

HOUSE OF ASSEMBLY
Wednesday, 26 July 2017
ESTIMATES COMMITTEE B

Chair:

Mr L.K. Odenwalder

Members:

Hon. A. Piccolo
Ms V.A. Chapman
Mr J.P. Gee
Mr S.P. Griffiths
Mr V.A. Tarzia
Ms D. Wortley

The committee met at 09:00

Estimates Vote

COURTS ADMINISTRATION AUTHORITY, \$94,066,000

Minister:

Hon. J.R. Rau, Deputy Premier, Attorney-General, Minister for Justice Reform, Minister for Planning, Minister for Industrial Relations, Minister for Child Protection Reform, Minister for the Public Sector, Minister for Consumer and Business Services, Minister for the City of Adelaide.

Departmental Advisers:

Mr. C. Kourakis, Chief Justice, Courts Administration Authority.
Mr P. Hocking, Acting State Courts Administrator, Courts Administration Authority.
Mr T. Pearce, Chief Financial Officer, Courts Administration Authority.
Mr M. Church, Manager, Accounting Services, Courts Administration Authority.
Mr C. Black, Business Analyst, Courts Administration Authority.

The CHAIR: Good morning, Attorney and members. Welcome to Estimates Committee B. As you know, the estimates committees are a relatively informal procedure. There is no need to stand to ask or answer questions. I understand that the Attorney and the lead speaker for the opposition have agreed an approximate time for the consideration of proposed payments. Is that correct? Have you agreed to the times in front of you?

The Hon. J.R. RAU: I believe so, yes.

The CHAIR: The first session is the Courts Administration Authority from 9 to 10, the Attorney-General's Department from 10 to 11 and the Electoral Commission from 11 to 11.30. Are we sticking to that program for the first session?

The Hon. J.R. RAU: Yes, although obviously if they want to truncate it, I am happy to accommodate them.

The CHAIR: If we can get it down to 10 minutes, I think we will be happy.

Ms CHAPMAN: It depends on how many Dorothy Dixers there are, of course.

The CHAIR: It remains to be seen. Changes to committee membership will be notified as they occur. There is a request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 27 October 2017. This year's responses will be published during the 14 November sitting week. I propose to allow both the minister and the lead speaker for the opposition to make opening statements of about 10 minutes each, should they wish.

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

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

Television cameras will be permitted to film from both the northern and southern galleries. I declare the proposed payments open for examination and refer members to the Agency Statements, Volume 1. Attorney, do you wish to make an opening statement?

The Hon. J.R. RAU: I will not say anything in particular, other than to introduce those who are here at the table with me. Obviously, to my immediate left is the Chief Justice, to his left is Trevor Pearce, the Chief Financial Officer, and to my right is Phil Hocking, the Acting State Courts Administrator. I do not require or necessarily encourage my colleagues to the left to ask me any questions, although of course I am happy to answer any if they do—and that is it.

The CHAIR: Thank you, Attorney. In the hope that we may truncate proceedings.

The Hon. J.R. RAU: I hope this is received in the spirit in which it is intended.

The CHAIR: That is your opening statement then, is it?

The Hon. J.R. RAU: That is it.

The CHAIR: Member for Bragg.

Ms CHAPMAN: My first question to the Attorney-General—in welcoming those who are attending the estimates committee this morning—is: why has the Attorney-General not provided an answer to my question on the breakdown of minor capital works at page 8 of last year's estimates, and when will he provide the answer?

The Hon. J.R. RAU: I will check out what is going on but I do not think that is pertinent to this particular committee. It is a nice debating point but let us move on to this budget.

The CHAIR: Yes, that is right. Can you identify a budget line for your next question, please, member for Bragg?

Ms CHAPMAN: Given the minor capital works at page 171, Budget Paper 4, Volume 1 for this year, will the Attorney-General confirm what it is this year, will he provide a breakdown and will he provide the breakdown by 14 November 2017, which is the identified publish date that has just been announced?

The Hon. J.R. RAU: I will attempt to give the breakdown within the stated time. I am following up, by the way, the other question. It is my understanding that those matters had been dealt with but if they have not they will be.

Ms CHAPMAN: Similarly, will you provide an answer in respect of the \$2.755 million for minor capital works for the 2017-18 year? As you have indicated, you will attempt to do that in the time identified, and that would be appreciated. While you are at it, will you provide an answer to the

use of online system request adjournments taken on notice at last year's estimates at page 11 and will you similarly do that for this year?

The Hon. J.R. RAU: I know this is very theatrical and very entertaining from the member for Bragg's point of view but—

Ms CHAPMAN: I just want some answers.

The Hon. J.R. RAU: —today we are here examining this budget. I will give a general statement in respect of previous questions if they remain unanswered—and I emphasise 'if—I will attempt, if there are unanswered questions, to have them answered as soon as practically possible. So, can we please get on with this budget.

The CHAIR: Let's get on with this budget. That closes the examination on last year's budget.

Ms CHAPMAN: Then on this year, will the Attorney-General provide the use of online system request adjournments taken on notice during the 2016-17 year?

The Hon. J.R. RAU: Have we not just been through this?

The CHAIR: Yes.

Ms CHAPMAN: I am asking for this year.

The CHAIR: Perhaps we should start again, member for Bragg.

Ms CHAPMAN: For 2016-17.

The CHAIR: This year is 2017-18.

The Hon. J.R. RAU: If there is anything in this budget—this budget—that requires particularisation, if you simply read out what you require we will seek to achieve the particularisation of that as soon as possible. If there is anything outstanding from previous matters then I will follow that up as well. All you need to do is just read out the list of things that you understand to be—even though it is not relevant to these proceedings—

The CHAIR: Even that is not in order, so can we get to this year's budget.

Ms CHAPMAN: I will repeat it for the third time: will the Attorney-General provide the online—

The CHAIR: Which budget line are you referring to in this year's budget papers?

Ms CHAPMAN: It is on performance indicators.

The CHAIR: Which page?

Ms CHAPMAN: But in any event it is the use of online system request adjournments—

The CHAIR: Which page?

Ms CHAPMAN: —taken on notice. I am happy to find that in between.

The CHAIR: Yes.

Ms CHAPMAN: Page 174, my able adviser next to me tells me.

Mr GRIFFITHS: Highlights 2016-17, page 174.

Ms CHAPMAN: You would think the Attorney would know this off by heart, seeing it is one of his highlights, but in any event.

The CHAIR: I gather you are referring to the highlights from 2016-17; is that—

Ms CHAPMAN: Correct.

The Hon. J.R. RAU: So, you are looking at the top of page 174, there are five highlights there in dot points and you are asking about the first one?

Ms CHAPMAN: Correct.

The Hon. J.R. RAU: I will seek further—

Chief Justice KOURAKIS: That highlight is the fact that we have signed the contract for the electronic court management system, which has only happened recently.

Ms CHAPMAN: So, the provision for online adjournments—request for adjournments—is already actioned, and I am asking: how many of those were taken on notice in the 2016-17 year, which is the subject of these estimates?

The Hon. J.R. RAU: I think we will have to take that on notice.

Ms CHAPMAN: Take that on notice; thank you. To the best of my knowledge, Attorney, they are the only two outstanding issues from last year. There were numerous matters taken on notice.

The Hon. J.R. RAU: Yes, I know, but I think the Chief Justice had something to add about that.

Chief Justice KOURAKIS: Quite independently of the electronic case management system, which we are about to procure, we have attempted, with the old technology, to arrange online adjournments. We do that quite frequently in the masters jurisdictions of the higher courts fairly informally. There was a pilot program for online adjournments in the Magistrates Court involving the Legal Services Commission, but there was a very small take-up on that, I think only about six by the looks of it, and that has not gone any further. There is probably a number of reasons for that small take-up. Technology is probably a large part of it.

Ms CHAPMAN: Could there be some explanation as to why the take-up has not been—the number of explanations, what they are?

Chief Justice KOURAKIS: The technology is still a bit cumbersome, and to try to manage the lists with online adjournments as well as people coming into court, we limited it to the Legal Services Commission, because they are a specialised legal practice, and another government agency. It was expanded to two private legal practices only in May this year, so we are proceeding slowly on that. It is fair to say, I think, that many of our resources in the IT area have been diverted to the electronic case management system.

Ms CHAPMAN: And the technology that is there for use by the Legal Services Commission, I am assuming, because the two private operators only came in in May this year, 2017, that given the small take-up of the Legal Services Commission—although, as I say, they have approval to actually use it—they are not using it?

Chief Justice KOURAKIS: It is not suiting their practice, and it might be because of the nature of the practice. They have lawyers in the courts all the time, and it might be that it is just as easy—

Ms CHAPMAN: Just as convenient to not utilise the service.

Chief Justice KOURAKIS: But I am making assumptions from my understanding of their practice. I have not had a review of it come before me.

Ms CHAPMAN: The two private practices that have sought and been approved, presumably, to have the electronic use of the online adjournment arrangements, I assume they have applied, is that right, and they have been granted the right to utilise the system?

Chief Justice KOURAKIS: I do not know. I can provide that information through the Attorney in due course. I suspect they were selected and asked if they wanted to be involved. Again we identified practices that we thought would best suit and—

Ms CHAPMAN: Can facilitate that. When you say the technology is a bit cumbersome, as one of the factors that perhaps is a deterrent against using this facility, what is needed and what is the cost to actually remedy that?

Chief Justice KOURAKIS: I think what is limited about it is that it is not much more advanced than a sort of email communication. The technology that will remedy it is the ECMS system, which will allow parties to calendar their own adjournments through that system.

The Hon. J.R. RAU: And the ECMS—sorry.

Ms CHAPMAN: When will that be operational? Sorry, Attorney.

The Hon. J.R. RAU: ECMS has been the subject of a great deal of work by the Chief Justice and the Courts Administration Authority over some time, and I think the Chief Justice explained a little while ago that they have just, in the very recent past, got to the point where they have a successful tenderer and have executed the necessary contractual arrangements with that service provider, so all of the preparatory works, which have been extensive, and necessarily so, are behind the Courts Administration Authority, and now it is a question of the service provider that has been through the tender process getting on with the production of the product and the provision of that product to the courts.

Chief Justice KOURAKIS: I can be a bit more specific. We are hoping that the civil new electronic system will operate for civil in the Magistrate's Court towards the end of 2018 and in crime in 2019. Crime is a little bit more sensitive, because it involves interaction with other agencies, Police and Corrections. The police Operation Shield IT development may impact when we can go online. We hope that it does not, but it is really important that there is good coordination between the police and their Operation Shield and our new system so that this comes on board as quickly as possible and as effectively as possible.

Ms CHAPMAN: Is there any legislation that is further required to facilitate that?

Chief Justice KOURAKIS: There may be bits and pieces to allow things that are done traditionally in court to be done electronically, but I do not think that will be very extensive.

The Hon. J.R. RAU: At that point I would add that the Chief Justice actually, in discussion with me some time ago, pointed out the fact that a relatively simple change to facilitate the utilisation of technology, where it was deemed by the court to be in the interests of justice to do so, would be a very general but useful tool for the courts in due course, and that was included in an Attorney-General's omnibus bill, I think, in the last 12 months, if I remember correctly.

Chief Justice KOURAKIS: That was for audiovisual connections. There is still an issue about service and whether service can be done electronically. The courts' preference is that these matters be left to our rules so that, if we want to provide for electronic service as and when that is possible, and it works fairly, that we can do so without having to constantly come back for statutory change.

Ms CHAPMAN: Well, Attorney, I thought we had dealt with that in legislation.

The Hon. J.R. RAU: I think the Chief Justice is referring specifically to the question of service. We dealt with the question of the utilisation of audiovisual technology and left it pretty much entirely up to the courts to make a determination when it was appropriate for that technology to be used. I think that what the Chief Justice is saying is that matters such as service, which are, in the scheme of things, not large matters but can be important, obviously, in terms of improving efficiency, are things that may require modification in due course. For what it is worth, I agree with the Chief Justice in that I favour the view that the courts should be given sufficient discretion to be able to determine as and when its capacities and computing support makes it appropriate for when and how modification of the existing personal service rules be rolled out.

Ms CHAPMAN: Be clear as to what the Chief Justice wants in that regard, that is, to provide for the opportunity for electronic service via the guidelines and rules set out under the court rules—correct?

The Hon. J.R. RAU: Yes. I think that in terms of the exact wording of it (and those who are in the room from AGD might care to make a note of this for the soon forthcoming omnibus bill), we could simply leave matters of service and the formalities of service to be placed in the hands of the court.

Chief Justice KOURAKIS: I have suggested that we do a mapping exercise to find all the statutes that affect that. A simple measure might be—and this is just off the top of my head—that there is legislation that says that form of services is as provided by statute, unless the court rules otherwise provide, and then we can just deal with it as and when it is necessary.

Ms CHAPMAN: I will leave that to you, Attorney.

The Hon. J.R. RAU: I think we have made this much progress. I think that is a terrific idea. Those who are behind me, please get your pencils out and include that in our omnibus bill shortly.

Ms CHAPMAN: Excellent. On the ECMS, the design and configuration of the program to facilitate it is in the targets of 2017-18. Is that fully budgeted for?

The Hon. J.R. RAU: Yes, it is.

Ms CHAPMAN: For the complete installation of it? Is that budgeted for?

The Hon. J.R. RAU: That is my understanding.

Ms CHAPMAN: So, the operations anticipated for civil at the end of 2018 and criminal at the end of 2019 are in the budget?

The Hon. J.R. RAU: I do not know that the starting dates for these things are in the budget. They are the anticipated time lines, but the project is, yes.

Ms CHAPMAN: But the project that the Chief Justice has indicated has those time lines, of using that measure.

The Hon. J.R. RAU: Provision of funds for the project has been made.

Ms CHAPMAN: And the total cost of that project?

The Hon. J.R. RAU: It is \$23.2 million without GST.

Ms CHAPMAN: And the amounts for each in the 2017-18 year and 2018-19 year? If you do not have that in front of you, could I have it—unless the finance adviser has that?

The Hon. J.R. RAU: I am advised that in 2017-18 it is \$6.702 million, and in 2018-19 it is \$6.541 million.

Ms CHAPMAN: Do I assume that \$25 million or thereabouts is the total?

The Hon. J.R. RAU: It is \$23.225 million, I think.

Ms CHAPMAN: Thank you. That will only apply, then, in the Magistrates Court or across all courts?

Chief Justice KOURAKIS: It will be rolled out across all courts.

Ms CHAPMAN: Including SACAT?

Chief Justice KOURAKIS: No.

The Hon. J.R. RAU: SACAT is a separate—

Ms CHAPMAN: Mess.

The Hon. J.R. RAU: I am advised not the Coroner's Court, and SACAT, of course, is not part of the Courts Administration Authority, so that is a different kettle of fish, but in terms of the Magistrates Court, the District Court and the Supreme Court—and the Children's Court?

Chief Justice KOURAKIS: Yes, but not the Coroner's Court.

The Hon. J.R. RAU: But not the Coroner.

Ms CHAPMAN: Does the Federal Court, to your knowledge, have these services?

Chief Justice KOURAKIS: They have something very similar. We are confident that we will provide an improved service for users and, importantly, for our internal management of the case loads and pending reports on what is happening with cases and the like.

Ms CHAPMAN: Has any assessment been done from the agency, the Courts Administration Authority, as the entity, to review what is happening or find out as to the success of the Federal Court's operation of this?

Chief Justice KOURAKIS: Yes, they are very confident. They say that it went well. We had an extensive procurement period, an informal one, when we looked at what was available in Australian courts, expressions of interest, then formal tenders. This provider who provides services to many state courts in the United States was an outstanding tenderer and was selected. They have started work, and that is going very well. A large proportion of that money is our staff who are working with the people from the American company, just to give you an example.

Ms CHAPMAN: Who was the successful tenderer?

Chief Justice KOURAKIS: Journal Technologies. They were a newspaper journal, which went into IT and are now one of the two leading providers of IT services to courts in the United States. The other leading provider won the tender for the Northern Territory courts, just in the last year. That is the entry for both of them into Australia. We are hoping that that competitive pressure will result in a very good product.

Ms CHAPMAN: In any event, you consider the product to be better than the federal system?

Chief Justice KOURAKIS: Yes.

Ms CHAPMAN: In what way?

Chief Justice KOURAKIS: It provides more useability to lawyers. They can upload the documents they are filing more easily. We are looking even at electronic templates that they will fill in for filing rather than, in effect, emailing in a PDF form. We are looking at systems whereby the information they provide us populates a number of fields in the data that we have to keep. We, as I said earlier, should be able to obtain reports going down to a much finer grain of detail in terms of sorts of actions, how they are progressing, time involved with them and the like.

Ms CHAPMAN: When it refers to, in the targets of 2017–18, 'Develop data interchange capabilities with other agencies and systems', who are they?

Chief Justice KOURAKIS: Police and Corrections, primarily. Police in terms of complaints for criminal conduct coming in, and results in terms of sentences to Corrections; motor vehicles would be the other one. They are lodged by the data moving across in bulk rather than individual bits of information for each matter, and that involves some complex technology which we refer to as data exchanges. That is why I mentioned Operation Shield, which is the police department's technology development, because that will be providing bulk electronic data which will then populate the files we need in our system to run the court cases.

Ms CHAPMAN: In your view, will the proposed system be compatible with these other systems to facilitate that exchange of data?

Chief Justice KOURAKIS: We are constantly talking with Police and Corrections to ensure that, and we have recently established a task force between Police and Courts to ensure that Operation Shield and our system come onstream together and—

Ms CHAPMAN: And are compatible. Is there any further funding required for the other agencies to come up to the standard of the program that you are introducing with Journal Technologies?

The Hon. J.R. RAU: That is a matter for them. Can I say this: the general proposition here, if you look at it, is we are moving from a paper-based system to a digital system. Obviously, that is a significant change in approach. It is a massive change in technological capacity, and it is a significant piece of work to undertake this.

I have been advised—and I am sure the Chief Justice is more aware of this than me—that under the old paper-based systems, the same data could be entered multiple times throughout the system, sometimes multiple times within the same agency, because the paper-based system was not capable of retaining data that had been provided to that entity or that agency in the first place, and reused over and over again within that agency. What the Chief Justice is talking about here is a system which would see, in its perfect expression, data entered once in any of the co-joined agencies never having to be re-entered or repopulated physically within any of the other agencies.

When police, for example, apprehend a person and at that point of apprehension they identify the name, address, date of birth and whatever else it might be, and that material is entered into the police system, that material would not then have to be re-entered once that individual came into the purview of the Courts Administration Authority because that material would move seamlessly from the police data records across to the CAA's data records. Ultimately, when the CAA had to advise Corrections about the outcome of a matter, the material relating to that individual would then move seamlessly through to Corrections without anybody having to turn their mind to the physical re-entry of that basic data.

As the particular matter proceeds from one end of the process through to the other, each agency will be adding elements to the data. So there is a bit of a snowball effect going on as the matter rolls through the agencies. The idea, as I understand it, and obviously I invite the Chief Justice to refine my understanding if he cares to do so, is that no agency should be put to the time and the trouble and the expense of having to rediscover and reinsert material that another agency has already previously acquired in respect of that same matter.

Ms CHAPMAN: Let me ask this, Attorney, because I have heard your speeches on the 'interweb', so I do need some backup here as to what the situation is.

The Hon. J.R. RAU: I am no expert on the technology.

Ms CHAPMAN: What I want to be clear about is that if information is electronically filed in the court system, can other agencies have access to it, or is it suggested that when that data is entered in the court system it will automatically be transferred to the other linked-up agencies?

Chief Justice KOURAKIS: There are information exchanges so no other agency will have access to our internal court workings.

Ms CHAPMAN: Thank you. That is refreshingly reassuring, given the Attorney's statement.

Chief Justice KOURAKIS: We have to put out outcomes so that people know what we decide, and we have to get inputs in terms of complaints to start a court process going, so there is an exchange there but no other agency has access to our system and the Courts Administration Authority controls it. It is one of the big advantages of having an independent Courts Administration Authority—

Ms CHAPMAN: Indeed. Thank you very much.

Chief Justice KOURAKIS: —because we have a council of the heads of jurisdiction.

Ms CHAPMAN: I refer to Budget Paper 4, Volume 1, page 171, Higher Courts Redevelopment. What is the breakdown of the \$31 million expenditure for this capital work by June 2019 between the court development of Sir Samuel Way Building and the upgrades at the Supreme Court building?

The Hon. J.R. RAU: Under Higher Courts Redevelopment, total project cost \$30.955 million. Is that what you are looking at?

Ms CHAPMAN: Yes.

Mr GRIFFITHS: I think he was rounding it up.

The Hon. J.R. RAU: No. I am looking on page 171 under the heading Investments and it says Higher Courts Redevelopment, June 2019, \$30.955 million.

Ms CHAPMAN: Correct. That is why I said \$31 million. I am sorry if that has thrown you.

The Hon. J.R. RAU: I am making sure I am looking at the same point. So I am clear on the question, you are wanting to know inasmuch as we do know all of the elements making up that number?

Ms CHAPMAN: No, I want to know the breakdown between what is being spent on the Sir Samuel Way Building and what is being spent on the Supreme Court building.

The Hon. J.R. RAU: My advice is that the Supreme Court building is \$13 million and the Sir Samuel Way is \$18 million.

Ms CHAPMAN: Will these projects be progressing contemporaneously?

The Hon. J.R. RAU: I think there is a timing issue and, again, I might ask the Chief Justice to supplement what I have to say but because the activity that is currently being undertaken on the fifth floor of the Sir Samuel Way Building will obviously have to cease in order for the fifth floor to be redeveloped to facilitate the provision of additional jury courts, there will need to be somewhere else for that activity to occur. It is indicated, as I understand it, that that somewhere else will be in refurbished courts within the structure on the other side of the road.

I think there is an order to things, a natural order, being that the work is done in the old Supreme Court complex as a beginning, which in effect is a refurbishment of a couple of the courts there, which would then serve as being adequate civil courts for the purpose of hearing and disposition of civil trials. Once that is okay, then the civil requirement for the fifth floor ends and the work can begin on the fifth floor—half of the Sir Samuel Way.

Ms CHAPMAN: In short, the old Supreme Court building \$13 million project will progress first. How is that advancing?

Chief Justice KOURAKIS: We jumped this straightaway because we are keen to get this fixed. The money has actually been allocated to the Courts Administration Authority but we will obviously have to work with DPTI. We have put in some letters some time ago and are waiting for a response. We hope that happens very quickly so that we can start spending the money that is allocated for this financial year.

Ms CHAPMAN: So, the letters that have gone to DPTI outline what specifications are recommended from CAA?

Chief Justice KOURAKIS: We are wanting to start working with them.

Ms CHAPMAN: Start working with them?

Chief Justice KOURAKIS: Yes.

Ms CHAPMAN: So, the file is not open yet?

The Hon. J.R. RAU: No, no.

Chief Justice KOURAKIS: No.

Ms CHAPMAN: I am just trying to work out where we are at.

The Hon. J.R. RAU: No.

Chief Justice KOURAKIS: We are a joint working group.

The Hon. J.R. RAU: No. Obviously, to come up with, first of all, the scope of this project and the costings that have given rise to the allocations in the budget, there has been some considerable work done on what would need to occur. The client, if you like, is the Courts Administration Authority. They have the cash and they are the ones who are the customer in the project. DPTI is, as is normally the case, the agency within government that acts as their mediator, I guess, with the builders or whoever—architects and suchlike.

Ms CHAPMAN: They manage the project.

The Hon. J.R. RAU: It is the court's project, not DPTI's project, but DPTI manage things like tendering and other things in which they have expertise and the courts do not.

Ms CHAPMAN: So, when is it expected then, Attorney, that the Supreme Court refurbishment—necessarily to be done before the evacuation from the space in Sir Samuel Way—is to be completed?

The Hon. J.R. RAU: I will see if I can get any further detail on this, but I think the Chief Justice has made it clear that we are looking at it over the next couple of years. That is what the budget's allocations are suggesting. The Supreme Court comes first. I will need to get some further advice on whether it would be started before the end of this year or whether it will be early next year. Ultimately, it will be a question of, first of all, the CAA and DPTI coming to a clear position as to what

they are looking for. Then there will be some tender process undertaken, and the successful tenderers will be able to start whenever they can. We are certainly not interested in delaying this.

Ms CHAPMAN: No, indeed. To identify the estimated completion time (which is June 2019) of the total project, I am assuming a time line has been prepared that sets out the expected processes for this to be completed by June 2019. No? The Chief Justice is shaking his head.

Chief Justice KOURAKIS: This is what we need to meet with DPTI about, and we need to meet them urgently. We have established our own internal working groups. We are getting out plans as best we can for what was done on the lower floors of the Sir Samuel Way Building. We want to approach this urgently and for that we need some response from DPTI to our letters.

Ms CHAPMAN: If that has not been resolved yet, can I have some understanding about what is actually to be done, physically, in respect of the upgrade of the old Supreme Court building? I am assuming we are not just painting and decorating; we are adding partitions or removing them. What is the deal?

Chief Justice KOURAKIS: No; you would be familiar with the courts 3, 4 and 5 complex. Court 3 is a larger court on the first floor, 4 and 5 are some very small courts on the ground floor. Basically, they are all not usable, they are so dilapidated, and the toilets next to them are dilapidated. The idea is to have 4 and 5 moved into one court and courtroom 3 upgraded, so those three courts become fully usable.

Ms CHAPMAN: As two courts.

Chief Justice KOURAKIS: As two courts. Courtroom 11 will be upgraded as well—that fronts onto King William Street. We are going to take back the lease of Jeffcott Chambers. We will put our masters in there with mediation suites, so our masters will actually return to the old Supreme Court complex, rather than take up space on the fifth floor of Sir Samuel Way, and that will free up some courts there. I should make it clear that the criminal courts will only be on the northern half of the Sir Samuel Way Building and they will still have civil courts on the southern half.

It is a combination of refurbishing the civil courts and the old Supreme Court complex. The southern half of the Sir Samuel Way Building will cope with the civil needs of both the Supreme Court and the District Court. We have undertaken an analysis that shows it might get a bit tight, but we are quite confident we will fit that in. In the longer term, again, there will be a need for all of the fifth floor to be criminal courts. That is when decisions will have to be made about a new build for more civil courtrooms.

Ms CHAPMAN: So, there is no provision for any upgrade for courts 1 and 2 in the old Supreme Court building?

Chief Justice KOURAKIS: There are things we want done there, like a lift. We are hoping we might be able to get a lift to make courtrooms 1 and 2 more usable. Other than that, these are the scope of works that are going to depend on plans and where the money goes.

The Hon. J.R. RAU: Can I just add here that I have been saying in these estimates committees for some years now—

Ms CHAPMAN: Seven years.

The Hon. J.R. RAU: Yes—that there is no doubt there is an urgent need for investment in the physical space occupied by the superior courts in this state, and that what they have presently is not okay. We went through an exercise a while ago where we looked at whether or not we could resolve the matter in a single big project, but unfortunately that became an option we were not able to proceed with. What we are doing now is, in effect, a no-regrets improvement in the facilities of the District and Supreme courts which will meet their short-term and, to some extent, medium-term needs, and which leaves a wide range of options available to the courts and the government about how the matter of the ongoing need of, in particular, the civil courts may ultimately be resolved.

There were occasions when, for a variety of reasons—and I could go into them, but it probably would not be helpful—we had a circumstance where, in criminal cases, the case was not able to proceed because there was no courtroom available. There was a judge, there were parties, but there was no courtroom. There are many reasons why that circumstance could occur and they

have, in part, been addressed by the major indictable reform bill that passed the parliament, but there is no doubt that the provision of additional jury courts is necessary to enable the courts to deliver on the needs of the justice system as efficiently as possible.

So, we are addressing the short and medium-term requirements of the court, but this is not a substitute and this is not an alternative to there being ongoing investment in the courts. That is not something that is optional; that is absolutely necessary and it remains absolutely necessary. We are looking here at a staged process of investment in the physical infrastructure of the courts. I want to underline this: this is not an alternative to significant ongoing investments in the courts, this is a staged approach to it and this is the first stage. It is not intended to be an end to it. It certainly does not preclude—in fact, it opens up—the opportunity for multiple potential alternative additional investments in the court precinct.

Ms CHAPMAN: In respect of the Sir Samuel Way Building, which is going to have \$18 million spent on it in the next two years, I think the lease for that expires in 2023. Is there any proposed extension of that lease?

The Hon. J.R. RAU: We have not specifically got into that yet, but my view is that given we are now spending a significant amount of money to improve the facilities in that building to enable the courts to have a longer effective use of that building, it does suggest to me that the court will be requiring that building beyond that date. However, that is not a matter we have specifically and formally dealt with.

Chief Justice KOURAKIS: The government has an option to buy it at land value, so I would be surprised if they will—

Ms CHAPMAN: What is the land value?

Chief Justice KOURAKIS: I do not know, but it will be a lot cheaper to pay off the land buying it at land value than the rent that the superannuation fund is charging us at the moment, which is way above commercial rent. Into the future, the best option for the government, I would have thought, is to buy it at undeveloped value.

Ms CHAPMAN: Yes. They could have bought the SA Water building, I think, in Grenfell Street, too, but they did not. Is buying it being considered, Attorney?

The Hon. J.R. RAU: Not yet, but what the Chief Justice says is absolutely correct. Take a step back. If we had gone down the path of building a significant new complex which encompassed civil and criminal jurisdictions and that project had proceeded as contemplated, it may well have been that, by 2022-23, the Sir Samuel Way Building would be surplus to requirements. That is clearly not now the case.

What I am trying to explain to you is that, although there has been no formal determination of the method by which the courts will continue to occupy the Sir Samuel Way Building post expiry of the lease, it is clear to me, particularly in light of this investment, that the courts will require that building subsequently, and it will be a matter for determination as to whether, as the Chief Justice says, the balloon at the end of the current lease arrangement is exercised and that property becomes wholly a property of the state or whether the lease is continued.

Without having gone into it in any depth, I think there is an enormous amount of logic in what the Chief Justice says about how we should deal with it, but the formal determination of that matter and the formal evaluation of that matter has not yet occurred. I think the one thing that is clear is that that building will continue to be required, so somehow or other we will have to retain that building. The lease that was entered into in respect of that building some considerable period of time ago—and I cannot even remember when it first began now—in the eighties, was it?

Chief Justice KOURAKIS: Early eighties.

The Hon. J.R. RAU: Early eighties. From the point of view of the landlord, it was a pretty good arrangement because the lease provided for a very high rental return, fairly beneficial arrangements in terms of what, traditionally, one would consider the role of the landlord and what one would consider the role of the tenant. The role of the tenant in this particular arrangement is significant. I am advised that the current outgoings in respect of that lease are \$6½ million per annum,

so it is not a cheap property, but we are living with a decision made, as the Chief Justice suggests, in the early 1980s.

In summary, I cannot see any rational alternative other than that the courts will continue to require that building beyond the expiry of the current lease term. The government is going to have to make a decision about how the courts are given extended access to that building and, particularly if the lease payments are 6.5 per year, I would have thought that paying out the balloon is pretty good money well spent.

Ms CHAPMAN: I think we discussed that with Kevin Foley about 12 years ago. SA Water House was rebuilt as such in Victoria Square at a massive tenancy cost, when I think about \$25 million could have bought the last one. In any event, who makes the decision on that? Is it your department or does DPTI make that decision, as they did in moving your office to the GPO?

The Hon. J.R. RAU: Ultimately, this will be a budget decision, so I imagine it would come to cabinet. The process would be that, I imagine, although it should not be necessary to do so, as a matter of formality the courts would advise Treasury that they will require the building beyond the expiry date. I am sure Treasury is perfectly aware of that, but that would be the starting point. Then there would need to be some evaluation by Treasury as to how the government was going to secure for the courts the ongoing access to that building, and there would be a budget conversation about whether there would be an ongoing lease or a payout of the balloon.

Ms CHAPMAN: Who manages that? Does that come from DPTI to cabinet or from—

The Hon. J.R. RAU: I imagine that cabinet would seek advice from the property division within DPTI but ultimately it would be Treasury considering that in the context of a budget.

Chief Justice KOURAKIS: There is just one matter of principle that I might mention here. Obviously, the economics are such that in 2023 we would not be entering into another uncommercial lease with Funds SA about something like that, but there are other financing options that governments might consider, including selling to someone else or negotiating a cheaper rent with Funds SA. The matter of principle that I raise is that the courts of a state or a nation are best housed on land that is the state's land and not rented. That is the matter of principle that I hope would be factored into the financial considerations.

Ms CHAPMAN: As best we know, Funds SA wants to buy the State Administration Centre, so we are going the other way it seems, but in any event that will be dealt with in another room. At the moment, Attorney, the proposal to extend the lease of the Sir Samuel Way Building, given the substantial capital investment that is about to be made into it, will be a recommendation from which department?

The Hon. J.R. RAU: For my part I will be saying, as Attorney-General, as part and parcel of the budget process, that this is an unavoidable procurement requirement for government—not optional.

Ms CHAPMAN: I understand that but whether we buy it or lease it, is that a recommendation that is put by DPTI, as it was in the changeover of the accommodation of your departments to GPO?

The Hon. J.R. RAU: That will be a matter where Treasury will consider the options, including the ones the Chief Justice has just referred to. It may be that Funds SA says, 'Look, we'll give it to you for half the rent,' or whatever the case might be and, in that context, it would be a budget decision, and it would be a budget decision in which obviously the Chief Justice and the Courts Administration Authority would be consulted and their view, including the view the Chief Justice has just put to the committee, would be a matter that would be taken into consideration by the cabinet in making that decision.

Ms CHAPMAN: In making the decision to have the two extra criminal courtrooms to be utilised to maximum capacity, is that likely, given that there is no proposed increase in funding for judges?

The Hon. J.R. RAU: Absolutely. I am advised by the Chief Justice that there is funding for Sheriffs and Court Reporting, so the ancillary support services are there. If you look at what has been going on in the criminal courts, there is the very sort of simplistic notion to just appoint more judges

and the problem will go away. Then there is what actually starts to resolve when you look into the detail of it. If you look into the detail of it, a significant problem—in the District Court anyway—is that there is overlisting, significant overlisting. The significant overlisting, which I think, if I remember correctly, is running at about 160 per cent or thereabouts, is a problem which emerges from the observed fact that a significant number of trials which get to the point virtually of commencing resolve on the day by way of a guilty plea.

That means that the courts, in order to maximise the throughput of matters, as they should do, overlist on the basis that historical data suggests to them that an overlisting of 160 per cent results in 100 per cent occupancy of judges and courtrooms. What happens sometimes is the phenomenon of no judge, which is extremely annoying from the perspective of everybody concerned, where for reasons of happenstance 60 per cent of the cases do not resolve, and you wind up with over 100 per cent, and therefore you have more customers than you do judges, and the matter is then put off. That is extremely unsatisfactory from everyone's point of view.

But there are circumstances in which also there are judges available but for whatever reason there are not sufficient courts available. Now, again, this is not every day, but it is something that happens. So, what we are trying to do here is: we are addressing a number of problems at the same time. The major indictable reform is intended to reduce the need for the significant overlisting by the courts, because we are hoping to resolve as many matters that are going to resolve by way of a guilty plea much earlier in the process, thereby not clogging up the court list with matters that are not going to proceed.

That should then enable the District Court in particular over time to reduce their overlisting practices to maybe 120 per cent, or something—we will have to wait and see—which will mean there is greater certainty there. The additional physical provision of courtrooms should mean the judges that they have there can be disposed where necessary to deal with demand peaks that they have. It will give them more flexibility to flex up or flex down. Of course, that is all a matter for the head of jurisdiction to manage, but the head of jurisdiction, I am absolutely convinced, can better manage if they have more physical infrastructure to be able to allocate judges to occupy.

Ms CHAPMAN: Are the upgrades that are proposed in this budget consistent with the recommendations of the scoping study prepared at a cost of \$1 million by DPTI?

The Hon. J.R. RAU: I am advised they are.

Ms CHAPMAN: Is there anything else in the scoping study recommended to be done that is not budgeted for?

The Hon. J.R. RAU: If you are talking about the scoping study of some years ago for the major—

Ms CHAPMAN: No, the one that was budgeted last year for \$1 million that has been spent.

Chief Justice KOURAKIS: The short and medium-term proposals are exactly as were recommended. There is a real question as to where you go after that. As I said earlier, when more criminal courts have to be built on the Sir Samuel Way Building, what you do then is not settled. The judges have considered it, and DPTI put forward some suggestions, but there is no consensus on that yet, but that is some time off. In terms of these proposals that are funded in this budget—

Ms CHAPMAN: Are within the recommendations.

Chief Justice KOURAKIS: Yes.

Ms CHAPMAN: And of the other recommendations—Attorney, I will go back to you, because I assume you have all read this report; will you make it public?

The Hon. J.R. RAU: What report are you talking about?

Ms CHAPMAN: The scoping study.

The Hon. J.R. RAU: I would need to have a conversation with the Chief Justice and others about that. I do not know whether there is material in there which is commercial-in-confidence or whatever. In general terms I do not think there is anything particularly concerning about a scoping

study, but I would need to speak with the Chief Justice, consider the thing myself and speak to DPTI. So I will just have to reserve my position on that.

Ms CHAPMAN: If it is available. Certainly, there may be aspects of it that you consider should be commercial-in-confidence, but I think it is reasonable, given the public have paid for this, that they have a look at what is recommended at least and what the estimated cost is to do that. That would be, I suggest, reasonable. But in any event, have there been any other recommendations that have come from the Courts Administration Authority, apart from the \$1.470 million for the Supreme Court works in this year's budget, that have been recommended but not undertaken? Apart from having a brand-new building: let's leave that aside for the minute.

The Hon. J.R. RAU: I think the Chief Justice explained that in terms of the \$1 million study that was done as a result of moneys allocated in the last budget, the immediate requirements of the courts are being met in this budget. I acknowledge completely, as the Chief Justice has said, that this does not deal with the beyond medium-term requirements of the court, which I have said repeatedly—and I say again—are urgent and necessary, particularly to cope with the civil and ultimately more criminal courts.

We have time, as a result of taking this step, to consider what is the best solution to those more durable problems and for the Courts Administration Authority and DPTI to have sufficient time to have a complex conversation about that and work out the wrinkles of those issues. By reason of this being done, nobody is being put in a position where they are going to have to make a decision like 'grab this today or you miss out'. It is going to be now a circumstance where the courts have time to work through issues that will become pressing maybe in five or 10 years. They will have time to talk about them, and there will be time for plans to be made about those. In terms of the immediate requirements, my understanding is—and I think the Chief Justice just explained—the immediate requirements, as identified in that piece of work, are met by this allocation.

Ms CHAPMAN: Finally, if I could ask: in respect of existing works—and it may be in the Supreme Court works to be completed by June 2018—in respect of any structural defects or issues that are the subject of any work, health or safety notice (and I particularly raise that because the mattress at the bottom of the stairs attracted some mirth at the recent Australian Bar Association conference in London, so it is certainly out there as a concerning matter), could they be provided on notice?

The Hon. J.R. RAU: I will take that on notice.

The CHAIR: I close that line, as per the agreement. Thank you to the advisers. I call the Attorney-General's Department advisers, if the Attorney-General wishes to change advisers. I advise that the member for Hartley has requested to be discharged and the member for Finniss has been injected in his place.

ATTORNEY-GENERAL'S DEPARTMENT, \$117,786,000

ADMINISTERED ITEMS FOR THE ATTORNEY-GENERAL'S DEPARTMENT, \$94,269,000

Membership:

Mr Pengilly substituted for Mr Tarzia.

Minister:

Hon. J.R. Rau, Deputy Premier, Attorney-General, Minister for Justice Reform, Minister for Planning, Minister for Industrial Relations, Minister for Child Protection Reform, Minister for the Public Sector, Minister for Consumer and Business Services, Minister for the City of Adelaide.

Departmental Advisers:

Ms I. Haythorpe, Chief Executive, Attorney-General's Department.

Ms C. Mealor, Deputy Chief Executive, Attorney-General's Department.

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

Mr D. Corcoran, Manager Financial Services, Attorney-General's Department.

Ms J. Lai, Financial Consultant, Attorney-General's Department.

Ms C. Newberry, Financial Consultant, Attorney-General's Department.

The CHAIR: I declare the proposed payments open and refer members to Agency Statements, Volume 1.

The Hon. J.R. RAU: I have just been advised that the material the member for Bragg was agitated about not having been provided with was in fact forwarded on 20 December 2016.

Ms CHAPMAN: To whom?

The CHAIR: To the member for Bragg?

The Hon. J.R. RAU: Yes, by email.

Ms CHAPMAN: To us?

The Hon. J.R. RAU: To parliament.

Ms CHAPMAN: We will find it with parliament then, thank you. So, 20 December is outside the parliament's sitting time—20 December 2016?

The Hon. J.R. RAU: 20 December 2016.

Ms CHAPMAN: Parliament was not sitting on 20 December—funny about that. We will find it if it is languishing somewhere here in the parliament, thank you.

The CHAIR: We move on. Do you have an opening statement, Attorney, or do we go straight to questions?

The Hon. J.R. RAU: Andrew Swanson is on my right. Ingrid Haythorpe is the Chief Executive of the department, and Caroline Mealor is the Deputy Chief Executive.

The CHAIR: Do you have an opening statement in relation to those payments?

The Hon. J.R. RAU: It is great to be here.

The CHAIR: Likewise. The member for Bragg.

Ms CHAPMAN: I refer to Budget Paper 4, Volume 1, page 14. How many full-time equivalent positions were reduced in the workforce in 2016-17 that you took on notice at last year's estimates, indicating that you would not freewheel it? I am asking again how many full-time equivalent positions were reduced in the workforce in 2016-17.

The Hon. J.R. RAU: Can I repeat all of this stuff about trawling through last year's estimates? I know it is very theatrical and it is good from that point of view, but having regard to what I just told the committee then, I am not prepared to accept that any statement the member for Bragg makes about things not having been provided is accurate, unless there is some proof of that fact.

I will now ask for further checks to be made about this particular matter, but I have asked those who accompany me to make sure that they do answer questions that have been asked in estimates as soon as possible. My expectation is that whatever the question is, the answer has been provided some time ago, and the answer has been provided to the parliament.

Ms CHAPMAN: The Attorney obviously was not listening to my question, because what I pointed out was that while I had asked for the estimate of what was going to be the reduction in the 2016-17 year, I am now asking him how many full-time equivalent positions were reduced in the workforce in 2016-17. If he has the answer, I would appreciate it if he could give it to the committee.

The Hon. J.R. RAU: I will take that on notice.

Ms CHAPMAN: Thank you. In respect of the provision of the matters of the Consumer and Business Services building, if I can describe it as that, you will recall that last year there had been a refit of that facility. Who owns that building occupied by Consumer and Business Services?

The CHAIR: Member for Bragg, we are looking at the Office for Consumer and Business Services from 4.45pm this afternoon.

Ms CHAPMAN: I am talking about ownership of the building.

The CHAIR: Okay. Can you point us to a line then, please?

Ms CHAPMAN: Assets of the entity.

The CHAIR: What page?

Ms CHAPMAN: I will just find it, again. There we are: 48. It is a capital upgrade.

The Hon. J.R. RAU: What page are you on? You tell me where you are.

Ms CHAPMAN: I am just looking at the CAL. I am mistaken on that.

The CHAIR: The member for Goyder has some information.

Mr GRIFFITHS: Page 14 does have a reference to the cost of services for Consumer and Business Services. It is a \$9 million cost.

Ms CHAPMAN: That is \$9 million income. They make money in that division.

The Hon. J.R. RAU: Can I just suggest we deal with this in Consumer and Business Services, if the member is not ready?

The CHAIR: If you are happy to, member for Bragg?

Ms CHAPMAN: Yes, I am happy to look at page 15.

The CHAIR: Now, or in the later session?

Ms CHAPMAN: Now. Chesser House fitout, March 2018, \$2.969 million. My question was, in respect of that building: who owns the building? I was going to then ask you what the \$2.69 million fitout was to do.

The Hon. J.R. RAU: I understand that the owner of the property is a corporation called Chesser Properties Pty Ltd. The amount of \$2.9 million is apparently intended to fund a significant portion of the fitout that will enable half a floor to be relinquished.

Ms CHAPMAN: What is it doing?

The Hon. J.R. RAU: If you want to know how much was spent on wallpaper and partitions and stuff, I will have to get back to you.

Ms CHAPMAN: I want to know whether it is to redecorate, refit, repaint. It is pretty basic; it is not going to be very much money. You surely have that answer there?

The Hon. J.R. RAU: In order to answer the question accurately, I will take that on notice. I will find out how much exactly is spent on partitions and glass and whatever else we need.

Ms CHAPMAN: Page 15, the GPO Tower at 10 Franklin Street. This is a transfer of a number of AG departments, if I can describe them as that, including your offices, to the GPO Tower. Who made that decision?

The Hon. J.R. RAU: I think it was a cabinet decision, if I remember correctly.

Ms CHAPMAN: Is it at the request of the Attorney-General's office?

The Hon. J.R. RAU: I am not going to go into what actually happens in cabinet, but there is a property division within DPTI which spends its time looking at how government can get best value for its money in the provision of office space for agencies around the state but in particular in the

CBD. So, it is normal for them to be the people who act for the agencies within government as the procurer and the specialist agency.

I can tell you that the Attorney-General's Department was looking at the situation where the lease on 45 Pirie Street was coming up in a relatively short space of time, in 2017. A decision had to be made as to whether or not the lease on that particular building was to continue or whether the end of that lease was to be seen as an opportunity for a better value proposition or a more desirable outcome for the government as a whole to be sought.

In terms of the cost-benefit analysis of that and the implications of rents and incentives and all those other things, that is not part of the skill set of the Attorney-General's Department. The Attorney-General's Department is, in effect, the customer in the sense that it has its own idea about how much space it requires, how many staff it needs to deal with and that sort of thing.

Ms CHAPMAN: Yes, except that the two people sitting left of you have given evidence to the Budget and Finance Committee in respect of this expenditure, of the \$26.608 million to refit the GPO and the reasons for doing so, including that the annual accommodation cost will be less, namely, \$8.4 million; the area will be less. My question is: is it still the estimate that the \$8.4 million will be the annual accommodation cost when you move into the GPO Tower?

The Hon. J.R. RAU: My advice on this is that the Franklin Street property, which is the GPO Tower, is expected to cost about \$8.1 million per annum—

Ms CHAPMAN: So, it is a bit less.

The Hon. J.R. RAU: —which is favourable when compared to \$8.6 million for 45 Pirie Street for a comparable period.

Ms CHAPMAN: When are you proposing to move?

The Hon. J.R. RAU: I am advised around September 2019.

Ms CHAPMAN: September 2019?

The Hon. J.R. RAU: Yes.

Ms CHAPMAN: Will all the agencies in AGD that are proposed to move, move at that time?

The Hon. J.R. RAU: I am advised that the agencies that are moving are the ones that are in 45 Pirie Street, but I think all of those will be vacating simultaneously.

Ms CHAPMAN: Are any of the agencies in 45 Pirie Street going to alternative premises or are they all going to the GPO?

The Hon. J.R. RAU: I am advised that they are all going.

Ms CHAPMAN: In respect of the Crown Solicitor, page 17, what is the total value of legal work outsourced to the legal profession in the 2016-17 year?

The Hon. J.R. RAU: What is the question?

Ms CHAPMAN: What is the total value of the legal work outsourced to the legal profession in the 2016-17 year?

The Hon. J.R. RAU: I am advised that according to the Crown Solicitor's Office records, \$13.5 million was paid by agencies to private legal providers approved by the Crown Solicitor under the Treasurer's Instruction No. 10. I should also add that apparently some of the invoices in respect of this period are still being processed so it may be that there are additional outgoings which are attributable to that financial year in due course.

Ms CHAPMAN: What is the budget for that expenditure in 2017-18?

The Hon. J.R. RAU: I am advised that that is in other agency's budgets so each of the relevant agencies that have their own requirement for legal services would have a contingency or a line relating to that.

Ms CHAPMAN: What other agencies?

The Hon. J.R. RAU: It could be any of them. It could be Health, for example, Transport, Education. I imagine a great many of them have some reasonably predictable requirements for legal services.

Ms CHAPMAN: But the Crown Solicitor is the person who has to approve these external legal service instructions.

The Hon. J.R. RAU: We do not pay them.

Ms CHAPMAN: My understanding, Attorney, is that, yes, a request might come in from the education department seeking approval to appoint X and that is an expenditure that is met by the Crown Solicitor's Office and then billed to the education department, but you are saying it is a direct payment from the education department.

The Hon. J.R. RAU: They are the customer.

Ms CHAPMAN: Right. So you are saying that at the end of the financial year there is an accumulation of each agency's use of approved external legal costs and that makes that the \$13.5 million or thereabouts for last year?

The Hon. J.R. RAU: That is my understanding, yes.

Ms CHAPMAN: And that is an amount which is identified in each of the agencies that use private solicitors.

The Hon. J.R. RAU: It should be, yes. You see, the role of the Crown Solicitor in this respect is kind of the gatekeeper. Some of the individual agencies have their own, from a Crown perspective, outposted lawyers, but from their perspective, in-house lawyers, and the role of the Crown Solicitor in respect of them getting external counsel is basically as a gatekeeper—is this the sort of matter that requires external legal advice, is the advice being sought appropriately and proportionate to the nature of the problem and that sort of thing. Each agency has its own needs, some more than others.

Ms CHAPMAN: Yes, a bit like approving funds for the health department to do the Oakden inquiry. Was there any payment made to the Crown Solicitor at the end of her position and recent appointment to the judiciary? I think she is being sworn in tomorrow or this week some time.

The Hon. J.R. RAU: Next week. I will have to check.

Ms CHAPMAN: In checking, if you could identify how much was paid out because I think that appointment was only for a couple of months.

The Hon. J.R. RAU: Yes, but bear in mind she has been a public servant for a considerable period of time, so it may be that her most recent iteration was not particularly lengthy, but I think—

Ms CHAPMAN: Who is the current Crown Solicitor and what is the term of their contract?

The Hon. J.R. RAU: I will check, but my expectation is that it would have been whatever annual leave entitlements were accrued.

Ms CHAPMAN: I hope you were not going to say you were going to check who the current Crown Solicitor is—which was my next question—and what is the term of his or her contract?

The Hon. J.R. RAU: Well, I do know the answer to that question.

Ms CHAPMAN: Excellent.

The Hon. J.R. RAU: Do you want me to tell you? It is Mr Waite.

Ms CHAPMAN: Yes.

The Hon. J.R. RAU: I would need to get some advice as to what the details of that are and what is appropriate for me to say in public about that. Mr Waite comes to the job as a very experienced and highly regarded long-term member of the Crown Solicitor's Office. He has been recognised by the courts as a very capable advocate on behalf of the Crown, and I am confident he will do a very good job.

Ms CHAPMAN: In respect of the legal funding—and I use the reference to the appointment of private practitioners pursuant to the Treasurer's direction—as you point out, the Crown Solicitor has to approve handling matters where private solicitors are to be appointed. For example, when approval was given to handle the commercialisation of the land services, which had been publicly announced, was that paid from your budget or the Crown Solicitor's budget; that is, the Attorney-General's budget or your budget?

The Hon. J.R. RAU: I would have to check.

Ms CHAPMAN: And then invoiced to Treasury.

The Hon. J.R. RAU: Yes.

Ms CHAPMAN: What happens then?

The Hon. J.R. RAU: I would have to check, but I can tell you this: that particular thing is not part of AGD, for a start. So, in the event that there were legal costs associated with that particular piece of work—and I do not know whether there were or there were not—it would have been a matter for the relevant agency to liaise with the Crown and ascertain whether or not they required external legal services. It may be that they did not; I do not know.

Ms CHAPMAN: According to the published material, HWL Ebsworth was identified in October 2016, through being announced publicly, as the lawyers to manage that process. It is no reflection on that entity, I am just trying to ascertain who pays it and how it is reimbursed to Treasury—or does Treasury just do all that directly?

The Hon. J.R. RAU: I think that is a question for Treasury.

Ms CHAPMAN: In respect of the DPP, on pages 19 and 20, what projects were undertaken in the 2017-18 year, 'arising from recommendations of the ODPP review conducted in 2016'?

The Hon. J.R. RAU: I wanted to place on record the fact that the DPP has been going through, I think, a very healthy process of reflection on how it does things and how it can do things better. The DPP is about to enter into a period of change. The major indictable reform process will require the DPP to look at a number of things in a different way. It will provide some challenges to the office. It is something the office has been intimately involved in the preparation of. They know what is coming, but they are heading for a period where there is going to be quite a bit going on. The last budget provided an amount of \$2.2 million for the implementation of a prosecution management system.

Ms CHAPMAN: You handled that last year.

The Hon. J.R. RAU: Yes, I know.

Ms CHAPMAN: I am asking for this year. What are they doing that is consistent with that recommendation?

The Hon. J.R. RAU: A number of things. Firstly, there are administrative things that come out of that review.

Ms CHAPMAN: I am asking what they are. This is one of the projects that are being undertaken in 2017-18, arising from recommendations of the ODPP review. So, we know it is in the report. We have all read it, and there is a whole list of things that are recommended. A couple were picked up last year. I am asking: what are going to be the proposed projects for this year, arising from that recommendation?

The Hon. J.R. RAU: I will have to get that information from the DPP. I am not going to speculate. If you have read the report you will appreciate that the recommendations include a whole bunch of things about the way the DPP runs its office. Exactly where the director is up to in terms of implementing each and every one of those is something I think I should seek his—

Ms CHAPMAN: Your Treasurer has—

The Hon. J.R. RAU: I know, but I do not run the DPP. If you want a current—

Ms CHAPMAN: Attorney, please; this is the Treasurer's report to the parliament which lists a proposed target for this year, and it says that it is going to implement these things. I am just asking what they are. Somewhere along the line I was assuming that your department, that is the Attorney-General's Department, would know what they were to put them in the budget for the Treasurer to publish. That is all I am asking. If you do not know what they are, I would appreciate it if they were taken on notice.

The CHAIR: I think the Attorney-General has indicated he will seek some advice and get back to us.

The Hon. J.R. RAU: I will. I do not know whether, at this present time, he has decided he is not going to do leave rosters anymore and he is going to get someone else to do them; I do not converse with him about fine-grained management things. But I can say—and I do not know if this is an answer to your question or not—that there was, for instance, an amount of \$1.2 million allocated for the DPP to look after major indictable matters and circuit and country committals, which is something they took over from the police. There is nothing unheralded about that—I think it is something that has been on the public record for a while—but that is an amount of money they have got. There is an e-brief project being undertaken, which is intended to replace hard copy material with electronic prosecution briefs, which is going to cost an estimated \$2.5 million. That is funded by justice agencies, with the AGD chipping in \$826,000 on behalf of the DPP.

To get down to the particulars, again, all I can say to you is that the DPP has started the restructuring and efficiency measures that were recommended in the report, obviously to maximise effective use of the current resources. Exactly where he is up to in that is, as I was trying to explain before, something I will need to find out. It is literally administrative. I am happy to ask him to provide me with a summary of where he is up to with that, and to provide that. There are about 10 projects that were commenced in the last calendar year which were, either in whole or in part, directed towards responding to recommendations that came out of that report, and some of those are ongoing now. So there is a lot going on there.

Ms CHAPMAN: Just for the purpose of obtaining that information, and I appreciate that you are going to have to look into that, it does not say 'continue projects', but says, 'Undertake a range of projects arising from recommendations of the ODPF,' etc. So I look forward to receiving that list.

Regarding Forensic Science, pages 21 and 22, with no extra funding other than the specific extra expenses identified at page 21, how does the Attorney-General expect Forensic SA to improve its performance on page 22? You will see there that currently DNA crime scenes, drug driving, illicit drugs all have significant failings in respect of the turnaround times.

The Hon. J.R. RAU: I have to say that Forensics does a terrific job; they are a remarkable group of people and are continually improving the service they provide. We should all be very grateful to the people who do that job. There is a number of ways in which we are trying to support Forensics. I am actually optimistic, again, that the major indictable reform project will be of assistance to Forensics and I will explain why. Every case which is a case which is going to trial is a case which potentially requires Forensics to do extensive work in preparation for that trial.

That work includes not just analysis of DNA or other things but also it involves preparation of people for the giving of evidence and the preparation of reports, so it is quite an intensive piece of work. For every single matter which goes to the doorstep of the court before it resolves that requires forensic support, the time and energy of those forensic science people have been wasted because that matter goes all the way—all the preparations are done, the reports are prepared, etc.—and then the case does not go on because there is a guilty plea.

I accept, obviously, that in some cases that will happen. It is just the way things are. Sometimes things do not resolve until the end but, to have a disproportionately large number of things not resolving until the end—so many not resolving until the end to the point where the courts are overlisting, like Tiger Airways, at 160 per cent of capacity—is indicative of how much unnecessary material is occupying the court lists. That has an impact on Forensics.

If we can actually have a significant number of those cases being determined as matters that will resolve by way of a guilty plea much earlier in the process, that means Forensics can put the tools down, they can stop working on that case, they can stop preparing their reports, they can not

worry about preparing themselves to go to court and they can get on with something else. To me, the biggest single benefit in the short term that we can deliver to Forensics is to stop them, as much as possible, spending time on things that might go to trial but do not.

Ms CHAPMAN: Some may take the view, Attorney, that in fact they have a very instructive role in securing the opportunity to have guilty pleas, but be that as it may, how many of these valuable people were employed in Forensic Science SA as at 30 June 2017 and how many are budgeted to be there at 30 June 2018?

The Hon. J.R. RAU: All I can say is that according to the material I have been shown, we are looking at 136.1 FTEs in 2017-18, which is 0.5 of one FTE less than the previous year. I am not sure what those numbers include. It could be that the 0.5 reduction is a reduction in somebody who operated the lift. It could be that it is a 0.5 reduction in somebody who is a scientific expert.

Ms CHAPMAN: Very well. Can I have a breakdown, then, of the 136.1 as to their status or qualification?

The Hon. J.R. RAU: Yes, sure.

Ms CHAPMAN: Obviously, I do not have to have just the lift operator, but if there are clerical, administrative, forensic assistants, forensic scientists—I think the Attorney understands what I am talking about as to a breakdown of employees of that task force. I refer to Legislative and Policy Services at page 25. Now that the youth offenders boot camp program has been completed, where taxpayers paid over a million dollars for the trial, will the Attorney-General now release the program evaluation report?

The Hon. J.R. RAU: I am advised that the final evaluation report is expected to be received before the end of the year. I think the member for Bragg's point is a good one. If we are spending money on this it is not unreasonable that we should know what we are getting for our money.

Ms CHAPMAN: There is an interim report.

The Hon. J.R. RAU: There is an interim one, yes, but I am conscious of the fact that it is an interim report and I am also conscious of the fact that sometimes people go off half-cocked (not the member for Bragg, of course, but others) and get very excited about something which is not a final report. However, in terms of the final report, unless there is some very important reason that is not apparent to me, I agree with the member that it would be sensible for people to see that.

I have to say that, with all of these projects, nobody is a stronger supporter than me of the government investing in projects which deflect people away from a life of crime or public nuisance but, unfortunately, I am very keen on seeing evidence about the effectiveness of these programs because I think we are spending public money and we deserve to be able to prove that the money is being spent wisely rather than simply being spent on something that makes somebody feel good.

Ms CHAPMAN: Has money been allocated in the 2017-18 budget to continue this trial, that you want to consider wisely?

The Hon. J.R. RAU: I have granted a six-month extension to the program to the end of December this year, so I guess my position will be that by the time I have to make a decision as to whether it is extended again I will have the benefit of the final evaluation of the project.

Ms CHAPMAN: I assume at this point, based on the interim report, it was sufficient at least to extend the program to then have a final assessment.

The Hon. J.R. RAU: Yes.

Ms CHAPMAN: How many children have gone through that program?

The Hon. J.R. RAU: The advice I have is that as at December last year—so that is not the most recent, but still—87 people had been referred: 34 of those were Aboriginal people; 71 were male, 16 were female; 47 of those were referred through family conferencing and 40 through the Youth Court.

Ms CHAPMAN: Perhaps if you can take on notice an update of those figures because they were all available last year, thank you. SACAT, pages 26 and 27, program 1.7: are there any new jurisdictions to be transferred to SACAT in the 2017-18 financial year and, if so, what?

The Hon. J.R. RAU: There is some interesting stuff there. I am intending to bring into the parliament shortly a bill which will have the effect of bringing a significant number of additional jurisdictions across. What happened was that—and I think members might recall this—originally when we introduced SACAT there was a contemplation that it would start off with the core functions of the Guardianship Board and the Residential Tenancies Tribunal and then progressively other bits and pieces would be rolled in.

We got into this chicken and egg problem where to roll extra things in, we needed extra money, and until we had the extra money we could not roll things in and so that slowed things down. Happily, in this budget there was an allocation of some \$6 million or thereabouts, if I remember correctly—\$6.1 million, yes—and that has created the headroom within SACAT for the decanting of further jurisdiction now to proceed. It is my intention to introduce a bill to the parliament in the course of this year—next sitting week.

Ms CHAPMAN: That is next week?

The Hon. J.R. RAU: Yes.

Ms CHAPMAN: Wednesday?

The Hon. J.R. RAU: Yes. So, subject to the approval of the parliament, obviously, the intention is that the following jurisdictions would go in through 2017-18:

- review of decisions made pursuant to the Child Safety (Prohibited Persons) Act;
- review of decisions made pursuant to the Children and Young People (Safety) Bill;
- review of a range of administrative and occupational disciplinary decisions made under more than 40 acts included in the statutes SACAT bill of 2017, which will confer on SACAT the remaining jurisdiction of the administrative and disciplinary division of the District Court. The jurisdictions of note to include review of administrative and occupational disciplinary decisions made under the Local Government Act, the Births, Deaths and Marriages Registration Act, the Emergency Services Funding Act, the Land Agents Act, the Land Valuers Act, the Conveyancers Act, the Survey Act and the Fisheries Management Act; and,
- last but certainly not least, jurisdiction under the Dog and Cat Management Act.

Ms CHAPMAN: I am sure Ms Hughes, soon to be Justice Hughes, will be thrilled at that. Is the new judge for SACAT that has been funded in this year's budget to just do appeal work, or are they to do work of first instance?

The Hon. J.R. RAU: That is really a matter for the president to determine. The interesting thing is that what became clear to me is that the initial situation whereby the inaugural president, Justice Parker, was a 0.5 of an FTE president was not enough. Part and parcel of this year's budget was to provide for a full-time leader for SACAT, and Justice Hughes will be a full-time president of SACAT. That involves a number of things. First of all, the day-to-day management and the setting of the tone of the place is absolutely the responsibility of the president. The president will determine how the different resources of the SACAT will be allocated to the matters coming before the SACAT.

I think it would be a matter for her to determine where she would intervene personally in terms of hearing matters. She can go anywhere she wants, but logically both the president and the deputy president, Judge Cole, are probably the sort of resources that should be left to the high-end type work. Obviously, the president might determine, 'I want to know what it's like to be working on the ground in residential tenancies matters; I'm going to list myself for a couple of days just to get a feel for it,' and that is fine, that is up to her, but—

Ms CHAPMAN: Is the SACAT review being prepared by the Hon. David Bleby due to be concluded, and if so when?

The Hon. J.R. RAU: Very soon. My last information on this is that Mr Bleby is going on a probably much deserved holiday sometime at the end of next week. He has indicated to the officers in the Attorney-General's Department that he expects to provide them with a copy of his report before he leaves. But I do not have it yet.

Ms CHAPMAN: I appreciate that he is doing this report. Was he asked about all these other jurisdictions that you are about to transfer over to SACAT?

The Hon. J.R. RAU: What do you mean, asked?

Ms CHAPMAN: Asked his opinion on that?

The Hon. J.R. RAU: No.

Ms CHAPMAN: So, he was just undertaking a review?

The Hon. J.R. RAU: I am advised he did look at that as well; I am sorry.

Ms CHAPMAN: Right. While we are waiting for his report as to the review of the existing SACAT, he was asked about these others coming across, and presumably you have his recommendation to support that?

The Hon. J.R. RAU: Look, as I said, I have not got his report yet, but—

Ms CHAPMAN: Sorry, when he was asked did he say, 'Look, I'd hold that off for a year or two years,' or was he happy to support that occurring?

The Hon. J.R. RAU: No. Can I make this really clear, just for the record, because I know the members sitting in the room would be aware of this. There is nothing new in this SACAT thing. The idea of the jurisdictions that would be folded in, the names of them, have been well and truly on the public record for a considerable period of time.

Ms CHAPMAN: One of the things, Attorney, that could, I suppose, make one reflect on whether it should be taking on more work is if it is not functioning properly at the moment. Obviously a review is being undertaken. Are you satisfied, on the advice that he has given you, that he is supportive of the structure, as it currently is, taking on these other jurisdictions?

The Hon. J.R. RAU: I emphasise again: I have not received his report.

Ms CHAPMAN: There have been others—your advisers have just told us that.

The Hon. J.R. RAU: Can I just finish? I have not received his report. That said, I have had no feedback from the department to the effect that Mr Bleby is concerned about this hold off. In that circumstance, him knowing what is our legislative agenda, me not having been advised by the department that he has concerns sufficient to warrant me holding off, I am proceeding, as has been contemplated.

The significant thing about the agency, the two big things that are happening for the agency now to improve its efficiency are, number one, a full-time president, provided for in the budget—significant improvement. This is not a reflection on Justice Parker personally, but the fact is that he had only 0.5 of his time there; he has now been freed up to be 100 per cent of his time on the Supreme Court, and Justice Hughes will be 100 per cent of her time on SACAT. That is point number one. So, that is an additional resource they did not have.

The second thing is that they have additional money, so their physical environment and their capacity to deal with things has been enhanced by the allocation of funds in the budget.

Ms CHAPMAN: We look forward to receiving your bill and his report.

The Hon. J.R. RAU: Yes.

Ms CHAPMAN: In respect of the fines enforcement—

The CHAIR: Sorry, Attorney, had you finished your answer?

The Hon. J.R. RAU: Yes.

Ms CHAPMAN: Pages 49 and 50. What is the total outstanding amount owing to the fines unit as at 30 June 2017, and what is budgeted to be outstanding as at 30 June 2018?

The Hon. J.R. RAU: Okay, this is an evergreen, is it not?

Ms CHAPMAN: I do not know about evergreen—it certainly has ballooned.

The Hon. J.R. RAU: This fines payment thing is an interesting issue. The starting point is, obviously, so far as the government is concerned and certainly as far as I am concerned, that we would prefer that people did not commit offences and therefore incur fines, but, unfortunately, some people do.

Some years ago we reformed the process by which fines were collected and created a thing called the Fines Enforcement and Recovery Unit, and that unit has, since that time, been a dedicated fines collection outfit, whereas previously fines were an adjunct to the courts' activities, not really their core business, something they sort of did because they were required to do it, but not something that was their reason for being.

The performance of the unit has been good. In 2014-15 they collected \$107.6 million; in 2015-16 they collected \$116.2 million, which was an increase of 8 per cent; and in 2016-17 they collected \$124.5 million, which was an increase of another 7 per cent. Since their inception their recovery rate has been around 45 per cent higher than was the case under previous arrangements, so by any measure they have been doing a good job—by any measure, they have been doing a good job.

The fines unit issued 618,000 enforcement notices and 1.1 million notices in total between July 2016 and June 2017. As at 30 June 2017, the total debt was \$379 million. This compared with a total debt of \$369 million at 30 June 2016. As at 30 June 2017, the debt owed to the state was \$302 million.

Ms CHAPMAN: Sorry, when?

The Hon. J.R. RAU: At 30 June this year.

Ms CHAPMAN: I thought you said \$379 million.

The Hon. J.R. RAU: I am talking about debt to the state now.

Ms CHAPMAN: Yes, okay.

The Hon. J.R. RAU: Some of that \$379 million is not a debt to the state.

Ms CHAPMAN: No, I appreciate that. It can be to others. Can I ask you for the 30 June 2018 estimate?

The Hon. J.R. RAU: We do not have an estimate for next year, but if you look at the last few years, you would expect it to be around the same, with perhaps a slight increase.

Ms CHAPMAN: Alright. In relation to the—

The Hon. J.R. RAU: Can I just add here, too, that in looking at these numbers, we need to understand that this includes debt that is also outsourced to collection agencies. Some of that return is uncollected, some of it is collected by the agencies. As at 30 June 2017, 94 per cent of all fines processed by the unit are under proactive management, which is an increase from 85 per cent in the previous year. A significant portion of the debt is considered doubtful, for various reasons. A portion cannot be enforced due to data issues, such as having no names or dates of birth, a considerable amount is unlikely to be collected due to age, and a considerable component of the outstanding debt actually predates the fines payment unit.

The amount of outstanding fines is continually increasing due to ongoing referrals, and the amount of debt under active management is also increasing, as is the rate at which debt is either repaid through non-monetary means like community service or through deferred recovery. In the case of deferred recovery, recovery action has been deferred until new information is received to justify additional or continued allocation of the fines unit's resources. Enforcement sanctions remain in place for deferred debt. As at 30 June, fines totalling \$171.2 million have been referred for

enforcement, and \$124.5 million has been recovered, compared to \$180 million referred and \$116 million recovered during the preceding year. In other words, that is improving.

As at 30 June 2017, \$58.3 million in debt has been waived, in other words, permanently expunged; deferred, which means it is written off but can be reinstated if it is possible to identify the individuals; or annulled, which is when the debt is returned to the issuing authority, generally by process of recall or review. In addition to that, it is important that, out of that \$379 million, \$40 million is not overdue. It is important to recall that this total debt includes money which is owing but not overdue as well. That is \$40 million, and there is \$37 million that is owed to third parties.

Let me see what else I can tell you about this, because it is interesting. Here is some other information that I think I should perhaps share with the committee as well. This is just to put on the record something that appears not to be picked up around the place. The fines unit attempts approximately 1,000 suspensions of driver's licences and 800 restrictions on transacting business with the registrar of motor vehicles each night, to encourage individuals to contact the fines unit to address their outstanding fines. Nearly 342,000 phone calls and 29,000 emails were received in 2016-17. The average wait times are now below the target of five minutes. The average number of daily client contacts that an agent takes is 50.

The fines unit continues to improve quality of data acquisition with a number of government agencies. As the unit links up with more agencies, its capacity to identify people for whom otherwise it would be hard to get their name and address and so on, improves. The more it links up, the more it is able to fine people.

The unit is progressing with data sharing initiatives with the commonwealth, which is something that I have been pushing for some time, including the Department of Social Services and the Department of Immigration and Border Protection, to ensure the most recent and accurate information about clients is identified. The unit also continues to participate in the treatment engagement trial led by Drug and Alcohol Services for clients with chronic substance dependencies.

Can I say in relation to the other engagement with the commonwealth, we are not only interested in the commonwealth providing data to help us identify and fine people, we are also interested in speaking to the commonwealth about whether or not we can actually get some recoveries of fines through commonwealth benefits.

Ms CHAPMAN: How is that going?

The Hon. J.R. RAU: I have to say the current minister, minister Porter, has been prepared to entertain the conversation.

Ms CHAPMAN: Last year you told us, Attorney, that you had advanced discussions with commonwealth departments to facilitate the deductions from social security entitlements. How has that progressed since last year?

The Hon. J.R. RAU: All I can tell you is that minister Porter who has the advantage of being an Attorney and a state Treasurer gets what the problem is. I give him that credit. But he has to get his colleagues to agree. I have to say I have been asking successive commonwealth ministers for about four or five years for help with this, and I have not been getting very far on them deducting moneys. I have to say there has been progress on them providing some additional data to us. Let's not be completely negative about the commonwealth role here.

In the past 12 months, the office has successfully applied to the magistrate for 125 fine defaulters to be placed on community service orders under section 70U of the Criminal Law (Sentencing) Act. Proceedings can be brought to enforce community services orders if the fine defaulter fails to comply. One of the consequences of failing to comply includes imprisonment.

In the past 12 months, five enforcement applications have been issued. One person was imprisoned for 62 days, two people paid the sum owing in response to the enforcement proceedings, and two people are still awaiting hearing.

The unit is actually taking a proactive approach to try to enforce the recovery of fines. Obviously, the idea of putting a person in prison for failure to comply with directions from the unit is

very much an absolute last resort. But so far, there has been an individual in the last 12 months who was imprisoned for 62 days for failure to comply with directions.

Ms CHAPMAN: Page 17 on the Crime Prevention and Community Safety program; can the Attorney confirm the total budget for the grants program in 2016-17 and 2017-18 and the estimated total spend for the program 2016-17? What is the budget for the program in each year in the forward estimates?

The Hon. J.R. RAU: Let me see. I have bit of general information here. In 2016, the maximum grant available in the general stream of grants was increased from \$50,000 to \$100,000, and there was a strengthening on place-based and family-based initiatives. Programs targeting domestic violence and reducing offending by young people were particularly encouraged.

In 2017, 10 local crime projects have been funded, totalling \$735,544. Seven of these projects, including \$596,015, are in the general crime prevention category and three projects, totalling \$139,529, are graffiti specific projects. The recipients of the crime prevention grants come from a variety of community groups, local councils and not-for-profit organisations in regional and metropolitan areas.

As members would be aware, there is also a CCTV Grants program which is available to councils in metropolitan and regional South Australia for the installation of CCTV security lighting and other technologies to improve safety in hotspots. Councils have been working with the police to identify these hotspots and make applications accordingly. In 2017, the government provided \$348,000 to six councils in the metropolitan regional areas for the installation of CCTV, security lighting and other things to improve safety in hotspots. CCTV installation plays a very important role in tackling crime and promotes safer public places. With those grants, the councils are required to put in matching funding on a dollar for dollar basis.

Ms CHAPMAN: I appreciate that we are near the end of time, but in respect of the Crime Prevention and Community Safety Grants and the CCTV Grants can you provide to the committee a list of those that received amounts in the 2016-17 year and how much?

The Hon. J.R. RAU: I can.

Ms CHAPMAN: Similarly, if there has been approval of programs for this financial year, a list of those.

The Hon. J.R. RAU: We can do that. I can read some out if that helps.

Ms CHAPMAN: We can but I think the Electoral Commissioner is waiting.

The Hon. J.R. RAU: I am happy to provide that.

The CHAIR: I declare the examination of the proposed payments for the Attorney-General's Department and the administered items for the Attorney-General's Department adjourned until later today.

ELECTORAL COMMISSION OF SOUTH AUSTRALIA, \$17,332,000

**ADMINISTERED ITEMS FOR THE ELECTORAL COMMISSION OF SOUTH AUSTRALIA,
\$456,000**

DEPARTMENT OF THE PREMIER AND CABINET, \$260,146,000

**ADMINISTERED ITEMS FOR THE DEPARTMENT OF THE PREMIER AND CABINET,
\$1,976,000**

Minister:

Hon. J.R. Rau, Deputy Premier, Attorney-General, Minister for Justice Reform, Minister for Planning, Minister for Industrial Relations, Minister for Child Protection Reform, Minister for the Public Sector, Minister for Consumer and Business Services, Minister for the City of Adelaide.

Departmental Advisers:

Mr M. Sherry, Electoral Commissioner, Electoral Commission of South Australia.

Mr D. Gully, Deputy Electoral Commissioner, Electoral Commission of South Australia.

Mr I. Clayfield, Chief Financial Officer, Electoral Commission of South Australia.

Mr S. Froude, Director, State Records of South Australia.

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

The CHAIR: I declare the proposed payments open for examination. I refer members to Agency Statements, Volumes 2 and 3.

Ms CHAPMAN: The member for Finniss has some general omnibus questions to ask and I request that he be able to do that now.

The CHAIR: Yes, member for Finniss.

Mr PENGILLY: Delighted to make a contribution, sir.

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 in 2016-17 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. In financial year 2016-17 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 2017-18?

3. For each department and agency reporting to the minister, please provide a breakdown of attraction, retention and performance allowances, as well as non-salary benefits, paid to public servants and contractors in the years 2015-16 and 2016-17.

4. For each agency for which the minister has responsibility:

(a) How many FTEs were employed to provide communication and promotion activities in 2016-17 and what was their employment expense?

(b) How many FTEs are budgeted to provide communication and promotion activities in 2017-18, 2018-19, 2019-20 and 2020-21, and what is their estimated employment expense?

(c) The total cost of government-paid advertising, including campaigns, across all mediums, in 2016-17, and budgeted cost for 2017-18.

5. For each agency for which the minister has responsibility:

(a) What was the cost of electricity in 2016-17?

(b) What is the budgeted cost of electricity in 2017-18?

(c) What is the provisioned cost of electricity 2018-19, 2019-20 and, 2020-21?

6. For each grant program or fund the minister is responsible for please provide the following information for the 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 financial years:

(a) Balance of the grant program or fund;

(b) Budgeted (or actual) expenditure from the program or fund;

(c) Budgeted (or actual) payments into the program or fund;

(d) Carryovers into or from the program or fund; and

- (e) Details, including the value and beneficiary, of any commitments already made to be funded from the program or fund.

The CHAIR: Thank you, member for Finniss. Welcome to your new advisers, Attorney. Do you have an opening statement regarding the Electoral Commission or State Records?

The Hon. J.R. RAU: Yes. I am joined now by the Electoral Commissioner, the Deputy Electoral Commissioner and the Director of State Records. It is nice to be with you.

The CHAIR: Once again. Member for Bragg.

Ms CHAPMAN: Thank you. I will be referring to page 41 (I think that commences on page 39), pages 42 and 46 and, in general terms, the electoral services on page 44. In respect of the Electoral District Boundaries Commission in the 2016-17 financial year, what were the total costs of undertaking that exercise?

The Hon. J.R. RAU: For 2016-17, I am advised that it was only \$170,000.

Ms CHAPMAN: And in the preceding year?

The Hon. J.R. RAU: 290.

Ms CHAPMAN: Of the costs in respect of the 2016-17 year, were there legal costs in respect of the Full Court appeal? None? Were there any costs in respect of the \$170,000 allocated in respect of the Full Court appeal?

The Hon. J.R. RAU: No.

Ms CHAPMAN: Was there any exercise done to identify the costs of personnel to provide instructions to provide information to the Full Court of the Supreme Court? We are still on the Electoral Commission.

The Hon. J.R. RAU: I am advised that the commission did not choose to be represented in those proceedings. However, the Chief Justice suggested that counsel assisting the commission attend those proceedings, which apparently occurred. Counsel assisting was there for a day and a half. I have tried to ascertain what cost, if any, is specifically associated with that. The answer is that I do not have that information now, but I will get it.

Ms CHAPMAN: Is this an exception to the usual arrangement where the agency instructs the parties to appear, or would it be just a cost that is absorbed in the Crown Solicitor's Office?

The Hon. J.R. RAU: I will have to check.

Ms CHAPMAN: Find that out, regarding either administrative and/or legal costs for the attendants.

The Hon. J.R. RAU: I think the point that was made to me, and I am happy to be corrected if I am missing it, is that this was not because the Electoral Commission sought to be engaged in the exercise but because the Chief Justice suggested that they be present.

Ms CHAPMAN: I think that 'requested their attendance to be of assistance if required' would be one way of describing it. I am not being critical of the attendance; I just want to know what the actual cost was and whether it came out of this budget.

The Hon. J.R. RAU: I will have to check.

Ms CHAPMAN: Is there a budget for the Electoral District Boundaries Commission cost to be undertaken in the forward estimates? There will be another one due after the 2018 election.

The Hon. J.R. RAU: It is the second year after the election, if my recollection is correct.

Ms CHAPMAN: Yes; so that is in the forward estimates?

The Hon. J.R. RAU: It is in the forward estimates, yes.

Ms CHAPMAN: My question is: how much is budgeted for the Electoral District Boundaries Commission in the forward estimates, the next one?

The Hon. J.R. RAU: I will check that for you.

Ms CHAPMAN: You will take it on notice, thank you. There are some recommendations that were made by Ms Mousley in a report post the 2014 election, some of which have been taken up in respect of legislation which we passed through the parliament. However, one of the matters dealt with this question of misleading or deceptive conduct and advertising and the like, for which she made certain recommendations. Is there anything in this budget to make provision for any other changes in respect of that area? I know that you and I are about to see some MP coming from London who wants our advice on this.

The Hon. J.R. RAU: I do not believe there is anything specifically associated with that.

Ms CHAPMAN: Are you proposing to make any amendments?

The Hon. J.R. RAU: I will check, but I do not believe there is. This is one of those matters where, as I think the member for Bragg will recall, it was a legitimate matter which people of goodwill could come to different opinions about.

Ms CHAPMAN: The former electoral commissioner, you mean?

The Hon. J.R. RAU: And possibly even you. Not all the recommendations of the former commissioner have been taken up and, if I remember correctly, this is one of them that has not been taken up.

Ms CHAPMAN: In any event, it is not on the horizon? There is no budget for it?

The Hon. J.R. RAU: Again, I will find out.

Ms CHAPMAN: One of the recommendations would have been to relieve the Electoral Commissioner, whoever that was, in future elections from having to make these decisions at very short notice during election campaigns, but that would require someone to arbitrate it and therefore would, presumably, be a cost to some other agency.

The Hon. J.R. RAU: I do not think there is anything for that, but I will check.

Ms CHAPMAN: In relation to the elections that the Electoral Commission undertakes—other than the state election, of course, which is dear to our hearts—a number are listed on page 47. There is obviously the APY Executive Board and some other elections that occur in the APY lands, as is well known, and there are some other boards, like the South Eastern Water Conservation and Drainage Board and the Architectural Practice Board. However, the Electoral Commission also undertakes other work for elections, including unions. How many unions did it undertake elections for in the 2016-17 year, and who were they?

The Hon. J.R. RAU: I am advised that is the federal Electoral Commission and not the state Electoral Commission.

Ms CHAPMAN: So, none in South Australia?

The Hon. J.R. RAU: None.

Ms CHAPMAN: In respect of the 2017-18 financial year, are there any proposed elections apart from the state election?

The Hon. J.R. RAU: I will get that checked, but the only likely thing would be if somebody resigned or died then a local government supplementary election might be necessary somewhere.

Ms CHAPMAN: In respect of that, how much is budgeted for the local government elections for the 2018-19 year?

The Hon. J.R. RAU: I am advised that they are not budgeted for because they are a cost-recovery exercise, so whatever it costs, councils pay.

Ms CHAPMAN: How much did they pay you to do it last time? Not you personally, Attorney-General, but the Electoral Commission.

The Hon. J.R. RAU: I am advised that the last one cost \$4.798 million.

Ms CHAPMAN: And how much is budgeted for the state election in the 2017-18 year?

The Hon. J.R. RAU: The budget for 2017-18 is 11.651, which is an increase of 1.1.

Ms CHAPMAN: And public funding?

The Hon. J.R. RAU: I am advised that there is a contingency of around \$5 million but you might want to check with Treasury exactly how that is recorded.

Ms CHAPMAN: In Treasury?

The Hon. J.R. RAU: Yes.

Ms CHAPMAN: The activity status of the number of commercial services provided for client organisations was three in the 2016-17 year. Is that the three boards I have referred to or is that something else?

The Hon. J.R. RAU: I am advised, yes.

Ms CHAPMAN: And who are the two that are proposed for 2017-18? I think you indicated, Attorney, that we have the state election, obviously, which is not covered by that, and possibly a vacancy in local government, but who are the two that are projected for 2017-18?

The Hon. J.R. RAU: We will find out who they are.

Ms CHAPMAN: In relation to records, on pages 51 and 52, the 2017-18 targets propose the development of an electronic system re the lodgement of freedom of information applications. When will that be completed? I am very interested in this answer.

The Hon. J.R. RAU: I am advised that an electronic application form has been developed to enable online lodgement and payments for FOI. The online form is in the final stage of testing and is expected to go live for selected state government agencies from October this year. The online form offers—

Ms CHAPMAN: Does that include your agency?

The Hon. J.R. RAU: I will have to check whether we are one of the agencies. We are.

Ms CHAPMAN: Can you provide a list of who they are?

The Hon. J.R. RAU: We are.

Ms CHAPMAN: You are—State Records or—

The Hon. J.R. RAU: Attorney-General's Department.

Ms CHAPMAN: Attorney-General's Department, yes. The rest you will provide.

The Hon. J.R. RAU: Yes. The online form offers an additional channel through which members of the public can seek access to or amendment of documents through the Freedom of Information Act. We expect that this will simplify the FOI process for members of the public. There is no additional cost for the development of the online form as costs have been absorbed by AGD.

Ms CHAPMAN: Are you paying for all agencies or just your own department?

The Hon. J.R. RAU: We are paying for ourselves. It is just the form development we have paid for.

Ms CHAPMAN: What I meant was, the ongoing cost of the electronic operation—

The Hon. J.R. RAU: That would be a matter for each agency to—

Ms CHAPMAN: —is billed to each agency?

The Hon. J.R. RAU: We will check.

Ms CHAPMAN: It surely would not be a situation where all the material comes into the Attorney-General's Department from each of the agencies.

The Hon. J.R. RAU: I should not think so, but we will check.

Ms CHAPMAN: Thank you. State Records of ministers, the privacy regime: is the Attorney-General proposing any privacy laws, including the provision of a remedy and tort for breach of privacy in the 2017-18 year?

The Hon. J.R. RAU: That is a matter that is still under consideration.

Ms CHAPMAN: You only have eight sitting weeks left, I think, Attorney.

The Hon. J.R. RAU: Yes, I know.

Ms CHAPMAN: I am doing everything I can to make sure you are not here next year.

The Hon. J.R. RAU: I know.

Ms CHAPMAN: You have eight weeks.

The Hon. J.R. RAU: Perhaps we can—

Ms CHAPMAN: It is still under consideration, okay.

The Hon. J.R. RAU: —resolve this. If I am here next year I will do my darndest to do it; if I cannot do it in the next eight weeks and if I am not here perhaps the member for Bragg could take it up.

Ms CHAPMAN: How many premises for the storage of records does State Records currently administer?

The Hon. J.R. RAU: Two.

Ms CHAPMAN: Where are they?

The Hon. J.R. RAU: Collinswood and Gepps Cross.

Ms CHAPMAN: Any other planned facilities?

The Hon. J.R. RAU: No additional facilities at this stage.

Ms CHAPMAN: The vexed email storage question—obviously in light of, I think, the demise of one or possibly two ministers in Queensland in the last week or so for not using their work email facilities and using private emails for the purpose of conveying government business. What moneys have been allocated in the last financial year and this financial year to make sure that people who are obliged to keep state records are in fact not using their private emails? Mr Lander recommended a couple of years ago that some work be done on this. I am assuming it is happening.

The Hon. J.R. RAU: Yes, this does remind me a little of—there is a bit of *deja vu* here of question time that is sort of coming back to me. Can we just take as read all of the answers that have been given repeatedly about the Premier giving directions and other things? Members will be aware of all of that so I will not repeat it all.

However, in particular with respect to State Records, they are conducting a landscape review to gain a better understanding of the maturity of the practices and requirements of agencies in relation to the management of digital records. They will be in the process, over the next year or two, of developing a digital continuity strategy which sets the long-term direction for agencies in terms of the management of digital records, and the development of a business case for the implementation of a digital archive technology.

The digital archive would enable State Records to capture, preserve and provide access to those digital records that have enduring historical and social value whilst reducing the risk of technological obsolescence. Importantly, the archive would also enable instant online access to archival material for the broader community, which is obviously a lot more accessible than the physical format in which things are presently held.

As to the question of compliance by individuals, that is a matter of people complying with the directions that they are required to comply with in terms of what they use to communicate government business. I think the direction has been clearly given and has been for some time, and people who ignore that are doing so contrary to fairly clearly expressed government intention. I think the Premier has said as much several times in the parliament.

Ms CHAPMAN: What does State Records do in its operations to audit that? I appreciate there have always been reviews for a long time now in relation to how we manage the amount of data that needs to be stored for posterity, etc., but what does the State Records department do in respect of the auditing to make sure that it has collected everything and/or that state agencies or employees have complied with their obligations to provide that information?

The Hon. J.R. RAU: Perhaps, Simon, if you just say that directly.

Mr FROUDE: I would be happy to. Under the State Records Act, State Records has the ability to survey agencies on their record keeping practices. As part of that we have done significant surveys of government agencies back in 2010 and 2014. The aim of both of those processes was to actually identify areas where agencies need to work on and then assist them to progress their record keeping practices. State Records also uses that clause within the legislation to undertake ad hoc surveys of agencies where issues of their record keeping has come to our attention. The aim of all of those is to help them improve their record keeping practices.

Ms CHAPMAN: In the reviews of 2010 and 2014, were there any agencies where there were identified lapses or failings in respect of full compliance?

Mr FROUDE: Yes, there were a number of agencies.

Ms CHAPMAN: You may not have them at your fingertips, but if you would please provide to the committee, through the Attorney-General, a list of those agencies? And are you satisfied that of those agencies, they are all now fully compliant?

Mr FROUDE: I am probably not in a position to say that. We would be looking at doing further surveys of agencies. We see this really as a platform for progressive improvement over time.

Ms CHAPMAN: Have you done any surveys since 2014?

Mr FROUDE: Not across government, no. We have done individual agencies through the course of our general practice.

Ms CHAPMAN: Your normal work. So which agencies have you done since 2014?

Mr FROUDE: In terms of the ones that would spring to mind, we have done a couple of health agencies. The Lyell McEwin Hospital springs to mind. I can provide you with further details of the others we have done.

Ms CHAPMAN: And are you satisfied, of the ones you have done in those audits or surveys, that there is full compliance?

Mr FROUDE: When we go out to survey an agency on a particular matter what we will do is work with that agency on that matter and provide recommendations to them. We then follow up with them to make sure that those recommendations have been put in place. So again, it is about that progressive improvement for agencies.

Ms CHAPMAN: Are there any that are still progressing?

Mr FROUDE: Yes, I think generally speaking all agencies are trying to improve their record keeping practices.

Ms CHAPMAN: I understand what you think they might be doing, but of the agencies that you have reviewed since 2014, and you will give me a list of who they are, and of those that have completed the process—namely, you give advice, you identify issues, you work with them, you tick off or indicate they are not doing sufficient—if I could have an update in respect of the progress and/or completion satisfactorily of the inquiries in respect of each of those agencies? Thank you. I have no other questions.

The CHAIR: There being no further questions, I declare the examination of the proposed payment to the Electoral Commission of South Australia and the administered items for the Electoral Commission of South Australia be completed and the proposed payments for the Department of Premier and Cabinet and the administered items for the Department of Premier and Cabinet be adjourned until later today. We will break now for morning tea, until 11.45.

Sitting suspended 11:28 until 11:45.

DEPARTMENT OF PLANNING, TRANSPORT AND INFRASTRUCTURE, \$860,537,000
ADMINISTERED ITEMS FOR THE DEPARTMENT OF PLANNING, TRANSPORT AND
INFRASTRUCTURE, \$9,208,000

Membership:

Mr Pisoni substituted for Ms Chapman.

Ms Sanderson substituted for Mr Pengilly.

Minister:

Hon. J.R. Rau, Deputy Premier, Attorney-General, Minister for Justice Reform, Minister for Planning, Minister for Industrial Relations, Minister for Child Protection Reform, Minister for the Public Sector, Minister for Consumer and Business Services, Minister for the City of Adelaide.

Departmental Advisers:

Mr A. McKeegan, Chief Development Officer, Department of Planning, Transport and Infrastructure.

Ms S. Smith, General Manager, Planning and Development, Department of Planning, Transport and Infrastructure.

Ms A. Allen, Manager, Planning Reform, Department of Planning, Transport and Infrastructure.

Mr B. Seidel, Acting Chief Finance Officer, Department of Planning, Transport and Infrastructure.

Ms G. Vasilevski, General Manager, People and Place Management, Renewal SA.

The CHAIR: I declare the proposed payments open for examination. I refer members to the Agency Statements, Volume 3, and invite the Attorney to introduce his advisers and make a statement, if he wishes.

The Hon. J.R. RAU: Nice to be with you. I have Mr McKeegan to my right. Mr McKeegan, amongst other things, is the Chief Development Officer. Sally Smith is to my immediate left and she is the General Manager, Planning and Development, and Anita Allen is the Manager of Planning Reform. They are the people helping me.

The CHAIR: The A team. Do you have an opening statement?

The Hon. J.R. RAU: As I said, pleased to be with you.

The CHAIR: Member for Unley, the floor is yours.

Mr PISONI: Rather than an opening statement, I would like to share an experience with your office, if I may, minister. As you know, there is a current DPA out for rezoning a number of sites around Adelaide, and one in particular is 301-305 Unley Road, Malvern. Obviously, being the diligent local member that I am, I wrote to those people living nearby that development. In my letter I explained the process of the public meetings and how people with an interest in that development could be heard, and I gave them a contact number that I took from the planning porthole, engagement and consulting page, where they could register for information sessions, that number being 7109 7009.

Several constituents called me—and that number is still there as of yesterday—to advise that the number I had given out in my letter was apparently incorrect. When they rang the number they spoke to a woman who was very annoyed and told them that they had rung the wrong number. The impression my constituents had was that I had given them a private number, a house number. I was very concerned that I had inconvenienced somebody, so I rang the number myself to apologise to the woman who answered the phone.

When I called that 7109 7009 number a woman answered and told me that she could not help me and that she was not sure what she was being called about. It was only when I asked her for an email address so that I could send her a screenshot of the number on your department's website, minister, that she then conceded that she was actually a departmental employee and that she had moved desks and was getting people ringing on this number. Her response was to hang up and not help them and not refer them to another number, suggesting that it was not her problem.

She then said that she would fix the number, and that was about 2½ weeks ago. As of yesterday, the last time we checked, that number was still there. It is important, of course, because that is the number people ring to register for the public meeting to be held on 8 August at the Chifley, where they can actually give an oral submission to back up their written submission.

The Hon. J.R. RAU: First of all, can I just make the point that I do not think that this has anything whatsoever to do with the budget.

The CHAIR: I am waiting for him to get to the point.

Mr PISONI: This is an opening statement.

The Hon. J.R. RAU: Can I just finish, though? Notwithstanding the fact that it has nothing to do with the budget, if the department has distributed a number that is not—

The CHAIR: The correct number.

The Hon. J.R. RAU: —correct, or if it is correct and the departmental officer who is supposed to be attending to that telephone is not providing an appropriate response to the public, that is a matter of concern to me. I am sure that it is a matter of concern to those who sit with me at this table, and I give my undertaking and the direction simultaneously. To the extent that I can direct you people, would you please find out what is going on and fix it? That is just not okay.

I say to the member for Unley and other members here, if any of you ever find an example like this in respect of any agency that I have any relationship with, as soon as you find out about it please pick up the phone and ring me. It is just not okay if people are being given unsatisfactory service by state government agencies, particularly if they are told, 'If you have an inquiry or you want to find out more about something, ring this number,' and then they are frustrated because that number does not deliver what they are entitled to expect.

I take that matter very seriously. It is not okay. I want that on the record, and it is on the record. It is a by the way, though. It has nothing to do with the current budget committee, but I do want to say that I appreciate the member for Unley telling me, and as far as I am concerned, it has to be fixed.

The CHAIR: You will take appropriate action.

Mr PISONI: I was invited to give an opening statement.

The CHAIR: Member for Unley, can I speak, please?

Mr PISONI: I have not finished my opening statement yet.

The CHAIR: Can I speak, please, member for Unley? I am chairing this committee still. The rules about opening statements are fairly vague, but I do think they need to relate to the budget, so can I ask you to get from the specifics of your constituents' concerns to a more general observation about Planning in your opening statement; it would be appreciated.

Mr PISONI: This certainly does relate to the budget because it refers to highlights in the budget about the new planning act and the processes in place to engage the public. It is in highlights

on page 81, so it is very relevant to the act. The reason I am very concerned about that, and the member for Adelaide—

The CHAIR: Where in the highlights, the member for Unley? Whereabouts are you specifically talking about?

Mr PISONI: Page 81.

The CHAIR: Which highlight?

Mr PISONI: There is a series of highlights there.

The CHAIR: Which highlight?

Mr PISONI: The highlight that I am referring to is the sixth dot point, 'Enacted transitional legislation'. The engagement project is part of the—

The Hon. J.R. RAU: Actually, from what the member for Unley said to us, I do not think this has anything whatsoever to do with that. What he said was that it is in relation to a current DPA proposal that is out for conversation, which includes, amongst a number of other proposals, a proposal pertinent to members of the community living in his electorate, in Unley. That is business as usual, standard business for the department in, as it turns out, not adequately communicating with people about its ordinary course of business. That is nothing necessarily to do with the new planning reforms.

The CHAIR: I agree.

Mr Pisoni interjecting:

The CHAIR: Member for Unley, let me speak. You are eating into your own time. We can have this conversation another time, if you like, but I would ask that you get back to Planning and get back to the budget, rather than your specific concerns.

Mr PISONI: The reference that might be more appropriate, then, would be the reference on page 80, description/objective, of the South Australian planning and development system. On that basis, I am relating my concern about this process directly to that line in the budget.

The Hon. J.R. RAU: You had me at hello. I said yes. I totally agree—

The CHAIR: The Attorney is bending over backwards to help you, member for Unley.

Mr PISONI: I am not finished, John.

The Hon. J.R. RAU: Oh, there is more?

Mr PISONI: There is more.

The Hon. J.R. RAU: Terrific. Keep going, please.

The CHAIR: Despite the informality of this forum, I would ask that you refer to the Attorney-General by his title, please.

Mr PISONI: Certainly; thank you, Chair. My understanding is that at the close of submissions on Tuesday, there were 300 submissions that were presented for this development. I was obviously also very concerned about the fact that I have been following the DPA process in Unley quite strongly and there was supposed to be a second phase of the main roads package that you were putting together in the rezoning of Unley south of Cheltenham Street. That area was part of the second phase. That has not gone ahead. However, 301-305 Unley Road is in your package of DPA amendments that are out for consultation at the moment.

The CHAIR: Member for Unley, which line are you referring to now? Are you referring to a line or are you making some vague grievance?

Mr PISONI: I am referring to the planning process, the administration of South Australia's planning development system.

The CHAIR: Is this still part of your opening statement or are you asking a question? I am not following.

Mr PISONI: This is a question now, if that is okay.

The CHAIR: It is more than okay.

Mr PISONI: I made some inquiries with some nearby landowners who were approached by a real estate agent 18 months to two years ago to see if they wanted to sell their property, after the acquisition of 301-305 Unley Road was purchased by a major developer in South Australia. I was quite surprised when one of the landlords told me that the real estate agent had told him that the block was going to be zoned to five storeys. I had never heard that. As I say, I had been following this process very closely as the local member.

I then raised questions with the city manager of the City of Unley and asked him whether there has ever been any public discussion about five storeys north of Cheltenham Street. He said, 'No, we haven't even started there. There's been no public discussion about five storeys.' Does it concern you, minister, that a real estate agent acting for a developer would know, 18 months to two years prior to a development application, that there was going to be approval for changes of zone from two storeys to five storeys while the developer was in the process of actually making purchases?

The Hon. J.R. RAU: Thank you for that question. Given the lengthy preamble to the question, I am going to spend a little bit of time answering it. First of all, can I say that both the question and the answer are not pertinent to the matters before the committee.

The CHAIR: Indeed, Attorney, you may choose not to answer them, if you like. They are completely out of order. If you choose to answer it, that is fine.

The Hon. J.R. RAU: In the spirit of things, I will. Can I make it clear that there is absolutely nothing in this question which is pertinent to the budget papers. This is about a matter of business as usual under the planning system. This is an ordinary exercise under the existing planning and development act rules.

It is necessary, because of the way in which the member for Unley framed the question, for me to step back a bit and explain where we have been progressing on this. Some years ago, we did what was described as the inner metro DPA. The inner metro DPA was a change in development arrangements for a number of predominantly main roads, main corridors adjacent to the CBD, to the city. For example, we are talking here about Greenhill Road, Fullarton Road, Port Road, the first bit of Unley Road—Unley Road from the Parklands heading south—the top end of Henley Beach Road and so on.

That was the inner metro DPA version 1. That was intended to provide an opportunity for development in those areas and it was then envisaged that we would roll into a conversation with local government around the inner metropolitan area, particularly within a five to 10-kilometre radius of the central business district, about whether or not there were other opportunities for amendments to development plans, again predominantly around main roads, and that was the inner metro 2 proposal. The member for Unley is quite right. That proposal has not proceeded to the DPA stage, and the reason it has not proceeded to the DPA stage is that I formed the view that, given the way in which the uptake had occurred in the first round of DPA amendments for the inner metro area, the approach that we were contemplating utilising in the second round was possibly not going to be productive or of any great benefit in the short or even medium term.

I asked the department to turn its mind to whether they could suggest to me any alternatives which would provide more immediate benefit for development opportunity in that inner city area but did not involve the large-scale rezones that were contemplated in the first iteration of the inner metro DPA version 2. The department went away and came back to me with a number of suggestions across the city where there were sites which had a number of things in common. Number one, they were relatively close to the centre of the city so they were within five kilometres or thereabouts of the centre of the city. Number two, these sites were basically catalyst sites. In other words, you either had a common landholding or a single title which was sufficiently large that the site warranted consideration as a standalone development opportunity rather than simply being as a tiny part of a bigger mosaic of changes in planning regime.

As a result of the work that was done by the department, a number of sites were identified which were potential sites which tick those boxes, and there were 12 of them. Then we initiated the

normal process for a development plan amendment which was to go out to public consultation. I cannot remember exactly when we went out. It was probably two months ago or something like that. It closed yesterday. All of these time lines are completely orthodox standard time lines. There is no decision about any of these. I have no idea how much feedback has been received about any of those proposals. I have not had a chance to discuss it with the department. I dare say given the fact that it only closed yesterday, they have not been through all of them and digested whatever feedback we have been getting. We are some time away from them even being ready to have a conversation with me about what if any decision I will make in respect of any or all of those 12 sites.

To get to the point about a real estate agent, I am going to say something, Mr Chairman, that might shock some members of the committee. Real estate agents are occasionally unreliable people. It has been reported to me that occasionally they indulge in what is known in the game by some people as 'puffery', where you say a great deal about something that usually you know little about and sometimes you have taken great care to know little about so you cannot be accused of telling fibs. Classic examples are: 'Oh, you'll easily get \$500 a week for this single-bedroom apartment in Paralowie,' or, 'No, there is no problem in demolishing this heritage building and sticking a 15-storey building here in Dulwich.'

These things do happen, and I know that will shock people. I will just say that I do not receive a number of letters from Greg Troughton; not all people who are members of the real estate community have the same proclivity to indulge in these generalisations. The people in the industry know who I am talking about, and can I say, for the rest of you, you are doing a good job and you are honest people. You are not even involved in the scurrilous practice of bait pricing, which is a blight on the system.

I do not lose a great deal of sleep when it comes to my ears that a real estate agent has made some reasonably bolshie statement about a property. Notwithstanding what this agent has or has not said—reported by third parties, hearsay and goodness knows what else—I can tell you that the process for this particular rezone is completely orthodox. It is being done under the existing Planning and Development Act, the provisions of which are well known to everybody because it has been the law for 20-odd years. This was not an interim DPA, where it came into operation immediately. The reason it is not an interim DPA is because we are genuinely wanting to know what people think.

When the department has a chance to consider whatever it is that has come back from whoever it is who has been motivated to respond, there will ultimately be a decision. However, as the decision-maker, I can assure the member for Unley and other people that I have not turned my mind to what the ultimate outcome is going to be because I have not even had the benefit of considering the submissions.

Mr PISONI: I have a supplementary question: on that basis, what influence will the fact that the City of Unley has also moved that they would write to the DAC and yourself asking for that site to be removed from the DPA because they do not support it have on the decision for the rezoning of that property?

The CHAIR: Again, the Attorney can choose to answer this if he wishes.

The Hon. J.R. RAU: It has nothing to do with the budget.

The CHAIR: No, and it is a supplementary, so it is also out of order.

The Hon. J.R. RAU: Yes, but in the hope that by answering this question we can move on, can I say that anything anybody puts to me about this DPA will be considered. Whether that means they get their way is something that we will see after due consideration of whatever it is that people have submitted. I cannot emphasise enough that in putting out a DPA there is a proposition put for public comment. If the public comment is that this is unsatisfactory, and there is a bunch of cogent reasons given for that, then obviously those reasons are taken into consideration. My position is that I have no view, one way or the other, about this until I have had the opportunity of considering whatever the feedback is.

Mr PISONI: On the DPA, how were these properties determined to be included in this? Did the owners or the department approach you?

The CHAIR: Again, member for Unley, this is unrelated to the budget.

The Hon. J.R. RAU: At this point, I am going to say that I think I have answered this quite satisfactorily up until now. I have explained how it happened. Can we please get on with the budget?

Mr PISONI: Well, we are. There is a line here and a budget—

The CHAIR: Which line is that?

Mr PISONI: It actually says that planning is about the administration of the South Australian planning and development system, so these are legitimate questions about the process, about how the system is working. That is what the public wants to know. They want to know how the planning system is working and this is the perfect opportunity to ask those questions—because they relate to the budget. Do not use these descriptions in the budget if you do not want to answer questions about them.

The CHAIR: Member for Unley, there are no cameras here.

The Hon. J.R. RAU: Can I say to the member for Unley—

The CHAIR: Actually, there are cameras here. Carry on.

The Hon. J.R. RAU: —that I am perhaps the least interested person in this building in having a confrontation with the member for Unley; I think the member for Unley is a splendid chap. He is clearly a very, very committed member who is worried about what is going on in his patch. Fair enough; that is his job and I respect that, that is fine. I have spent the last however many minutes trying to answer questions which are perfectly reasonable questions for a concerned local member to ask me about things that are going on in their electorate. I have answered them, notwithstanding the fact that they are irrelevant, because it is, after all, the member for Unley's time. However, I did explain in my answer to the previous question how it came to be that a dozen sites were put forward in the DPA, and I do not have anything to add.

The CHAIR: Do you have any further questions?

Mr PISONI: Yes, I do. I refer to Budget Paper 4, Volume 3, page 111, and the table there. Can the minister confirm the balance of the Planning and Development Fund as of 30 June 2017?

The Hon. J.R. RAU: My advice in respect of this is that the preliminary balance, as of 30 June 2017, was \$30,104,000. From that it is necessary to note that there will be a deduction of \$17,603,000 on a basis of accruals, which would leave a balance after accruals of \$12,501,000.

Mr PISONI: Are you able to advise what the inflows will be in 2017-18 for that account?

The Hon. J.R. RAU: I suspect we can give you an idea, but ultimately it depends on how many people get to the point where they are required to make payment and, to some extent, that is a matter beyond the control of government. It is a bit like stamp duty, it is one of those things where you can make a projection but—

Mr PISONI: That is why it is called estimates.

The Hon. J.R. RAU: Exactly; estimates #estimates (apparently that is what the younger people do these days). I am told that the estimate for 2017-18 is \$24,227,000.

Mr PISONI: Are there budgeted outflows in that same 2017-18 year? If there are, what are they?

The Hon. J.R. RAU: I have already told you about—

Mr PISONI: I heard the \$17 million, but what about—

The Hon. J.R. RAU: Any additional ones?

Mr PISONI: Yes.

The Hon. J.R. RAU: A little bit about this fund that might be helpful is that the fund essentially operates on the basis that the money that comes in within a year is usually disbursed in the year. In effect, you maintain a float but money comes in and money goes out and the ultimate position is the

same, year to year. That is the general proposition. In terms of the information from the budget papers that specifically addresses matters coming out of there for 2017-18, if you go to Agency Statements, Volume 3, on page 111 you would see that there are four references to moneys being budgeted against that fund.

The first is in respect of payments for supplies and services, the second is in relation to grants and subsidies, the third is intragovernmental transfers and the fourth is other payments. That is a negligible amount of, I think, \$15,000; the substantial amounts are for the grants and subsidies and the intragovernmental payments. The grants and subsidies total \$14,546,000, the planning and development fund transfers are \$8,333,000, the payments for services and supplies are \$1,507,000 and the other payments are \$15,000.

Mr PISONI: Have there been any provisions made or funds allocated from the fund in the forward estimates beyond 2017-18?

The Hon. J.R. RAU: No.

Mr PISONI: No?

The Hon. J.R. RAU: Can I say again to the member for Unley that the usual practice with respect to the fund has been that it operates a bit like a float. Each year, let us say there is \$24 million coming in, as a rule of thumb, \$24 million will go out which will leave a balance of about \$12 million, \$14 million or \$15 million, something of that nature.

Mr PISONI: Is there an actual list of where the outflows are going for the 2017-18 year and who is getting it?

The Hon. J.R. RAU: For 2017-18, I am advised, we do not have a list of exactly where those are going. They are projections. I will give you an example. In relation to the moneys that were paid out for grants and subsidies, for example, for the past year, I can tell you what the grants and subsidies money was spent on, but because we have not yet been through the selection process and the determination for the next year, all I can tell you is what we anticipate spending, not what we have spent it on. I have a list; I will give you an example. For 2016-17, I have a whole range of projects here. Whether I provide this to the member for Unley as a document or read it out—that might take quite a while. There are something like 40 different projects.

Mr PISONI: You could seek leave to insert it into *Hansard*.

The CHAIR: Actually, no, you cannot because it is not a merely statistical document.

The Hon. J.R. RAU: No, but I am happy to give it to the member for Unley. There is no secret here. I will give you the headings, though, so you get some idea of the sweep of it. There is money spent in the Adelaide Parklands. There is money spent on transfers within government which are essentially to do with Coast Park and DEWNR maintaining properties for DPTI. There are metropolitan councils, which receive varying amounts of money for different projects, and there is a competitive process.

Each council is expected, in the course of each year, to put together a tender which they submit to the department. The tender says, 'We want to do an upgrade of our city centre,' or something of that nature. They put a description of what they want. If they have the project to the point where it is basically ready to go they would submit the fine detail of their project. Sometimes what they want is not a project, they just want the study to be done to make the next step be a project. So, it varies from time to time.

Then we have a pile of regional projects and these regional projects, just reading the first few: Light Regional Council, Kingston District Council, Mount Barker, Kangaroo Island, Roxby, Barossa, Northern Areas Council, District Council of Mount Remarkable, Berri Barmera Council, Loxton Waikerie, and so on. There is quite a range of different people but the process by which these people are selected for the year ahead of us has not occurred yet. What I can tell you is what we expect we will be spending, but what I cannot tell you yet is who we will be spending it on.

Mr PISONI: The Open Space and Places for People grants, are you able to advise what the balance of those are as of the end of the financial year?

The Hon. J.R. RAU: I am advised that those grants are the ones which I have just referred to, and I will provide the member for Unley with a copy of the list of—

Mr PISONI: We asked questions about the Planning and Development Fund previously.

The Hon. J.R. RAU: They are paid from that fund.

Mr PISONI: Alright.

Mr GRIFFITHS: I wonder if I could refer back: you have talked, under highlights 2016-17, page 81, about 'launched stage one of the planning portal'. In targets 2017-18 it talked about stage two. How many stages will be in the planning portal and when is the full availability of that to be out there?

The Hon. J.R. RAU: In a minute, I will ask Sally or Anita to give more detail about this because they are conversant with computer machines and other things. The gist of it is that this thing is being started as a relatively simple thing and it is gradually being enhanced so that over time it becomes more and more sophisticated. The initial version of the planning portal is relatively 'dumb' compared with what it is expected to look like when it is fully functional. The period of time over which we are expecting to move to that is a couple of years. Sally or Anita, do you want to give the member for Goyder some more information about the portal and so on?

Ms ALLEN: I apologise for my voice as it is a bit croaky today. As the minister said, the portal will be progressively developed over the next couple of years and there will be a number of stages to that. At the first stage it was really to deliver the framework or the plain English version of the planning system to the public; that was the first iteration that was launched in December last year. The next stage of that was to launch the Planning Commission's new website and a number of new interactive tools which we are using now for our public engagement process.

We are now looking at launching a collaboration space for local government where they can go in there and ask questions of the department and the Planning Commission about the status of various new planning instruments as they are introduced, and we are hoping that will be launched in September this year. We will then be continuing to evolve that to provide new tools about how you assess development applications that are under the current system and then to evolve that into the new system, probably by the end of next year is the ambition for that. The new assessment pathways and Planning and Design Code and the new planning portal to support that will not be launched until late next year.

Mr GRIFFITHS: If I can seek clarification: I am particularly interested in when the ability exists for the full electronic lodgement of applications. I know that has been a position raised with me and a concern raised with me over the last couple of years. What is the anticipated timing for that?

Ms ALLEN: That will not be before the end of next year when the new assessment pathways are introduced and the Planning and Design Code are starting to be rolled out.

Mr GRIFFITHS: If I can go to a similar question area in relation to the new planning, development and infrastructure legislation, the community engagement charter, which is always of particular interest to me. I know that is one of the primary and initial responsibilities of the new Planning Commission; can you give an outline of how that is going? I know there has been some community engagement already. There has been one meeting already and another one scheduled later this month. Can you give me an outline, please?

The Hon. J.R. RAU: Yes, sure, and thank you for that. I know that I have discussed this with the member for Goyder before, but I need to put on the record again that, as far as I am concerned, there are two absolutely critical pillars in the new planning legislation which are going to be ultimately the making or breaking of what could be a brilliant system or just a good system. Those two things are the design code and the public engagement charter. I regard both of them as being absolutely critical to decent public acceptance and support for the scheme.

The public engagement charter—the member for Goyder is correct—is something that the Planning Commission is now consulting on. There was recently a gathering of a broad cross-section of members of the community at the Pavilion at Veale Gardens one Saturday. It was hosted by the commission, and members of the planning department, who are sitting with me, were present. I

spoke to the people there for a period of time and after that they were relieved that I stopped! Then, Mr Anderson, who is the chair, spoke with them, and then they had a series of workshops and whatever.

I cannot underline enough how important it is, in my opinion, for the public engagement to work and to be sophisticated and to be tailored to the community that needs to be engaged with. If you are dealing with, say, a community in your electorate where you may well have the sort of civics culture where a town hall meeting will be well attended and reasonably traditional methods of engaging with people may be quite effective—it might be that the solution therefore in Kadina is: let's have a town hall meeting. That is fine.

Whether or not that same method would be equally effective in breaking through the apathy that exists in some parts of our community, understandably, about planning in the metropolitan area is a different question, so you might need to have a completely different approach to the public engagement proposition. What I am trying to achieve is a public engagement strategy which is outcome oriented rather than prescriptive about putting an ad in the paper, waiting three weeks, having a meeting in the town hall, where all you do is just go through the motions.

The other really important thing about public engagement is that I am trying to make sure the public engagement happens at the beginning of the process—and again, the member for Goyder understands this, I know—when the policy is being formulated for the place where the people live as opposed to at the end of the process, when somebody is having their potential development assessed against a given policy. Unfortunately, that is a hard distinction to explain to people, but the real challenge we have in this process is to get people focusing their minds on planning issues at that early stage where there is a genuinely open conversation about what their street or what their suburb is going to look like in the future. We want them engaged at that point, and that is what this thing is about.

As for the time lines, I would like it next week, but I am told it is October. There will be a draft released in October, and I emphasise 'draft' because I am interested in any feedback on this, but we had to get it to a point where we had some document that people could talk about. So, there is a draft document coming out in October, and obviously I am very interested in hearing feedback about the draft document.

Mr PISONI: Just on that, minister, you said the important thing was to have the consultation at the DPA level when the changes are being made so everybody knows what the changes can be, and everyone agrees that if they—

The Hon. J.R. RAU: You will not have everyone agreeing.

Mr PISONI: Actually, in Unley it was a very good example with the first stage of the DPA, where there was a trade off with character and heritage streets and some five-storey development on Unley Road. Your claim is that that is where the consultation should happen: how is it then that the very first development that was approved under the DAC in a newly zoned five-storey zone, the Cremorne Plaza, was 7.5 storeys high? How did that happen?

The Hon. J.R. RAU: Excellent question. This is one of the things that causes more trouble than it is worth for the planning system. It is one of these things which, if you are a practitioner in the area (which I am not), or you are a person who is very experienced with all these things, this does not surprise you.

The planning rules in respect of the DPA in Unley was that five storeys was the desired outcome, in effect. I am not using planning language, I am using English. Five storeys was the desired outcome, but the law says that, if you can come forward with something that is particularly meritorious, even if it does not meet that but it has other merit, it can be considered, and that is what happened in this case.

Mr PISONI: It was so meritorious it collapsed—it never got off the ground.

The Hon. J.R. RAU: It may not have been financially meritorious. I am not talking about that particular one, I am talking about in principle. In principle, from a design or from a development

viewpoint, it may have had particular merit. I accept that in the public mind, when they see the words 'five storey', they expect to get five storey—I accept that.

I think that is one of the things that the new Planning and Development Code will have to grapple with when it comes in because, if we want the code to be accessible and understandable by members of the community, they should be able to look up somewhere what is going on in their street and see that their street is three storeys, five storeys, or whatever it might be, and they should be entitled to think that three means three or five means five.

Earlier on in the process there should have been a really proper conversation with them about exactly what that meant. You may be right that in the Unley case there was that conversation, and those people were still disappointed because of the seven. I heard a lot of that myself, and I can understand why they were upset. I get it. And that is one of the things we need to deal with, because we do need people to be in a position where what they see is what they get.

Mr PISONI: To take you to a financial line now, if I may, minister: Budget Paper 4, Volume 3, page 80, and referring to the table. Can you confirm that the Commissioner for Kangaroo Island continues to be funded in this year's budget?

The Hon. J.R. RAU: I can, but not in this portfolio. I think minister Mulligan—it is in that part of the DPTI funding. The short answer to your question is yes. It is not coming out of any allocations to me.

Mr PISONI: I will refer further questions on that to Mr Mulligan. I refer to Budget Paper 4, Volume 3, page 81: the line I refer to says, 'Approved three major development proposals to the value of \$4572 million'. Can you indicate what are these three major developments? As background, I could not find them on your website, minister.

The Hon. J.R. RAU: I am advised that they were as follows. They are mixed bag. There is the Peregrine headquarters and Iron Road.

Mr PISONI: You are up to about 2.5.

The Hon. J.R. RAU: Yes. I am told that Iron Road is \$4.5 billion.

Mr PISONI: It is \$4.5 billion?

The Hon. J.R. RAU: Yes.

Mr PISONI: That is over what period of time?

The Hon. J.R. RAU: I do not know; however long. They may or may not. Just because they have an approval does not necessarily guarantee that they are going to start digging or doing anything. This is merely saying that in terms of the major development process, there were three. They were Iron Road, Peregrine and the American River resort on Kangaroo Island.

Mr PISONI: And the value of the other two?

The Hon. J.R. RAU: I am advised that Peregrine might be around \$50 million and American River \$22 million.

Mr PISONI: Okay.

Mr GRIFFITHS: I might just ask a question on that. I am intrigued why the build of a mining project is included in this budget area. I know there is a reference in regard to mining in planning and development infrastructure legislation, but why is the build cost of a mine included?

The Hon. J.R. RAU: This is simply an acknowledgement. This is just saying, 'Look, during the 2016-17 year, what were the things that were processed through the major development channel in the existing legislation,' because there is often an interest in the major development side of things, and understandably so. If these things go through, there are fees that are collected for it. This is simply saying that those were the projects. I am not in any way trying to fudge it. Iron Road is overwhelmingly the largest element in that. I think it says also that there were 17 proposals to the value of \$684 million, and 13 of those went through the pre-lodgement and design review process, which is a good thing.

Mr PISONI: In how many of those 17 have we seen construction started?

The Hon. J.R. RAU: I think I would need to check. There is always a time lag between the approval and the starting, and some of the ones that are starting now were possibly approved in a preceding calendar year or financial year. What I can tell you at the moment about what is going on presently is that there is a project at—these are going on now, are they?

Ms SMITH: These are the approvals.

The Hon. J.R. RAU: These are the approvals. There is one for 292-300 Rundle Street worth \$20 million; there is one for 51-57 Hutt Street, \$18.7 million; 124-126 Franklin Street, \$15 million; the Festival Plaza, \$230 million; 42-48 Hurtle Square, \$13 million; the City High School, \$70 million; the Frome and Synagogue Place development, \$100 million; 322-336 King William Street, \$65 million; 9-19 Austin Street, \$12.2 million; War Memorial Drive and Park Terrace, \$12.2 million; 260 Flinders Street, \$30 million; and Christian Brothers College in the city, \$11.3 million.

Mr PISONI: How many of those are government funded?

The Hon. J.R. RAU: Clearly, the City High School, Festival Plaza and Torrens Junction have a government element. I do not know which other ones.

Mr PISONI: Are any others connected to government leasing commitments?

The Hon. J.R. RAU: I would have to check. Can I emphasise that a number that commenced in the last 12 months are the product of approvals in earlier years. Just off the top of my head, there is the Bohem development at Whitmore Square, for example, there is the development that started down at the old Balfours site, and there is another development that started behind the Federal Court building. There is also Hutt Street. There are a number of projects that are actually going on now, but in all probability they were approved in the preceding year or years. These things just take their time. Many developers, as the member for Unley would know, get their project approved and then they wait to get presales to the point where the bank will give them the green light. That sometimes happens quickly; sometimes it takes time.

Mr PISONI: Have any development approvals last year triggered regulation 48, lapse of development approval? Of the developments that were granted previously, obviously outside of last financial year—I think there were 30 approved in 2015-16, for example—so how many of those developments have lapsed?

The Hon. J.R. RAU: That is good question. I will check. I am advised and I recall that the approval that was given to the Makris Group to develop the Le Cornu site has lapsed. They had an approval. I think they sought an extension at one stage. They got an extension for 12 months or something and then they indicated they were not proceeding. I know that one is a lapsed approval and that goes back several years. That approval in itself was a replacement for an earlier major development approval which was surrendered by the proponents of that development in order to proceed with their application under the ordinary planning system. I will check how many others there are.

Mr PISONI: Just on your employees' benefits and expenses, are you able to advise how many employees were offered or have taken redundancy packages, voluntary or otherwise, in 2016-17?

The Hon. J.R. RAU: I will check, but I am advised, and subject to that changing, there were none in 2016-17.

Mr PISONI: Are there any planned for 2017-18—any efficiency dividends or targets?

The Hon. J.R. RAU: I am advised not at this stage.

Mr GRIFFITHS: Minister, I am interested in the levy that is going to be applied for local government to assist with e-planning. In estimates last year there was some information about \$3.7 million or thereabouts, but there does not appear to be anything that shows in this year's budget papers. Can you confirm indeed the collection of a levy for this year and what the dollar value will be?

The Hon. J.R. RAU: We are actually in active discussion with the LGA about this at present, because again, as the member for Goyder in particular would appreciate, their budgets and ours do not necessarily line up in terms of time. We are in conversations with them about when this will cut in. We want to, if we can, come to an agreed position about this. It may be that it cuts in next year rather than this year.

Mr GRIFFITHS: Ongoing discussions are occurring?

The Hon. J.R. RAU: Yes.

Mr GRIFFITHS: I am also interested in the 30-year plan—the revision that has been provided. I have started to review that and also look at the land use planning documents that you have issued recently. In last year's estimates, I asked you questions about regional planning and reviews of some of the old documents that were up to 10 years old. I think in the response you talked about the need for the Local Government Association to be one of the major drivers of that. Has any work been undertaken on that also?

The Hon. J.R. RAU: I will let Anita say a few words about the discussions that have been going on with local government, but before she does, can I say that I have actually said to the LGA and to councils that have raised this with me that I am aware of the delays that have been going on. They are partly to do with the paper-based system which we are hoping to ultimately replace, and they are partly to do with the fact that there are so many nuances about planning rules from one municipality to another, which again we are planning to fix up.

I have said to local government agencies, 'Look, if you have a planning issue which is really, really pressing for some reason, and it's not just you would like to have it done; it really, really has to be done and for a good reason,' I am happy to escalate them to the top of these people's filing cabinets and in-trays, and I have told them that. My view at the moment is, if anybody has a really urgent one, they need to come in and say, 'This one is particularly urgent. There's a good reason why it's urgent. Here's the reason,' and we will expedite dealing with those matters ahead of other matters. Perhaps, Anita, do you want to say a few words about what you were just explaining to me.

Ms ALLEN: We have been working with local government on setting up a joint planning arrangements under the PDI Act. We recently appointed Jeff Tate, who has extensive experience across local government in the governance area and how to set up boards and committees. We put out an expression of interest for a pilot program to identify councils that would like to work through those.

We had eight regions identify themselves as interested in those joint planning arrangements and that covered 32 councils, so over half of the local government expressed an interest in that. Because of that, we have agreed to include all of them in the program and work with them on how they can set up those joint planning arrangements. Once those joint planning arrangements are set up, they are able to establish their own regional plan. So, those regional plans can be undertaken by a joint planning board rather than the commission, which would ordinarily undertake those plans.

In the meantime, we are also working with local councils on strategic planning and bringing together those regions to think about their growth and change and how that might start to influence the new planning and design code, particularly when we get to the stage of putting the lines on the maps of where will the new zones apply and how will that transition happen.

Our emphasis and focus has been very much on working through that partnership over the next 12 months rather than producing new documents at this stage, which may well be overtaken in that process.

The CHAIR: Thank you, all. There being no further questions, I declare the examination of the proposed payments to the Department of Planning, Transport and Infrastructure and the administered items for that department be referred to Estimates Committee A.

Sitting suspended from 12:47 to 13:45.

DEPARTMENT OF THE PREMIER AND CABINET, \$260,146,000
ADMINISTERED ITEMS FOR THE DEPARTMENT OF THE PREMIER AND CABINET,
\$1,976,000

Membership:

Mr van Holst Pellekaan substituted for Mr Pisoni.

Mr Speirs substituted for Ms Sanderson.

Minister:

Hon. J.R. Rau, Deputy Premier, Attorney-General, Minister for Justice Reform, Minister for Planning, Minister for Industrial Relations, Minister for Child Protection Reform, Minister for the Public Sector, Minister for Consumer and Business Services, Minister for the City of Adelaide.

Departmental Advisers:

Ms E. Ranieri, Commissioner for Public Sector Employment, Office for the Public Sector.

Dr D. Russell, Chief Executive, Department of the Premier and Cabinet.

Mr S. Woolhouse, Chief Financial Officer, Department of the Premier and Cabinet.

Mr J. Schell, Chief Operating Officer, Chief Procurement Officer, Department of the Premier and Cabinet.

The CHAIR: I declare the proposed payments open for examination. I refer members to the Agency Statements, Volume 3. Do you have an opening statement, Attorney?

The Hon. J.R. RAU: As I said, it is good to be with you.

The CHAIR: Member for Bright, do you have an opening statement, or is it straight into questions?

Mr SPEIRS: Straight into questions. I refer to Budget Paper 4, Volume 3, pages 166 and 167, Program 7: Public Sector Performance, specifically the Workforce Information Report. In 2014, the government launched the Jobs4Youth SA program to stimulate the recruitment of young trainees in the SA public sector, particularly from the northern and southern Adelaide regions which experience high unemployment. The latest Workforce Information Report by the Commissioner for Public Sector Employment shows that between 2014 and 2016 the total number of trainees and apprentices in the general government sector more than halved, from 312 to 153. My first question is: what was the total number of trainees and apprentices employed in the general government sector at the end of June 2017?

The Hon. J.R. RAU: Just so I am clear, you are asking about apprentices and trainees, or just trainees?

Mr SPEIRS: If you could split them.

The Hon. J.R. RAU: I am not trying to be tricky. It is just that I have some information here and I do not have other information.

Mr SPEIRS: Can you give me the figure for trainees first?

The Hon. J.R. RAU: I am advised that as of 5 July this year there were 720 placements for Jobs4Youth trainees. Of those, 232 are ongoing, 123 are temporary contracts where there may be a conversion to a permanent position in the event of the budget being available, and 134 fall into the 'other' category, which I am advised includes resignation due to medical illness, personal issues, to go off for further study or to get employment elsewhere. The balance, which is 231, are undertaking the Jobs4Youth program.

Mr SPEIRS: So, that figure you gave of 720 placements is an accumulative total of people who are trainees and apprentices, not just trainees?

The Hon. J.R. RAU: No, I am advised that is just trainees, and the breakdown I gave you is how that 720 is made up. The apprentices are a separate proposition.

Mr SPEIRS: Okay. Does that include graduates?

The Hon. J.R. RAU: Yes.

Mr SPEIRS: So, it is trainees and graduates. Are you able to give a breakdown of which are which?

The Hon. J.R. RAU: I will take it on notice.

Mr GRIFFITHS: Is the age demographic people up to 25? Is that identified as being part of the program?

Ms RANIERI: The Jobs4Youth program is up to the age of 29, I believe, but for the recent program we advertised in relation to our flexibility for the future as part of encouraging agencies to employ graduates we have no age limit.

Mr SPEIRS: How many of the trainees and graduates have received ongoing employment at the end of their 12-month program?

Ms RANIERI: At the moment, it is 232, and 123, as the Deputy Premier said, are in the temporary contracts that might go on to ongoing. Of course, 231 at the moment are undertaking the program and they could end up in ongoing work as well. So, right at this moment it is 232.

Mr SPEIRS: Thank you. Can you provide us with the total program cost per trainee, including expenditure by the Office for the Public Sector and participating agencies?

The Hon. J.R. RAU: I think we will have to take that one on notice.

Mr SPEIRS: Presuming you do not have the answer, could you include the figure for graduates as well?

The Hon. J.R. RAU: No problem.

The CHAIR: Before you go on, member for Bright, it was remiss of me, earlier, not to mention that by agreement by 2.15 we will go from the Office for the Public Sector to Service SA and Shared Services. Are you happy with that?

Mr SPEIRS: Yes, I am comfortable with that, thank you. In the same line of questioning, during 2015-16 the number of executives in the general government sector increased by 28 to 1,140 as at June 2016. How many executives were employed as at June 2017?

The Hon. J.R. RAU: Again, I think we had better take that on notice. The member for Bright is quite reasonably drilling down on these, and we are perfectly fine, but it is a fair degree of detail that he is asking for. I am very happy to try to retrieve that for him, but it is just that we do not necessarily have all that sitting here.

Mr SPEIRS: I understand; that is fine. When it comes to classifying what an executive is, is that classified by pay grade—the amount that is paid—or is it classified by position?

Ms RANIERI: If they are employed as executives, they are either in the South Australian Executive Service rank 1 or South Australian Executive Service rank 2. However, there are a lot of teachers and doctors and other occupational groups that would, I guess, have a similar kind of salary, but they have more specific roles that have a leadership attachment to it and also some other technical expertise. So, in terms of the executive service, it is SAES 1 or 2, and then there is a whole lot of other arrangements in relation to attraction and retention allowances.

Mr SPEIRS: I do recall from a previous Auditor-General's Report that there was a large number of paramedics—this is topical at the moment, but that it is not why I am asking this—who fell into the executive classification because of the amount of overtime they had done; they were seen to be classed by the Auditor-General, and by SAES as well, as executives. Does that 1,140, which

is the number of executives in June 2016, include people who have reached a pay threshold to be categorised as such, or is it just people in SAES 1 and 2?

Ms RANIERI: It is just people in the South Australian Executive Service. They would not be classified as executives. I think some of the detail you are looking for is actually in the Workforce Information Report that I produce. It is always the year before, so you do not have the 2017 information. I am collecting that now, and it will have a breakdown of all those categories. We do talk about amounts over \$100,000 and give you the categories. At the moment, what you are asking for is the South Australian Executive Service 1 and 2.

Mr SPEIRS: Moving on to Budget Papers 3 and 4, Volume 3, page 167, as well as pages 32 and 33, we have a highlight of 2016 around the negotiation of enterprise agreements. The 2016-17 budget announced a policy to limit public sector wages growth to 1.5 per cent per annum over the next three years of each enterprise agreement. What was the outcome, given that there was real growth in total employee expenses of 2.2 per cent in 2016-17 when the budget provision was for growth of 0.2 per cent?

The Hon. J.R. RAU: I am not sure I understand that question well enough to be able to answer it. Could you either rephrase it or repeat it?

Mr SPEIRS: I will rephrase it. There was real growth in the last financial year in total employee expenses of 2.2 per cent when the budget provision was for growth of 0.2 per cent. How did that outcome occur?

The Hon. J.R. RAU: Obviously the answer is made up of many, many little pieces. I think that is something we would have to get the Treasurer to comment on rather than me. I would raise that one with the Treasurer, or with Mr Reynolds if he is prepared to speak.

Mr SPEIRS: Is the 1.5 per cent per annum target, I suppose you could call it, governed by the Office for the Public Sector or by the commissioner?

The Hon. J.R. RAU: It works this way: the government has set a policy, the policy was an endorsed cabinet position, and the Office for the Public Sector then goes about its business in an attempt to give effect to the cabinet decision.

Mr SPEIRS: Or the commissioner would have conversations with chief executives to try to rein in growth, and obviously it comes into enterprise bargaining and things like that, which are the responsibility of the commissioner. Those are the sort of activities that the commissioner would undertake in her aim to keep that 1.5 per cent in check.

The Hon. J.R. RAU: Yes.

Mr GRIFFITHS: If I can just seek clarification on that. The instances of where enterprise bargaining results in above the 1.5 per cent, is that a discretionary opportunity for the commissioner to make the decision to accept that or does it have to go to the minister and then to cabinet?

The Hon. J.R. RAU: That is a good question. The way that works is that in the event of there being pretty much any enterprise agreement, the formality of the enterprise agreement being signed off on, as public sector minister I take the thing into cabinet and cabinet then either agrees or does not agree with the submission. Assuming cabinet agrees, the government is then in a position to execute its part of the enterprise agreement, and the practicalities of it are managed by the commissioner's office. The loop includes cabinet before approval, with me being the minister responsible for taking the document into cabinet.

That said, the actual generation of that document can vary from time to time depending on which department is concerned. For instance, if the enterprise agreement we are dealing with deals with a transport matter, frequently, the early part of the conversation between the employees and the government will be at least moderated by or managed by DPTI. If the group is health-related people, usually, it will be Health that is initially involved in the conversation. Occasionally, what can happen is that there is an opportunity for a trade-off, and—

Mr GRIFFITHS: That is what enterprise bargaining is meant to be.

The Hon. J.R. RAU: Indeed—and so I think it is fair to say that there are occasionally circumstances where the 1.5 per cent increase represents the baseline and the bargain contemplates some benefit to government which warrants an additional payment in order to secure that benefit.

Mr GRIFFITHS: On the basis of you, minister, being responsible for taking it to cabinet as a submission, is the minister responsible for the departmental area a co-signatory to the submission with you?

The Hon. J.R. RAU: No. That said, as a matter of practice, the commissioner and her staff would obviously be in intimate contact with the relevant minister, and if there were any matters of controversy, there would be a discussion between the commissioner and/or me and the minister to try to resolve those matters. The other thing is, because all these enterprise agreements naturally enough involve an expenditure of funds, we have a committee that has the rather enchanting acronym of SPCC—sorry, it is now called BPCC. I never can remember what that stands for, but in any event, because this involves money, as a matter of process, we would go through whatever the commissioner needs to do and the DPC people need to do with whoever the agency is.

A proposal is worked up that makes a certain recommendation. That recommendation would go to this committee which is, if you like, the budget committee of cabinet. That would consider the matter and, if it required further information, it would ask for further information. If it required anything, it would do that, and then it would go from there to cabinet. I would be the person responsible for signing it in and then cabinet would decide, 'Do you agree or do you not agree with this proposal?' Assuming the answer to that is yes, the commissioner then takes up the matter from there and gives effect to that agreement and organises for the appropriate instruments to be executed and so forth.

Mr SPEIRS: Last year, we had real growth in total employee expenses of 2.2 per cent, and last year's budget predicted that, in the current financial year 2017-18, there would be no real growth in total employee expenses. However, the current budget has been revised to have real growth of 1.3 per cent in this budget, so the accumulation of that is 3.5 per cent. If we were aiming for 1.5 per cent per year, it would be 3 per cent, so we are 0.5 over that just with the prediction in the current budget. Does this suggest that the government will be unable to meet its target of limiting wages growth to 1.5 per cent per annum over the three-year cycle.

The Hon. J.R. RAU: Again, I suspect that is more of a question for the Treasurer. Those of us in this committee are really more to do with the execution of the decisions, as opposed to the people who set the higher economic policy framework, so I think I would defer to the Treasurer in respect of that.

Mr SPEIRS: The former chief executive of the Department of the Premier and Cabinet told the Budget and Finance Committee last September that public sector contracts should be limited to three years, not five years. Is the Office for the Public Sector and, more broadly, the government implementing such a policy?

The Hon. J.R. RAU: No, I am advised that that is not the case, although speaking for myself, I think there is a case to be made for horses for courses in terms of public sector employment contracts at the higher end. I personally do not necessarily have the view that it should be, come rain or shine, five years full stop. I think there is the flexibility now to be able to do that and, again, for my part, I would encourage agencies that are engaging people at that high end to turn their minds to whether or not the five-year maximum is automatically the starting point for that conversation, because it may not be. Mr Russell, for example, is on a three-year contract.

Mr GRIFFITHS: On the basis of the reduced period being available, does that come at a financial cost: for example, for a shorter tenure there is a level of risk for the future employment opportunities for that person, so is there additional payment made to reflect upon that shorter time?

The Hon. J.R. RAU: I think the reality is that at that end of the employment spectrum it is a bargain between the government and the individual because we are talking about relatively few individuals who probably have a rather particular set of skills. You might say longer tenure, lower salary; shorter tenure, higher salary—the risk/reward trade-off. I guess that makes sense but ultimately it is a matter for what the Premier can persuade Mr Russell he wants to receive and what Mr Russell wants to receive, for example. That is it, is it not; it is a bargain.

There is another question here that I think needs to be examined and that is whether the whole notion of that very high-end, high skill set part of the public sector could be more flexible than it is. I think that is a legitimate question and is something that we need to consider.

Mr SPEIRS: What do you mean by more flexible?

The Hon. J.R. RAU: In terms of being able to attract the appropriate people for particular jobs we should try and be making the sort of offers to those people that meet that. That might mean stepping outside of the 'one size fits all' solution—for example, the five-year contract may not suit everybody. When you are getting to the point where you are talking about staff who are by any definition key personnel it is critical to have the right people. It is all about people. It is not about numbers and statistics, it's about people. My view is that you do your best to get the best people and if that involves thinking outside the box, well, so be it.

Mr SPEIRS: Should that be giving people life tenure and things like that?

The Hon. J.R. RAU: No. Unfortunately, that is not one of the boxes that I have in mind.

Mr SPEIRS: I am just querying.

The Hon. J.R. RAU: Let's be perfectly frank: at that level we are talking about people who probably possess a skill set which is highly marketable in the public or the private sector in one way or another. If we want to be able to be at the front end of contemporary management skill or contemporary IT skill or whatever it might be, we have to acknowledge that there are private sector people out there who are headhunting for clever, active, smart people, and we need to be at least prepared to participate in that. What I mean by that is not offering people lifetime employment at that high level. I think we just need to be open-minded about the conversation if we are talking about people who are going to fill critical roles.

Mr SPEIRS: Thank you, minister.

The Hon. J.R. RAU: Sorry, another point that Dr Russell makes, which is a very good one, is that it may well be the project itself determines the length of time we require the person. If we had a particular project-specific person that we required, we might say it is two years, because the project is only going to last two years. That would be perfectly sensible, and that person might be more than happy to do that, given the appropriate reward.

Mr SPEIRS: Can you advise how many chief executives have had their contracts renewed since 1 January 2017, so this year?

The Hon. J.R. RAU: Do we know? I will take that on notice.

Mr SPEIRS: Could you at the same time provide me with the information on the length of time that these contracts have been renewed for?

The Hon. J.R. RAU: No problem.

Mr SPEIRS: On Budget Paper 4, Volume 3, page 166 again, does the Commissioner for Public Sector Employment receive complaints from public servants who have grievances to raise about their workplace environment, conditions or activities that occur in the workplace? Does the commissioner receive or is she a clearing house for those sorts of complaints as a matter of course?

The Hon. J.R. RAU: I think the answer is, 'Oh yes, she does receive complaints,' as we all do. The commissioner makes the good point that if we are talking here about performance management—and I do not use that in the pejorative sense; I am meaning it in the literal sense of managing your staff—the appropriate place for that to be dealt with is by the management team within the agency from which the complaint comes, unless there is a very good, overwhelming reason why that should not occur. And there may be. It might be that the complaint is in fact about the manager, and that becomes complicated. So those are issues that do need to be managed.

By and large I think one of the things the public sector needs to try to do much better is performance management of its staff. There is no doubt that some parts of government are very good at and active in performance management-type activities, and some are not so good. One of the reasons, by no means the only, that I was keen, for example, to have across-government

return to work scheme management, where government agencies were being managed externally by ReturnToWorkSA, was to impose upon the whole of government a uniform, across the board, external management of return to work issues, for example, as a way of actually enhancing and making uniformly better management of return to work issues.

Sadly, because of bizarre things that happened in the very room in which we sit that is not going to happen in the next few days, but that was specifically directed to an aspect of that very problem.

Mr SPEIRS: You have said the commissioner does receive complaints from time to time. Some of that might be the sort of scattergun approach, people complaining to lots of different places. Does the commissioner keep a register of these complaints? Would she keep a tally of what certain complaints were about, whether it be bullying or workplace conditions and things like that? Does she keep data on those complaints?

Ms RANIERI: There are a couple of levels I do get, so we created a very big website presence. The Office for the Public Sector has a generic emailing address, so often I will get informal complaints or things that people are experiencing, so it is registered there and it is at that point that we decide where it might go—often back to the agency. As it was highlighted, we sometimes have to refer it to other places, and we do that.

On the more formal side of the things that we do, I collect data on the breaches of the code of ethics, and that is tabled in the State of the Sector, and how the investigations and some of the improvements we are talking about around processes and investigations occur. It is often not the actual complaint, but more about the outcomes or how it was managed, as the Deputy Premier mentioned. Sometimes it is about how the process went and how people were treated, rather than the actual issue. There are so many variations of it, but we have that information because usually it comes through the website.

Mr SPEIRS: I am happy to move on.

The CHAIR: By agreement, thank you, everybody. We are moving on to Service SA and Shared Services now. Does the Attorney wish to change advisers or are you happy with the ones you have?

The Hon. J.R. RAU: We are happy.

The CHAIR: Member for Bright, do you have any questions?

Mr SPEIRS: Moving on to Service SA, Budget Paper 4, Volume 3, page 163. The Service SA office, portfolio, or however we would describe it, is Program 6: Government Services of Budget Paper 4, Volume 3. If we compare this budget paper to previous years, there are no sub-programs this year: is there any reason for that?

The Hon. J.R. RAU: As I understand it, there were machinery of government changes and internal restructuring within the department. The changes to program structure, for the purpose of presentation in the present budget papers, is different. The main activities of the department are now consolidated into three programs, which are based around: first, the Premier and Cabinet policy and support program; secondly, ministerial support services and community programs; and, thirdly, provision of government services.

Two programs were reported separately in last year's budget papers, which were strategic engagement and communications and the Office for Digital Government. They are now included in program 1, which is the Premier and Cabinet policy and support program. The two programs that relate to statutory functions of the Agent-General and the State Coordinator-General have not changed. The Office for the Public Sector, including the statutory components which relate to the Commissioner for Public Sector Employment, is unchanged and continues to be reported under Program 7: Public Sector Performance.

As a result of the MoG changes, Program 5: Economic Development Board, Program 8: Mineral Resources and Energy and Program 9: Water Industry Technical and Safety Regulation have transferred from the Department of State Development, but I am advised that there is no financial impact as a result of any of those.

Mr SPEIRS: Just to be clear, Program 6: Government Services, which we are dealing with now, obviously has Shared Services and Service SA in it, but are the chief technology officer and strategic procurement located in program 6 as well?

The Hon. J.R. RAU: I am advised that they are within program 6 as well.

Mr SPEIRS: Is there anything else in program 6?

The Hon. J.R. RAU: No.

Mr SPEIRS: So, it is those four: Shared Services, Service SA, the chief technology officer and strategic procurement?

The Hon. J.R. RAU: I am told that program 6 is Shared Services, Service SA, ITC and strategic procurement.

Mr SPEIRS: And ITC is the chief technology officer?

The Hon. J.R. RAU: Yes, StateNet.

Mr GRIFFITHS: You did refer to the Coordinator-General also in your earlier response.

The Hon. J.R. RAU: That is separate.

Mr GRIFFITHS: Okay, thank you.

Mr SPEIRS: There seems to be a jump in FTEs from the 2016-17 budget of 1,155.5 FTEs to an estimated result of 1,185.4 FTEs for 2016-17, and then a reduction in budget terms back to 1,145.1 FTEs. Can you explain the nature of these jumps and the reasons?

Mr WOOLHOUSE: We have had an increase in terms of the 2015-16 actual. As you said, it goes up in the 2016-17 estimated result. Primarily, 157 FTEs relate to labour hire and vacancies, essentially, that we use within Shared Services, Service SA and ICT, so that is a total of 157, which is then offset by 20 FTEs, which is a change in our corporate overhead allocations over the program. Where it then reduces from the 2016-17 estimated result down to the 2017-18 budget, is essentially because the CHRIS 21 payroll reform project has been completed.

We also have a change in corporate overheads again, and we also have a reflection of the State Procurement Board, which came in at the beginning of the year as a program change, but essentially only part of that procurement function remains with us. On page 149, there is a reference to procurement policy governance coming in from Treasury and Finance. Essentially, the whole program did not come in, so we have reflected that and there is an adjustment for that.

Mr SPEIRS: Last year, the estimates committee was told that there are 20-odd Service SA centres 'sprinkled around the place'. Income was budgeted at around \$37.653 million, with 324.6 FTEs. Are you able to tell me the figures for those now: the income from Service SA centres and the FTEs?

Mr WOOLHOUSE: For the 2017-18 budget year?

Mr SPEIRS: Yes.

Mr WOOLHOUSE: For the 2017-18 budget, the income we have for Service SA itself is \$39.638 million, and the FTEs are 305.2. That does not include overheads; that is just the direct Service SA itself.

Mr SPEIRS: Yes. So, that is a reduction of around 20 FTEs?

Mr WOOLHOUSE: Yes. There have been savings reductions.

Mr SPEIRS: What is the cost of maintaining, on average, these service centres and how many FTEs does each centre have, on average?

The Hon. J.R. RAU: I think we will take that one on notice.

Mr SPEIRS: Can you provide the waiting times for the past financial year in the customer service centres, the average speed of the call and the number of inbound calls?

The Hon. J.R. RAU: I do not think we have what you are asking for. Can we take that one on notice? We have some information, but it does not answer your question specifically.

Mr SPEIRS: I am happy to hear what you do have, if you think it fits in.

The Hon. J.R. RAU: Do you want to just share that with the member for Bright?

Mr SPEIRS: Then if I want more, I will clarify.

Mr WOOLHOUSE: The information we can provide says, essentially, that because Service SA customers have increased their use of online services by 11.3 per cent, this has helped reduce calls by 5.4 per cent, and wait times in metropolitan customer service centres have decreased by 5 per cent. It is only a high-level summary. The detail behind that—

The Hon. J.R. RAU: That does not give the raw numbers you are looking for, does it?

Mr SPEIRS: No. If you could provide that on notice, that would be great. You have given me the increase in online transactions. I assume you do not have this today, but are you able to provide how many online transactions took place?

Mr WOOLHOUSE: I only have the percentages. What we have behind that is the raw numbers that we can provide you.

Mr SPEIRS: That would be great. What was the cost of launching the new look and feel of www.sa.gov.au, which is one of the highlights of Service SA in the last financial year?

The Hon. J.R. RAU: I do not believe we have that as a discrete figure. We would have to check that out for you.

Mr SPEIRS: Are you able to tell me why it was decided to revamp the website? Was there an inadequacy with the previous system?

The Hon. J.R. RAU: The information I have is that it was redeveloped in 2016 and relaunched in December with a simplified, responsive and mobile-first design to retain its usability across multiple and increasing mobile devices. I think it is a matter of responding to the change in people's habits and the fact that people have these machines now.

Can I say, being a parent, the other day I asked one of my daughters to help me in the kitchen. I went back out to the kitchen and about 10 minutes later she had not emerged, so I sent her a text message saying, 'I'm still waiting.' She sent back, 'Be there in a second,' and about five minutes later she emerged. So, that is where we are.

Mr SPEIRS: She was googling recipes for you.

The Hon. J.R. RAU: She quite possibly was. At least that was the sort of excuse she gave when she eventually showed up. It does show you the all-encompassing nature of these machines, particularly with our younger community members.

Mr SPEIRS: The mySA GOV account is referred to on page 163. How much did this cost to implement and what are the operating expenses for this going forward?

The Hon. J.R. RAU: So you wanted to know how much it costs to run?

Mr SPEIRS: Yes. How much did it cost to implement and then the operating expenses?

The Hon. J.R. RAU: So the implementation of the change to digital that we just referred to?

Mr SPEIRS: No, the mySA GOV account, so that is the online payment system.

The Hon. J.R. RAU: The motor vehicles and such. I will have to take that on notice.

Mr SPEIRS: Are you able to tell me what precautions have been put in place or are being planned to secure these online payment accounts and digital licences?

The Hon. J.R. RAU: So these are the integrity elements in the scheme?

Mr SPEIRS: Yes, because the mySA GOV is a whole-of-government account to enable clients to securely complete transactions.

The Hon. J.R. RAU: The advice I have on that is that user security is a key consideration and it is ensured through functions such as a barcode that refreshes upon use every 30 seconds to validate credentials. Other security measures include penetration (whatever that is) testing. I confess I do not know anything about what I am about to tell you but I am going to tell you anyway. It sounds rather frightening from my perspective but, nevertheless, penetration testing, encrypted storage, secure connections, screenshot protection and PIN fingerprint protection. Now, I hope that meant something to somebody, but apparently that is very good.

Mr SPEIRS: Have there been any known breaches of mySA GOV?

The Hon. J.R. RAU: Not that we are aware of. In my case there would be a complete lack of being able to penetrate it because I do not understand any of what I just said, but of those who manage to get in, we do not know of anybody being the wrong person.

Mr SPEIRS: Do you have triggers in place that would alert you to the fact that someone had made an attempt to hack it or inappropriately access those accounts?

The Hon. J.R. RAU: I think we will have to speak to the IT crowd and try to find out that sort of detail. We are moving into a different level there. I understand the question and it is an important question and I would like to make sure we get a proper answer to that.

Mr SPEIRS: I will move on to more bricks and mortar style questioning now. Why do Service SA centres open at 9.30am on Wednesday, but at 9am on Monday, Tuesday, Thursday and Friday?

The Hon. J.R. RAU: The way everyone has behaved, it appears to be Jason's fault! He has promised to get back to us about why. Either that or it is lost in the mists of time, but we will find out an answer for you.

Mr SPEIRS: I think it is relatively unusual. I am sure that there is an explanation but it probably would not be overly well known in the community why it is 9.30am on Wednesday and not on other days or vice versa. Has any consideration been given to opening Service SA centres on Thursday evenings or Saturday mornings? I note that the Marion and Elizabeth centres are open until 6pm on all weekdays, but has there been any consideration to more broadly opening them on Thursday evenings or Saturday mornings to increase access?

The Hon. J.R. RAU: Without having sought any particular advice about it, I would say that on the face of it, the more we can accommodate the needs of the community with the service being delivered, the better, and if that means that we have some different, flexible hours, on the face of it that does not seem like a bad idea. That said, we are consciously trying to move people away from the physical environment and into the digital environment, so to some extent—and I do not say this with any sense of disrespect because I am the very type of individual who will be very likely to be a user of the residual system which is the turn up and speak to somebody system, but that is a shrinking part of the market not a growing part of the market.

So, what we are trying to do is deliver a really easy, highly accessible virtual digital service while still maintaining the physical presence for those people who are more comfortable with that. However, I do not see that physical presence as being the future, if you know what I mean. That said, subject to industrial issues, it may well be that some more flexibility in the hours of opening—and certainly the interesting aspect of 9.30am on one day of the week—is something we should look at.

Mr SPEIRS: Thank you, minister. In the same line of questioning, is the government considering closing any Service SA centres?

The Hon. J.R. RAU: Give us a moment. The situation is that there is no plan to close any, but obviously we will continue to look at the amount of activity that is occurring in these centres. Again, my personal view is that, whilst they are being well patronised by the public and are delivering a service that warrants their continuation, I cannot see any good reason to close them. That said, it may be that in five years' time nobody wants to visit one of these places, I do not know.

Dr Russell makes a very good point: the other thing that is being reviewed from time to time is not just whether these service centres appear to be well utilised for their current range of activities, but also whether the government could take advantage of having these footprints all over the place

and provide a different or larger range of interactions there. I think the ongoing review of these things operates in a couple of directions. One potential direction is: what more can we usefully do, given the fact we already have a place, and what other place-based things can the state do to communicate with the community, using that existing facility? That is one conversation, and the other conversation is the extent to which people continue to want to be engaging in a face-to-face environment.

Several years ago, all too briefly, I had the good fortune to be minister for tourism. What was then a current topic of some interest was the question of whether Tourism SA required a physical place for the use and handing out of information about tourism in South Australia. It was quite a running issue, as I recall, during that, as I said, all too brief period. I know that at that time, which is now several years ago, there was already a very strong conversation around, 'People aren't going to travel agents so much anymore, they're booking online, they're going to Wotif; they're going to all these other places, like Trivago.' I see them on telly; I have never been on Trivago because I do not know how to do that, but I have seen them on telly.

I suspect a similar thing is going on in a whole range of industries. Banking is another classic example. Years ago, everybody used to queue up in the afternoon to go to the bank and pay their bills and collect their money. Now, what percentage of us physically visits a bank at any time in a year, or needs to? Maybe we do that because we like the bank or whatever, but do we actually need to go? Most of us do not, because we have a machine of some description that enables us to do everything we have to. I think it is just a watching brief, see what happens.

Mr SPEIRS: I refer to page 163, but moving on to Shared Services as opposed to Service SA. There is a significant decline in total income, most notably by the cessation of Shared Services charging arrangements. What were the reasons for this?

The Hon. J.R. RAU: Again, I think the member for Bright would probably appreciate that this is the sort of thing that would only happen in government. Apparently, the government was in the habit of charging itself—quite a lot and frequently, and all over the place. It decided, as a matter of red-tape reduction, to stop charging itself and just pay for it, effectively. Am I summarising that—

Dr RUSSELL: You have gone slightly too far, I think.

The Hon. J.R. RAU: I have gone too far. I will let Dr Russell give you the more sophisticated version of what I was trying to say.

Dr RUSSELL: The Deputy Premier was absolutely correct, but what he was saying was the costs of delivering these shared services had gone down. The service provision had become more efficient and productive, so it seemed appropriate that we should reduce the costs we were charging the other departments in that situation. So rather than continue to charge them at the higher rate we have lowered the costs of it.

Mr SPEIRS: And that is a reduction of about \$80 million, I think. So that is—

Dr RUSSELL: But because it is netted out, it is within government transfers.

Mr SPEIRS: So that is quite substantial.

Dr RUSSELL: Efficiencies have been quite substantial. It was one of the reasons we have Shared Services, that you can deliver from a centre services for all the departments more efficiently than having each individual department do its own work. It is a proof statement of why Shared Services was set up in the first place.

Mr GRIFFITHS: I just seek some clarification. There is a bit of an historical factor in this, where it has been rather challenging, in previous budget papers and Auditor-General's Reports, about the projections for savings to result from Shared Services and what the reality of that actually was. There was a fair difference, and it was in the range of several hundreds of millions of dollars, I think, over a cumulative period of time. With this change in charging structure, if it results in \$86.5 million dollars less in income, what are the outgoings and the revenue that comes in as a result of Shared Services charging and costing between government departments?

The Hon. J.R. RAU: It is an important question and I think we need to take it on notice, because it does involve comparisons between projected current performance and historical performance. We need to take that on notice. However, just to fill out the member for Goyder's

question, if he does not mind, it has been the subject of conversation for some time that initially, at least, Shared Services was projected to deliver certain savings which it appeared not to be delivering, and I think he is asking questions about what is going on now.

Mr GRIFFITHS: Only given that you identify a lesser income of \$86.5 million. There must still be a substantial cost and a revenue associated with it.

The Hon. J.R. RAU: Yes. We will follow that up.

Dr RUSSELL: There is another wrinkle to this.

Mr WOOLHOUSE: Essentially, agencies received appropriation to pay Shared Services, as you have identified. That was the charging rate. What we were getting at is that instead of the agencies receiving the funds to then pay Shared Services we have now stopped that process. Shared Services is now directly appropriated, which is why the net cost of service has gone up in that program, and agencies do not receive the funding but just receive the service. They then do not have to get a monthly bill and do all that processing, Shared Services does not have to raise the invoices and all that sort of stuff. That is essentially what we have been able to reduce.

The Hon. J.R. RAU: So I was actually nearer the mark in the beginning.

Dr RUSSELL: I was almost there.

Mr GRIFFITHS: I will actually give you the credit. The reason I asked the follow-up question is that, Mr Russell, you confused me by talking about a reduction in costs. That is why I sought the clarification. I think I like the last answer better than yours.

The Hon. J.R. RAU: What we will do is we will ask these two gentlemen to sort it out and then we will compile a piece of paper which we will forward to you which is their considered and unanimous opinion. But I too prefer the answer to the extreme left there. I think that was a very good answer.

Mr SPEIRS: Minister, are there still plans to move Shared Services staff to new office accommodation at Port Adelaide?

The Hon. J.R. RAU: Yes.

Mr SPEIRS: When will this be done?

The Hon. J.R. RAU: I am advised that the lease commences on 1 May next year and the movement of personnel is anticipated to be in June next year.

Mr SPEIRS: Will all staff of Shared Services transfer to Port Adelaide or will some be at another site or sites?

The Hon. J.R. RAU: I am advised that 170 members of staff will be relocated to the Port and the balance will remain in the city. I assume your next question will be: how many is the balance?

Mr SPEIRS: Yes.

The Hon. J.R. RAU: I am told that the balance is about 450, but can you just take that as being roughly that number, and we will give you a more detailed answer.

Mr SPEIRS: A smaller proportion is going to Port Adelaide than overall.

The Hon. J.R. RAU: Yes.

Mr WOOLHOUSE: Essentially, who is going is accounts payable, accounts receivable and our financial accounting functions, broadly. Essentially, within the CBD, there will still be payroll services and the other support functions of Shared Services itself.

Mr SPEIRS: One final question: do you think the division of that branch will hinder productivity or stop overall work outcomes for the—

Mr WOOLHOUSE: The groups that are going are all related. They are traditionally financial and accounting type functions: they are AP, AR, tax and so forth. They are all related, so no, they are actually—

Mr SPEIRS: But would their more senior management be retained in the CBD—

Mr WOOLHOUSE: Essentially, they are the transactional services and the financial accounting elements associated with them. When they were in agencies, they were essentially grouped together.

The CHAIR: We could go on all day, but we will not.

Mr SPEIRS: I thank the minister and his public servants for their openness today and I particularly thank the many public servants behind the scenes who have been involved in the production of many briefings, no doubt.

The Hon. J.R. RAU: Thank you for noticing. It is lovely to see that the member for Bright does notice. As he knows, a lot of people put in a lot of work. Thank you for thanking them because they do work quite hard getting ready for this.

The CHAIR: I declare the proposed payments for the Department of the Premier and Cabinet and administered items of the Department of the Premier and Cabinet be referred to committee A.

Sitting suspended from 14:48 to 15:03.

ATTORNEY-GENERAL'S DEPARTMENT, \$117,786,000

ADMINISTERED ITEMS FOR THE ATTORNEY-GENERAL'S DEPARTMENT, \$94,269,000

Membership:

Mr Pengilly substituted for Mr van Holst Pellekaan.

Mr Tarzia substituted for Mr Griffiths.

Mr Wingard substituted for Mr Speirs.

Minister:

Hon. J.R. Rau, Deputy Premier, Attorney-General, Minister for Justice Reform, Minister for Planning, Minister for Industrial Relations, Minister for Child Protection Reform, Minister for the Public Sector, Minister for Consumer and Business Services, Minister for the City of Adelaide.

Departmental Advisers:

Mr R. Cordiner, Chief Executive Officer, ReturnToWorkSA.

Mr D. Quirk, Chief Financial Officer, ReturnToWorkSA.

The CHAIR: I declare the proposed payments open for examination and I refer members to the Agency Statements, Volume 1. Attorney, did you want to make an opening statement?

The Hon. J.R. RAU: Yes, we are starting off with ReturnToWorkSA, as I understand it.

The CHAIR: Yes, it is ReturnToWorkSA for 45 minutes, at 3.45 we will go to SafeWork SA and at 4.45 we will go to Consumer and Business Services, if that is still the plan.

The Hon. J.R. RAU: Okay, thank you. First of all, if I can introduce those who are with me: to my right is Rob Cordiner, who is the Chief Executive Officer of ReturnToWorkSA, and to my left is Des Quirk, who is the Chief Financial Officer.

It has not been my practice to say much by way of introduction and I will be as brief as I possibly can here because, generally speaking, I think this should be time for members and not time for the minister. However, I have to say that the whole philosophy of the Return to Work scheme, as is exemplified by something as simple as the name of the legislation itself—which is the Return To

Work Act, not the compensation act—is about providing a very strong stimulus and support for people who are injured at work to get better and get back to work.

It is unequivocally not a pension scheme. It is unequivocally not a scheme which is designed to subtly decondition people by reason of interaction with the scheme to the point where they are not capable of going to work. It is designed to actually acknowledge that some people unfortunately do suffer injuries at work; they need to be supported following that.

That support, initially, if it needs to be in terms of income maintenance, is at 100 per cent of their salary, because it is not intended to be a forever arrangement. It is a temporary arrangement. It is a temporary insurance arrangement which is paid for by their employer, and the primary focus of the scheme is getting people back to work.

All of the studies I have seen suggest that in terms of health outcomes there is no argument but that returning people to a meaningful place in the workforce is good for their health, notwithstanding the fact that they may have had an injury which in some way limits their potential at work. Nonetheless, to be back at work rather than watching one of those appalling American sitcoms all day is an infinitely better outcome. So that is the first thing.

The second thing I wanted to say is that the scheme is still in a transitional phase. By that I mean we have only now just reached two years since the effective cut-in date of the new Return to Work scheme. Whilst we have already been able to see a number of what I regard as highly encouraging trends in the scheme, there is no ground for complacency. There is no ground for making brave, long-term predictions about exactly where the scheme is likely to be landing, I emphasise. Everything I am seeing I am encouraged by, but we are still in a transitional phase of the scheme.

That said, there have been ongoing changes now for the last few years, particularly since the new scheme came in, in relation to return to work rates, which are extremely positive. What I am talking about here, Mr Chairman, is things like: how many people are away from work for more than two weeks? How many people are still away from work after 10 weeks or 13 weeks? How many people are still away from work after 26 weeks? When you start looking at those numbers, what we are seeing is an improvement, not only in the overall numbers of claims that are going in—there are less of them; we are also seeing an improvement in the time it is taking for people to get back to work.

That is in no small measure due to the completely different philosophy around delivery of service at the centre of the claims management aspect of the scheme, which is mobile case managers, people going out there, engaging with the employer and the employee very quickly after an injury and saying, 'Lets make this work.' That is showing positive signs. Again, it is too early—we should not be like George Bush Jr and stand on the aircraft carrier and declare the war is over, but we have made very positive progress in that respect.

The other thing is that the number of disputes in the scheme has diminished significantly. One of the great things about that is not only the cost to the scheme of maintaining a vast number of disputes but, attached to every dispute is an unhappy claimant on the scheme. To some extent disputes are like a proxy reading for how many people are agitated with the scheme, and the fewer people who are in dispute with the scheme—and I appreciate that this is a big generalisation—the less harm is being done to claimants by the scheme, because there is nothing quite as debilitating (and I can say this from some considerable experience in this area) for an individual as to be a long-term complainant involved in disputes and be on the scheme, certainly the old scheme.

Summary: the scheme is making very encouraging progress. It is very early days, but all of the dials are pointing in the right direction. There are no obvious storm clouds on the horizon, but we are at an early phase of the rollout of the new scheme. Things like discount rates on investments, things like stock market performance, things like potential changes in claim management all potentially can have an impact on the scheme.

I am cautiously positive about what is going on. I am very pleased with the management, ReturnToWorkSA, who I think have been doing an excellent job of both managing the scheme but also getting into their heads the fundamental proposition about the scheme, which is that this is about

getting people back to work, and I think the scheme managers do get that and they do expect the claims managers who report to them to behave in such a way as to maximise that opportunity. Sorry, I just feel strongly about all that. I feel better now, I've got it out.

The CHAIR: Member for Hartley—you are the lead speaker, clearly. Do you have a statement or just straight to questions?

Mr TARZIA: No. Minister, thank you for your short summary. I refer the minister and his staff to Agency Statement, Budget Paper 4, Volume 4, page 175, where I note that there is an estimated income tax equivalent payment of \$86.3 million, and in 2017-18 there is a budget for zero. I have some questions on the \$86.3 million figure. First, how did that figure originate, how did they get to that figure?

The Hon. J.R. RAU: I will commence, and when I look like I am getting myself into hot water one of these gentlemen next to me will step in. Most public corporations have within their charters an arrangement whereby they make what is called a tax-equivalent payment. A tax-equivalent payment occurs in circumstances where, were that entity to be a public company, it would be paying tax. Because they are not public companies, they are wholly-owned government entities—and, incidentally, entities in respect of which the government is the underwriter of unlimited liability—there are circumstances where the metrics provide for this tax equivalent payment. That's the short answer. Have I got that right?

Mr CORDINER: Yes.

Mr TARZIA: So is there a reason for zero dollars stated there as anticipated for 2017-18? Is the implication that the Return to Work scheme will have no profit in that year?

The Hon. J.R. RAU: No. It gets back to my opening statement about the volatility of the scheme. Perhaps I can try to explain it this way. I will just give one example, which may help to explain it. The new scheme, when it comes in, immediately changes the actuarial position so far as the unfunded liability of the scheme is concerned. Because when the new scheme came in we were coming off an old scheme, which was actually charging a breakeven average premium rate of 2.75 per cent when in fact the breakeven premium rate was more like 3.15 per cent, the board was prepared to take the risk at the time of only charging 2.75 per cent, which is still twice what other jurisdictions in the country were paying.

The scheme, at the end of 2014, was collecting 2.75 per cent. From 1 July 2015, its actuarially adjusted exposure dramatically changed because of the new scheme coming in, but until there has been a claims experience over the course of that first year, the board is not in a position to adjust its premium until it has a performance basis for the adjustment of the premium. Otherwise, they would be just taking a guess.

The point I am trying to make is that they then adjust their premium down. I think the first adjustment down was to 1.99 or 1.95. That then brings the BEP down, and that was averaged out across all the policyholders. In that one example, if you drew that on a graph, you would be able to see what I mean. There is a dramatic drop in the breakeven premium average number, but there is a lag between the fall in that number and the fall in the premium charged to meet the number, because the premium charged is based on a retrospective assessment of how the last year has gone. That means that there is inevitably at this point in the scheme's evolution going to be a period of time when the BEP is chasing down the actual premium, but that is not going to go on forever. That is going to get to the point where that stops and the two get into equilibrium. That is the idea, more or less.

That is one factor. Another factor is that under the new scheme, under section 56, there is the opportunity for people to receive a payment that was not available under the old scheme. This is a payment which is called, essentially, an economic loss payment, but it is calculated not by reference to a narrative but by reference to a table, where you just calculate the age of the person and the whole person impairment of the individual and you run your finger down the two columns and you get a number.

That number, for a relatively young person, could be \$350,000. It is not small money. Again, because the new scheme is so new, we have yet to feel what the real pipeline of people making

claims under section 56 feels like, because the people who are eligible to make that claim only had their injury at the earliest on 1 July 2015. So you can imagine that a number of those people have yet to get anywhere near having a stable condition with the whole person impairment entitling them to make an application.

My expectation is that the section 56 costs in the scheme are going to go up. They are not going to go up tomorrow, but over time the section 56 costs will go up, and they will reach an equilibrium as well, but that is some years away.

I am getting back to my point of the scheme being in a moment of transition. We have this moment in time when the income of the scheme through premiums, because of the lag in premium setting, is at a higher level than the actual outgoings. That creates a surplus. We have a one-off actuarial obliteration of the unfunded liability associated with the introduction of the new scheme, and we have the fact that the section 56 payments have not yet begun, in effect. If you take all of those things out, this is why I am emphasising in these remarks the fact that we are dealing with a bubble of what appears to be enormous profitability in the scheme. We need to be very careful about looking at that. I for one do not believe I could say to you with any confidence that that will be there next year.

Mr QUIRK: I would add that the difference between 2016-17 and 2017-18 is, as the minister has said, the actuarial release in 2016, favourable discount rate movements in 2016-17, and also investment markets were stronger than what would be expected in 2017-18. In 2017-18 there was a reduction, as the minister said, in the average premium rate from 1.95 to 1.8 per cent, which is therefore closer to the breakeven premium rate and therefore why we are not forecasting a tax equivalent payment in 2017-18.

Mr WINGARD: Are you expecting a loss?

Mr QUIRK: No.

Mr WINGARD: So, do we break even, or a small profit?

Mr QUIRK: We are aiming to set the premium at close to the breakeven premium rate. As the minister says, the scheme is still in transition. There is uncertainty about it. So, if you look at last year when the rate was maintained at 1.95 per cent, we were seeing some favourable signs in that, but it was prudent for the board to maintain a 1.95 per cent premium for 2016-17.

Mr WINGARD: Does the transfer of the \$86.3 million to the government reduce the asset base of the scheme?

Mr QUIRK: It comes out of the net assets, but, as the minister said at the start, it is around competitive neutrality that we pay income tax. We only pay it if we make a profit.

Mr WINGARD: So you are not concerned that that is going to offset against future payments that may need to be made?

Mr QUIRK: No.

Mr TARZIA: Minister, you mentioned market returns in your opening statement. Are you able to tell us what is the investment composition of the ReturnToWorkSA scheme?

The Hon. J.R. RAU: It depends how far you want to drill into the detail. If you want to get down into how many hundred shares they've got in different—

Mr TARZIA: I do want to know how many shares you have in each bank, but, roughly, can you tell us about percentages.

The Hon. J.R. RAU: I can ask them to dig out that information. I do not think we have it in front of us. I can say this: Return to Work, and I think, to be fair, WorkCover before them, did have a reasonably good investment in-house strategy going. They have consistently performed quite well in anticipating movements in the market. That said, the discount rate moves a little bit and they get knocked around one way or the other, and they have absolutely no control over that whatsoever.

Mr TARZIA: So nothing has been done to reduce the volatility in that space?

Mr QUIRK: We have an investment strategy that is reviewed by the board annually. The board has assessed to an investment adviser in Willis Towers Watson. The strategy is being looked at for the change in the scheme, because the nature of the liabilities become more long-term for the seriously injured. We have really looked to make minor changes to that strategy to better have the investment asset more closely aligned to the longer term of the liabilities and in that way try to take out some of the volatility.

Mr WINGARD: Are government bonds part of that investment mix?

Mr QUIRK: Government bonds are part of that. It is a mixture of government bonds, Australian equities, international equities, infrastructure property, again to spread the risk, and also looking at both the return and the duration of the investment to match.

Mr WINGARD: Has there been any modelling done on, if the South Australian government's proposed banking tax is voted in, the impact that will have on those bonds and hence those returns?

Mr QUIRK: No modelling has been done on that.

The Hon. J.R. RAU: Des made a very good point. I mentioned amongst the factors contributing to the volatility of the settling down of the scheme, the reality of the average premium chasing down the actual premium because of the retrospective nature of the premium setting, which is a once-off event. The release by the actuaries of unfunded liability, again, is a one-off event. The fact that section 56 payments have yet to become mature as a yearly (annual) feature of the scheme, which is something that will feed itself in, and it might take another two or three years before there is some reasonable indication of the annual actual cost of section 56—they have actuarial predictions of it, but the actual lived experience of section 56 becomes something that the board can talk about.

The bit that Des alerted me to that I had neglected to mention is that under the new scheme we do have the 30 per cent plus long-term people who will gradually, and I emphasise 'gradually', accumulate in the scheme. Those people are long-term claimants on the scheme. We hope there will never be a great number of them but the number that there are will not be cheap and so over the years there will be an accumulation of those people. They will probably get to the point again, over some considerable period of time, with the numbers coming in and the numbers going out, get into some sort of equilibrium, I imagine, but that could be 15 years away. In the meantime, there needs to be provisioning made for that long-term considerable draw.

Mr WINGARD: What are the scheme funding ratio net asset forecasts for 2016-17 and 2017-18? I appreciate you might not have that on you right now.

Mr QUIRK: For the 2016-17 funding ratios, in December that was sitting at 121 per cent, so positive. I expect that to be somewhat lower but still within—the board has a funding target range of between 90 and 120 per cent and aiming to be at around 105 to 110 per cent, which is the midpoint of that range. The audited numbers are still to be completed for this year but we would be sitting slightly above that and projecting pretty much a break-even rate for next year, which would see the funding ratio stay at around that level.

The Hon. J.R. RAU: Again, for the reasons I have just explained, you would expect that funding ratio to be above 100 at the moment.

Mr WINGARD: Because of the offset.

The Hon. J.R. RAU: Because the premium is still chasing down the—and other transitional matters.

Mr CORDINER: If I could try to read what might have been in your question: we have a really clear policy, which is that we are trying to minimise volatility for the premium-paying employers of South Australia, and we are prepared to accept a range of funding between 90 and 120 per cent. For most of its life, the scheme was below 100 per cent. It has now been above 100 per cent since the government passed its legislation and we improved our own performance. So, in effect, our net asset position has not been that volatile, but we are prepared to accept some volatility, otherwise you have to pass that volatility on, year on year, up and down, to employers who actually require some degree of certainty.

At the moment, even though the scheme is yet to mature, that funding ratio is based on the liabilities, with a risk margin for the uncertainty factor of it being a new scheme. So, if you like, you could have some confidence that the funding we have is real—it is not just bits of paper and numbers—to be able to pay for the claims that have been incurred to this day, and that it is sufficient and adequate for us to be able to set realistic premium rates going forward, such as the lower one for this year.

Mr TARZIA: Thank you. Budget Paper 3 (the Budget Statement), Table 5.12, page 86, refers to the full-time equivalent employees as at 30 June, with some estimates and budgets. I note that the estimate for 2017 FTEs for the Return to Work Corporation is 256.5, and in the 2018 budget it is 248. There is obviously a reduction there. Are you able to allude to why that reduction is there, please?

Mr CORDINER: Absolutely. There is no question that, when the government introduced the new scheme in 2015, there was an expectation it would have a premium rate somewhere between 1.5 and 2 per cent for employers and that it created a time-limited scheme to assist people with intensive services for the most part, except for that small number the minister mentioned who go on for lifetime care and support.

Clearly, we have been running a scheme that had high levels of dispute—in fact, very high levels of dispute compared to other schemes in Australia—and relatively low levels of return to work. Once you introduce a scheme that has time-limited periods, you end up with a smaller number of claims. So, at any one time now, we have open claims of around 11,000. If you go back to 2014 and thereabouts, before the new scheme, we had open claims in the 18,000s at any one time.

Clearly, if you have fewer claims to deal with, the same number of employers and fewer disputes (we are at about 78 per cent fewer disputes in the new scheme compared to the old), it is a cheaper scheme to run. That includes my staff, not just the people whom we pay. We have been through an exercise of saying, 'Okay, we have had two years of this scheme and we pretty much have a feel now for what it might look like going forward. What's the right size that we can afford to run this scheme and deliver the appropriate services?' Hence, we are predicting it is lower.

Mr TARZIA: I am referring to Budget Paper 4, Volume 1, page 43, Program 7: Industrial Relations. There were some December 2016 actuarial updates that show an increase of 71 non-catastrophic serious injury claims, with a liability increase of \$73 million. The actuary actually states that newly identified non-catastrophic serious injury claims continue to exceed expectations, particularly on older accident periods. Some of these are, no doubt, driven by some of the case law decisions being handed down by the SA Employment Tribunal. Does ReturnToWorkSA see a risk that this unforeseen trend may continue into claims made on or after 1 July 2017?

Mr CORDINER: I understand the report you are referring to, really well. There is no question that, in a scheme that collects just below \$500 million in premiums but has \$2.6 billion in liabilities, changes in liability movements are a big deal—a much bigger deal than maybe a failure to collect a little bit of premium here or there. So, we look at that extremely carefully. We get an actuarial assessment twice a year, rather than once a year. That is so that we can make adjustments, if you like, as we go.

Right now, we are in the middle of the end of year actuarial process, and it reflects something similar to December; that is, for the transition claims—the claims from the old scheme—that are working their way through to how many of those get into the serious injury or not. That is not over yet. Possibly, by this time next year, they might all have had their assessments—that is our guess, and it is probably a fairly accurate guess. We expect that number will, of course, go up again.

We have a pretty good handle on it now that we have had a couple of years to see who is putting in applications, what their assessments are, etc. The actuarial assessment we do includes the liability, as was indicated there, and we adjust the liability on an ongoing basis to make certain that we can afford it. That funding figure includes that increased liability for what will be the ultimate number, which we expect to be a few hundred—it will not be from the old scheme—and then added to by about 55 a year from the new scheme when it matures.

So is it a risk? I guess my answer is, 'You bet.' If case law or poor performance or bad luck causes more people to go into a lifetime care and support scheme—which lasts, by definition, until you die—then each one of those people has high needs but also has high costs, much more than any other. How well that boundary is managed and whether case law erodes that would obviously be something that, as a corporation, we would be making recommendations to whoever the government of the day was about fixing that erosion. It is a definite risk.

Mr TARZIA: What contingency plans are in place to protect the scheme funding and the average premium rate in that situation?

Mr CORDINER: The issue is that in that actuarial report—and I know it is fairly large and fairly technical—you will notice there is a significant risk margin to meet Australian standards, and they need to. For us it is a genuine protection for the employers of South Australia who pay. There is a significant risk margin already in the assessment of liabilities. In other words, if the straight-line assessment was, say, \$200 million then the risk margin means that you have to have \$500 million or \$300 million or \$250 million, depending on what risk margin is accepted.

So, we have a significant risk margin which is partly by accounting standards and partly by us not seeking to erode it either at this new stage of the scheme in the liabilities already assessed. As I said before, we have that in there for a lot of reasons. One of them is that we accept volatility in our funding position in order to protect certainty in our premium position.

Mr TARZIA: What was the significant risk margin that you calculated again?

Mr CORDINER: We do not; the actuary has to calculate that under the Australian standards. I am trying to remember the actual figure. Can you remember, or do we have to go and look it up?

Mr QUIRK: It is around \$140 million at December.

The Hon. J.R. RAU: Can I just mention, as well, that this is another one of these once-off transitional issues. We have the old scheme that came into operation back in whenever it was that rolls on and rolls on and rolls on and eventually terminates on 30 June 2015. That scheme has spent 30 years acquiring all sorts of people—and, quite frankly, not making people better. The scheme worked on the basis that if you keep coming back with a certificate saying that you are unwell we will keep paying you, and that is a sort of subliminal training exercise in, 'Stay sick and you'll get some money.' That is certainly the way it worked for some people, no question—and, incidentally, ruined their life in the process.

The new scheme, unequivocally, does not do that, but we have inherited a whole cohort of people who have been built up over 30-odd years in the other scheme. So yes, there will be a bundle of those people, and the corporation is presently working its way through the people who are potentially in that group to see which ones are genuinely 30 per cent plus or are deemed to be in that category. As Rob said, there will be a number of those, and there will be a single lump of them coming into the scheme which will not be repeated in any foreseeable circumstance in the future. However, they will sit there as a lump that will continue to drain the scheme from the moment they get in.

Mr TARZIA: How much did ReturnToWorkSA pay Mr James Large and/or his business PeopleVision for his work as a consultant in the defunct plan to remove self-insurance from the public sector and hand the business to ReturnToWorkSA and its agents?

Mr CORDINER: There are two answers I have to give to that. One is that I cannot tell you that figure off the top of my head, in amongst our expenses. What I can tell you is that PeopleVision has a contract with us to do a number of things, and I almost guarantee that we will not have separated out—and I know because I am the one who manages that contract—what hours James Large might have spent on getting ready for Crown Insurance. He actually spends most of his time on a project we call the portal project, which assists people to get paid more quickly with electronic transfers and those sorts of things, and some other projects we have. I can get back to you with that figure; I just do not actually know it.

Mr TARZIA: Has the minister or his department engaged former CEO of ReturnToWorkSA Greg McCarthy since he left ReturnToWorkSA? If yes, for what purpose and how much was he paid?

The Hon. J.R. RAU: I will have to get back to you with details of that. I believe Greg has been retained by the government to do some things but by exactly which bit of government and exactly what are the terms and conditions of his appointment, I would have to give you details, and I will get those. You did mention the business about the government insuring with ReturnToWorkSA I would like to actually place on record for you that this is a great missed opportunity which I hope the parliament will in due course reflect upon—a great missed opportunity to have the expert work injury management team in the state, the only people in the state whose sole business it is to manage return to work for injured workers.

This was a chance to have that best of type service in the state extended to state public sector employees and the fact that those public sector employees have been denied that opportunity is very unsatisfactory from my point of view. I am still struggling to understand the thinking behind that. If it is just a case of, 'It's my party and I'll cry if I want to,' fair enough. I think that is very small-minded if that is what it is, but it does strike me that the public sector, as an employer, has a responsibility to do the best it can for its staff in terms of not only the prevention of their injury at work but also the effective return to their work if they are injured, using the best possible means and the best possible resources available.

It is a great tragedy that that was not embraced when the opportunity was there and I have to say ReturnToWork did a lot of work in anticipation of that proceeding, and it is a great shame that all the preparation they went through in order to be ready to proceed was not able to be translated into the delivery of better services to the state employees.

Mr WINGARD: In Budget Paper 4, Agency Statements, Volume 1, page 41 states that the Ombudsman is responsible for return to work. In the highlights for 2016-17 on page 42, it says the Ombudsman commenced an audit of agencies' implementation of the information sharing guidelines. Can you tell me how many agencies will be audited in total, how many have been completed and what has actually commenced as far as the information sharing guidelines are concerned?

The Hon. J.R. RAU: I will have to take that on notice. That is quite a detailed question and I do not want to just have a chop at it and not—

Mr WINGARD: You had a chop at the other ones, and these blokes are sitting right next to you.

The Hon. J.R. RAU: Yes, these blokes do not know. They do not have the answer to that question.

Mr WINGARD: But you can have a go. Has anything been done?

The Hon. J.R. RAU: Again, I will just have to take it on notice.

Mr TARZIA: After the defeat of the return to work (crown claims management) bill, did the minister take a plan B to cabinet and is this plan B or any alternative proposal going to be progressed?

The Hon. J.R. RAU: You know I cannot speak about matters in cabinet.

Mr TARZIA: I did not write that question.

The Hon. J.R. RAU: What I can say is that my view has not changed. When you have a group of people whose whole business it is to deliver these services and to manage these claims, it is kind of weird when they are your employees that you do not use them to do the best job that can be done for all of your other employees.

I think I understand what some people were on about in not supporting it because they obviously had certain groups in their ear. I am more puzzled about how, for example, the opposition could possibly justify settling for a second-rate, patchwork scheme over a first-rate, top shelf—

Mr TARZIA: We ask the questions.

The Hon. J.R. RAU: No, I am giving an answer, though, you see; that is the great thing. It is a rhetorical question.

Mr GOLDSWORTHY: A very long one.

The Hon. J.R. RAU: It is, and please, protect me from your member for Kavel. He is becoming boisterous already. He has only been here—

The CHAIR: Technically he is not here, Attorney.

The Hon. J.R. RAU: I see.

Mr GOLDSWORTHY: No, not yet.

The CHAIR: In any case we are moving on soon, but continue on.

Mr TARZIA: Budget Paper 4 relating to Program 7: Industrial Relations. There is mention of the fact that in 2017-18 there is a \$2.7 million increase in income primarily due to an increase in the regulatory fee revenue. How has that arisen or how do you expect that to occur—what basis?

The Hon. J.R. RAU: Can you just please show me again where this appears in the budget papers because these may not be the right people to be asking. This might be SafeWork that you are—I am not sure.

Mr TARZIA: It is Budget Paper 4, Agency Statements, Volume 1, Program 7: Industrial Relations.

The Hon. J.R. RAU: Yes, I am told it is SafeWork that you should ask and they are next up. I can see their smiling faces back there. They cannot wait to get down here.

Mr TARZIA: No problem.

The CHAIR: Let's bring them down, shall we? Thank you, gentlemen, for your time. I would like to formally welcome the member for Kavel to the committee. He has taken over for the member for Finniss.

Membership:

Mr Goldsworthy substituted for Mr Pengilly.

Departmental Advisers:

Ms I. Haythorpe, Chief Executive, Attorney-General's Department.

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

Mr D. Soulio, Acting Executive Director, SafeWork SA.

Mr M. Spratt, Manager, Corporate Services, SafeWork SA.

The CHAIR: I would like to welcome the Minister for Industrial Relations. We are now looking at SafeWork SA, the same line so we do not need to go through all that again. If you have an opening statement about SafeWork SA, feel free.

The Hon. J.R. RAU: Thank you. As always, it is good to be with you. I will first of all introduce the people who are with us. First of all, the Chief Executive of the Attorney-General's Department to my right, Ingrid Haythorpe; the many-talented Mr Soulio, whose titles are too extensive to fully relay to you today but in his particular manifestation at the moment he is the Acting Executive Director of SafeWork SA; Mr Michael Spratt, the Manager of Corporate Services; and, of course, the evergreen Mr Swanson, Executive Director, Finance and Business Services.

I just wanted to say a few little things about SafeWork SA. SafeWork SA quite frankly is an agency which is in transition. The background to this goes back actually to the whole process with the Return to Work Act. In the course of the conversations in 2013 regarding the Return to Work Act it became very clear that both employers and employees were not happy with SafeWork SA. They had different reasons for being unhappy, but they were all concerned about various elements of the way in which the agency was interacting.

One of the things that came through very strongly was that employers were fearful of asking for help from SafeWork SA, because a visit from an inspector would very likely lead to them being pinched for something. Even if they had actually invited the inspector there in good faith to come and help them with something, the inspector goes to the bathroom and comes back with a summons for them having an inappropriate size toilet roll or something. The response of the employer groups was to be very wary indeed about inviting SafeWork SA personnel into their places to provide them with help.

I came to the view that there was a need to separate, if not legally then certainly administratively, the stream within SafeWork SA which provided help and education to employers from the stream that went out and investigated and prosecuted people. It is what I have called the black hats and the white hats.

An honourable member interjecting:

The Hon. J.R. RAU: Yes, because at least when somebody knocked at your door, if you were an employer, you could tell who was knocking at your door. From 1 July last year administratively this separation has occurred, and we do now have two functions, a regulator function and an educator function.

In terms of the regulator function in the last year there were more than 4400 notifications and nearly 3,000 compliance notices relating to WHS improvements. There has been a proactive compliance campaign, with priority industries being identified for proactive visits from inspectors, and there have been over 8,800 proactive compliance visits. The educator unit, which is completely new, comprises advisers who have no inspector powers at all. So when these people bob up at a workplace they do not scare the employer—that the employer is going to be in effect punished for asking for help. They do not issue notices or fines for non-compliance.

At the customer service centre SafeWork has a great deal of resources there—information and advice and so forth. They have got regional offices. Over the year that this new system has been in operation, I am very pleased to say that nearly 1, 000 businesses, and we are talking here mainly small and medium sized businesses in effect, have asked for a visit from an adviser. That is an absolutely outstanding improvement in the engagement between SafeWork SA and small businesses in South Australia.

SafeWork has been doing client surveys, and 96 per cent of customers have rated the service as very useful, so I am very confident that this is a positive and well-received improvement in the services provided. The educator unit has responded to over 46,000 phone calls and 10,000 emails for information and advice. It publishes its performance data online, increasing awareness as to what is going on.

Industry and unions have strongly supported the new approach, and there has been very positive feedback on this separation of functions. However, there is more work to be done. In particular I am concerned to make sure that the investigation and prosecution aspects of SafeWork do hold employers to account where breaches of laws are detected and have led to serious injury or death.

To this end, SafeWork SA is presently channelling a considerable amount of effort into a review of the way it conducts its investigations to ensure that the laws are enforced and that the reasonable and high expectations of the community as to the enforcement of those laws appropriately is being delivered by SafeWork SA. That is a quick around the grounds of where we are.

Mr TARZIA: Budget Paper 4, Volume 1, page 44, sub-program 7.1, the FTEs for 2017-18 look to have been reduced to 218 from 222.1. What are the reasons for this reduction, and what are those positions that are being lost?

The Hon. J.R. RAU: The decrease in FTEs from the 2016-17 estimated number of 222.1 FTEs to 218 FTEs is mainly due to savings allocated to this sub-program in 2017-18. These are notional FTE savings, I am urged to emphasise, that can be adjusted as needed.

Mr SOULIO: There is a savings target that needs to be met. If there other ways of meeting those targets then the FTE cap does not need to drop, but that is the notional amount that we need to drop to meet those savings targets.

Mr WINGARD: So, it is a financial saving and not an FTE saving—that is what you are saying?

Mr SOULIO: That is right, yes.

Mr TARZIA: There is a \$2.7 million increase in regulatory fee revenue. Are you able to break down the reasons for that increase, and to whom does the fee specifically apply and in what circumstance?

The Hon. J.R. RAU: I am advised that the increase is due to licence renewal cycles, for example, plant registrations renewed in 2013 are due for renewal again in 2018, so they are a five-year renewal. Apparently there is some volatility in the returns on these renewals because of the cycling of the renewals.

Mr TARZIA: Outright?

The Hon. J.R. RAU: Yes.

Mr TARZIA: What are the corporate support costs of SafeWork SA?

The Hon. J.R. RAU: For which year?

Mr TARZIA: Whatever you have—2016-17, 2017-18.

The Hon. J.R. RAU: I am advised that corporate support from AGD in 2017-18 is supposed to be \$231,000. It depends what you mean. I have two numbers here, and you can choose which you feel happier with.

Mr TARZIA: The higher one.

The Hon. J.R. RAU: The higher one—I thought you would say that. The first one is 'Corporate support from AGD'—this is probably not the one you want—\$231,000. The second one is 'Other AGD corporate overhead', which is \$4,861,000, making a total in the 2017-18 budget year of \$5,092,000.

Mr TARZIA: What about prevention initiatives for 2016-17 and 2017-18?

The Hon. J.R. RAU: Prevention initiatives for 2016-17 and 2017-18: do we have prevention initiatives as a discrete line in the budget? No, it is not a discrete line. We can see if we can get you a number, but we do not have anything separate, presently.

Mr TARZIA: Thank you. How many total voluntary separation packages have there been in 2016-17 and 2017-18?

The Hon. J.R. RAU: I have been provided with information here, and it takes up a whole page, but actually they should just have written a number '1' on a piece of paper and handed me that. Believe it or not, that just says '1'. Can you believe that? That is incredible, is it not, but that is true, that is what it says. I am advised that the answer is one.

Mr TARZIA: How many prosecutions?

The Hon. J.R. RAU: This is all prosecutions?

Mr TARZIA: Yes.

The Hon. J.R. RAU: Do you mean commenced or disposed of by the court, or what?

Mr TARZIA: Probably both.

The Hon. J.R. RAU: I will give you what I have here, and if you require anything further, let me know. From 1 July 2016 to 30 June 2017, SafeWork SA referred 15 briefs of evidence to the Crown Solicitor's Office to seek advice on possible prosecution. Of these briefs sent to the CSO, zero had a complaint laid and are currently in the court system, five were closed with no further action, based on advice, and 10 are still being considered.

I have a table here of the number of briefs referred to the Crown Solicitor's Office by SafeWork SA in the last five financial years. For the year ending 30 June 2012, there were 46; year ending 30 June 2013, 48; year ending 30 June 2014, 31; year ending 30 June 2015, 31; year ending 30 June 2016, 34; and year ending 30 June 2017, 15. That is in terms of the CSO's interaction with it. In terms of convictions, from 1 July 2016 to 30 June 2017, eight convictions were recorded in—it says here the Industrial Relations Court, but it was probably the Employment Tribunal, was it not?

Mr SOULIO: No.

The Hon. J.R. RAU: Okay, fair enough. A total of \$736,000 in penalties was imposed by the courts. Also, there were some enforceable undertakings. Members would be aware that under the legislation, one of the potential remedies is the enforceable undertaking, a breach of which itself constitutes an offence and subsequent penalties arise from that. There were enforceable undertakings undertaken by Coles, by a company called SRG Building (Southern) Pty Ltd and by Edward John Morgan and Luke Laurence Morgan. In terms of the numbers of these undertakings, on 30 June 2015, there was one; on 30 June 2016, there were four; and on 30 June 2017, there were three.

Mr TARZIA: There is a common reference to the work injury reduction trend on page 44. Do you have any numbers on what the work injury reduction trend is? How is that trending?

The Hon. J.R. RAU: Can I just mention here, whilst they are delving around, there is a high degree of cooperation between ReturnToWorkSA and SafeWork SA in terms of sharing information. Part of the function of ReturnToWorkSA is a risk management function, as you would expect from an insurer. They have a very sophisticated data analytics capacity within ReturnToWorkSA, which benefits from ReturnToWorkSA's own data and data from SafeWork SA. There is a capacity for them to cooperate in terms of attempting to proactively get into workplaces to prevent potential problems. To put it another way, they are cooperating on risk management strategies. This risk management function is significantly or pretty much exclusively managed by ReturnToWorkSA as part of their risk management activity.

Mr TARZIA: Moving onto costings, Budget Paper 4, Volume 1, page 45, notes the projection for 2017-18 is 7,000 proactive compliance and enforcement visits. How many full-time employees are involved in this? Is there a list of organisations that are visited and the corresponding regularity? What type of industries are visited, what are the costs associated with these visits and have any of these resulted in prosecutions?

The Hon. J.R. RAU: I am advised that we will take that one on notice.

Mr TARZIA: Are these random checks, when they are done? Are some random, some regular?

Mr SOULIO: In relation to that question, it is a combination. Sometimes there will be a random visit to a premises, other times it will be in response to a complaint and other times we will focus on a campaign for a particular industry for a particular month, for example. We may announce that we are going to be looking at agriculture in August, or something like that, so it varies.

Mr TARZIA: So, you are able to detail any campaigns you have had in the last year?

Mr SOULIO: I can provide a breakdown. There is basically a standing calendar of different industries, and I can probably provide that separately to you out of session, if you like. For example, there is a campaign coming up in relation to agriculture. There is another one in relation to construction. They will rotate through the course of the year. I am happy to provide a list of industries that are targeted.

Mr TARZIA: Thank you. There was a 40 per cent jump in the number of proactive compliance and enforcement visits. Why is that, and what were the costs of the increased numbers?

Mr SOULIO: We will dig that out. The cost is not changed; it is basically a result of a change in the way that the campaigns are recorded. Previously, and this relates to the split between the regulator and the educator, the regulator side of the business, as it was all one at the time, would conduct compliance campaigns and education campaigns. When we split them out, the educator

basically started to record them in a lot more detail, so that is why there has been a change in that number. It is more the way it has been recorded.

Mr TARZIA: I note that there has also been a large number of reactive compliance and enforcement visits compared to last year's projection. Why has that increased, or is it based on this year's results? What is the cost per reactive compliance enforcement visit?

Mr SOULIO: I am sorry, can I just clarify the line you are referring to?

Mr TARZIA: The number of reactive compliance and enforcement visits?

Mr SPRATT: Is that the one up from 10,000 to 12,000?

Mr TARZIA: Yes.

Mr SOULIO: We can provide some detail. It is not a significant—

Mr TARZIA: So, it is up 2,000?

Mr SOULIO: Yes, that is right. I think it is more of a focus in relation to the work areas that we want people to focus on and actually get some more targeted approaches to that, but I can provide a more detailed answer to it. My understanding is that it has basically been an escalation in the way that we are operating and issuing notices and undertaking those enforcement visits.

Mr TARZIA: Obviously, there has been a large number of reactive compliance and enforcement visits, and there is a 20 per cent jump from 2016-17. How do you interpret such a jump and how many of those added visits have led to prosecutions over the past two years? It is quite a lot.

Mr SOULIO: There are a lot of visits and with some of those, when we are looking at the way that activities are measured nationally, there may be multiple activities undertaken at the point of one visit for example. So there may be an inspection, there may be an investigation undertaken, there may be notices issued for improvements, and not all of those will result in prosecution outcomes but they may result in improved behaviour by the entities involved.

So, a lot of the focus for some of these may be simply a compliance outcome where SafeWork SA inspectors will issue a notice to say, 'You need to change the way you operate,' or 'You need to put a guard on that machine,' or 'You need to improve your training mechanisms,' and, in response to that, the industry will improve its behaviour and its activities and learn from that. It may not be a matter where there is a breach of the act as such or it may not be something that warrants a prosecution or an investigation outcome but a change in behaviour.

Mr TARZIA: Relating to many of these visits, to draw down into a couple of specific examples, how long did it take between SafeWork SA commencing its investigation into the death of eight-year-old Adelene Leong and the delivery of a brief of evidence to the Crown Solicitor?

Mr SOULIO: I do not know that I have got those details. I might have to take that on notice.

Mr TARZIA: How long did it take between SafeWork SA commencing its investigation into the death of construction worker, Jorge Castillo-Riffo and the delivery of a brief of evidence to the Crown Solicitor?

Mr SOULIO: Again, I will have to take that on notice.

Mr TARZIA: I might give you a couple more then to take on notice.

Mr SOULIO: Sure.

Mr TARZIA: In relation to Mr Castillo-Riffo's death, the Premier stated that a Coroner's inquiry would occur. What is the current status and has SafeWork SA been contacted by the Coroner concerning this inquiry?

The Hon. J.R. RAU: The status of that is that that matter is presently with the Coroner, and as to the question as to whether or not the Coroner's office has—I understand that they have not as yet requested anything of SafeWork SA in respect of that matter, but you would be aware I think that

one of the issues that was dealt with elsewhere in the budget was the provision to the Courts Administration Authority of additional resources to enable the Coroner to undertake additional works.

I can indicate to the committee that a new Deputy Coroner has already been appointed as a result of that budget allocation. The Coroner's resources have now increased by one third, effectively, in terms of the number of judicial personnel available to process claims and that was done specifically in order to enable the Coroner's office to deal with a number of outstanding matters including this one.

Mr TARZIA: The prosecution was dropped, according to media reports, just three days before it began. What were the reasons for that?

The Hon. J.R. RAU: Again, can I say from my point of view that I regard that as being a matter of grave concern to me. It really is not good enough, and I say this without pointing the finger at anybody in particular, but it really is not good enough when you have a prosecution for an industrial death which has gone through a process for a very long period of time, for it to be at the very last moment that the family and loved ones of the deceased person discover that the matter is not going to proceed. I feel considerable empathy for the family of anybody who is placed in that position. It must be an awful let-down to have been emotionally preparing for that process only to have it not proceed.

What actually happened was that SafeWork SA apparently completed its investigation into the death of Mr Castillo-Riffo on 27 October 2015, and laid charges. The matter was listed for trial on 13 February 2017. On 10 February 2017, SafeWork instructed counsel to withdraw the charges, based on legal advice. On 7 February, however, it is worth noting that an enforceable undertaking in respect of this particular matter was entered into. Whilst the proceedings did not go ahead, there was an outcome in the matter. I cannot recall the precise dates and details of this at the moment—and I will try to get the details—but I think I have answered questions about this in the parliament, anyway.

The gist of it was that, at some point in time, it came to my attention that SafeWork were of the view that they needed independent legal advice about this matter. I said, 'Fine, you get independent legal advice. If that's what you need, you get it.' They went off and got it. According to that advice, they were advised to resolve the matter in the way they did. I am not for a minute challenging their decision because I have no doubt that they acted with all propriety. It would have, in fact, been an abuse of process for them, had their advice been to not proceed as they did, to have proceeded nonetheless, just to make show of it. That would have been completely inappropriate.

The only problem I have with it is that it took that long to get to that point. That is the only issue I have with it. I am not in a position to argue with the legal advice or to second-guess the judgement of the senior officers of SafeWork SA; that is not my primary concern about it. My primary concern is that the thing was allowed to get to the point where it was three days away from a trial before that resolution occurred, and that is obviously not ideal, by any means.

Mr TARZIA: When can SafeWork SA expect to have a new executive director appointed? How much was spent on their recruitment process?

The Hon. J.R. RAU: That is a process that is, as we sit here now, a work in progress. I think the current acting chief executive is having a terrific time in there, and I am not keen to disrupt him. He is a very energetic agent of change—I think that is what they say, don't they? I am very comfortable with him being in that role for the time being. In fact, it is a shame that he is not able to clone himself because we would have a couple of spots for him. However, as far as I understand about the cost, there is no cost to the present time. It is just a matter of time from people in the department having gone about it, and an ad.

Mr TARZIA: So, there is no appetite at the moment to appoint a new executive director?

The Hon. J.R. RAU: I think the appetite varies according to whom you speak. My position is that I am in no great hurry, unless, of course, a really excellent candidate presents him or herself, in which case I would obviously give Mr Soulio the bad news.

Mr TARZIA: The scope of SafeWork SA is obviously for the public, but also for private businesses. Are inspections done on departments and agencies, for example, Health and Transport?

Mr SOULIO: Certainly there are inspections on, for example, government-run construction sites and roadworks and things like that, and certainly responding to complaints and callouts as required.

Mr TARZIA: Obviously you capture the statistics you accumulate through those visits. Are these statistics integrated in any way with other agencies?

Mr SOULIO: I do not quite follow the question. If I understand what you are saying, I do not think—

Mr TARZIA: Obviously there are a number of inspections done, and you have now confirmed on public agencies as well. Do you capture the data from those visits and share them with other agencies?

Mr SOULIO: I do not think so, but I will clarify that.

Mr TARZIA: Moving on to costings and Budget Paper 4, Volume 1, page 32. It has been noted under Consumer and Business Services, 'Collaborate with SafeWork SA to streamline the occupational licensing requirements for individuals in the construction industry.' Has there been an overlap of requirements, and who will enforce these requirements going forward?

The Hon. J.R. RAU: This is interesting. This is a collaboration between SafeWork and CBS. This is one of the great examples where the acting chief executive is able to resolve a lot of problems without talking to anybody.

Mr SOULIO: I do have a lot of conversations with myself about this. To answer your question, basically because both CBS and SafeWork regulate similar industries—for example, the construction industry and all licensed industries where CBS also has obligations under the SafeWork legislation, so car dealers and real estate agents and the retail industry in general—where there is an overlap in relation to a licensing requirement, for example, where a builder might have to come to CBS for a builder's licence but also then go to SafeWork for a white card or a working-in-confined-spaces type of licence, we are looking at how we can create a single point of entry to government for those industries to deal with.

Similarly, from a compliance point of view, we are looking at where we can have CBS and SafeWork join up to go to a building site at the same time to look at whether people are appropriately licensed and whether they are managing their obligations under the work health and safety legislation, rather than having two government agencies show up at different times and take people off-line to walk around the site, and things like that. We are looking at ways we can do that in a more collaborative way to make it easier for industry to do business but also to make sure that we are regulating appropriately.

Mr TARZIA: I refer to Budget Paper 4, Volume 1, page 45, talking about education programs. Does SafeWork SA produce any revenue from its education activities?

Mr SOULIO: No; there is certainly no charging for attendance at sites to conduct education, and any materials that are produced are not charged for. So we would not say there is a revenue stream attached to education.

Mr TARZIA: How much is SafeWork SA spending on inspector education to ensure that inspectors have relevant qualifications to properly enforce their areas?

Mr SOULIO: We will have to take that on notice for our training budget.

The Hon. J.R. RAU: I have to say that is very, very important work. If there is one area within SafeWork that I continue to be very interested in it is that area, because I want to make sure that the team that is doing this work is fully trained to be able to do that. In fact, that is one of the projects the acting chief executive is presently very much involved in. It is difficult to emphasise enough how important that is.

Mr TARZIA: I know there has been a significant increase in the number of education engagement and support activities, and it has been noted in other documents such as your annual report of 2015-16 that there is a clear separation from the education function and other functions. I suppose the reason is for this function to provide focused advice and support, as referred to. Can

you explain whether there is any overlap between the number of proactive compliance and enforcement visits and the number of education, engagement and support activities done by the educator?

Mr SOULIO: I think I am answering your question. There may be circumstances where there is an education campaign in relation to a particular industry. We might have a campaign where the educator goes out to the construction industry and spends a fair bit of time with them helping them understand their obligations, and there may be a time some time after that the regulators and inspectors then go out and basically assess how much they have understood of that training and do some inspections from that point of view.

There is not an overlap in that they are done at the same time, and the separation is for that particular purpose—to keep the white hats and the black hats separate, as the Attorney referred to earlier—but there is certainly a connection between making sure that industries understand their obligations before we may take some inspection action or regulator action to make sure they have understood the education.

Mr TARZIA: Has the increase in the number of educator inquiries or advice achieved a reduction in prosecutions or breaches of compliance?

Mr SOULIO: Statistics can work in many ways, but certainly I think we are working on the theory that the more people are educated and understand their obligations and that we work with them to make sure their practices are safe, then those numbers of matters that result in prosecutions will come down and have come down because people are basically doing the right thing and understanding their obligations and taking their safety towards their employees seriously to the point that there are less reportable notifiable injuries and that correlates then to less prosecutions.

The Hon. J.R. RAU: Can I actually say from my point of view again as minister, to me, the nirvana outcome is that we get so good at educating employers here that we have hardly any injuries. That means we need hardly any prosecution and it means the return to work scheme hardly needs to be supporting anybody. That is a tick in every box. The figures are quite consistent because, when I read out those numbers before, you notice that we have started to see a falling away of the numbers of prosecutions and referrals to the Crown Solicitor's Office.

That may be some very good news filtering through the system. I agree with the acting chief executive that statistics are able to be interpreted in a multitude of ways, but I have to emphasise that the objective in setting up that separate 'white hat' element to SafeWork was to make the task of picking up the telephone as a small employer and asking for help as simple as possible. The sheer numbers of people who are engaging with the system that we are getting is very encouraging, as is the feedback we get from the client surveys.

The other point too—and this is how committed we are, because I want this to be as transparent as possible—is that there is a dashboard that sits on the interweb where there is a release of the activities that people are up to. For those people who want to monitor how SafeWork is going, all you have to do is go to www.safework.sa.gov.au hashtag. It covers public authorities and government agencies. Hashtag #safety—how is that?

Mr TARZIA: Marie Boland, ex-SafeWork director who resigned suddenly, was to be appointed as the presiding officer. Under the act, the minister makes the appointment. The question is: given that the act covers the building and construction industry, why was Marie Boland appointed and not a person with more relevant experience in the industry?

The Hon. J.R. RAU: You are talking about the long service leave body?

Mr TARZIA: Yes, the Construction Industry Long Service Leave Board.

The Hon. J.R. RAU: A couple of things. First of all, the long service leave body is a body that manages long service leave entitlements, as I understand it. It is not an industrial regulator or inspector. It is more of a trustee body, as I understand it. The second thing was that, as I understand it, there were names put forward. There was a call for nominees, wasn't there? I would have to check out how it went and what the process was. Having worked with Ms Boland for a period of time, I am very sure that she is more than capable of discharging that function very well.

Mr TARZIA: I have been informed that Aaron Cartledge has been reappointed but he has been found guilty, I am informed, by the Federal Court of knowingly and deliberately breaching the right of entry laws of the Fair Work Act 2007. Was this a dishonourable conduct and breach of section 8(2)(b) of the act?

The Hon. J.R. RAU: I thought it might have been the member for Schubert who asked this question because he is usually pretty quick off the mark on this thing but you have beaten him to it.

Mr KNOLL: I have been otherwise occupied.

The Hon. J.R. RAU: Or it could have been the member for Kavel because he is interested in this as well. I knew that—

Mr GOLDSWORTHY: The CFMEU.

The Hon. J.R. RAU: Yes, that is it. You are on to it. I knew that there was going to be a matter of interest about Mr Cartledge.

Mr GOLDSWORTHY: You like that union, John, don't you?

The Hon. J.R. RAU: I knew that you folk were interested in them. I knew that, so what I did was when I saw the advisory council nominees pop up—

Mr KNOLL: Is this the advisory council or long service leave—

The Hon. J.R. RAU: Long service leave, I beg your pardon. Is that what you are talking about?

Mr KNOLL: Yes.

The Hon. J.R. RAU: I asked to be provided with some advice as to the entitlement—

Mr Knoll interjecting:

The Hon. J.R. RAU: Pardon?

Mr KNOLL: How he is still here.

The Hon. J.R. RAU: No, what the entitling or disentitling circumstances are for membership of that body and what the role of the minister is in lawfully dealing with that matter. In broad terms, I was advised that it was not—I was not given any reason, having asked for legal advice—legal reason to say that Mr Cartledge was not able to discharge his position as a member of the Construction Industry Long Service Leave Board. Given the fact that he occupies a position within an industrial organisation in that work space, it tends to make sense that he would be interested. I did actually ask the question, 'Is there anything about his circumstances that would render him disentitled?' and I was informed not.

Mr KNOLL: Just to add to that—

The CHAIR: Before you speak, member for Schubert, I should welcome you to the committee and note that the member for Mitchell has requested to be discharged in order to be replaced by you. Go ahead.

Membership:

Mr Knoll substituted for Mr Wingard.

Mr KNOLL: Thank you. Under the act, a member may be disqualified if he or she has undertaken dishonourable conduct—is guilty of neglect of duty or dishonourable conduct. If the myriad of offences that Aaron Cartledge and the state CFMEU have been found guilty of does not constitute neglect of duty or dishonourable conduct, what will?

The Hon. J.R. RAU: Sorry, what was the question?

Mr KNOLL: You said you got some legal advice to suggest there is nothing to stop him from being on the board. As part of the Construction Industry Long Service Leave Act, section 8—Conditions of membership, the Governor may remove somebody if—

The Hon. J.R. RAU: I understand the question now, sorry.

Mr KNOLL: So, where is the threshold?

The Hon. J.R. RAU: Again, it did occur to me that one of you gentlemen would ask me this question so I did think: I am going to try to be out ahead of this one, and I—

Mr KNOLL: You could have just not appointed him, but sure.

Mr GOLDSWORTHY: Ahead of the game.

The Hon. J.R. RAU: Ahead of the game. I thought: what I will do is I will ask this question first before these chaps get a chance to ask it and I will see what the answer is, so I asked that question of the Crown. I said, 'Look, just tell me what the story is. Is this a problem or is it not a problem? You tell me the answer. I'm not telling you what I want, because I don't have a view about what I want. I want to know what you think.'

What I was told, and I am paraphrasing this for obvious reasons, was that because the convictions are civil matters, none relate to serious dishonesty charges and all are on the lower end of the scale of what might be considered dishonourable conduct, there was no reason not to appoint him.

Mr KNOLL: So, essentially what you are saying is: Mr Cartledge would need to commit a criminal act and be convicted of a criminal act in order for him to be discharged from this committee?

The Hon. J.R. RAU: I did not ask the Crown that question, so I do not have an advice specifically on what it would take for him to be out. I only asked them, 'Given his CV, what side of the line do you think he falls on?' and they said, 'It's not enough.' I think it is a question of fact and degree, is it not?

Mr KNOLL: What you are saying is that the civil penalties and the civil offences that Mr Cartledge has been found guilty of, which include harassing and bullying on worksites, including making threats, including disrupting a number of significant worksites across South Australia, are essentially not of a serious enough nature, that they are in effect trivial, so as to not trigger section 8 of the construction—

The Hon. J.R. RAU: I am not going to use words like 'trivial' or 'not serious'. All I am going to say is: I gave the Crown a summary of Mr Cartledge's circumstances and I asked them the question, 'What do you say I should do?' because, as I said, a little bell did ring in my ear, metaphorically speaking, that one or other of you chaps would ask me this question. So, I thought: I want to know what the answer is before that happens. What came back to me was that in all of the circumstances this was not, in their view, a sufficient reason to render him disqualified.

Can I say too that this is a body which meets, I think, 11 times a year, and I think the maximum payment that a member will get is \$170, or something, multiplied by the number of attendances. It is \$177, and in the last year he received \$885, so let us just get this in perspective. It is a thing where there are occasional meetings. He is not at all of the meetings. He only gets paid for the ones he bobs up to. In the last 12 months he bobbed up to a couple—sorry, five—and his total payment was \$885. I did ask the question, and it was an open-ended question; I did not expect or even hint at an expectation of any particular answer.

Mr TARZIA: Minister, are you able to release that advice?

The Hon. J.R. RAU: No. I do not give out legal advice. These documents are—look, I assure you—

Mr TARZIA: Legal professional privilege; okay. Are we able to ask some questions about the South Australian Employment Tribunal?

The Hon. J.R. RAU: Sure, please.

Mr TARZIA: Budget Paper 4, Volume 1, page 45, paragraph 2. I note that Deputy President Karen Bartel recently resigned from the IRCCSA, which is now the SAET. Apart from any annual leave or long service leave payments, did Karen Bartel receive any other payments such as redundancy?

The Hon. J.R. RAU: I do not believe so, but I will check.

Mr TARZIA: If she did, why did she, given she resigned, and how much was the payment?

The Hon. J.R. RAU: Again, I will check.

Mr TARZIA: Is she entitled to a pension, and, if so, is it a lifetime pension, and how much is it?

The Hon. J.R. RAU: Again, I will check. There is some complexity with her because, as you may or may not be aware, she was a joint appointee, so she had both commonwealth and state jurisdiction. So, she was wearing a couple of hats. I need to be very clear on who was paying her what and whether it was a case of the state subsidising the commonwealth or the commonwealth subsidising the state, and who was in it for what. I am happy to find out the answer to those questions.

Mr TARZIA: Do you intend to replace her?

The Hon. J.R. RAU: No. I think what we did as a parliament was draw a red circle around commissioner McMahon and commissioner Bartel when we passed the Employment Tribunal bill last year, or the beginning of this year (I cannot remember when it was), so as and when either of those people depart the scene they are departing the scene and that is the end of that. Once she goes her position vanishes when she leaves.

Mr TARZIA: Is the government intending to make any more appointments to the SA Employment Tribunal before March 2018?

The Hon. J.R. RAU: If you are talking about as a commissioner in the old sense, in the sense that commissioner Bartel was a commissioner, the answer is no, because the law will no longer provide for the appointment of such a person at that level. But, until she resigned, she was able to carry on as she was, and commissioner McMahon is able to carry on as he is until he decides he wants to be elsewhere.

It may well be that there are roles for conciliators who are now, I think, by reason of the changes in law, referred to as commissioners, if I am not mistaken, and they come up periodically. Whether some of them are coming up before the end of the year, I do not know—I can check, but I am not sure.

The other thing is that, if you are talking about the presidential members of the commission, I believe that before the end of the year the president of the Employment Tribunal will retire by reason of age. Exactly how that will be dealt with, whether that is an internal appointment or an external appointment is a matter to be determined.

Mr TARZIA: You pre-empted by question, Attorney. Obviously the president will retire later this year. Is the government intending to replace him or her with an internal or external replacement?

The Hon. J.R. RAU: We have not made up our minds.

Mr TARZIA: Therefore, we do not know who that will be?

The Hon. J.R. RAU: No.

Mr KNOLL: We are moving on to Consumer and Business Services.

The Hon. J.R. RAU: I am really happy to jump into Consumer and Business Services.

Mr KNOLL: I wanted to ask a couple of questions on the SkyCity Casino deal that was announced.

The Hon. J.R. RAU: I am the wrong chap, really. Can we formally change over?

The CHAIR: I am happy to, if that is the wish of the committee. Thank you, everyone.

INDEPENDENT GAMBLING AUTHORITY, \$1,849,000
DEPARTMENT OF TREASURY AND FINANCE, \$70,268,000
ADMINISTERED ITEMS FOR THE DEPARTMENT OF TREASURY AND FINANCE,
\$1,752,379,000

Minister:

Hon. J.R. Rau, Deputy Premier, Attorney-General, Minister for Justice Reform, Minister for Planning, Minister for Industrial Relations, Minister for Child Protection Reform, Minister for the Public Sector, Minister for Consumer and Business Services, Minister for the City of Adelaide.

Departmental Advisers:

Ms I. Haythorpe, Chief Executive, Attorney-General's Department.

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

Mr D. Corcoran, Manager, Financial Services, Attorney-General's Department.

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

Mr J. Bonnici, Manager, Corporate Services, Consumer and Business Services.

The CHAIR: The Attorney-General's Department lines are still open. I declare the payments open for examination and refer members to Agency Statements, Volumes 1 and 4. We are talking about Consumer and Business Services, by agreement.

The Hon. J.R. RAU: First, some introductions: immediately to my right is Ingrid Haythorpe, the Chief Executive of the Attorney-General's Department, who is still here. Immediately to my left is somebody you may have understood to have been the Acting Chief Executive of SafeWork SA, but you are now wrong, because he is in fact the Commissioner for Consumer and Business Services—yet another of Mr Soulio's roles. Next to him is Mr Swanson, who has made various appearances, sometimes sitting behind us, but is here as Executive Director of Finance and Business Services, and he is the guy who understands money things.

The CHAIR: Any opening statement, minister?

The Hon. J.R. RAU: Only that it is good to be with you.

The CHAIR: Thank you. The member for Schubert.

Mr KNOLL: I refer to Budget Paper 4, Volume 1, page 31. In relation to the Consumer and Business Services role with gambling and the Casino—and we have actually been sent here by the Treasurer, so I think he has stuck CBS in it, to a degree.

The Hon. J.R. RAU: This could be interesting. Oh dear! He's got a sense of humour, hasn't he? You know he is playing with you, don't you?

Mr KNOLL: If you can call it such. Is there any contemplation of change to gambling taxation rates, especially as they apply to the Casino?

The Hon. J.R. RAU: I have to say that the Treasurer is a bit of a card. He has actually sent you off on a wild goose chase. If he is still around the place, you ought to grab him and say, 'That was terrifically funny,' but you will wake up to him, because everything to do with tax is him not me. So I have no role.

Mr KNOLL: Okay, let's move on then. Have you had any role in relation to the negotiation of any arrangements offered to the Casino in regard to securing this development? Can I ask the minister in a slightly different way? Who is signing any sort of deed of arrangement or deed of

understanding in relation to taxation arrangements with regard to any deal that is done with SKYCITY Casino?

The Hon. J.R. RAU: As to your last question, I was going to say that if it was possible to get a crayon and write on a very large piece of paper 'No' in red, I would have done that. As to the second question, I am not sure whether any particular document needs to be executed, but again, if it is relating to taxation, that is within the scope of the Treasurer's role.

Mr KNOLL: As it relates to Renewal SA there would be some sort of arrangement?

The Hon. J.R. RAU: No. I assume that when you are talking about tax—

Mr KNOLL: It may not be tax, it may also just be a standard—

The Hon. J.R. RAU: What happens with gaming is that there are some differences in the gaming machine treatment for the Casino and other gaming machine operators. For example, they are allowed to trade at different times. There are also longstanding matters relating to the taxation rates applicable to aspects of the gaming activities of the Casino that are unique to the Casino.

What I am trying to say in answer to your question is that the negotiation between the Casino and government in respect of those rates of taxation is a discussion with the Treasury, and is ultimately a matter for which the Treasurer is responsible. I can also say that I understand from the Commissioner for Consumer and Business Services that it is his belief that there has been no change in arrangements as far as tax is concerned in recent times. The Treasury is the home port for those questions.

Mr KNOLL: Let's move on to Budget Paper 4, Volume 1, page 31, Employee benefits and expenses. I think we have answered a few of the questions here, that the Commissioner for Consumer and Business Affairs is still the acting director of SafeWork SA. I think that we understand that to be correct. Is the Commissioner for Consumer and Business Affairs also the acting general manager of the Independent Gambling Authority?

The Hon. J.R. RAU: No. Even he has his limits.

Mr KNOLL: Okay. Are those the only two roles that the commissioner holds?

Mr SOULIO: Yes.

Mr KNOLL: In terms of where the money comes from to ask you to do these various roles, is there a separate payment for the conducting of those two roles?

Mr SOULIO: When you say 'separate payment'?

Mr KNOLL: So, obviously you get paid to be the acting director of SafeWork SA.

The Hon. J.R. RAU: You get paid twice! It is a bloody good idea!

Mr SOULIO: I think it is a great idea. If I got both pay packets, I would be a very happy man. No, the situation is my pay is split between the two.

Mr KNOLL: When you took on the acting director role of SafeWork SA, there was no pay bump for you?

Mr SOULIO: I think there was an allowance of \$20,000 or something.

Mr KNOLL: It sounds like they got the good end of the deal.

Mr SOULIO: I agree.

Mr KNOLL: Can I ask why was Mr Robert Chappell on leave between September 2016 and May 2017?

The Hon. J.R. RAU: I am aware that Mr Chappell was absent from the workplace from some point in time from September 2016 and that his employment was terminated in May 2017. That was done pursuant to the act and his contract of executive appointment.

Mr KNOLL: Was he receiving payments for services during that time?

The Hon. J.R. RAU: I believe he did.

Mr KNOLL: Do you have any understanding of how much those payments for that period would have been?

The Hon. J.R. RAU: No, but I can find out.

Mr KNOLL: Did Mr Chappell receive any termination payment at the conclusion of this contract?

The Hon. J.R. RAU: Again, I will find out.

Mr KNOLL: Would Mr Chappell have been under the standard arrangement with regard to the giving of notice and/or notice in lieu depending on when his contract finished?

The Hon. J.R. RAU: I believe so, yes.

Mr KNOLL: Was any complaint received in respect of Mr Chappell's performance in his role, and was there any investigation into his performance?

The Hon. J.R. RAU: I need to take some advice about what I should be saying about that, because I am not sure of all of the circumstances. Can I take that on notice?

Mr KNOLL: Sure. Have any matters been referred to police in relation to his performance?

The Hon. J.R. RAU: Again, can I take that on notice? That is not meant to mean anything other than I just do not know and I want to be sure I know.

Mr KNOLL: Does the government propose to replace Mr Chappell?

The Hon. J.R. RAU: We have got somebody acting presently, who is Jeanette Barnes. Yes, ultimately that role will be, I guess, filled. You are not applying for that too, are you, Mr Soulio? You would be regulating yourself.

Mr SOULIO: I would be. That is the problem.

The Hon. J.R. RAU: Anyway, it will have to be filled. There are reasons that I have been thinking about this as well, because it may or may not be—and I am not going to put it any higher than that—that this is an appropriate moment in time to consider whether the current configuration of the IGA is appropriate. It might be that it is, in which case it is simply a matter of replacing Mr Chappell and moving on or it might be that it is not. This gives us an opportunity to at least consider whether something different would be better.

Mr KNOLL: I think that is pre-empting my next question. Has the government decided what action, if any, it is going to take with respect to Tim Anderson's review of the gaming industry?

The Hon. J.R. RAU: One of the matters that Mr Anderson raised in that was obviously a question of this whole governance and how it was dealt with. If I can summarise the point, it is basically this: there is a bit of an overlap between the regulator on the one hand and the policymaker on the other in the present set-up, and at least from an abstract theoretical point of view there is something to be said for having those two functions not reposed in the same place. Whether or not that ultimately is such a strong argument that it warrants whatever changes are necessary is another matter.

There is also stuff going on at a national level which may impact on how that framework best looks. So, yes, Mr Anderson did raise questions that might be considered by government about how best to manage the idea of policy and regulator, but there is other stuff going on around the commonwealth as well.

Mr KNOLL: You have had the review for a number of months.

The Hon. J.R. RAU: Yes.

Mr KNOLL: Do you have a time frame on when any bill would be brought before the parliament, given I think we have six or seven—and you know how this chamber likes to take its time.

The Hon. J.R. RAU: Yes, I do. I am in the process of working my way through that. To put it on the table, Mr Anderson's interest in the gambling business came up coincidentally through his liquor review activities because many of the people he was talking to also had a gaming function. He already bumped into, if you like, the gaming issue by virtue of his liquor inquiry. Part of what he was looking at was whether or not we could see any way of rationalising the gaming industry in South Australia.

I think it is fair to say that there was a moment in time in about 2013, or thereabouts, when it would have been possible for some rationalisation to occur because there was a chance then, which was actually brought to the parliament, of us having a major and minor venue split where the major venues would accept that they could have up to 60 machines, but in doing so they would embrace voluntarily a whole bunch of other harm minimisation stuff, which was not mandated elsewhere but they would voluntarily do that in exchange for getting 60 machines.

In the process, there would be other venues which would be minor venues and they would be able to have less flexibility and it was thought that that would provoke a trading round where some people would sell down and some would buy up. When that came to the parliament, the former member for Davenport became very enamoured of the club industry and they lobbied very hard for this not to occur and in the process they basically destroyed any consensus that might have been there for the thing. So, that time passed.

I have since taken the temperature of some people around the place, being the clubs, the hotels association and whatnot, 'Look, if a similar deal were on offer now, are you interested?' Because at that point the hotels, for example, were okay with this and they thought it was a sensible rationalisation process. The feedback that I have had from them is, 'Not anymore.' Realistically, I cannot see that sort of rationalisation of the actual gaming business, so that we stimulate trading and therefore stimulate a reduction in machines through that mechanism; I cannot see us having any answer to that any time soon.

Mr KNOLL: Do you expect a bigger bill before parliament prorogues?

The Hon. J.R. RAU: I may do, but I guess what I am telling you is that I think it is extremely unlikely, if I do, that it is going to say anything about that sort of accelerated trading-type incentive. It will be more focused on some of this regulatory stuff, which is probably reasonably dry from the perspective of most observers of this industry.

Mr KNOLL: If I could move on to Budget Paper 4, Volume 1, page 31, in relation to liquor licensing annual fee payments. I understand that there have been a number of issues in relation to incorrect reference numbers being given to liquor licence holders and there being an inability for them to be able to pay their fees online through BPAY.

The Hon. J.R. RAU: If that is true, that is obviously not good. I am advised by the commissioner that it was an IT problem, which did make things difficult. He assures me that has now been addressed.

Mr KNOLL: Is there an understanding of the number of licences that have been incorrectly issued? Are there going to be any late fees charged as a result of any mix up with this?

Mr SOULIO: I will have to take that on notice. If there is anything that has been a result of either a technological problem or a human error issue, there certainly will not be fees imposed on those licences, but I will find out the number of people affected.

The Hon. J.R. RAU: The attitude that the commissioner has always expressed to me is, 'Fess up when you mess up' and 'Don't visit your mistakes on the public.' That is what you always say, is it not?

Mr SOULIO: It is.

Mr KNOLL: Still on the issue of liquor licensing fees, what is the annual revenue from small bar licences in 2016-17, and what is that amount expected to be in 2017-18?

The Hon. J.R. RAU: I think I would have to go to the commissioner, but the small venue licence revenue in 2016-17 is projected for the forthcoming year. We will have to get it. What I can

tell the member for Schubert is that when that licence was introduced, over the objection, I might say, of certain—

Mr KNOLL: Were there zero fees before the licence category was created?

The Hon. J.R. RAU: It was my anticipation that over the next 12 months or so we might get six of these things in the city. We now have nearly 100—we are about to hit 100. What this has done to the vitality of the city and the diversity of offerings in the city is fantastic. It really has completely changed the drinking culture in the city, which was something I was very keen to see.

I think the member for Schubert, indirectly, should be very pleased about this because these soon to be 100 venues are much more likely to have the excellent product that comes from his electorate in them, than they are to have—

Mr KNOLL: I am not sure that is entirely true.

The Hon. J.R. RAU: Not all of them, I know.

Mr KNOLL: Anyway, we will leave that there, but I actually tried to investigate that very fact.

The Hon. J.R. RAU: I think you should and, by the way, you need to visit nearly 100 now to investigate that.

Mr KNOLL: I do not think my liver can cope.

The Hon. J.R. RAU: I am prepared to come with you on a couple of those visits.

Mr KNOLL: Given the fact that the 2017-18 financial year has started and the liquor licensing bill is still a bill in the upper house, is it envisaged that, after the bill passes—and I assume that will happen sometime soon—

The Hon. J.R. RAU: We really hope so.

Mr KNOLL: —there will be any change to any licence fee structures for this financial year?

The Hon. J.R. RAU: No, not for this financial year. We have given an undertaking to the industry that, when the bill goes through, we will consult with them about the licence fee structure.

Mr KNOLL: So, that consultation will occur after the bill has become—

The Hon. J.R. RAU: Yes, but what we had as a draft set of fees was basically the regime that was suggested by Mr Anderson in his report. We have made it clear that we are prepared to talk to the industry about how that actually tumbles out.

For what it is worth, my perspective on this is that we have some venues which present minimal risk to the public and consume minimal time from the perspective of the regulator. We have other venues which are regularly the subject of reports on the evening news or visitations by the police that are regularly identified with unacceptable social activities.

All I am trying to do is have a licensing regime that recognises some venues are basically good citizens and some venues are pushing the edges as hard as they can to get away with as much as they can to make as much as they can while they can. I do not think there is anything unreasonable about recognising what they are doing with their licence as part of their licensing fee, including the fact that the team of agents the commissioner has in the field are being unduly preoccupied by dealing with non-performing people.

It is all very well to say, 'Well, why don't you deal with that by licence conditions?', but if you think there is a scream about higher licensing fees just imagine what it would be like when the commissioner turns up to one of those venues and gives them the good news about 10 o'clock closing, because he has decided to unilaterally vary their licence, or when he says, 'From now on you can only drink soda water,' or whatever it is that he decides—

Mr KNOLL: Tom Playford would be proud.

The Hon. J.R. RAU: And not a bad thing in some respects, some would say. The commissioner is not a wowser; he is a terrific fellow who wants people to have a safe, good time in our city.

Mr KNOLL: So consultation will begin after the bill passes?

The Hon. J.R. RAU: It will.

Mr KNOLL: What was the total fee paid by the Royal Adelaide Club for their event The Royal Croquet Club in 2017?

The Hon. J.R. RAU: We will get that information.

Mr KNOLL: Moving on to Budget Paper 4, Volume 1, page 32, Targets 2017-18 and the highlights in relation to digital licences—

The Hon. J.R. RAU: This is the way of the future.

Mr KNOLL: It is the way of the present, actually.

The Hon. J.R. RAU: Excellent, even better. The future is the present.

Mr KNOLL: What occupational categories will be included in the launch of the digital licences?

Mr SOULIO: There was a pilot that has been run, so there is a number of licence categories that sit with the Department of Transport as far as, I think, boat licences and others. From a CBS point of view, initially we have included land agent licences, and the proposal is to roll it out in relation to the remaining occupational licences we hold.

Mr KNOLL: Do you have an estimated budget or cost of reviewing and updating the online presence of CBS to be able to tap into that front-end? Is that a consistent front-end that others are using for their usual licence platform or does CBS have—

Mr SOULIO: It is a single platform that will be used for that purpose.

Mr KNOLL: Has any money been taken out of the CBS budget to contribute towards setting that up?

Mr SOULIO: No.

Mr KNOLL: When is the transition to online smart forms from manual forms expected to be completed?

Mr SOULIO: Some forms have already been rolled out and others are in the pipeline. Basically we are looking at all our forms at the moment. There has been a significant number, I think, from a liquor point of view—we have rolled 57 forms into about 12 or something—but I can clarify those numbers. We are looking at basically all our forms to deal with our customers in an online environment.

Mr KNOLL: Do know when that will be completed?

Mr SOULIO: I do not have a date for when we are going to finalise all our forms but it is an ongoing arrangement for every form we have that will be reviewed.

Mr KNOLL: Every form, okay. I would like to ask a few questions about occupational licences and enforcement, especially in relation to the building industry. There are licence conditions on each builder in relation to the work they are able to undertake, but in terms of the enforcement or compliance side, how many staff are there to regulate and monitor compliance with licences within the building industry?

Mr SOULIO: The way the enforcement team is set up in CBS is that there are not dedicated individuals in the construction industry. There are certainly some people who have expertise who will get involved in matters, but the enforcement team are cross-skilled to be able to deal with matters as they arise, and that creates some flexibility from my point of view to be able to say, if we are going to hit a particular industry and it is looking at the construction industry as a whole, we may then pull in all the investigators or a number of inspectors to do that piece of work but otherwise there may be investigators or inspectors working on different aspects. In terms of a number we have who are dedicated to construction, we do not have that.

Mr KNOLL: How many overall are there within CBS across the different—

Mr SOULIO: There are about 25 FTE.

Mr KNOLL: And do you have any understanding of how many investigations or random checks are undertaken on an annual basis in relation to the checking of building licences?

Mr SOULIO: I will have to come back to you in relation to some actual numbers.

Mr KNOLL: Are random checks undertaken or is it—

Mr SOULIO: A lot of the work is done across the board. We do random checks in relation to, say, people who are advertising in different aspects of certainly media, in newspapers and things like that, to see if they are licensed. We will do those sorts of things. We will also respond on a complaints basis. We also have other regulators who are out and about—for example, the Office of the Technical Regulator—who go out to sites and will come back to us and say, 'This person has done this work and he's not licensed.' There are a number of avenues for intelligence gathering in relation to potentially unlicensed operators and obviously complaint based as well.

Mr KNOLL: Is every credible complaint investigated?

Mr SOULIO: Obviously, as any regulator, you have finite resources to deal with the matters that come through the door. I think you would find that every regulator in the country will need to prioritise and triage the matters that come through the door, and we have a compliance enforcement policy that will determine what factors we take into account. Ideally, you take on everything but in terms of things like the amount of detriment, the history the operator has, or whether the person they have taken money from is a vulnerable person, there are a number of factors we will take into account.

If it is a one-off and a small matter, there may be an enforcement response that is at the lower end of a warning letter. Some matters we will just keep on file, and if that person pops up again, we will whack them the second time knowing that history. It does depend, but I do not think any regulator can say that everything that comes through the door is fully investigated.

Mr KNOLL: For the 2016-17 financial year, do you have any visibility of how many licences for instance you would have revoked, for people who were operating outside their scope?

Mr SOULIO: I will have to come back to you with a number on that. I do not have it off the top of my head.

Mr KNOLL: I assume there are various criminal proceedings you can undertake. Do you have any numbers of convictions either that you have progressed or that have been completed?

Mr SOULIO: Yes, I do. In 2016-17, there are 11 successful prosecutions. There are 22 matters that are still subject to court action—

Mr KNOLL: Is that just building licences?

Mr SOULIO: No, that is across the board. If you are just looking at construction, I am happy to come back to you with a breakdown.

Mr KNOLL: No, I am happy with the macro figures.

Mr SOULIO: Sure. In relation to other enforcement outcomes such as assurances and undertakings, there were eight of those as well and a number of expiations. There is obviously a different response depending on the nature of the offending, but certainly there were 11 prosecutions and 22 matters currently subject to court action.

Mr KNOLL: Revoking a licence is a penalty you can apply?

Mr SOULIO: Yes.

Mr KNOLL: You can withdraw someone's licence?

Mr SOULIO: Yes.

Mr KNOLL: Do you have numbers there for that?

Mr SOULIO: The number I have here for licence cancellations is two for 2016-17.

Mr KNOLL: Do you have any idea whether they were in the construction industry?

Mr SOULIO: From memory, they were construction related. Whether they were builders or plumbers or gas fitters, I am not sure, but I can come back to you with that.

Mr KNOLL: That is okay; it can be broader.

The Hon. J.R. RAU: Can I say that CBS do a number of crackdowns from time to time across the board, and they have their people out in the field. I could talk about older actions like Operation Spandex and Operation Benedict, but there is Operation Twilight, for example, which has been dealing with venues. These are quite good. There are a number of venues—I will not reveal where the agents are out there because they—

Mr KNOLL: This is in relation to liquor licensing, I assume?

The Hon. J.R. RAU: Yes. I do not want to reveal where they are going because that will blow their cover but I can assure you that they are all over the place. I am just reading the—

Mr KNOLL: And this is enforcement against liquor licensing conditions?

Mr SOULIO: Yes, that operation, for example—and we do a number of operations from time to time—is looking at licensed venues and their operations. We spoke earlier, I think before you joined the committee, in relation to the interaction with SafeWork and CBS.

Again, there is particular work being done from an enforcement point of view in the construction industry around: from CBS's point of view, licences and do people hold the appropriate licences; and from a SafeWork point of view, are they maintaining their obligations under the Work Health and Safety Act? So, there are some joint operations that will be coming up from a construction industry point of view. We target, obviously, different areas to address that.

Mr KNOLL: Have you had any input—and this may be a question for the Attorney—since the passage of the declared public precincts bill have you had need to declare any public precincts?

The Hon. J.R. RAU: Not yet. I have spoken to the Commissioner of Police about this as recently as a couple of weeks ago and I said to him, 'We've got all this apparatus ready to go. What's going on?' He indicated to me that he felt there was a need for officers to be trained. He was worried because he did not want this thing to be done and not done properly. I, somewhat reluctantly, accepted his assurance that that was the best way to go forward. I take his point; it is just that I would prefer that it was happening sooner. My expectation is, though, that it will be operating by Christmas.

Mr KNOLL: Have there been places earmarked to be declared—

The Hon. J.R. RAU: Not yet. My expectation is that the commissioner, who has a whole bunch of information of his own about where things happen in the city—

Mr KNOLL: The Commissioner of Police?

The Hon. J.R. RAU: Yes—will speak to this commissioner and they will, I guess, trade war stories about where things are going on. My expectation is that out of all of that there will be a series of hotspots identified. I do not think I am going to let the cat out of the bag here by saying that I have a guess that—

Mr KNOLL: Hindley Street.

The Hon. J.R. RAU: —Hindley Street might be amongst them.

Mr KNOLL: It has been mentioned publicly before, yes. It is okay; you are not revealing anything.

The Hon. J.R. RAU: But that may not be the end of it.

The CHAIR: With that I want to thank you, Attorney, and thank all your advisers for their time today and all their hard work, and members of the committee. I declare that the examination of proposed payments to the Attorney-General's Department, administered items for the Attorney-General's Department and the Independent Gambling Authority be completed, and the

examination for the proposed payments to the Department of Treasury and Finance and administered items for the Department of Treasury and Finance be referred to committee A.

At 17:18 the committee adjourned to Thursday 27 July 2017 at 09:00.