June 2014 TAFE SA had an actual FTE count of 2,389; 220 FTE below the cap.

The transformation of TAFE from the three separate institutes to one unified entity has been completed. The drive for improvements has resulted in a reduced workforce of TAFE. TAFE SA continues to drive efficiencies and review corporate services for further opportunities to gain efficiencies. Obviously they strive very hard to make sure efficiencies are gained and are able to continually improve services as well. The TAFE SA staffing commitment workforce committee is in place to monitor all vacancies and to ensure greater utilisation of excess employees.

I think the budget shows the FTE reduction of around 229 FTEs in 2014-15 for TAFE. It is an administrative calculation of FTE levels based on salary budgets at a particular point in time and it is important to note that a large proportion of this reduction has already been achieved by TVSPs in 2013-14 under the one TAFE strategy reforms. So the actual number of FTEs as at the end of June 2014, as I said, was 2,389. This is 220 FTEs below the cap for 2014-15 and, to reach the 2014-15 cap, a further reduction of 68 FTEs needs to be achieved. I am advised that that is likely to be achieved through attrition.

**Mr PISONI:** The question is: have you been advised that by 2017-18 FTEs will be reduced to less than 1,800?

**The Hon. G.E. GAGO:** I just do not have those figures on me. I have been thoroughly briefed but I just do not—

**Mr PISONI:** I am asking whether you have been advised whether that is the case.

**The Hon. G.E. GAGO:** I do not have that figure in front of me. I have been thoroughly briefed, but I cannot confirm one way or the other whether that figure is actually the figure I have been briefed on.

**Mr PISONI:** So you are not able to deny that that is the case?

**The Hon. G.E. GAGO:** It is outside the forward estimates.

**Mr PISONI:** 2017-18? No, it is not.

**The Hon. G.E. GAGO:** In terms of the budget documents we are looking at here, it is.

**Mr PISONI:** No, the budget papers go for four years. The forward estimates are over four years, minister. After nine years in the job I would have thought you would know that.

**The CHAIR:** Would you like to take that one on notice, minister? You have given a pretty fulsome answer but, if you have any more information, you can bring that back.

**The Hon. G.E. GAGO:** Yes, and if we are able to come up with the figure during the proceedings I will share it with you then. If not, I will take it on notice

**The CHAIR:** That would be great. I think the member for Kaurana has been very patient.

**Mr PICTON:** I refer to Budget Paper 4, Volume 4, page 65, in regard to income for TAFE SA. How has TAFE SA strengthened its involvement in fee-for-service activity, particularly for international business development?

**The Hon. G.E. GAGO:** TAFE SA has had a range of successes in exporting South Australian vocational education expertise and intellectual property, particularly in India, China, Hong Kong, Singapore, Malaysia and Indonesia. TAFE SA has recognised that, for the size of their population, these countries are underdeveloped in vocational education and training systems and the opportunities that this presents. In that regard, TAFE has been developing licensing agreements that enable these countries to upskill large numbers of their students using high quality and reliable learning materials which are contextualised for the local market.

For example, TAFE SA has developed a partnership with an Indian education and training organisation for the provision of training resources and consulting services. This partnership covers industry portfolios such as building and construction, retail and health care. In addition, our lecturers

are assisting many of these international clients to conduct educational practice reviews and advise on best practice teaching methodologies, as well as offering consulting services to assist with our workforce development needs.

As a result of this work, we have seen an increase in demand for short-term study tours and teacher exchanges from Japan, Thailand, Malaysia and China, where VET institutions are willing to invest heavily in the short-term upskilling of staff and students from two to 10 years in duration. The increase in demand for short-term upskilling exchanges has seen TAFE SA develop a range of study tour options in hospitality and tourism, food processing, dental and nursing, building and construction, mining, engineering and transport aimed to increase revenue from this fee-for-service market.

Many new opportunities are also coming through direct links with the Department of Foreign Affairs and Trade, both within Australia and internationally. TAFE SA has recently submitted, and is currently developing, a number of training proposals for China, Malaysia, India, Mauritius, Saudi Arabia and Vietnam. TAFE SA continues to aggressively and systematically target transnational opportunities to further grow their fee-for-service revenue.

**Mr PISONI:** This is Budget Paper 4, Volume 4, page 63, subprograms, and just talking about TAFE again. Given that TAFE SA is now an independent statutory authority reporting to the minister, can the minister outline what steps are being taken to ensure the financial and operational independence of TAFE SA, as required under the act?

**The Hon. G.E. GAGO:** I'm sorry—

**Mr PISONI:** I am asking what steps have been undertaken to ensure that the financial and operational independence of TAFE is being adhered to or monitored by you, as required under the act.

**The Hon. G.E. GAGO:** As you would be aware, TAFE commenced its statutory corporation on 1 November 2012. This was an essential step in allowing TAFE to operate in a more contestable training environment under Skills for All. The TAFE SA Chief Executive is accountable under the government's chief executive financial accountability framework through the TAFE SA Board of Directors and myself. TAFE SA's financial performance is addressed within the overall portfolio budget of DFEEST, or DSD, and DFEEST plays a prudential oversight role in regards to TAFE SA in which it advises me independently on matters relating to the portfolio budget and other matters in relation to TAFE, as I require.

The independent TAFE board is responsible for delivering on the government strategic direction for TAFE SA, as outlined in the TAFE SA charter and annual performance agreement. Financial accountability has therefore been strengthened, and the board is required to provide me with reports. The TAFE SA budget management control framework enables TAFE to plan and budget to achieve an annual operating outcome. The planned operating outcome and associated revenues and expenditures must be approved through cabinet, in accordance with the annual budget process.

I also understand that TAFE provides an annual performance statement, that the board has a number of subcommittees, one of which is finance and auditing, and that not only do I meet regularly with the board or representatives of the board but so too do my agency officers.

**Mr PISONI:** How many tender documents have DFEEST prepared and managed for TAFE since it has been corporatised?

**The Hon. G.E. GAGO:** I would have to take that on notice.

**Mr PISONI:** Do they prepare and manage tender documents for TAFE?

**The Hon. G.E. GAGO:** Does TAFE prepare—

**Mr PISONI:** No; does DFEEST prepare tender documents—

**The Hon. G.E. GAGO:** I am not aware of any, but I am happy to check that.

**Mr PISONI:** Try delivery of the first aid course in TAFE, prepared and managed by DFEEST.

**The Hon. G.E. GAGO:** I am not too sure why you are asking me questions if you have all the answers. It is a waste of time.



**Mr PISONI:** Well, I know of one, and you do not know the answer.

**The Hon. G.E. GAGO:** I have said to you that I am not aware of any but I am happy to take it on notice. That is the best I can do; I cannot do any better than that. Sorry.

**Mr PISONI:** Extraordinary. Can the minister provide a guarantee that TAFE SA is not provided with information, or that information is not shared with TAFE SA, that is not shared with private providers in regard to pricing or other matters in the development of fee structures and Skills for All funding?

**The Hon. G.E. GAGO:** Discussions with TAFE are, at some levels, different to those we have with other RTOs. TAFE is still a part of government through its corporate structure. The infrastructure of TAFE is still owned by the government. Also, TAFE is required to deliver, if you like, a community service obligation to the government, particularly around disadvantage, that other RTOs are not. So, there are discussions that are unique to that of TAFE and are only exchanged with TAFE, but, generally speaking, in terms of funding formulas and the overview of Skills for All, we seek to engage our service providers in as comprehensive an information exchange as possible. As I said, we have a separate CSO with them and a separate funding agreement with TAFE.

**Mr PISONI:** Can the minister outline then what steps have been taken to ensure the ongoing viability and community role played by TAFE SA in regional and remote locations in South Australia and can she rule out any cuts to staffing in regional South Australia?

**The Hon. G.E. GAGO:** Obviously, regional South Australia depends very heavily on a healthy TAFE system because many providers, as you would know, often avoid locating their businesses in country areas for commercial reasons; those businesses tend not to be as viable. With campuses and training delivered across our state, TAFE SA obviously makes a very important contribution to state communities. TAFE SA is committed to providing quality education and achieving the skills development and vocational competence of regional students so that they are able to make valuable contributions to local industries that underpin the financial future and prosperity of not only their local region but that also contribute to the state's prosperity as well.

In regions, TAFE SA provides accredited and non-accredited training opportunities in a number of ways, including at a TAFE SA campus, training within businesses, training at community facilities offering blended training, including online training, training via videoconferencing and intensive workshop-based training. In addition to being geographically dispersed, TAFE SA's regional customers are demographically diverse; in some regions up to 87 diverse cultures are represented spanning all age and socioeconomic groups. These community profiles create unique challenges for the delivery of VET programs and services and demand flexibility in program design and delivery.

In relation to staffing, as always, TAFE plans its staff around its service delivery needs, and that includes regions. Staffing numbers change from time to time according to that. As I have outlined, the VET model of education has changed over the years and more and more of those students are now going online and using IT to participate in education. All of that impacts on the number of face-to-face lecturers needed, and TAFE does adjust that from time to time.

**Ms HILDYARD:** I refer the committee to Budget Paper 4, Agency Statements, Volume 4, page 66. How have the new centres of excellence at Tonsley and Regency Park enhanced the efficiency of training delivery and the quality of the student experience? Has TAFE SA observed an increase in interest in the programs delivered at the centres, particularly internationally?

**The Hon. G.E. GAGO:** The Sustainable Industries Education Centre at Tonsley and the Mining, Engineering and Transport Centre at Regency Park have created cutting edge training environments for students studying trade and technical qualifications with TAFE SA. In January this year the Premier opened the \$120 million Sustainable Industries Education Centre on the former Mitsubishi site at Tonsley.

The Sustainable Industries Education Centre is the largest single investment in training infrastructure by the South Australian government in its \$240 million commitment to TAFE SA facilities over six years. The campus is now being attended by an average of 800 building and construction students each day across 26 trade areas. It brings together all the building, construction

and renewable energy trades under one roof so that students can learn and work together, as they will be required to do in the industry.

This centre will improve the way training is delivered for these trades, and will strengthen pathways between vocational and higher education. Every aspect of the training centre reflects industry workshop conditions. Industry reference groups guide the design of courses and content to prepare graduates for the workplace.

The Mining, Engineering and Transport Centre is a \$38.3 million upgrade at the Regency Park TAFE SA campus. This development will provide SA with a centre of training excellence for the mining, engineering, advanced manufacturing, defence and transport industries. It will integrate programs previously delivered across the TAFE network and create a training hub for industries upon which South Australia relies for economic growth. It is estimated that the Mining, Engineering and Transport Centre will cater to approximately 3,000 students, full time and part time, per annum. It is anticipated this number will increase significantly as the employment market expands and the centre becomes fully operational.

These two centres of excellence have subsequently noted increased interest from both the local community and industry. Furthermore, TAFE has been receiving increasing interest from overseas organisations wanting to observe firsthand contemporary learning technologies which ensure that South Australian students are prepared for work in the industries of the future.

**Ms SANDERSON:** I refer to Budget Paper 4, Volume 4, page 73, Performers Indicators, International Students. Given the target of 45,000 international student enrolments by the 2014-15 year, and the estimated result for the 2013-14 year having been revised down from 40,445 to 27,974, what will the government do to address the lagging enrolment numbers?

**The Hon. G.E. GAGO:** The new international student commencements in South Australia for March 2014 year to date grew by 22.3 per cent compared with March year to date 2013 from 5,840 to 7,144. For the same period there was a 6.6 per cent increase in total enrolments across all sectors from 19,197 to 20,458.

Enrolment increases in English language intensive courses, non-award training and higher education were countered by decreases to schools and vocational education and training. SA's share of international student enrolments nation wide has increased from 5.1 per cent as at December 2013 to 5.5 per cent as of March. South Australia continues to fund Education Adelaide to attract increasing numbers of international students to our state in a competitive global market. Recent changes to the student visa processing system, around streamlining processing and country of origin assessment levels, are supporting growth in SA.

In terms of Education Adelaide, it provides a range of programs and initiatives that are designed to support international students whilst they are living and studying here in Adelaide. The international student community support program has been developed to bridge the gap between international students and the local community. Partnerships with organisations, including Rotary, footy clubs and suchlike, provide opportunities for international students to participate in a range of community based activities.

There is also a year-round calendar of events that helps promote suitable activities to international students. Of course, there is the Lord Mayor's welcome and the Governor's farewell, which help celebrate and acknowledge the importance of international students. Backpacks and survival guides have been put together to support students. There is a women in leadership program that I enjoy participating in each year, hosting an event here at Parliament House, and StudyAdelaide's student ambassador program also plays a very important role.

I know that TAFE has also been very active in that space in terms of developing opportunities for overseas students. Numbers have been increasing, so even though nationally there has been a decline over the last few years, the implementation of a new strategy by TAFE has successfully helped to reverse that for South Australia. TAFE is certainly taking full advantage of that as well.

**Ms SANDERSON:** On the same page but now at percentage share of the overseas market, can the minister explain why the government year after year has not met that target and the decline? For example, in 2011-12 it was 5.5 per cent share; that went down to 5.1 per cent in 2012-13 and is

estimated at 5 per cent in 2013-14. Therefore, is the 5.7 per cent target for 2014-15 realistic at all, given the downward trend?

**The Hon. G.E. GAGO:** As I have already stated, a number of challenges affected national trends. Over the past few years, nationally, international student numbers have been declining, and that has been reflected here in South Australia as well. That was due to the federal government making changes in visa arrangements, which made it more difficult for students, and things like the high Australian dollar reaching unprecedented levels. That obviously impacted on visitors here to South Australia, or to Australia, as well. The trends are now showing an improvement in that. International student numbers, as I have outlined, are now increasing, and we are confident that that 5.5 per cent is within achievable parameters.

**Ms SANDERSON:** Given it was a federal government change to the visas that affected the total market, that should not have affected South Australia's percentage share. Have any cost-benefit analyses been done on further investment into Education Adelaide, given that the education service industry is our largest service export, estimated at around \$900 million? The government had planned to cut the budget; I welcome that you have reinstated that. Wouldn't it be wise to do a cost-benefit analysis on increasing the investment, given that this is our largest service export?

**The Hon. G.E. GAGO:** Our overseas students are a very important part of our economy and contribute significantly as an export. I am advised that it was \$863 million in 2011-12. I am also advised that in relation to the changes in visa arrangements, they did have a differential effect in South Australia because of the number of institutions that we had that either were or were not accredited for streamlined processes, so we were disadvantaged in that respect. So it had a much more profound effect on South Australia than it may have had on other states. I have been advised also that Education Adelaide did a cost-benefit analysis some time ago and that that work has been done in the past.

**Mr HUGHES:** I refer to Budget Paper 4, Volume 4, page 64. How has TAFE SA strengthened its collaboration with the state's higher education providers?

**The Hon. G.E. GAGO:** TAFE SA has continued to work with all three public South Australian universities to provide specialist infrastructure and expertise within TAFE SA to support the delivery of university degrees in 2013-14 with universities outsourced courses and subjects within their degree programs to TAFE SA. These included courses such as foundation skills, tertiary-enabling programs, food and nutrition, science, digital media production, dance performance, visual arts and design.

The universities have also contracted with TAFE SA to deliver practical workshops that underpin a university degree which contribute to university students meeting course requirements in 2013-14. These included workshops in veterinary public health, engineering practice and shipboard safety. It is also pleasing to see TAFE SA and universities work together through partnership degrees and with dual offers. Partnership degrees allow students to study a TAFE qualification and a university degree at the same time. In 2014, TAFE SA and Flinders University provided partnership degrees in the areas of dance performance and visual arts. In 2015 they will add fashion and tourism management.

While dual offers allow students to secure a place at TAFE and university but study the TAFE qualification first, on successful completion of the TAFE qualification students then have guaranteed entry to the university. Both Flinders University and the University of Adelaide are working with TAFE SA to provide dual offers. In the 2013 academic year, 482 dual offers were made, with 345 dual offers made to March in the 2014 academic year.

Another exciting area of partnerships with universities is the area of international students. TAFE has been nominated by both the University of South Australia and the University of Adelaide as a streamline visa processing business partner, enabling packaged TAFE SA and university programs to be offered to international students. This arrangement will make TAFE SA an appealing choice for students and recruitment agents as student applications can have a guaranteed entry through TAFE SA into a university through a vocational or English language package pathway.

**Mr PISONI:** Minister, I take you to Budget Paper 4, Volume 4, page 121, cash inflows, proceeds of sales, etc. This is regarding the Marleston TAFE site. When were you first made aware of the contamination issues at the Marleston TAFE site?

**The Hon. G.E. GAGO:** When I first became minister for this portfolio, I received a briefing.

**Mr PISONI:** Did your department seek advice from the EPA?

**The Hon. G.E. GAGO:** They have been working with the EPA since, I think, 2003. In December 2003, the government purchased land adjacent to the existing TAFE SA campus to allow for the expansion of the campus. The site was previously used for storage and distribution of chemicals and was subject to contamination. TAFE did not use the property and it was leased to a private company until 2008, which used it for storage of bulky goods.

TAFE SA then expressed an interest in using selected areas of the site to meet increased training demand and to ensure that there was no risk to staff and students. Further investigations were then undertaken in 2008. Air quality across the site was acceptable. In regard to specific compounds monitored, TCE and PCE were detected in groundwater at levels above the adopted criteria, and it was recommended that there be more drilling of wells to delineate the plume. In addition, underground storage tanks and asbestos fragments were removed. That work was completed.

Through 2009-10, testing was undertaken to attempt to delineate the groundwater plume on the site and that confirmed TCE was present in the groundwater. In late 2010, it appeared that the contamination may have migrated off site. The EPA requested a detailed risk assessment to be undertaken and a draft was produced in mid-2011.

There was a series of tests through 2011 and 2012. In 2013, it was concluded that levels of TCE had entered the residence area and an EPA accredited auditor must be appointed, and that auditor advised the EPA about potential hazardous circumstances that could exist off site and recommended soil vapour testing be conducted to see what was going on.

In December 2013, residents were informed that the soil vapour testing would be undertaken throughout the summer months and once a result was known we would inform them of those results, which we did. Those results became available last week and residents were then informed. It was good news. The testing showed that TCE vapours were at acceptable levels in that area, and that testing will continue.

**Mr PISONI:** Was there similar testing done at the Tonsley site prior to building, and has there been any subsequent testing started since the Clovelly Park EPA issue?

**The Hon. G.E. GAGO:** Basically, yes and yes. The Tonsley TAFE SA campus, situated in the south-eastern corner of the former Mitsubishi car assembly plant at Clovelly Park, is owned by Renewal SA and leased for the purposes of operating a TAFE campus.

Contamination has entered the groundwater at the site from a neighbouring property directly adjacent to the TAFE SA campus on the south-eastern corner. Testing has found that the Tonsley TAFE SA site is safe and poses no health risks to staff and students. The Tonsley TAFE site was subjected to environmental testing prior to any construction commencing.

In addition, to ensure the safety of students and staff occupying the site, an environmental management plan was developed and followed throughout the construction process. An environmental review noted the results of the testing that had been undertaken and, on that basis, the satisfactory results of that testing confirmed the suitability of the site as a TAFE SA facility. Further testing will be undertaken in the near future to ensure the ongoing wellbeing of staff and students and to finalise that environmental audit.

**Mr PISONI:** Why was the decision made for additional testing?

**The Hon. G.E. GAGO:** Pardon?

**Mr PISONI:** Why is there now more testing? Was that decision made before Clovelly Park or after?

**The Hon. G.E. GAGO:** No, it has been ongoing. The testing has been ongoing and it will continue.

**Mr PISONI:** When was the last time was tested?

**The Hon. G.E. GAGO:** It is ongoing, so it—

**Mr PISONI:** When was the last time it was tested?

**The Hon. G.E. GAGO:** The testing is ongoing.

**Mr PISONI:** Well, it does not happen every day. If it is ongoing, why is it ongoing? Are there concerns about what is being found?

**The Hon. G.E. GAGO:** As I said, we formed a management plan to ensure that the site remains safe and poses no risk to students. We do that, I am advised, in pretty much an ongoing way. I am advised that an environmental auditor is required to provide yet another audit report down the track, so we will certainly comply with that to continue to reassure everyone that it is a safe site and people are not exposed to any health risks.

**The CHAIR:** Would the member for Hartley like to take this opportunity to read his omnibus questions?

**Mr TARZIA:** We will obviously allow the minister to take these on notice:

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 in 2013-14 for all departments and agencies reporting to the minister listing the name of the consultant, contractor or service supplier, cost, work undertaken and method of appointment?

2. For each department or agency reporting to the minister in 2013-14, please provide the number of public servants broken down into heads and FTEs that are (1) tenured and (2) on contract and, for each category, provide a breakdown of the number of (1) executives and (2) non-executives.

3. In the financial year 2013-14, for all departments and agencies reporting to the minister, what underspending on projects and programs (1) was and (2) was not approved by cabinet for carryover expenditure in 2014-15?

4. Between 30 June 2013 and 30 June 2014, 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 each year of the forward estimates, provide the name and budget of all grant programs administered by all departments and agencies reporting to the minister and, for 2013-14, 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 15.

6. For each department or agency reporting to the minister, what is the budget for targeted voluntary separation packages for the financial years 2014-15, 2015-16, 2016-17 and 2017-18?

7. What is the title and total employment cost of each individual staff member in the minister's office as at 30 June 2014, including all departmental employees seconded to ministerial offices and ministerial liaison officers?

**The CHAIR:** Is the minister happy to take those on notice?

**The Hon. G.E. GAGO:** Yes.

**The CHAIR:** Thanks, minister, we will move on. In reference to the same budget line, I call on the minister to assume her role as Minister for Science and Information Economy.

**Membership:**

Mr Gardner substituted for Mr Pisoni.

**Departmental Advisers:**

Mr R. Garrand, Chief Executive, Department of State Development.

Mr C. Fowler, Deputy Chief Executive, Department of State Development.

Mr A. Dunbar, Director, Office of Science, Technology and Research.

Ms P. Chau, Director, Finance, Department of State Development.

Mr J. Michaelis, Chief Executive, BioSA.

Ms S. Mortellaro, Deputy Chief Executive, BioSA.

Ms A. Barclay, Chief of Staff.

Mr D. Foody, Ministerial Adviser.

**The CHAIR:** As Minister for Science and Information Economy, would you like to make a statement?

**The Hon. G.E. GAGO:** I would like to make a few brief opening comments. I value the opportunity to provide evidence to the committee and would like to make a brief statement. I am pleased to report that during 2013-14 there have been a number of significant achievements in the science and information economy portfolio. Through the 'Investing in our prosperity—the role of science, research and innovation' report the Chief Scientist, Professor Don Bursill, and the Premier's Science and Industry Council provided advice for shaping the debate on the role of science in our state's future prosperity.

In response to that advice, the South Australian government released its Investing in Science action strategy earlier this year, more broadly around \$107 million in funding a year being provided across the South Australian government from a number of revenue sources to support actions outlined in investing in science. Our long-term goal is to be a national and global leader, to be renowned for our scientific and research excellence, and as a state that creates, innovates and inspires. This requires a strong partnership between research institutions, industry and government based on a shared vision of the importance of science, research and innovation in shaping our future.

Part of the funding towards Investing in Science is through the Premier's Research and Industry Fund (PRI) to support research and development in strategy areas across South Australia. In 2013-14 around \$6 million in investments were made. We have also continued to support the cooperative research centres that have a node or are headquartered in South Australia. Through the CRC assistance program from 2014-15 we will provide \$200,000 a year for three years of support, and to support the Data to Decisions CRC, \$25 million over five years. The CRC, headquartered at the University of South Australia, will focus on developing tools, techniques and workforce to unlock the value of data by researching new techniques to manage large data sets, deriving more from this data and supporting better decision-making.

To complement the Investing in Science action plan, BioSA continues to focus on growing technology-based companies and creating jobs in South Australia through programs, including the Intellectual Property Management Initiative, repayable industry development grants, business incubation and the development of the Thebarton Technology Precinct.

Another important area of the government's focus has been on the implementation of the STEM Skills Strategy. This cross-government strategy is aimed at solving predicted skills shortages and encouraging participation, retention and achievement in STEM studies. A suite of initiatives have been implemented by government agencies, including the launch of the STEM portal, initiatives to raise awareness of STEM in South Australia, and promoting innovation.

We all know that the digital economy is a dynamic and rapidly evolving environment; it has a transformational effect on the way we live and work. For our state to prosper, we must recognise trends in the use of technologies and their impact on the economy in society. Recently the Adelaide wi-fi project was launched, to which the state government contributed \$1 million and the Adelaide City Council half a million dollars. Up to 200 new wi-fi locations are now active, complementing an existing 100 locations already offered.

The government is also continuing to monitor and respond to the implementation of the National Broadband Network. This will include ongoing commentary from the state government on issues such as network coverage, regulatory matters, spectrum, pricing, rollout policies and schedules. We are continuing to work on bridging the digital divide, making sure that all South Australians have the skills and knowledge to participate in the digital economy.

In pursuit of these goals, we have developed an online digital learning resource called ForwardIT, a website that provides free online learning materials to help people use the internet safely and confidently. It helps employees develop basic skills in the use of business software. I believe that you would agree that this short summary highlights the significant progress made in the science and information economy portfolio for 2013-14. I welcome the examination of the budget papers.

**The CHAIR:** Thank you, minister. Does the member for Adelaide have anything to say before she goes into questions?

**Ms SANDERSON:** No, I am happy to go straight in.

**The CHAIR:** Go ahead.

**Ms SANDERSON:** I refer to Budget Paper 4, Volume 4, page 75. Can the minister explain the changes in the full-time equivalents from 2011-12 to the current year 2014-15, given that in the 2013-14 budget there were 12 predicted—well, 12 was the actual number of staff in the 2011-12 year. The following year it was predicted at 14.9, then it changed to 13.2 and the actual ended up being 20.1. The figures just seem all over the place, with the future budget of 11.8.

**The Hon. G.E. GAGO:** I am advised that the FTE change in 2013-14 to 2014-15 is eight FTEs associated with digital economy staff and savings. The FTE variances in sub-programs 2.1 and 2.2 between the 2012-13 actual and the 2013-14 original budget relates mainly to the realignment of estimated administrative costs between the sub-programs and is net neutral. The FTE figure for sub-program 2.2 increases by 10 FTEs for the 2012-13 actual versus the 2013-14 budget, and sub-program 2.1 decreases by eight FTEs over that same period.

Basically, the nine staff were taken from that digital economy team when we restructured that department, and those functions have now been mainstreamed across government. So the information economy activity programs are now embedded within the broader skills, industry and economic development initiatives within DSD, with a focus on the upskilling of business in support of increased state productivity and skills acquisition.

**Ms SANDERSON:** So they did not lose their jobs; they were moved to other departments throughout—

**The Hon. G.E. GAGO:** I am advised that most of those people have been relocated into other departments and some took a package.

**Ms SANDERSON:** Thank you. I refer to page 76 and point 2, regarding SAHMRI. Can the minister advise the total cost of wages for SAHMRI and the amount paid by either state or federal governments, including state and federal grants?

**The Hon. G.E. GAGO:** I understand I am not responsible for that line. It would be the Minister for Health.

**Ms HILDYARD:** I refer to Budget Paper 4, Agency Statements, Volume 4, page 75. How is the state government supporting collaboration between small to medium enterprises and researchers to encourage innovation?

**The Hon. G.E. GAGO:** I thank the member for her most important question. As some members in this place would be aware, Professor Göran Roos previously recommended a voucher system be established to encourage collaboration between small to medium enterprises and the research sector. As a result, a co-funded program—the Innovation Voucher Program (IVP)—was developed between the Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE) and DFEEST. Launched in October 2012, the voucher program is a \$1 million program funded by the now DSD.

It was designed to stimulate innovation to small to medium enterprises through collaboration with research providers to develop new manufactured products, processes and systems. IVP supports collaboration between small to medium-sized enterprises and research service providers to facilitate and encourage technological innovation and industry diversification in priority areas. These areas include high-value manufacturing, mining resources, products and services such as medical devices, engineering and design, food processing and production, environmental monitoring and clean technologies.

Central to the program is stimulating innovation in SMEs to develop new manufactured products or systems and drive productivity and business profitability. South Australia has a large number of small to medium-sized businesses, and the future growth of the economy will obviously increasingly depend on the uptake of new technologies by these firms. The voucher program is an important way to assist them to do that.

Collaboration is key to commercialisation and innovation. It often requires close links between researchers and industry to develop a shared understanding of and ability to respond quickly to changing market demands and bring new products and services to market. To date the program has been successfully encouraging collaboration between a number of business partners.

This year the evaluation committee responsible for the vouchers has recommended four projects for funding, one of which is Envirominerals, which has developed a new technology to improve the minerals extraction process and which will work with UniSA to use that technology. Steriline Racing, a global supplier of innovative, cost effective and sustainable solutions to the horse racing industry, will collaborate with Intoto Design and Automation to design, develop and manufacture an innovative new horse running rail system for the Hong Kong Jockey Club. Ocvitti Australia will work with Innovact Consulting to design, develop and manufacture a vineyard stake/trellis post that is much stronger and more versatile than current products. Mayfield Industries is an engineering company that is designing an electrical switchboard for outdoor use, providing high levels of operator safety. So, I would like to congratulate those companies that have been successful in receiving innovation vouchers and wish them well with the development and testing of these innovative products.

**Ms SANDERSON:** Budget Paper 4, Volume 4, page 77. Given the explanation previously about the nine staff being taken from the digital team affecting the science and innovation department, can the minister then explain the changes in the full-time equivalents in this area? They have gone from 23 down to zero budgeted.

**The Hon. G.E. GAGO:** It is the same answer I have already given; that is, the directorate itself has been—as a separate entity—disbanded and integrated throughout the rest of the department. Some of those FTEs have followed, some of them have taken packages.

**Ms SANDERSON:** Program 2.1 has had a decrease of nine staff and program 2.2 has also had a decrease of nine staff, so does that mean that 18 staff have been removed or are they the same staff counted twice?

**The Hon. G.E. GAGO:** The total staff, I am advised, is 20.1 and it went down to 11.8 in the budget. That reflects the 9.9 staff in 2.2.

**Ms SANDERSON:** Because in the 2012-13 year there were 29.4, which was 20.1 in program 2.1 and 9.3 in program 2.2. So, they were counted separately and added together, but now they are not.

**The Hon. G.E. GAGO:** I am advised that the table on page 74 is a summary table of sub-programs 2.1, 2.2 and 2.3. So, it is a summary of those other tables.



**Ms SANDERSON:** So, there has actually been a decrease then from the 2012-13—the front page summary table at page 74, is that what you are referring to? In 2012-13 it was 29.4 and now we are going down to 11.8, so that is 18 people who have lost jobs, not just nine. You accounted for nine before, which was the digital team. So, there are another nine who were also a digital team in the second program?

**The Hon. G.E. GAGO:** I have already given the answer to this, so it is already on the record, but it might help if I say it in this way. The reduction in staff between 2013-14 and 2014-15, that is, going from 20.1 to 11.8 was the removal of the digital economy team. The reduction from 2012-13 to 2013-14 was the movement of the program elsewhere into the department.

**Ms SANDERSON:** That makes more sense now; thank you. On the same page, page 77, the financial commentary, can the minister explain the increase in expenses of \$471,000? The explanation says that there was the removal of the \$1.5 million Adelaide wi-fi project, the \$1.7 million savings of the information economy, and \$300,000, which adds up to \$3.5 million. However, difference was \$3.029 million, thus giving an increase in expenses of \$471,000, which is unaccounted for. What was that due to?

**The Hon. G.E. GAGO:** I am advised that the difference was in relation to EB negotiations and CPI on goods and services.

**Mr HUGHES:** I refer to Budget Paper 4, Volume 4, page 77. What are the benefits of establishing AdelaideFree, the Adelaide CBD wi-fi project, and how will AdelaideFree complement Telstra's recent announcement to offer its own free wi-fi network?

**The Hon. G.E. GAGO:** With the launch of AdelaideFree on 25 June 2014, Adelaide is now one of the first capital cities in Australia with free fast wi-fi service in outdoor public spaces across the CBD for residents, workers and visitors. We are leading the nation in offering a service on such a scale. AdelaideFree is the result of a partnership with internet service provider iiNet via local subsidy Internode. The network was built thanks to a \$1 million contribution from the state government and \$500,000 from the Adelaide City Council.

Adelaide's free 200 wi-fi access points now provide free connection to the internet and social media and give users the ability to send emails, photos and short videos. Service performance from AdelaideFree compares with mobile phone 3G, ADSL2+ home broadband, with a download speed of two megabits per second. So far AdelaideFree has been a huge success. Customer usage is growing steadily, with a peak of more than 5,500 concurrent users on the network between 9am and 5pm each day. AdelaideFree is helping to make Adelaide a more vibrant city by opening up our squares, laneways and streets to become places for people to work, study and communicate.

Our shoppers, diners, tourists and workers can now connect just about anywhere, anytime, to check out the local restaurants, take in a show or find out when the next bus is coming. This will be just the first wave of benefits for Adelaide and South Australia. We are currently exploring opportunities to embrace and develop smart devices like parking meters and public lighting, and we are looking at ways to incorporate smart traffic and water and waste management for enormous potential social and economic benefit. Smart devices is one of the industries of the future, a multibillion dollar high-tech manufacturing industry that South Australia is ideally placed to develop. The government also welcomes Telstra's announcement that it will build 8,000 new wi-fi hotspots in major Australian shopping centres, holiday destinations and transport hubs by 2020.

Telstra's plan is different from AdelaideFree, in that it will target its fixed line broadband subscribers at some cost to the customer for a new wi-fi modem and ask them to share a small portion of their home bandwidth securely with other Telstra customers. Non-Telstra customers will be required to purchase access on a daily basis to use the wi-fi network. Telstra has announced a plan to invest \$9 million over five years to improve IT infrastructure at the Adelaide Oval. Part of this plan will be to upgrade mobile phone coverage for patrons, along with installing 1,000 screens at the Oval that can be used to order fruit, drinks and help track the statistics during sporting events.

**Ms SANDERSON:** I refer to Budget Paper 4, Volume 4, page 78, the Bioscience Industry Development, with the general comparison with the agency annual report. I found I could not get the figures to match. The agency report, page 74, comparing it with the budget reports, page 75 of

Science and Information for 2012-13 says the actual expenses were \$10.834 million with a net cost of \$10.71 million, yet the annual report, page 74, has \$9.9 million as its figure. The bioscience and information economy are all different to the budget, so I am wondering if the minister can explain the difference.

**The Hon. G.E. GAGO:** I am advised that the differences relate to a difference in the way overheads are allocated, between the way that annual reports are compiled and that of these budget documents.

**Ms SANDERSON:** Are they on a cash basis or an accrual basis? Is there any difference between the annual report and the budget?

**The Hon. G.E. GAGO:** I was advised it was the way overheads were expressed, but I will seek further advice on that. I am advised they are both done on an accrual basis

**Ms SANDERSON:** So for next year, I will know that that exact amount is going to be the same amount it will be out next year, because that is just a cost of overheads that is calculated differently?

**The Hon. G.E. GAGO:** I am advised it could vary.

**Ms SANDERSON:** Is it possible to get a breakdown of how it is varied, so then I can work it out and see the difference?

**The Hon. G.E. GAGO:** Yes, they will try to reconcile the two figures. I will take that on notice.

**Ms SANDERSON:** Page 78, Highlights, point 1, the accelerator hub. Given the two incubators in Thebarton are both full with rent-paying businesses that are creating new jobs, can the minister explain why the government has not prioritised the \$40 million required to build the accelerated building at the Thebarton BioSA hub, given this would lead to private investment and local jobs and more money moving into our economy, and therefore also more room in the incubators for new start-up businesses. Do you have any plans to fund this?

**The Hon. G.E. GAGO:** Through the government investment in the Thebarton Technology Precinct, it has evolved into an incredibly valuable asset for the state and now represents one of the largest collections of bioscience and technology companies in Australia. Approximately \$60 million in the past 12 years has been invested to support and establish five specialist research and manufacturing facilities and the BioSA business incubator.

The precinct is home to two BioSA business incubator buildings, 90 advanced technology companies, 30 of which are life science related, and the University of Adelaide's ThinLab business incubator. To ensure that this cluster of advanced industry activity will expand, BioSA is actively marketing 2.4 hectares of commercial real estate surrounding the BioSA business incubator for the establishment of future R&D and manufacturing facilities.

In order to grow the international reputation of the precinct, BioSA has completed the development of a master plan for the entire precinct together with the City of West Torrens and JPE Design. The master plan is a vision that will transform Thebarton into a hub for high-tech business, greater collaboration and community engagement. The council has now invested in the reopening of the Holland Street footbridge and commenced beautification of the surrounding streetscape. There is an election commitment of \$200,000 in 2015-16 to develop a business plan that undertakes a cost-benefit analysis for a further business accelerator for the bioscience sector.

**Ms SANDERSON:** A cost-benefit analysis has been done, and does the government have any plans to perhaps invest in the accelerator building?

**The Hon. G.E. GAGO:** As I said, the master plan has been done, we have invested \$200,000 to develop a business plan, and it would depend on the result of that business plan.

**Ms SANDERSON:** When are the results expected?

**The Hon. G.E. GAGO:** In 2015-16.

**Ms HILDYARD:** I refer the committee to Budget Paper 4, Agency Statements, Volume 4, page 75. What will be the impact on the attractiveness of STEM degrees as a result of the

commonwealth higher education policy changes, and the risk to the supply of graduates to key state employment sectors?

**The Hon. G.E. GAGO:** Evidence suggests that the recent and future rate of growth in STEM-skill jobs is around twice that of non-STEM jobs and the South Australian government has been working to increase the focus of STEM activities and qualifications. The government investment in the science action plan builds on the STEM Skills Strategy and includes commitment to increasing communication and promotion of STEM activities to the community, students and industry, to lift numeracy achievement in government schools, and to expand the number of government schools with a strong focus on STEM learning and with strong connections to post-school education.

It is disappointing that, while the state government is making these necessary investments to increase opportunities for STEM, the federal Liberal government through their Americanised higher-education reforms are putting in place barriers which may discourage people from undertaking STEM qualifications. What we know is that South Australian STEM university students will now have to borrow more, pay higher interest on their loan and pay back their debt faster.

The commonwealth payment per student, when the new changes have been put in place, will reduce by 20 per cent on average payments to students effective from 2016. The estimated impact on South Australia's public universities will be \$78 million over the next four years and it is clear that universities will have to make up that shortfall by raising student fees. I note that in rare instances such as the mathematics discipline, the commonwealth government's contribution will potentially increase. However, there is no guarantee that mathematics students' costs will be reduced as a result of that.

In the key STEM disciplines such as engineering, science, medicine and agriculture, the increase in student fees may reduce the appeal of those courses to potential students and this in turn may reduce the supply of university graduates that are utilised by industry sectors such as defence and advanced manufacturing, health, food and agriculture, environmental management and knowledge intensive services. While the federal government is intent on implementing policies that will make it harder for students wishing to study STEM-related disciplines, the state government will continue working to increase the focus of STEM activities and qualifications.

**Ms SANDERSON:** Supplementary to that question, what was the number of STEM enrolments in year 12 and at tertiary level for the 2013 and 2014 years, and expected enrolments in STEM subjects for 2015?

**The Hon. G.E. GAGO:** We will have to take that on notice. We do not have that level of breakdown with us today.

**Ms SANDERSON:** Page 78 of Budget Paper 4, Volume 4, highlights for 2013-14, point 5: can the minister explain the significant drop to \$1.4 million in grants compared to the previous year where there were \$2.5 million in grants distributed?

**The Hon. G.E. GAGO:** I am advised that the drop between 2012-13 and 2013-14 from \$2.6 million to \$1.7 million was a drop in funding to the Australian Centre for Plant Functional Genomics, and the drop between the 2013-14 target and the estimated 2013-14, that is, the change from \$1.7 million to \$1.4 million, was because of a \$300,000 investment in the new tech hub building, which was money that was brought forward. It was in the budget but was actually brought forward.

**Ms SANDERSON:** Can the minister list the companies that received grants as part of that \$1.4 million, and are any of these repayable grants or separate grants?

**The Hon. G.E. GAGO:** The 2014 grants, of \$100,000, are: ARI (gastric cancer), \$6,500; associates for the tech transfer summit, \$40,000; Muradel, \$80,000; Aprogen, \$120,000; FiFi, \$150,000; JCT, \$65,000; Air Lab, \$50,000; Flinders Air B Lab, \$10,000; TRC, \$212,000; ARI, \$170,000; ATFC, \$80,000; Flinders Partners, \$64,000; Grey Innovation, \$95,000; and Mylexa, \$175,000.

**Ms SANDERSON:** At the beginning of that answer, you mentioned there were 14 grants of \$100,000 and then all those listings were all different amounts that did not add to \$100,000.

**The Hon. G.E. GAGO:** I beg your pardon, that was my fault. The average of those was \$100,000.

**Ms SANDERSON:** On page 78, at point 4, repayable grants, can the minister please list the companies that have been awarded repayable grants, the amounts awarded for each year and any amounts that have been repaid? Or are they the same as the ones you have just listed?

**The Hon. G.E. GAGO:** I am advised that all grants from last financial year and onwards are all repayable and that, in the last financial year, one grant of \$50,000 to the ACPFG was repayable as well.

**Mr PICTON:** My question relates to Budget Paper 4, Volume 4, page 76. Could the minister explain what the government is doing to maximise broadband availability and access to the National Broadband Network in South Australia?

**The Hon. G.E. GAGO:** The National Broadband Network is a commonwealth government responsibility and the rollout priorities are, unfortunately, determined solely by the commonwealth and the company constructing the NBN, which is NBN Co. Broadband has, and continues to be, of crucial importance to South Australia. The state government's Broadband Development Fund, now completed, facilitated \$42 million of new investment in broadband infrastructure across the state from 2004 to 2011.

This substantial investment has primarily been spent in regional areas, including Yorke Peninsula, Coorong, Kangaroo Island, Mid North, Barossa, Riverland, Mount Gambier, Port Augusta, Port Lincoln, Whyalla, Port Pirie and Murray Bridge. Salisbury also received a sizeable proportion of these funds. The Broadband Development Fund also included the AdamMax metropolitan blackspots project which now offers broadband services to over 50,000 homes and businesses unable to connect with traditional forms of ADSL broadband.

The South Australian government's decision to proceed with our program despite the announcement of the NBN in 2009 has been vindicated by the delays associated to date with the NBN rollout. If we had waited for the NBN, the enormous economic and social benefits of affordable high-speed broadband would have been lost. The South Australian government has consistently been a strong supporter of the NBN and recognises the full extent of opportunities that it will provide. In addition, we have worked closely with local government to provide an opportunity to share experiences across NBN rollout areas in order to improve the timely rollout of the NBN to early release areas within South Australia.

Recently, the Premier wrote to the Hon. Malcolm Turnbull (Minister for Communications) expressing concern that the rollout delays compared to the national rollout were obviously disadvantaging South Australians. The Premier sought action from the federal government to address the significant delays in the rollout of the NBN and inferior broadband quality and availability in South Australia as part of commonwealth future planning for the new NBN model. Addressing the significant delays is critically important because we have seen very strong demand and take-up of NBN services in locations where the NBN has been completed, such as Willunga.

This clearly reflects strong and enthusiastic support for the NBN here in South Australia. Digital skills are recognised as being at the heart of a modern economy and the South Australian government looks forward to discussing opportunities to accelerate the rollout of NBN and optimise its use in our state further.

**Ms SANDERSON:** I refer to page 79, No. of short courses and networking functions held. Could the minister list the functions and the short courses that were held for the past year?

**The Hon. G.E. GAGO:** We do not have that level of detail with us today and we are happy to take that on notice.

**Ms SANDERSON:** Could I also have a breakdown of the costs?

**The Hon. G.E. GAGO:** Yes, sure, absolutely.

**Ms SANDERSON:** Page 77, under Highlights. Could the minister outline the Student Entrepreneur Initiative and give me a bit more information about that?

**The Hon. G.E. GAGO:** The Student Entrepreneur Initiative has now been retitled Venture Catalyst. Entrepreneurship will be obviously a key driver of our prosperity and will help create high-tech sustainable jobs and economic growth and will boost our state's global competitiveness.

In his report 'Manufacturing into the future', former Thinker in Residence Göran Roos acknowledged this and recommended that South Australia establish a seed fund to provide early-stage capital for student venture. To build on Professor Roos' recommendation to underpin the government's focus on fostering growth in South Australia's entrepreneur ecosystem, the state government invited the three local universities to participate in the student entrepreneurship initiative. Only the University of South Australia has accepted the invitation at this point in time, but the offer is obviously still open to other universities to participate.

The state government has partnered with the University of South Australia to develop a seed fund known as Venture Catalyst, previously Student Entrepreneur Initiative. Whilst preference will be given to its own students, the University of South Australia is open to involvement by students from the other universities. Student ventures will be assessed by a panel of external industry entrepreneurship leaders against established criteria, which include endorsement from a lead customer. It is open to concepts for products, services and processes from any industry field, but only those assessed as having high potential for commercialisation will be successful.

Venture Catalyst was outlined in Our Jobs Plan in the lead-up to the state election and will complement our other state initiatives aimed at creating a new generation of entrepreneurs, such as MEGA, ANZ Innovyz START, the Micro Finance Fund, and partnerships with Hewlett Packard and Hills Limited.

Venture Catalyst will boost employment opportunities for South Australians and will increase the number of talented entrepreneurs who are encouraged to stay in South Australia. It will have a funding pool of \$275,000 a year until the end of 2015-16 and those funds will be available to invest in student ventures. Our department, DSD, is contributing \$150,000 a year to Venture Catalyst, with the University of SA providing the remaining \$125,000 a year. The government transferred funds in 2013-14 to establish the initiative, but the first lot of funding for successful applications will not be expended until the 2014-15 financial year.

The first funding round closes on 25 August, after which time applications will be assessed and shortlisted by an independent panel of successful entrepreneurs, chaired by Professor Göran Roos. The maximum amount available to each applicant will be \$50,000 and the funds must be used to further develop the venture, product service or process to be able to take it to market. There is no commitment to provide any funding if applications do not meet the funding guidelines, which include the demonstration of a relationship with the lead customer, and any unspent venture catalyst funds will be carried over to be used for future funding rounds.

**Mr HUGHES:** I refer to Budget Paper 4, Volume 4, page 75. In January 2014, the state government released the Investing in Science action plan. One of the strategies listed under pillar 3, investing in research to build on our strengths, is to invest \$3 million over three years to continue to support cooperative research centres of strategic importance to South Australia. Can the minister advise how investing in cooperative research centres benefits South Australia?

**The Hon. G.E. GAGO:** I thank the member for his question. The South Australian government, through its Cooperative Research Centre Assistance Program, currently provides \$1.2 million to support 10 cooperative research centres. Funding is provided over three years, with up to \$200,000 for centres that are headquartered here in South Australia.

The CRC program was established in 1990 to build critical mass between end users of research and researchers to tackle major challenges facing Australia. This program not only lets South Australia invest in strategically important areas but it also provides an opportunity to improve government agencies' participation in the program. For example, the CRC for cell therapy manufacturing, headquartered at the University of South Australia's Mawson Lakes campus, brings together a range of skills and facilities required to turn a promising cell into a viable cell therapy.

The CRC's local, national and international partners include research providers, manufacturers, hospitals and charities. Underpinning this partnership is a newly established

manufacturing facility designed to deliver cell-based therapeutics for the CRC's clinical trials. With a total of \$49 million in cash and in-kind resources, including \$20 million in grants from the Australian government, the Cooperative Research Centre for Cell Therapy Manufacturing will provide new treatments and develop new material-based manufacturing technologies for the treatment of conditions such as diabetes, chronic wounds, cardiovascular disease and immune-mediated diseases such as graft versus host diseases.

It is estimated that the cell therapy industry currently has global revenue in excess of \$1 billion and is estimated to surpass \$8 billion by 2014. A mature cell therapy industry is estimated to generate more than \$50 billion in global sales.

So, with this newly established CRC headquartered in Adelaide, South Australia is well placed to create new highly skilled jobs and be at the vanguard of this new wave in health care, which is set to provide the most commercially significant developments (and benefits to society) of the next decade.

**Ms SANDERSON:** On page 79 one of the targets listed is 'Expand the bioscience industry based in South Australia by attracting new companies'. Can the minister outline what the government is doing to attract the new companies?

**The Hon. G.E. GAGO:** BioSA has facilitated the development of innovative new products and technologies that are attracting the attention of global markets. The statutory authority has targeted programs focused on growing technology companies and creating jobs. Programs include the Intellectual Property Management Initiative, repayable industry development grants, business incubation and the development of the Thebarton Technology Precinct. Since establishment in 2001, BioSA has doubled FTEs in the bioscience sector to over 1,700. Company numbers have also doubled to over 100. BioSA's success in growing the bioscience industry can be attributed to having a small, expert team—14.5 FTEs—that has a very deep and thorough understanding and knowledge of the industry.

There were 50 companies that were provided with high level assistance in relation to business development, marketing and the formation of business networks. We also assisted with the formation of four new companies, and financially assisted Canberra company Mylexa to establish operations in South Australia following its acquisition by SA company Vaxine. Also, companies began moving to BioSA's second business incubator Tech Hub in March 2014. The building will have its official opening late September. Together with the existing BioSA business incubator, Tech Hub has doubled incubation space and is now close to 100 per cent occupied, with companies exporting high value-added products to international markets and employing 150 full-time equivalent employees.

I have spoken previously about the launch of the Thebarton technology precinct master plan to help transform the precinct into a high-tech cluster and attract business and link with the North Terrace health and medical precinct. BioSA's IP management, IPMI, has increased provisional patent applications from South Australia's three main universities by 70 per cent during the period 2011-12 to 2013-14. This is compared with the three-year period prior to IPMI.

The first repayment of \$50,000 was made to the repayable grants program in December. Repayments are returned to the grants program but are contingent upon the commercial success guarantee. We have also done things like support bioscience and related companies with grants totalling \$1.4 million to develop commercial technologies in agriculture, food, wine, biofuels, medical devices and pharmaceuticals.

Bioscience is now used as an enabling technology in a wide range of high-tech companies. As such, BioSA assists companies that have broad-ranging applications relating to two of the seven strategic priority areas for government, most notably advanced manufacturing, agriculture, food and wine.

**Mr GARDNER:** Thank you for the information you have provided so far, minister. It is actually quite an interesting area. I think this is the first time I have sat through the science estimates.

I refer to Budget Paper 4, Volume 4, page 79. I am interested in the number of Australian provisional patent applications filed by South Australian universities. I can appreciate that these things will change from year to year, depending on the priorities of universities and so forth, and this

may be an indicator that the information is supplied from an external source, but I wonder if you or your officers have noticed what I see as a high point in 2012-13 at 42, and there is an estimated result of 2013-14 of 30, which is above the target. There is a slightly lower number as a target for next year.

I am unschooled in this area, but it strikes me that less is probably not as preferable as more. So my first questions would be: do we have an actual figure for the end of the 2013-14 year and is there any reason why it seems to be dropping off a bit? I am not necessarily ascribing any value to that question; I am just curious.

**The Hon. G.E. GAGO:** I have been advised that the number for 2013-14 is 35.

**Mr GARDNER:** Excellent. There must have been an end of financial year rush.

**The Hon. G.E. GAGO:** I will just finish the answer, if I may. I am advised that it is typical to have this degree of volatility, that the numbers are not easy to predict and that this report reflects the number of patent applications, whereas funding actually goes to existing patents for commercialisation.

**Mr GARDNER:** Certainly; I can appreciate that. I suppose the patent applications leads on to those that are going to achieve the patents, so it is an early indicator, which I assume is why it is one of the performance indicators in the budget papers. Would it be possible, and I am more than happy for you to take this on notice if you prefer, but would it be possible to identify the actuals for the previous two years or has this performance indicator been in the budget papers for a while so they are already in previous budget papers?

**The Hon. G.E. GAGO:** The actual numbers for the previous—

**Mr GARDNER:** For 2011-12 and 2010-11. If it has been in the budget papers for a while then it is on the public record already, but if it is not then sometimes they add these new indicators in, so that is why I am seeking to—

**The Hon. G.E. GAGO:** I have been advised that for 2011-12 it was 29, for 2012-13 it was 42 and for 2013-14 it was 35.

**Mr GARDNER:** So, it does fluctuate up and down. Do we have—

**The Hon. G.E. GAGO:** There is one more answer, I understand. No, I think we have covered it generally. Thank you.

**Mr GARDNER:** On the previous page, page 77, in the highlights under the information economy subprogram, in one of your earlier answers you were talking about the rollout of the iiNet fast internet across Adelaide. I apologise if any of this was in your earlier answer, I did not catch it; I am slightly hard of hearing sometimes. I was curious as to what the experience for somebody in the city will be. This has not been completed yet, has it? It has been?

**The Hon. G.E. GAGO:** Yes, the CBD now is virtually completely covered. There are, I think, 10 more points that are being rolled out but it is pretty much fully covered now, and also parts of North Adelaide. It means that you can gain access to your internet there and then, so it has opened up the laneways and squares. The times that you can see it working is down at the market with the schoolkids on their laptops and iPads, during the festival when people in the cafes and streets can be logging on reading reviews of shows and then booking shows there and then and when waiting to catch the bus. It just means you can access the internet at very fast speeds. Those are outside buildings and not inside buildings. It is very fast, kids love it, and they all told me how fast it was. It all seems really fast to me, but they said this was really fast.

**Mr GARDNER:** Some of us remember when the internet came in in the 1990s, and by comparison I am sure it is excellent. You said it is focused on outside, so if people are in cafes, is it up to whether the cafe provides its own internet service in that case?

**The Hon. G.E. GAGO:** Yes, a lot do already have their own wi-fi, the same with inside buildings, but this is mainly for outdoor eating areas. If it is a smaller building, it can go in, depending on the structure of the building, what it is made from and so on. It is mainly designed for on the street and outdoor eating areas.

**Mr GARDNER:** Do you know when the extra 10 nodes will come online and where they are?

**The Hon. G.E. GAGO:** They are 10 mobile units, I am advised, that will be moved around to help special events.

**Mr GARDNER:** So they are to cover special events that are not in the area currently covered? Will that include Adelaide Oval, for example? Is Adelaide Oval covered or to be covered?

**The Hon. G.E. GAGO:** Apparently it is not technically possible for us to cover the oval with this technology. It will cover events in Elder Park and other outdoor events such as the CheeseFest, where there are large groups of people often wanting to access the internet all at the same time, and also Victoria Square.

**Mr GARDNER:** I am trying to think of how to word this that will in no way seem provocative. Sometimes issues that have come out of the public provision of internet and wi-fi have become the subject of newspaper interest when there have been examples of people inappropriately accessing the internet in ways that I am sure you can guess. I assume it is auspiced with the Adelaide City Council, so it may be their issue to address or it may be ours. What consideration has been given to managing that concern?

**The Hon. G.E. GAGO:** There are issues around wi-fi security and safety. The company iiNet has special security provisions built into the design and operation of the AdelaideFree wi-fi network to minimise the possibility of cyber security breaches. These provisions make AdelaideFree a more secure and cyber safe environment compared with most other public wi-fi networks. For security reasons it is not appropriate that the details of those provisions be made public, but a great deal has gone into trying to ensure that this is a safe network.

**Ms SANDERSON:** I refer to page 79, Targets. What is the minister doing to promote the bioscience precinct to other departments within government, such as Housing SA or the EPA, to promote businesses that already exist, such as ZilTek, which has a RemBind ability to bind to TCE. In the example of Housing SA, with the problems with TCE, have you investigated or promoted the fact that perhaps remediation could have been trialled on the five houses that have been empty, and support business in our local area?

**The Hon. G.E. GAGO:** I have been advised that there is already a CRC for Contamination Assessment and Remediation of the Environment. It is headquartered here. UniSA is the lead participant and obviously the EPA is the lead government agency. They are undertaking work in that space, but I could not tell you who they may have engaged or what other discussions they have had. They are leaders in that field and would obviously have contacts with, I would imagine, a whole range of technologies that might play a part in remediation.

**Ms SANDERSON:** As the Minister for Science, would you see it as part of your role to be aware of all the businesses that are setting up in the incubator and to do your best to promote them for use throughout government so that we are supporting small business in South Australia? There might be other inventions that are very useful for other government departments being incubated in this building that are not being utilised and we are sending work to Melbourne—interstate—when we have it here at our doorstep?

**The Hon. G.E. GAGO:** I think one of the really important things about that centre is around the networks that it establishes and the promotion of the activity that happens in that space. I think they do a very good job of that.

**Ms SANDERSON:** I have a question on sub-program 1.4, if that is okay, regarding international and higher education. It is Budget Paper 4, Volume 4, page 72, highlights for 2013-14, regarding Torrens University. The *Gazette* states that \$10 million of equity is to be injected into our economy from Torrens University at its formation, a further \$10 million at first enrolment and then a further \$10 million once that has reached 500 enrolments. Can the minister advise how many students have enrolled, what the equity will be and how that will benefit our state? I am happy for it to be taken on notice.

**The Hon. G.E. GAGO:** I do not have the exact student numbers for Torrens Uni, but I understand that their student numbers are up 70 per cent on their target, so they are extremely



pleased and delighted at how well they are doing. The 10, 10 and 10 were equity conditions that the state government put in place when we were the regulator. The commonwealth government has since taken over that space, so I do not know where that is up to at present. It is now in the hands of the commonwealth government.

**Ms SANDERSON:** Can the minister advise the number of staff and positions that have been created in South Australia, for example, lecturers, tutors, admin or marketing, as a result of Torrens University?

**The Hon. G.E. GAGO:** I do not have the staffing numbers, no. It is probably going to be online.

**Ms SANDERSON:** Was it the intention of the government that administration and marketing and other backup positions would be created in South Australia?

**The Hon. G.E. GAGO:** They are really matters of a commercial decision for the university. It is obviously a Laureate affiliate, and it would make those decisions based on its commercial interests. Given that its numbers are growing and its functions would be broadening, I would imagine that it would be looking to further develop those areas within the university.

**The CHAIR:** Sadly, we have reached the end of the line at the agreed time. There being no further questions, I declare the examination of the proposed payments for the Department of State Development and administered items for the Department of State Development adjourned to committee A. Thank you, minister, and thank you to your advisers.

*Sitting suspended from 13:15 to 14:15.*

**DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION, \$998,989,000**  
**ADMINISTERED ITEMS FOR THE DEPARTMENT FOR COMMUNITIES AND SOCIAL**  
**INCLUSION, \$184,930,000**

**Membership:**

Ms Chapman substituted for Mr Gardner.

Mr Knoll substituted for Mr Tarzia.

**Minister:**

Hon. G.E. Gago, Minister for Employment, Higher Education and Skills, Minister for Science and Information Economy, Minister for the Status of Women, Minister for Business Services and Consumers.

**Departmental Advisers:**

Ms J. Mazel, Chief Executive, Department for Communities and Social Inclusion.

Ms V. Swan, Director, Office for Women.

Mr A. Thompson, Executive Director, Financial Services, Department for Communities and Social Inclusion.

Ms N. Rogers, Director, Business Affairs, Department for Communities and Social Inclusion.

Ms F. Mort, Manager, Policy, Office for Women.

Mr C. Ellershaw, Director, Financial Services, Department for Communities and Social Inclusion.

Ms A. Barclay, Chief of Staff.

Ms G. Lewis, Ministerial Adviser.

**The CHAIR:** We are now dealing with the minister in her capacity as the Minister for the Status of Women. I declare the proposed payments open for examination and I refer members to Agency Statements, Volume 1.

**Ms CHAPMAN:** Before we start, can we record the apology to the committee for the moment by the member for Adelaide. She has been called away to a government briefing on today's events.

**The CHAIR:** Thank you, member for Bragg. I call on the Minister for the Status of Women to make a statement if the minister wishes.

**The Hon. G.E. GAGO:** I would like to take this opportunity to make just a few very brief opening remarks: 2014 marks a major milestone for South Australia as we celebrate 120 years of women's suffrage and our state's proud history of women's empowerment. As Minister for the Status of Women I am honoured to be part of a government that is committed to ensuring that South Australia is a safe, equitable and inclusive community.

Over the past 12 months, I am pleased to report that a number of significant initiatives have been undertaken to support this commitment. On 1 July 2014, women held just over 48 per cent of positions and 42 per cent of chair positions on government boards and committees. We provided 25 scholarships for women to attend training delivered by the Australian Institute of Company Directors. I presented the Women Hold Up Half the Sky Award to Ms Tam Boakes for her support of the music industry in South Australia, and with the Governor celebrated the 20 outstanding recipients of the South Australian Women's Honour Roll.

This year the Office for Women has also focused on encouraging education, training and employment for women in science, technology, engineering and mathematics due to the low representation of women. We have continued to strive to ensure women can live in a safe community free from violence through our A Right to Safety agenda evidenced by the completion of the statewide rollout of the Family Safety Framework to support those women who are assessed to be at high risk of domestic violence; forming violence against women collaborations to aid local efforts to promote cultural and attitudinal change about violence against women; reviews of 21 domestic violence-related deaths by the Senior Research Officer (Domestic Violence) in the Coroner's office; and the establishment of the Multi-Agency Protection Service, led by South Australia Police.

We are also providing ongoing financial support to Australia's National Research Organisation for Women's Safety (ANROWS), and have committed to improving South Australian data keeping on domestic violence deaths. I am also pleased to announce that the Premier's Council for Women has two new co-chairs. We have new members Christine Zeitz and Amanda Blair. I want to thank the previous co-chairs, Emeritus Professor Anne Edwards and Ms Kate Gould, for their wonderful contribution to the council.

Finally, last year, I was pleased to recognise the 35<sup>th</sup> anniversary of the Women's Information Service which continues to engage with South Australian women in person, on the phone and online. I am pleased now to welcome the examination of the budget papers.

**Ms CHAPMAN:** Pages 96 and 97 relate to this program specifically in the budget, and I will also be referring to Budget Paper 6 at page 28 for the purpose of the committee. In relation to the preceding 12 months, when I asked some questions on 1 July last year in this session, I asked you in respect of the consultation that you may or may not have had (at that stage you said you could not recall having being consulted but were confident that you would be) in respect of what action was being taken by the government to, in the future, manage Ms Jacqueline Davies.

She was a woman incarcerated at the Women's Prison. She had sustained month-long shackling, a practice which was roundly condemned by the Ombudsman at the time, and there was to be consideration by the government as to the response to that. My question today, first, is whether, in fact, there had been some other practice or, if Ms Davies is being held in some other facility, could you update the committee and confirm that you were consulted as the minister for women on this matter?

**The Hon. G.E. GAGO:** A review has occurred. I have been advised that the Department for Correctional Services (DCS) contributes to safer communities by protecting the public, reducing

reoffending and providing meaningful and targeted opportunities that address offending behaviour, which is critical to an offender's reintegration. It is widely recognised that women who offend often have multiple complex and interrelated needs, with many entering the correctional system with limited education, poor employment history, childcare responsibilities, often poor coping skills and experiences of childhood and adult abuse. Women offenders are also known to have significant social, physical, psychological, emotional and health needs that require recognition in all areas of the correctional system. An understanding of these needs is required to develop appropriate and effective responses to women who offend.

There is also a growing recognition of the different pathways into and out of offending for women rather than generic interventions designed to address male criminogenic needs. A gender-responsive approach is required, and information has been sought by DCS from external and internal stakeholders to ascertain and map out the correct services and programs available to women as offenders and to assist in gaining a better understanding of the profile of women offenders throughout the South Australian criminal system.

DCS set a 2013-14 target to develop an evidence-based framework to improve service delivery to female offenders, and this framework is under development and will support the provision of improved and targeted service delivery to female officers in addition to sustaining existing initiatives and the development of new strategies.

In 2013-14, I have been advised that DCS appointed the Principal Adviser, Women Offenders to focus on the unique needs of female offenders and this role is currently in the final stages of development of a strategic framework and four-year action plan aimed at placing focus on improved and targeted service delivery for female offenders. In addition, the role is tasked with oversight and support of implementation of the strategic framework and four-year action plan. I am advised that Vanessa Swan, the Director of the Office for Women, is on the committee that is reviewing the women's experience of prison. She is also a member of the Parole Board and represents victims' perspectives, particularly, those of women.

**Ms CHAPMAN:** Is Ms Davies still at the prison and, in the last 12 months, has she been managed by being shackled?

**The Hon. G.E. GAGO:** That is outside the purview of my portfolio. Those questions would need to be directed to the Minister for Correctional Services.

**Ms CHAPMAN:** I will ask the minister, then: as Ms Swan is on the committee that you have just indicated is reviewing the practices for this—

**The Hon. G.E. GAGO:** Sorry, could you repeat that question?

**Ms CHAPMAN:** Ms Swan, who is sitting next to you, is a member of the committee that is reviewing the practices to deal with the multi-needs of the prisoners in this category. Have any of the prisoners been shackled in the last 12 months in the women's prison?

**The Hon. G.E. GAGO:** Are you asking me whether women are still being shackled in the prison?

**Ms CHAPMAN:** Yes.

**The Hon. G.E. GAGO:** I have just responded to you about the approach that prisons are taking. Any further questions would need to be directed to correctional services but, to the best of my knowledge, no.

**Ms CHAPMAN:** Are you satisfied—and this is what I asked last year—having been consulted, that you were one of the internal or external stakeholders that you have just referred to in that briefing statement?

**The Hon. G.E. GAGO:** Sorry, I am having trouble hearing you.

**Ms CHAPMAN:** You mentioned then that, when this consultation that took place, there were internal and external stakeholders. Was your office one of them?

**The Hon. G.E. GAGO:** I have just indicated that one of the officers for women on it liaises with my office.

**Ms CHAPMAN:** But, in any event, either she does not know what is going on or you just say you will not answer it?

**The Hon. G.E. GAGO:** It is outside the purview of this portfolio. Any other details would most properly be directed to the Minister for Correctional Services.

**The CHAIR:** I agree. The member for Reynell has a question.

**Ms HILDYARD:** I refer the committee to Budget Paper 4, Agency Statements, Volume 1, page 97. Can the minister advise on the purpose of, and funding for, the Australia's National Research Organisation for Women's Safety, which has been created as part of the National Plan to Reduce Violence against Women and their Children?

**The Hon. G.E. GAGO:** In May this year I attended the launch of Australia's National Research Organisation for Women's Safety (ANROWS) as the national centre for excellence to reduce violence against women and their children is now known. As the member rightly said, ANROWS was created as a key component of the National Plan to Reduce Violence against Women and their Children 2010-2022, an initiative of all Australian governments.

Based in Sydney, ANROWS provides a central point for researchers, policymakers and practitioners in the fields of domestic, family and sexual violence to link up and provide evidence-based responses to reduce domestic, family and sexual violence. The previous co-chair of the South Australian Premier's Council for Women, Emeritus Professor Anne Edwards, was appointed the inaugural Chair of the centre. Professor Edwards, an expert in gender and sexual studies, brings a wealth of experience and knowledge to ANROWS. Her contribution to the study of violence against women, and in particular, her research on sexual assault cases in the criminal justice system, has earned her a great deal of respect.

Ms Heather Nancarrow was appointed by the ANROWS board as the chief executive officer in December 2013. Ms Nancarrow has more than 30 years' experience working in domestic and family violence prevention and was previously director of the Queensland Centre for Domestic and Family Violence Research at Central Queensland University.

With the support of the commonwealth government and all state and territory governments, and after extensive consultation, a national research agenda covering areas of domestic, family and sexual violence has been endorsed. The agenda was launched in May 2014 and sets strategic directions and priorities for the ANROWS research program for the next few years. The agenda identifies four strategic research themes that align with the strategic priorities of the national plan. ANROWS strategic research themes are: experience and impacts, gender inequality and primary prevention, service responses and interventions, and systems such as the criminal justice and legal systems.

The first round of research funding is in progress with most projects being allocated through an open advertisement process. ANROWS will also be taking over responsibility for research dissemination and knowledge exchange which will be delivered from the ANROWS website from the middle of the year.

Taking a national approach to tackling violence against women and children is the only way to truly make a difference, and the centre will receive \$1.5 million between 2013-14 and 2015-16 from the Australian government, with the states and territories providing matching funding and resources on a cost-shared basis. South Australia's contribution is \$112,500 per annum indexed for inflation from the 2013-14 financial year.

**Ms CHAPMAN:** Page 97. One of the highlights is 'Completed the roll out of the Family Safety Framework' and you have referred to that again in your opening statement. Can the minister advise whether Zahra Abrahamzadeh and her family were receiving services from the framework between the time she first reported her husband's violent behaviour and when she was murdered, that being February 2009 to the date of death on 22 March 2010?

**The Hon. G.E. GAGO:** I am advised that the Family Safety Framework was not operating in her region at that time, so that was before.

**Ms CHAPMAN:** Of the Coroner's 10 recommendations from the inquest in respect of this murder—some of those I do not doubt are still under consideration by the government—my question is: have these recommendations been presented to the Premier's Council for Women?

**The Hon. G.E. GAGO:** At present all the recommendations are currently being considered by the government. They were received by the State Coroner on 7 July 2014 and the government is yet to release a formal response which we will do via an across-government response to the 10 recommendations.

In relation to the referral to the Premier's Council for Women—I do not think it was the term you used, but it is equivalent—I know that the member knows only too well how the Premier's Council for Women set their agenda and how they determine via their own means those matters that they will consider. I do not believe that that is a matter that they have taken up for consideration. They have a process that enables them to identify an agenda where there might be opportunities for their degree of skills and expertise to offer the greatest input and influence to South Australia.

As I know the member understands, they are independent of government, they develop their own work plan, and I know that year after year I have come into estimates and explained this to the member for Bragg. That will be a matter for the council to determine whether they take that up as an active part of their agenda or not.

**Ms CHAPMAN:** I take it from that, minister, that you are not aware of the Premier's Council for Women taking up the issue or requesting information at this point?

**The Hon. G.E. GAGO:** They have certainly not requested any information from me and they have not indicated to me that they are actively taking that up as part of their agenda.

**Ms CHAPMAN:** Have you received the agenda of the issues that they do intend to take up in the current financial year?

**The Hon. G.E. GAGO:** Yes, I have.

**Ms CHAPMAN:** Can you tell the committee what are their priorities for this current 12 months?

**The Hon. G.E. GAGO:** You are asking for the program priorities.

**Ms CHAPMAN:** Yes.

**The Hon. G.E. GAGO:** They have just recently done a review. Their priorities are: women's employment and economic status, leadership, women's safety and/or violence against women, health and well being and women and disability. You have not asked but, in relation to employment and economic status, there are a range of particular actions and activities that I can list.

**Ms CHAPMAN:** Sure, that is fine. Topics are fine. Minister, that obviously includes safety and violence against women. I appreciate that you make this comment about them being independent, and each year I acknowledge that but recognise, however, that it is of course open to you or the Premier to indicate areas that you might want advice on, whether it is in relation to legislation or some policy of the government.

At this point, to the best of your knowledge, the Abrahamzadeh coronial recommendations have not been referred? I particularly ask because you have proudly confirmed to us again this year that you have had a research worker working in the Coroner's office to explore more in-depth the number of deaths—21, I think you said in your opening statement—relating to violence perpetrated on women. Hence I ask whether it is your intention to refer these recommendations and seek advice in this extensive consultation that the Premier intends to undertake.

**The Hon. G.E. GAGO:** I have already indicated to the member how the Premier's Council for Women sets its agenda. In terms of the government's responsibility around the 10 recommendations that were recently handed down by the Coroner, a very intensive and extensive

across-government process is being undertaken to ensure that all areas of government are certainly doing the very best that they can to address violence against women and their children.

**Ms CHAPMAN:** As the Premier's Council for Women has identified safety and violence against women as one of their three priorities for this current year, do I take it that you will therefore ensure that they are properly included in the list for consultation for the response to the recommendations?

**The Hon. G.E. GAGO:** I have already answered the question several times now in terms of how the Premier's Council for Women determines its agenda. If they believe that is best use of their time, they will no doubt refer the matter, consider it and advise us accordingly. If they do not, they will not. I have already explained that several times today and I think in every other estimates we have always spent this incredibly arduous amount of time going over what issues the council does and does not take up. As I have indicated every single year, it is a matter for the council, but government, as I said, has undertaken a process to respond in full and provide a cross-government response to the Coroner in relation to those 10 recommendations.

**Ms HILDYARD:** I refer the committee to Budget Paper 4, Volume 1, page 97. Can the minister explain what work is happening to encourage women to seek employment in non-traditional occupations such as in the fields of science and technology, engineering and mathematics?

**The Hon. G.E. GAGO:** In 2010 the South Australian government committed to the development of a promotional campaign to encourage women to access training and education pathways to employment in high demand, high growth, non-traditional industries such as mining, defence and construction. Recognising the importance of science, technology, engineering and mathematics in these fields, the Office for Women has focused on encouraging education, training and employment in these areas that also have a low representation of women.

The South Australian government has developed a STEM Skills Strategy for South Australia to develop a workforce that is well versed in science, technology, engineering and maths (known as STEM). The strategy seeks to establish partnerships between education, industry, government and the community to grow the number of STEM-based professional, para-professional and trade-qualified individuals by 2020. STEM Australia is the online component of the South Australian STEM Skills Strategy.

Launched in January 2014, STEM Australia brings together information that is relevant and tailored to individuals and organisations. There are activities and resources to help students at school as well as links to events on teacher professionalism development courses and career open days that companies can become involved with.

The Office for Women worked extensively with the then department of further education, employment, science and technology to ensure that there was a focus on women throughout the website. The Office for Women has also developed a web community specifically for women; Women in STEM focuses on how to attract and retain women in STEM employment and includes information on mentoring and support networks for women, access to programs for young women, and how to address stereotypes and the myth that women are not interested in STEM. STEM Australia be found online under STEM Australia.

The Office for Women and the Australian Office of the Chief Scientist are also working together to develop potential initiatives to increase participation of women in STEM at a national level. In January 2014, the South Australian government launched Investing in Science: an Action Plan for Prosperity through Science, Research and Innovation. Recognising the key role that science, research and innovation play in supporting our economy, Investing in Science includes seven key pillars of action that complement the government's seven strategic priorities.

Exposing girls to successful female role models and the options available to them can help counter negative stereotypes, because girls can see that people like them can be successful. STEM careers are not all about heavy machinery and oily overalls; there is a broad range of STEM career choices available to everyone, including young women.

**Ms CHAPMAN:** I refer to page 97. Under Targets, minister, there is a campaign to confront body image issues in South Australia for girls seven to 12. How much money has been allocated for that?

**The Hon. G.E. GAGO:** During our March election campaign we made a commitment to inspire young women to build their self-esteem and love their bodies, as the goal of a new digital media campaign about body image. Mission Australia's annual youth survey consistently identifies body image as one of the top three concerns for young Australians aged between 11 and 24. In South Australia this survey identified that 42.1 per cent of females identified body image as being a major concern compared to 14.4 per cent of males. Obviously factors such as culture, personal relationships and community attitudes, including media representation of women, all play an important role in both the development and prevention of body image issues.

In 2013, New York City in the United States launched a very successful public education campaign aimed at girls aged between seven and 12 around self-esteem and body image. So, we have based this program on that. We are obviously going to tailor it to fit South Australian young girls and \$15,000 has been made available to support this campaign. WIS will partner with the YWCA of Adelaide and other government and non-government organisations, such as the Butterfly Foundation, Women's Services, SA Health, DSD, the Department for Education and Child Development, local government and the Office for Youth to put this project together.

**Ms CHAPMAN:** We will look forward to that campaign. In the meantime, you would have heard that the Lingerie Football League is coming to Adelaide; in fact they are currently recruiting young women from Adelaide. Have you or your department made any representations to this organisation, which proposes televising this, I think, on Channel 7?

**The Hon. G.E. GAGO:** I am aware that they are coming to South Australia, which is most unfortunate. I understand that they conduct this women's gridiron football competition, based on an American concept, in a number of other states. I think it was founded as the Lingerie Football League and then rebranded in January 2013. I know they have met with criticism regarding the uniforms that players are required to wear and the marketing of the competition, with critics concerned that it sexualises and objectifies women in sport.

The Australian Sports Commission and other organisations have raised concerns about the way the LFL sexualises and objectifies women. The notion that there is only one way for women in sport to get mainstream media coverage is by flaunting their bodies and exposing themselves does not send a positive message to women, and young women in particular.

My understanding is that the Office for Recreation and Sport in South Australia is committed to implementing strategies to address the gender imbalance in sport through its Women in Sport initiatives and by developing greater opportunities for women, and that is obviously undermined by LFL's sexualisation of women's bodies for profit. However, I would direct the same criticism to a number of other sports, including beach volleyball. It is interesting to look at the difference in the costumes that women in beach volleyball wear compared to that of men; they are extremely skimpy. Again, I think it is most unfortunate. I think it is quite distasteful, and it lacks judgement and good taste.

I understand there have been attempts by one body to modify the costumes that were being worn, and such like, using occ health and safety grounds, and I think some of that has met with very limited change. My understanding is that unfortunately it does not breach any current provisions within current guidelines. I have not written to them and I did not intend to write to them. I think the best message is for people not to give them any further publicity and vote with their feet and simply not attend and support those sorts of events.

**Ms CHAPMAN:** Having not made a statement publicly on it, minister, are you aware that the proposed playing of this event (of the women in bikini wear, as has been described) is to take place at the Hindmarsh Stadium, which is now managed by the government's board, the Entertainment Centre Board?

**The Hon. G.E. GAGO:** Sorry, what was the question?

**Ms CHAPMAN:** Are you aware that the proposed venue for this event in South Australia is to be at the Hindmarsh Stadium?

**The Hon. G.E. GAGO:** No, I was not aware of where they were going to play it.

**Ms CHAPMAN:** Which is managed by the Entertainment Centre Board. Having been made aware, minister, do you propose to take up this issue with the government?

**The Hon. G.E. GAGO:** I am happy to give it further thought, but my view is that it is only one of many sports—this is not an exception—that sexualises women. This government is not about outlawing those—they do not breach any particular standards. They are within current legal and regulatory parameters. I find them offensive. I had not intended to take the matter further, but I am happy to give it some further thought. I think the way to deal with these groups is not to give them further publicity, because they thrive on public controversy—that does their business well. My view is that you just do not support them, you vote with your feet and just do not attend.

**Ms CHAPMAN:** That may be effective, minister, but having brought it to your attention, it is not a question of its being illegal—we can all have a view about its being inappropriate and certainly inconsistent with the message that women have an opportunity to pursue and achieve in sport without having to run around in bikinis, especially if they are playing gridiron or something of that nature—but it is just that the venue itself that is providing the forum for this to occur—it is a bit like any other government institutionally managed venue—has a choice about what would be played or viewed at its venue. In any event, it is a matter of taking it up with the minister in charge of the venue, if you are prepared to do that.

**The Hon. G.E. GAGO:** I have already answered the question. I said that I am happy to give it further thought, and I will.

**Ms HILDYARD:** I refer the committee to Budget Paper 4, Volume 1, page 97. The Family Safety Framework is a successful initiative, with implementation now in Alice Springs and the model now also being used for New South Wales safety action meetings. Can the minister update us on the South Australian implementation?

**The Hon. G.E. GAGO:** The Family Safety Framework, an initiative of the Women's Safety Strategy, 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 taking responsibility for supporting these families to navigate this service system. The Family Safety Framework involves family safety meetings held at the local level, focusing on individual high-risk cases and common risk assessment to ensure consistency in the assessment of high-risk cases.

The complete statewide rollout of this important initiative was completed in November 2013, with the implementation of family safety meetings in Whyalla and the Fleurieu/Kangaroo Island regions. From initial trial sites in 2007, family safety meetings have now been implemented in 19 regions, with six metropolitan and 13 regional meetings across South Australia. In the 2013-14 financial year 458 family safety meetings were held, with a total number of 604 new referrals.

Critical to the ongoing success of the framework is the provision of administrative support for the Victim Support Service. From 2012-13 this support has been funded through \$100,000 per annum from the Victims of Crime Fund, and \$20,000 per annum from South Australia Police. While the framework has been rolled out across South Australia, work is continuing to ensure that it is effective and consistent. This work is supported by an implementation committee made up of core government and non-government agencies that are involved in the framework at the local level.

The success of the framework has been recognised through the implementation of very similar models in the Northern Territory and New South Wales. Alice Springs implemented the Family Safety Framework in July 2012 and recently the Office for Women and agencies in the Northern Territory have worked together with the development of cross-border referral protocols for the framework.

Work has also commenced in New South Wales for the implementation of the safety action meetings similar in focus to the South Australian model. The Office for Women in South Australia is providing support to the Department of Police and Justice and women in New South Wales who are



leading this work. The Office for Women has supported agencies in both jurisdictions in relation to this implementation, and this collaborative work supports strategies of the National Plan to Reduce Violence against Women and Children through ensuring consistency of service provision to women experiencing high and imminent threats to their lives through domestic violence.

**Ms CHAPMAN:** On that fund, I assumed that your office was making some contribution, but this is all funded from the Victims of Crime fund?

**The Hon. G.E. GAGO:** That is right; and those others, such as the police. I outlined the contributions that others were making.

**Ms CHAPMAN:** Yes, but the actual funding of the program, the framework, is through the Victims of Crime fund, as you have indicated. Given the Abrahamzadeh coronial inquiry and the shortcomings identified, did you agree that the framework should be led by the SA police?

**The Hon. G.E. GAGO:** The framework has been extremely successful to date. I am just reminded that it is led by the Office for Women.

**Ms CHAPMAN:** Sorry—it is led by? I understood it was a program of the SA police department.

**The Hon. G.E. GAGO:** It is led by the Office for Women. That is where it began or commenced, as a policy direction. However, SAPOL plays a very key role in the ongoing management of it. In fact they chair, I think, most of the meetings and obviously in terms of service they are often very much the first port of call in identifying victims. They play a very key role in that, and we have very much appreciated their preparedness to step into this space and to work with other agencies at ensuring that this model has been able to be rolled out to all areas in South Australia now, including the APY. It is in fact so successful that it is now being picked up by other jurisdictions. It works extremely well, particularly in identifying and assisting those women who are assessed at high risk of domestic or family violence.

**Ms CHAPMAN:** Just so I am clear then, because I had understood this to be a program that had been an idea initiated by the Office for Women, it is actually funded by, chaired by and led by the South Australian police? Other representatives from other agencies are there, but is there an officer from the Office for Women at the meetings, or did I get that wrong?

**The Hon. G.E. GAGO:** Sorry, what was that last comment?

**Ms CHAPMAN:** Is there a member from your office, the Office for Women, at these meetings as part of the team?

**The Hon. G.E. GAGO:** The Office for Women rolled out the implementation—

**Ms CHAPMAN:** Yes, I have acknowledged that.

**The Hon. G.E. GAGO:** No, I have not finished yet. You still may know what I am about to say, but let's leave the telepathic capabilities alone. The Office for Women actually did roll out all of the implementation in all regions. They attended, set up the meetings, provided all the training and established those meetings. My understanding is that they do not attend each meeting, but go back and revisit areas to assist if issues have been raised or just to see how those meetings are going, particularly in the regions. I understand that an officer from the office would attend from time to time just to see if any further training needs to occur and how things are going—problem-solving. The funding from this comes from the Victims of Crime Fund which is attached to the A-G's not the police. The police are contributing \$20,000 but the bulk of the funding actually comes from the state government.

**Ms CHAPMAN:** Well, excuse me, from victims of crime and offenders' payments/levies—

**The Hon. G.E. GAGO:** Managed by the Attorney-General.

**Ms CHAPMAN:** —hardly government but nevertheless. The position at the moment—and I may have this wrong—from what you have said the Office for Women was instrumental in setting up and reviewing this program but the actual meetings are chaired by a police officer in the local town

or in the local community and there are other agencies represented at those meetings to discuss particular families that are at risk, etc. That is my understanding. Is that right?

**The Hon. G.E. GAGO:** Yes, I have already put on the record that in most cases the police chair these and I have already put on the record that they involve crossagency participation so I am repeating myself.

**Ms CHAPMAN:** Those cross-agencies do not include the Office for Women being represented.

**The Hon. G.E. GAGO:** I have already outlined quite clearly for the record what the role of Office for Women is—

**Ms CHAPMAN:** I will take it as a no then.

**The Hon. G.E. GAGO:** —in these meetings, including in an ongoing capacity. We are just repeating ourselves and wasting the time—

**Ms CHAPMAN:** Sure, I accept that, minister.

**The Hon. G.E. GAGO:** —the precious time, the good time, of the members of this chamber.

**Ms CHAPMAN:** Budget Paper 6, four years to fund the Domestic Violence Gateway to operate a domestic violence serial offender database. Are you satisfied with the funding that is available at \$72,000 to do that?

**The Hon. G.E. GAGO:** The recommendation that domestic violence services develop a database of domestic violence perpetrators, particularly a database that can identify serial offenders, was one of the findings from the Hayward and Durance inquest handed down by the Coroner in January 2011. The database will enable the identification of domestic violence serial offenders across women's domestic and Aboriginal family violence services.

**Ms CHAPMAN:** Excuse me, Madam Acting Chair, I am sorry to interrupt the minister. Could you identify that again? Was that the inquiry for Edwin Raymond Durance?

**The Hon. G.E. GAGO:** Hayward and Durance handed down by Deputy State Coroner Anthony Schapel in January 2011.

**Ms CHAPMAN:** 2011 or 2012?

**The Hon. G.E. GAGO:** 2011, I have here on advice. That has just been revised to 2012.

**Ms CHAPMAN:** Thank you.

**The Hon. G.E. GAGO:** As I said, this paper has incorrect information on it. The database will enable the identification of domestic violence serial offenders. The development of a serial offender database was a 2014 state election commitment and supports the government's key strategic priorities. The government approved funding to the Domestic Violence Gateway, a non-government organisation, to develop, host and manage the domestic violence serial offender database.

The gateway is a primary entry point to all women's domestic violence and Aboriginal family violence services in this state. The funding package includes once-off funding of \$40,000 in 2014-15 for the development of the database and a recurrent budget of \$10,000 per annum indexed from 2015-16 for data entry and things like searching, training, technical assistance and suchlike.

The contract for the funding has not yet been signed but considerable work has been progressed. It will be between the Department for Communities and Social Inclusion and the Domestic Violence Gateway.

**Ms CHAPMAN:** Are you satisfied that it is reasonable that this recommendation of the Coroner to have this database—which was made 2½ years ago—has taken so long? In fact, the contract obviously will go out hopefully this year and be in place by at least the start of the beginning of the next financial year with some funding to then operate at \$10,000 a year—that has been said. This was a case again, I think it is fair to say, of shameful neglect on behalf of a number of the police services in which Robyn Hayward was killed by Mr Durance and he was ultimately shot by the police.

These are events that took place in 2009. I note we do not yet have the Bail Act amendments, and a number of other things. You are the advocate for women in cabinet: are you happy with this sort of delay?

**The Hon. G.E. GAGO:** The recommendation in 2012 from the Coroner was that domestic violence services and agencies throughout South Australia be encouraged to maintain individual records in relation to serial or repeat domestic violence perpetrators. At that time, individual agencies established databases around cases referred to or serviced by that agency. Considerable work was developed then but each agency had their own individual database. Because of privacy, and all sorts of problems, it is very hard to connect. These are people, as you know, who are not charged with an offence—these are allegations—so it is a very challenging space to work within.

That work was commenced many years ago in relation to the Coroner's work, and individual agencies did, I am advised, develop those databases. This now seeks to connect and have those agencies be able to share and talk with each other, which is really a further development. It is not as if, as you are suggesting, no work was done to progress that issue. Considerable work has been done in what you, with your legal background, I know, would appreciate is a very difficult place.

**Ms CHAPMAN:** Is there legislation—

**The CHAIR:** Member for Bragg, the member for Reynell has so many questions, I should give her one.

**Ms HILDYARD:** I refer the committee to Budget Paper 4, Volume 1, page 96. Could the minister explain what initiatives are being implemented to respond to domestic violence in South Australia and how the Coroner's position has contributed to outcomes to prevent domestic violence?

**The Hon. G.E. GAGO:** This government has, as indeed have I, stated repeatedly that it takes the issue of violence against women, including domestic violence in our community, seriously and is committed to preventing these horrendous crimes. The SA Strategic Plan embeds this commitment by specifically targeting the significant and sustained reduction in violence against women as a target for this state. The Right to Safety agenda encapsulates the key strategies that this government has put in place to achieve this very important target, and this includes statewide implementation of the Family Safety Framework and, as I said, now sees 19 family safety meetings operating every fortnight to take action for those at high or imminent risk of harm or death.

The other includes the placement of a senior research officer (domestic violence) within the Coroner's Office to assist in the investigation of deaths within a domestic violence context in order to identify systemic improvements. To date, this position has reviewed over 100 homicides, suicides or multiple fatality deaths and contributed to four completed coronial inquests into deaths which have had a domestic violence context. Both the State Coroner and Deputy State Coroner have heard and delivered findings in these inquests and made over 30 recommendations for systemic improvement to assist in preventing these deaths. These inquests have provided a thorough review of systems and mechanisms in this state which aim to improve responses and prevent domestic violence.

Recommendations coming from the coroners, assisted by the senior research officer (domestic violence), have included the implementation of the Family Safety Framework into the Murray Mallee region and, ultimately, implementation statewide. As a result of this, the Coroner recognised the Family Safety Framework as an important and embedded formal system with the potential to prevent deaths from occurring.

Several more recommendations have been directed at agencies improving their training with regard to risk assessment and referral processes for family safety meetings, as well as improving responses to disclosures of domestic violence or breaching of orders. These recommendations recognise the importance of agencies working closely with police. The Deputy State Coroner also made recommendations that domestic violence services develop a quick way to track and monitor serial offenders of domestic violence and this is now funded and being developed as a statewide mechanism to assist in the assessment of risk.

The findings and recommendations from the inquest into the death of Zahra Abrahamzadeh were released by the State Coroner on 7 July 2014. The findings were directed to the Premier to oversee, in recognition that domestic violence is a key priority for the South Australian government.

There were 10 recommendations in total, as we have already noted here today. These related to South Australia Police operations including improved front-line responses and prosecution processes, through to increased training for cadets and an automatic flagging of domestic violence safe houses. This initiative is an important part of a Right to Safety agenda and the findings and recommendations to date have vastly assisted our ability to review and refine current practices and develop new ones where gaps have been identified by the Coroner.

**Ms CHAPMAN:** Minister, under the government's announcement about getting rid of boards and committees, does the Premier's Council for Women have to present a submission to the Premier, as with other government boards, to put the case for their continued existence?

**The Hon. G.E. GAGO:** Yes, that is right. The Premier has indicated that all boards and committees will be abolished in October. A process has been put in place where the boards are encouraged to present a case in terms of reasons they should continue, the sorts of benefits they might bring to the state and whether they wanted to consider any improvements or changes to their terms of reference or membership or the like—all boards and committees, I understand.

**Ms CHAPMAN:** Have they put in a submission, minister?

**The Hon. G.E. GAGO:** To date, not that I am aware of, but I am sure they will.

**Ms CHAPMAN:** There was another announcement, minister, prior to the election in which the government proposed that they would require perpetrators of domestic violence to pay for the rehabilitation courses that they may be required to undertake. Obviously there is a concern that there is not much out there in terms of rehabilitation for people perpetrating domestic violence, certainly not in our prison system. I think there was a trial referred to in Corrections estimates, which confirmed that there had been a trial of a particular program, but it has not continued at this point. My question is: has that policy commenced? Are perpetrators obliged to pay for the cost of their programs for rehabilitation?

**The Hon. G.E. GAGO:** We have obviously given a policy commitment in relation to that, but I understand there may need to be legislative changes to actually bring that into place. That work is being done now and advice is being sought. Again, it would seem a simple act to require perpetrators to pay, but apparently, because they are orders that are being given, there are complexities around that that need to be sorted through.

It is those who have the capacity to pay who we are looking at. Obviously if a person cannot afford to pay, we are not going to exclude them from rehabilitation. There are community service commitments that we can look at as an alternative, but the funds that we hope to derive from that are intended to be used to expand perpetrator programs out to country areas where we would like to see more. Of course the state government provides funding to ANROWS and is strongly committed to its future and success, and ANROWS is also doing work in that perpetrator program space that hopefully will inform the sorts of programs we provide here in South Australia.

**Ms CHAPMAN:** If I could just conclude on this: of those, are you aware of what programs there are available for perpetrator rehabilitation in domestic violence in Adelaide at present?

**The Hon. G.E. GAGO:** I have actually visited some of them.

**Ms CHAPMAN:** Yes. Who provides them?

**The Hon. G.E. GAGO:** I do not have that list with me now in terms of which agencies provide what particular courses and they do change from time to time, but we do provide a number of courses here.

**Ms CHAPMAN:** I accept that you may not have that at your fingertips, but if there is a list of identified programs and who provides them for domestic violence perpetrator rehabilitation, counselling programs and the like, I would appreciate it if that could be provided to the committee at the earliest convenience.

**The Hon. G.E. GAGO:** The Office for Women does not provide those courses. They are conducted either by the Attorney-General or Corrections so you would need to ask them for that information.

**Ms CHAPMAN:** I am happy to do that—

**The Hon. G.E. GAGO:** Good, excellent.

**Ms CHAPMAN:** This is part of the problem, isn't it? You are in charge of protecting women to the extent of it being an important part of the charter of your portfolio. You are supporting a policy of introducing a remunerative response from perpetrators of the cost of their rehabilitation, but it seems your agency does not have this information about what is out there. On the information I have, for example, from the Parole Board—

**The CHAIR:** Member for Bragg, is there a further question?

**Ms CHAPMAN:** Yes, I am asking her whether she is aware of any of these programs.

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

**The CHAIR:** You have answered that question and we are getting into some very important other business.

**Ms CHAPMAN:** I will take that as a no then, thank you.

**The Hon. G.E. GAGO:** It is an absolute nonsense that this agency does not know what is going on. I am the Minister for the Status of Women and champion for women. Just about every portfolio and policy matter influence women in some way—housing, health, industrial relations, you name it. Obviously the Office for Women is not responsible for all that legislation and all those agencies. What I assist in is coordinating across-government responses to these things and making sure that the appropriate areas of government are providing strong and good services for women.

**The CHAIR:** Thank you, minister. There being no further questions, I declare the examination of the proposed payments for the Department for Communities and Social Inclusion and administered items for the Department for Communities and Social Inclusion adjourned.

**ATTORNEY-GENERAL'S DEPARTMENT, \$97,446,000**

**ADMINISTERED ITEMS FOR THE ATTORNEY-GENERAL'S DEPARTMENT, \$125,951,000**

**INDEPENDENT GAMBLING AUTHORITY, \$1,731,000**

**Membership:**

Mr Pengilly substituted for Ms Sanderson.

Mr Goldsworthy substituted for Mr Knoll.

Mr Pisoni substituted for Ms Chapman.

**Minister:**

Hon. G. Gago, Minister for Employment, Higher Education and Skills, Minister for Science and Information Economy, Minister for the Status of Women and Minister for Business Services and Consumers.

**Departmental Advisers:**

Mr R. Persse, Chief Executive, Attorney-General's Department.

Mr D. Soulio, Acting Commissioner, Consumer and Business Services.

Mr A. Swanson, Executive Director, Finance, People and Performance, Attorney-General's Department.

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

Ms L. Guerin, Director, Licensing and Registration, Consumer and Business Services.

Mr R. Chappell, Director, Independent Gambling Authority.

Ms A. Barclay, Chief of Staff.

Ms G. Lewis, Ministerial Adviser.

Ms G. Hewlett, Ministerial Adviser.

**The CHAIR:** I declare the proposed payments open for examination and call on the minister to make a statement if she wishes.

**The Hon. G.E. GAGO:** I have some brief opening comments that I would like to make. CBS has had a strong focus on the provision of online services and incorporating technologies into their processes over the past year. This stemmed from an innate sense of continuous business improvement following the merger of the former consumer affairs and liquor and gambling areas some years back.

CBS has been reviewing existing processes, and this has led to some very smart initiatives being implemented; for example, the recent change to the approval of responsible persons under liquor licensing legislation, where a person needs to only be approved once rather than for each venue they work at. This has streamlined the process and cut red tape for industry and government.

One of the most significant achievements that commenced on 1 October last year was the introduction of the late night code. The late night code is designed to encourage a culture of responsible service and consumption of alcohol to minimise the social and economic harm caused by excessive alcohol consumption and to reduce the level of alcohol-related violence that occurs in, or in the vicinity of, licensed premises. Recent figures released by the government revealed that rates of crime in the Adelaide CBD continue to fall in the nine months since the introduction of the late night code. It has been held up to be a great success.

I would also like to make brief mention of two other great achievements over the past year: first, the greater powers provided to the Liquor Licensing Commissioner, which ensures that CBS can adequately crack down on rogue licensed venues where recurring or serious alcohol or public safety issues occur, and, secondly, the introduction of the small venue licence which, in my view, has done wonders for activating the vibrancy of the Adelaide CBD. It simplifies and streamlines the process to obtain a liquor licence for entrepreneurs who want to open a licensed venue with up to a 120-person capacity and entices people to visit these unique venues in the city.

Over the past year CBS has reviewed its investigations model to increase the effectiveness of enforcement and prosecutorial outcomes. The review involved CBS engaging with South Australia Police to provide recommendations to improve the quality and consistency of investigations. Another significant example relates to the significant operation by CBS to obtain warrants and seize illegal gaming machines from residential properties. Four properties across the state were raided and five illegal machines were seized. These examples show the scale, coordination and planning that goes into a compliance operation.

In relation to consumer protection, I just want to briefly mention the South Australian free-range eggs industry code. Following consultation last year, the government announced a new regulatory industry code to prescribe clear standards commonly accepted as true free range and allow producers who choose to comply with the code to display branding that is code compliant. We are progressing that initiative.

Another initiative is the introduction of the fuel industry code. This new industry code means that only the actual price can be displayed on a petrol station's pricing board, not the discounted price available to only those participating in a particular scheme.

Finally, I would like to acknowledge the significant changes to the tenancy sector. Introduced in March this year, these reforms—led by CBS—were the result of extensive public consultation to update legislation to reflect changes that have occurred over the past 15 years. They provide a fair balance of rights and responsibilities for parties to tenancy agreements.

The reform has been complemented by the residential bonds online system, launched by CBS earlier this year. This new online system allows for paperless lodgement and management of rental bonds for tenants, landlords and agents. Again, this is another significant red-tape reduction initiative. It has been an ambitious year for CBS, and I am very proud of its many achievements.

**The CHAIR:** Thank you, minister. Does anyone from the opposition have an opening statement?

**Mr PISONI:** I would like to go straight into questions, if I may. My first question relates to Budget Paper 4, Volume 1, page 59. The last dot point under Targets relates to an increase in the fee for applications to the Residential Tenancies Tribunal by 35 per cent from 1 July. What was the methodology for this increase, and what associated increases in revenue does this fee—

**The Hon. G.E. GAGO:** Sorry, I am having trouble; you are sort of mumbling. I cannot hear you. What was the last part of the question?

**Mr PISONI:** I am not mumbling, minister.

**The Hon. G.E. GAGO:** Well, I cannot hear you. So unless you do something about it I am not going to be able to answer your question.

**Mr PISONI:** Why did the government increase the fee for applications to the Residential Tenancies Tribunal by 35 per cent from 1 July?

**The Hon. G.E. GAGO:** The South Australian Civil and Administrative Tribunal (SACAT) will be a one-stop shop for the community on a broad range of civil and administrative disputes. The tribunal will assume the decision-making or review role of an array of existing bodies, such as the specialist boards and tribunals and some courts and government bodies. In addition to traditional hearings, SACAT will have a strong emphasis on mediation and conciliation, enabling members to use a range of tools to achieve efficient and fair solutions to disputes and reviews. This will strengthen access to justice for the community by creating a single, easy to find and easy to use body with simple and consistent processes for the fair and independent resolution of disputes.

SACAT will also include the latest technology, wherever possible, with the aim of expediting the resolution of matters and improving access to justice across the community. The tribunal will be under the part direction of the presidents and deputy presidents holding concurrent offices of Supreme Court judge and District Court judge respectively.

As foreshadowed in the budget papers, the application fee for the Residential Tenancies Tribunal will be increased to contribute towards the cost of implementing these measures. Given that the South Australian Civil and Administrative Tribunal had not come into effect in 2013-14, the increase has been delayed until 2014-15, the year when the Residential Tenancies Tribunal was brought under the jurisdiction of the South Australian Civil and Administrative Tribunal. Obviously, full-time students, concession card holders and those able to prove hardship will be exempt from the requirement to pay a fee.

**Mr PISONI:** What is the total associated revenue with this fee increase? What is the expected revenue for 2014-15?

**The Hon. G.E. GAGO:** We do not have that level of detail. I am happy to take that on notice and bring it back.

**Mr PISONI:** Is it based on cost recovery or is there a better return than cost recovery on that fee?

**The Hon. G.E. GAGO:** I am advised that it is most likely to be cost recovery, but we can double check that.

**Mr PISONI:** I would like to take you to Budget Paper 3, page 18, and refer to the paragraph that talks about gaming receipts. What reforms to gaming machine regulations are envisaged that will increase revenue? Your statement there claims that there will be an increase in revenue from gaming machines and I am asking you if you can inform the committee of what is changing for that to happen?

**The Hon. G.E. GAGO:** I am advised that, in reference to the higher than expected gambling tax revenues in out years in the budget statement, it relates to adjustments made to the revenue forecasts to account for the passage of the Statutes Amendment (Gambling Reform) Act 2013. Then it talks about the number of measures that would have reduced problem gambling that were proposed in the bill were not accepted by the Legislative Council. This included the early introduction of precommitment and automatic risk monitoring that were obviously not able to go ahead because they were knocked off; I think it was by your party in the—

**Mr PISONI:** How much is the increased revenue? What is the total value?

**The Hon. G.E. GAGO:** I have been advised that the positive gaming tax revenue impacts are: \$949,000 in 2014-15, \$1.727 million in 2015-16, \$5.52 million in 2016-17 and \$10.359 million in 2017-18.

**Mr PISONI:** Can I take you now to Budget Paper 4, Volume 1, page 56, relating to licensing. An operator of a Jim's Antennas franchise has raised a concern that he was recently told by one of his long-term clients that he could not get any further work until he could provide documentation that he had a supervisor's licence. He was then told that he needs a supervisor's licence even though he works on his own and does not supervise anybody—he does not employ any staff. Is this an occupational licensing requirement or a result of new work safety and health laws, or both?

**The Hon. G.E. GAGO:** I am advised that this licensing requirement has been in place for some time and is part of the occupational licensing arrangements. I am advised that he is required to have this type of licence if he is contracting with the public. It is not just a matter of having the qualifications to supervise other people's work, it is indicative of him having the qualifications and competencies needed to supervise his own work and ensure that the quality of his work meets good standards.

**The CHAIR:** Thank you, minister.

**Mr PISONI:** Can I just clear this up?

**The CHAIR:** Very quickly.

**Mr PISONI:** Was it work and health and safety or was it occupational licensing requirements?

**The Hon. G.E. GAGO:** I am just clarifying: it depends on the type of licence that he is seeking. I just need to put that on the record. What was the second question?

**Mr PISONI:** I was asking if you could clarify whether it relates to the occupational licensing requirement or whether it is a work health and safety requirement?

**The Hon. G.E. GAGO:** It depends. If it is, say, putting antennas on roofs that are very high there could be an occupational health and safety issue around working with heights, but there might be other circumstances of installing antennas that have no occupational health and safety component. So, we would need the details of the actual types of work that he was doing, or required to do.

**Mr PICTON:** I refer to the same budget paper, page 59. I note that the number of compulsory conciliation conferences has increased quite substantially. Can the minister inform the committee about the way these conciliation conferences are being utilised by Consumer and Business Services to resolve disputes?

**The Hon. G.E. GAGO:** It is a good question. Consumers are avoiding lengthy and really costly court proceedings in disputes with traders as a result of the really successful introduction of compulsory conciliation conferences by CBS. Under fair trading legislation the Commissioner for Consumer Affairs has the power to call a compulsory conciliation conference when traders are behaving in a recalcitrant manner, or they are the subject of a high volume of complaints from consumers.

Essentially, the commissioner can force traders to the table and work through their dispute with the customer with an umpire from the CBS. When a trader and customer are not able to resolve the dispute by themselves, it can often end up in court, where the process can be extremely stressful,



very time consuming and also very costly. Compulsory conciliation conferences allow CBS to bring together all the parties to a dispute, face to face, often earlier in the conflict rather than later, with the assistance of an independent conciliator as a means of resolving the dispute. It is about providing consumers with a better method of resolving disputes, particularly when the company in question seeks to avoid the customer or provide them with an inadequate response. Often they feel like they are just being fobbed off.

Traders who fail to attend the compulsory conference can be issued with an expiation fee of \$315, and I am advised that to date this year nine matters have been referred for expiation. Compulsory conciliation conferences are proving to be a very effective means of a disputes resolution. As at 2 June 2014, 191 disputes had been escalated—or de-escalated, as the case might be—through this process. This accounts for approximately 14.5 per cent of total conciliation files that are received, and as a result of the compulsory conciliation process 88 per cent of these disputes have been successfully resolved.

Furthermore, 50 per cent of the disputes that have been referred to the process are actually resolved beforehand, which demonstrates that the process itself is not only effective at resolving disputes but also that calling a conference also facilitates resolution of the dispute as well.

**Mr PENGILLY:** Budget Paper 4, Volume 1, Sub-program 10.1: Legislative Administration Compliance, Financial commentary, page 54. Can you provide a breakdown of the increased savings measures estimated result?

**The Hon. G.E. GAGO:** Sure. CBS met the increasing savings target for 2013-14. This has amounted to \$1 million, and it is currently expected to find further savings of \$1.2 million in 2014-15. This will mainly be met through targeted voluntary separation packages. The savings have been met by around 14 TVSPs, a reduction in the contribution to the National Occupancy Licensing Authority, and the balance of the savings realised represent indexation and the full-year effect of the increase in savings achieved in the financial year.

**Mr PENGILLY:** Can you expand? You talked about 14 VSPs—is that your target? Would you hope to achieve greater than 14 VSPs?

**The Hon. G.E. GAGO:** Fourteen were achieved in 2013-14, so that is done.

**Mr PENGILLY:** My next question is in relation to eggs, and I refer to Budget Paper 4, Volume 1, Sub-program 10.1: Legislative Administration Compliance, Targets 2014-15, page 54, the first dot point. Can you advise when the industry code standard label and trademark for free-range eggs will be completed?

**The Hon. G.E. GAGO:** The government will introduce a new regulatory standard for free-range eggs in South Australia, an industry code under the Fair Trading Act 1987. It will prescribe clear standards commonly accepted as true free range and allow those producers that choose to comply with the code to display branding that they are South Australian free-range eggs code compliant. (Try and say that quickly!) This approach by the government seeks to support true free-range egg producers in South Australia while not disadvantaging the broader industry.

Work is underway to develop a certified trademark that accredited producers can display on their product, and the government remains committed to a national solution and achieving a nationally agreed definition of free-range eggs at 1,500 hens per hectare. That has always been our position, to try to land on a nationally consistent way of dealing with this. We have had discussions at a federal level with other states over a number of years and we continue to try to achieve that.

We obviously want to do that in a way that seeks to support true free-range egg producers in South Australia while not disadvantaging the broader industry. Costs associated with certification under the industry code and use of the trademark have not yet been finalised, and the government is obviously committed to making the code and trademark cost effective to benefit producers and the broader community, and we continue with our work with industry going forward to finalise the voluntary industry code and associated trademark, including the establishment of administration and an accreditation scheme. That work is still underway and we are obviously seeking to have that completed as soon as we possibly can.

**Mr PENGILLY:** Just as a follow-up to that, I wouldn't trust the Australian Egg Corporation further than I could kick them, quite frankly.

**The Hon. G.E. GAGO:** Further than you could throw an egg?

**Mr PENGILLY:** Anything, really, no matter if it is an egg or a watermelon or a pie. However, my concern is that this is a voluntary code and the Australian Egg Corporation has chosen to do what they like, when they like, if they like, and there are good honest free-range producers who will still get burnt by the Australian Egg Corporation. I just wonder to what extent there is going to be any compliance undertaken by the government or how on earth you enforce a voluntary code when it is indeed voluntary.

**The Hon. G.E. GAGO:** As I have indicated, we have always believed that the best way forward for South Australian egg producers is through a national code and national regulation. We have participated in that space for some time and continue. That is the only way that we can progress this without particularly disadvantaging South Australian egg growers.

Nevertheless, I think our industry has become sick and tired of the wait and the games that have gone on in various jurisdictions over the years and said that in the meantime they would like a voluntary code. It is a code that enables the industry to make choices, so there is no cost disadvantage to anyone. You can choose to opt in. It is something about which we have had considerable dialogue in consultation with the industry. This is the way it has indicated that it would like to go in the interim and as I said, it helps to keep costs down, it helps to provide a clear label to consumers about what a real free-range egg might be.

It is interesting that we see that the supermarkets have also just gone ahead and done their own thing. We have seen Coles now just make up its own measure for free-range eggs and it is going to accept anything from 10,000. All the jurisdictions need to land on this, but there are a couple of very recalcitrant jurisdictions that just will not come to the party. South Australia has always played a very cooperative role in this and has always pursued a nationally-consistent approach and I still believe that that is really the only way forward in the long term. In the mean time, the voluntary code is a good way for consumers to have better quality information about what are free-range eggs.

**Mr PENGILLY:** Same budget paper, same volume, same page. Can the minister provide a breakdown of the total amount, if any, set aside to implement the industry code standard label and trademark for free-range eggs?

**The Hon. G.E. GAGO:** PIRSA was allocated some funding during the 2014-15 budget for a free-range food election commitment—around \$100,000. I do not think that that is just all for eggs, though, I think that is for free-range food. As yet no funding has been allocated to CBS to monitor compliance with the industry code; however, we will do an assessment of what those costs are likely to be and hand that on to PIRSA.

**Mr PENGILLY:** Can I ask for that figure when you do work it out?

**The Hon. G.E. GAGO:** That will probably be next year. I look forward to next year's estimates.

**Mr PENGILLY:** I can hardly wait!

**Mr HUGHES:** I refer to Budget Paper 4, Volume 1, page 54. Can the minister inform the committee about Consumer and Business Services' efforts to protect the community from unscrupulous traders and ensure that traders are adhering to fair trading laws?

**The Hon. G.E. GAGO:** I thank the member for his outstanding question. I would like to take this opportunity to recognise the vigilant hardworking CBS and its specialised operatives. They are out there on a regular basis ensuring that businesses comply with their obligations but recognise the importance of educating parties on their rights and obligations under the Australian Consumer Law, resulting in measured and considered steps being taken where appropriate. South Australian consumers can purchase goods and services with the knowledge that the state's consumer watchdog is out there protecting their rights.

**Mr PENGILLY:** Is that it?

**The Hon. G.E. GAGO:** No, there is more.

**Mr PENGILLY:** I am sure all of us cannot wait to get back here for estimates next year.

**The Hon. G.E. GAGO:** Over the past 12 months—I will be very brief but it is important to answer your question—the CBS has done some great work in the compliance and enforcement space. CBS works hard to ensure that traders, licensees and businesses comply with the relevant legislation and codes of practice. Inspectors and investigation teams help protect consumers and keep them informed of businesses not following rules while ensuring a fair marketplace across the state.

They undertake regular visits to retailers to ensure compliance with things like where they put up 'no refund' signs and such like in relation to sales products or lay-bys which are quite wrong and quite incorrect.

*An honourable member interjecting:*

**The Hon. G.E. GAGO:** No shonky business. Last year CBS cracked down on the solar installation industry following concerns from the industry. One prosecution resulting from CBS's action was against a wedding photographer who had been taking deposits from wedding parties but failed to supply the goods and services that they were contracted to do. There are so many examples and I will not list them all.

You never know where they are going to be, our CBS operatives out there in the field, checking. They also have specialised operatives responsible for product safety legislation. They do a great job in that space, ensuring products are safe and will not reasonably cause injury, particularly around show bags, kids' toys, baby products, etc., and blind cords. There is so much great work they have done in that space, and they are to be congratulated for their endless and tireless efforts.

**Mr PENGILLY:** Budget Paper 4, Volume 1, Sub-program 10.1: Legislative Administration and Compliance, Targets, next financial year and this financial year, page 54, the second dot point. Given that the review of codes of practice is a requirement under section 11B of the Liquor Licensing Act, why is the statutory requirement a target in the 2014-15 budget?

**The Hon. G.E. GAGO:** Are you talking about the review being required to be done in November?

**Mr PENGILLY:** Yes, it is a requirement under section 11B. Why is a statutory requirement a target, then, in this current budget year?

**The Hon. G.E. GAGO:** In 2014-15?

**Mr PENGILLY:** Yes. Why have you got a target this financial year, 2014-15?

**The Hon. G.E. GAGO:** My understanding is that is when the legislation requires us to do it.

**Mr PENGILLY:** I understand that. It refers to having a target. Why is it a target? Yes, you have to do it under the act but you have a target. Why the target? I would have thought you would have just done what you have to do. Why set a target?

**The Hon. G.E. GAGO:** Just to highlight it for us. It is a bit like a summary table of all the things that are priorities for us for this year. We are required to do it so we set it as a target so it is clearly identifiable.

**Mr PENGILLY:** What happens if you go over the target?

**The Hon. G.E. GAGO:** I am not too sure what you mean by 'go over the target'.

**Mr PENGILLY:** I will go on to the next question. Budget Paper 4, Volume 1, Sub-program 10, page 54, the third dot point. How much money has been allocated to transfer consumer disputes to the South Australian Civil and Administrative Tribunal?

**The Hon. G.E. GAGO:** I am advised \$750,000 per annum.

**The CHAIR:** The member for Unley has a supplementary.

**Mr PISONI:** There are 23 fewer FTEs in 2014-15 than there were in 2013-14 for that dispute resolution. What is the value of that reduction in FTEs?

**The Hon. G.E. GAGO:** The advice is it is simply a matter of transferring the FTEs from the Residential Tenancies Tribunal to SACAT. That is what it represents.

**Mr PISONI:** There are no TVSPs in those numbers?

**The Hon. G.E. GAGO:** I am advised not in those numbers, but I will seek further clarification. The breakdown, I am advised, is 15.7 FTEs are associated with the transfer of the Residential Tenancies Tribunal to SACAT from 1 October and there are 6.9 FTEs as savings.

**Mr PISONI:** What is the value of the FTEs? Can we have a list of the salary levels?

**The Hon. G.E. GAGO:** We will seek to answer it now if we can: \$3.2 million is the total expense associated with that, so if you have a calculator—

**Mr PISONI:** Is that an annual amount, or does that include the cost of the TVSPs?

**The Hon. G.E. GAGO:** No, it does not include the TVSPs. I beg your pardon, that is not the cost. We do not have the cost; I will take that on notice and I will bring it in.

**Mr PENGILLY:** Budget Paper 4, Volume 1, page 57, first dot point: what is the cost of conducting web-based interviews for applicants for a builder's licence in remote areas and what measures are in place to ensure that applicants have access to the internet in remote areas to participate in these interviews, given that many places do not have internet access?

**The Hon. G.E. GAGO:** I am advised that further trials are still being conducted in that area, exploring options for a web-based solution that will enable applicants located in remote regions to access a builder's licence without the need to travel to the CBS, so that work is still being undertaken.

**Mr PENGILLY:** I also asked: what is the budget line cost of conducting web-based interviews?

**The Hon. G.E. GAGO:** I am advised that it is not anticipated to have any additional increased costs. It is the cost of the staff who conduct the interview, but that is pretty much the same whether they are being conducted on—

**Mr PENGILLY:** But what is the cost?

**The Hon. G.E. GAGO:** As I said, those trials are still being conducted and that work has not been completed, but we are not anticipating any additional costs. The cost really is the cost of the internet, and the agency already has access to that, so there are no additional internet services that have to be developed for the agency, so there is no cost there. At the consumer end, it would be the cost of their access to internet, many of whom already have it.

**Mr PENGILLY:** There is no budget line cost for it?

**The Hon. G.E. GAGO:** No, there is not, is the short answer, because it is not anticipated to have any significant costs associated with it. It is considered that it would substantially be able to be done within existing resources.

**Mr PENGILLY:** On the same reference, third dot point: how will the revised building licensing model reduce red tape? Will it increase the number of applications and, if so, by approximately how many?

**The Hon. G.E. GAGO:** Consumer and Business Services grants builders' licences with conditions that define the type of work a licensee can perform. Over time, licences have been personally tailored to suit an applicant's specific set of qualifications and/or experience. This has resulted in approximately 16,000 unique licence conditions being created on the CBS licensing database. The current model has resulted in some licence conditions being unclear with their scope of work difficult to interpret and define. This may inadvertently cause undesirable risk to consumers and may also lead to compliance difficulties for CBS.

The outcomes that we are seeking to achieve are reviewing licence conditions and reducing the number of conditions from approximately 16,000 to around 3,500. We intend to research and

compare the models in use in the other states and jurisdictions around Australia and develop a proposal that details options for consideration, including mandatory qualifications, on-the-job experience or a combination of both.

This proposal will form the basis of consultation with industry that will align with interstate jurisdictions to achieve a greater consistency in their harmonisation and obviously there are efficiencies if these businesses are operating across borders and it is obviously efficient to administer. Research into the new model will be undertaken this financial year. When options are finalised industry will be consulted. Savings around red tape reduction impacts obviously have not been able to be analysed yet.

**Mr PENGILLY:** Budget Paper 4, Volume 1, page 58, second dot point. Given that sub-program 10.3 is to provide advice on alternative dispute resolution relating to consumer protection—you can see the description/objective at the top of page 58—why is fulfilling the function of the Office of Consumer and Business Services a highlight?

**The Hon. G.E. GAGO:** Was it page 58?

**Mr PENGILLY:** Yes, page 58, second dot point.

**The Hon. G.E. GAGO:** You have lost us again there. Are you talking about the home building—

**Mr PENGILLY:** I will give you the question again. Given sub-program 10.3 is to provide advice on alternative dispute resolution relating to consumer protection, if you look at the description/objective at the top of page 58, why is fulfilling the function of the Office of Consumer and Business Services a highlight?

**The CHAIR:** Member for Finnis, can you point out where it says it is a highlight?

**The Hon. G.E. GAGO:** Which page is the highlight on?

**Mr PENGILLY:** It is the description/objective at the top of page 58.

**The CHAIR:** Yes, I can see the description/objective. Where is the highlight?

**The Hon. G.E. GAGO:** The highlights are down at the bottom of the page.

**Mr PENGILLY:** I will put my glasses on again.

**The CHAIR:** Sorry about that.

**The Hon. G.E. GAGO:** It is not highlighted.

**The CHAIR:** I cannot see that it is highlighted.

**Mr PENGILLY:** Okay.

**The CHAIR:** No, alright, in that case, we will conclude I think. There being no further questions, I declare the examination of the proposed payments for the Attorney-General's Department, administered items for the Attorney-General's Department and the Independent Gambling Authority completed. Thank you, minister, and thank you to your officials.

At 16:02 the committee adjourned until Wednesday 23 July 2014 at 09:30.