

**HOUSE OF ASSEMBLY**  
**Tuesday, 25 September 2018**  
**ESTIMATES COMMITTEE B**

**Chair:**

Mr S.J. Duluk

**Members:**

Hon. Z.L. Bettison  
Hon. L.W.K. Bignell  
Hon. J.R. Rau  
Mr F.J. Ellis  
Mr P.N. McBride  
Mr S. Murray

*The committee met at 09:00*

*Estimates Vote*

**DEPARTMENT FOR TRADE, TOURISM AND INVESTMENT, \$57,889,000**  
**SOUTH AUSTRALIAN TOURISM COMMISSION, \$87,381,000**  
**MINISTER FOR TRADE, TOURISM AND INVESTMENT, \$5,165,000**

**Minister:**

Hon. D.W. Ridgway, Minister for Trade, Tourism and Investment.

**Departmental Advisers:**

Mr M. Hnyda, Chief Executive Officer, Department for Trade, Tourism and Investment.

Mr M. Baccanti, Chief Executive, Health Industries SA.

Ms N. Slivak, Director, International Engagement, Department for Trade, Tourism and Investment.

Ms S. Adlaf, Director, Strategic Operations, Department for Trade, Tourism and Investment.

Mr P. Klar, Director, Immigration SA, International Education, Department for Trade, Tourism and Investment.

Mr A. Gerace, Manager, Finance, Department for Trade, Tourism and Investment.

**The CHAIR:** The estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. I understand that the minister and the lead speaker for the opposition have agreed an approximate time for the consideration of proposed payments, which will facilitate a change of departmental advisers. Can the minister and the lead speaker for the opposition confirm that the timetable for today's proceedings as previously distributed is accurate?

**The Hon. D.W. RIDGWAY:** I think it is accurate, but we did have a discussion between our officers about doing investment, trade, international students and immigration. Was that it?

**The Hon. Z.L. BETTISON:** Yes.

**The Hon. D.W. RIDGWAY:** Just to facilitate changing people if we need to.

**The CHAIR:** Thank you, minister. Changes in committee membership will be notified as they occur. Members should ensure the Chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 26 October 2018. I propose to allow both the minister and the lead speaker of 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 House of Assembly *Notice Paper*. There is no formal facility for the tabling of documents before the committee; however, documents can be supplied to the Chair for distribution to the committee. The incorporation of material in *Hansard* is permitted on the same basis as applies in the house; that is, that it is purely statistical and limited to one page in length. All questions are to be directed to the minister and not the minister's advisers. The minister may refer questions to advisers for a response.

The committee's examinations will be broadcast in the same manner as sittings of the house are broadcast, and that is through the IPTV system within Parliament House and via the web stream link to the internet. I will now proceed to open the following lines of examination, being the Department for Trade, Tourism and Investment and Health Industries SA. The minister appearing is the Minister for Trade, Tourism and Investment. I declare the proposed payments open for examination and refer members to the Agency Statements, Volume 4. I call on the minister to make an opening statement, if he has one, and to also introduce his advisers to the committee.

**The Hon. D.W. RIDGWAY:** Let me first introduce my team: on my left-hand side is Mr Mike Hnyda, the Chief Executive Officer of the Department for Trade, Tourism and Investment. On my right-hand side is Ms Narelle Slivak, Director of International Engagement, Department for Trade, Tourism and Investment. Also on my left is Mr Marco Baccanti, Chief Executive, Health Industries SA. The officers sitting behind me are Ms Sophie Adlaf, Director of Strategic Operations, Department for Trade, Tourism and Investment; Mr Peter Klar, Director of Immigration SA, International Education, Department for Trade, Tourism and Investment; and Mr Albert Gerace, Manager of Finance, Department for Trade, Tourism and Investment.

Thank you, Mr Chair. It is a pleasure to be here this morning. Thank you for the opportunity to highlight the role of the new Department for Trade, Tourism and Investment and how it will deliver against the key economic targets in trade, investment, international students and immigration. The Marshall Liberal government has a vision to grow and transform the South Australian economy with a GSP growth rate of 3 per cent per annum for the next four years.

The Department for Trade, Tourism and Investment (DTTI) will be a key component in achieving this growth target. DTTI has been created with a focus on international economic priorities, which are key to growing the economy. The whole emphasis and objective of DTTI under my ministry or leadership, and that of my new chief executive, Michael Hnyda, is to deliver key economic outputs and benefits to South Australia.

Through DTTI the Marshall Liberal government has committed to implementing a suite of measures to boost exports, grow our international students and migration, attract investment and showcase our great state of South Australia to the world. DTTI has the key components in this portfolio to achieve the economic growth, and I would like to touch briefly on each of these, if I may.

DTTI will target new foreign direct investment for our state, which will be in our key sectors, bringing new technologies, new skills and new links to academia, and will result in more capital investment and more jobs and economic benefits. One of the ways the Marshall Liberal government

aims to do this is to proactively target international companies and businesses beneficial to the state by refocusing the framework for providing assistance to industry. The new industry assistance framework, announced in the state budget, will place a strong emphasis on supporting proposals that have broad benefits for an industry sector or a number of businesses, so as to maximise economic development benefits resulting from the public investment.

Three main funds will provide the basis for more rigorous economic development. They are: the \$100 million Economic and Business Growth Fund; the \$150 million Regional Growth Fund; and, lastly, the \$27.9 million Research, Commercialisation and Startup Fund. In international trade, the Department for Trade, Tourism and Investment is currently working on a strategy for the state that will define how we will grow our exports to contribute towards the Marshall government's 3 per cent growth of the economy.

In the most recent 12 months to July 2018, the value of South Australia's overseas exports totalled \$12.1 billion. This was up 3.9 per cent, or \$449 million, on the previous 12 months in original terms. The new strategy for international trade will grow our key sectors, companies and levels of exports. Within the strategy there will be a program of outbound and inbound missions, which will be based on the requirements of the South Australian economy and, most importantly, our companies that export, and will be focused on outputs.

As announced in the state budget, we have started works on the creation of a much more extensive overseas trade network to establish a stronger footprint in locations of the highest potential for our exporters to attract more investment into our state. We have budgeted \$12.8 million for the opening of new trade offices, with recruitment underway for a regional director for China, which will be in the new business investment hub in Shanghai, and which under our election commitments will open in November. The final four offices proposed are in the United States, Tokyo, Kuala Lumpur and Dubai.

I am happy to report that our government has already fulfilled an election commitment to offer new funding and more extensive eligibility criterion for the export funding support. The South Australian Export Accelerator program, announced in August, provides funding support for South Australian businesses at each stage of their export journey.

International education is a particularly important area, and two weeks ago I joined Premier Steven Marshall in launching a Deloitte Access Economics report into international education, which shows there were nearly 36,000 international students in South Australia contributing \$1.54 billion to the South Australian economy in 2017. According to the report, the number is projected to grow to at least 49,200 by 2027.

Our international students are our second biggest export, after food and wine. However, South Australia's share of the market is less than 5 per cent of the national figure, and the Marshall government has a commitment to grow this number. We know that, for every four international students residing in our state, one job is created in South Australia to accommodate for the growing demand for services and accommodation.

DTTI will develop a new international education strategy that outlines specific measures to increase the state's international student enrolments. This will be leveraged further with the state budget announcement of an increase to \$2.5 million in annual funding to StudyAdelaide, to market Adelaide as a centre of education excellence and to entice more international students to live and study in our state.

We are also enhancing our onshore student wellbeing program, creating a volunteer program and developing marketing plans for key student source markets such as China, India, Nepal, Sri Lanka, Malaysia, Vietnam, Hong Kong, Korea, Japan and Taiwan. Migration is a constant topic for discussion, and Immigration SA continues to deliver a range of programs and activities to attract and support business migrants. Specifically, the 132 business visa is a state-nominated permanent residence visa for business owners and entrepreneurs. The 132 visa is seen as very attractive to overseas migration agencies and business clients.

The Marshall Liberal government has also negotiated with the commonwealth, as a pilot program exclusively for South Australia, a new entrepreneur visa. The objective of supporting

innovation in South Australia through the entrepreneur visa is to bring up to 30 overseas entrepreneurs into South Australia in the first year, building up to 100 young entrepreneurs each year in the following three years to our state, who have innovative ideas for South Australia to help us develop as a state and we can help them develop their concepts into start-up businesses.

Finally, while we are not examining tourism right now, it is an important part of the overall picture. Tourism is a particularly important part of the state's economy, and we will touch on it in much more detail after morning tea, but there are some tremendous links between tourism and trade and investment. They will become much more apparent over the coming months. Thank you for the opportunity to present that opening statement.

**The CHAIR:** Thank you for that opening statement, minister. Member for Ramsay, would you like to make an opening statement or go straight into questions?

**The Hon. Z.L. BETTISON:** I will go straight into questions. Minister, why did you sack Rob Chapman as the chair—

**The CHAIR:** Member for Ramsay, could you refer us to a budget page number? That would be most helpful.

**The Hon. Z.L. BETTISON:** My apologies.

**The CHAIR:** Otherwise we will be repeating Friday's efforts with the member for Enfield, which was very confusing for me.

**The Hon. Z.L. BETTISON:** Budget Paper 3, chapter 1, page 4 states that the investment attraction advisory board has been discontinued. Why, minister, did you sack Rob Chapman as the chair of the IASA advisory board?

**The Hon. D.W. RIDGWAY:** As I mentioned in my opening speech, the government is committed to growing and transforming the South Australian economy to create jobs for South Australians. A new dedicated department that brings together trade and investment attraction has been established alongside tourism to focus on key international economic priorities which are growing the economy. Increasing investment in South Australia is one of the keys to achieving the objectives alongside trade and international students. As I said, my department will be a key component of that.

We resolved to dissolve the advisory board on 30 June 2018 under the machinery of government changes, as I am sure the member is aware. Members remain committed to assisting the government through their networks to ensure that South Australia achieves a sustainable growth. It is interesting to note that the investment attraction advisory board's role and function was to provide independent advice and recommendations to government on investment opportunities and the allocation of the Economic Investment Fund, overseas performance of the Investment Attraction Agency and the key performance indicators related to job creation, and identifying and facilitating business leads.

It was the new government's view that it was quite expensive at a bit over \$300,000 to run the board. I will get that figure for the honourable member if she needs it. But it was the view that we thought we could allocate our resources more wisely and that it was not a personal thing for any particular member of the board or the chair. A decision was made to discontinue the board. We thought we could better utilise those resources in the new corporate structure.

**The Hon. Z.L. BETTISON:** What external advice did government seek before you abolished this board?

**The Hon. D.W. RIDGWAY:** I thank the member for her question. We took a whole range of advice leading up to the election from a whole range of areas. We have a cabinet government, and it was the strong view of the shadow cabinet at that point in time when we made the election commitment that we thought we could better utilise the resources of government by not having a paid board. As I said earlier, it was no reflection on the personnel; we just made a decision that we did not think we needed to spend that money on an investment attraction board.

**The Hon. Z.L. BETTISON:** Did you personally think that the IASA board was not successful? What is your personal view? Obviously, you took it as a cabinet—

**The CHAIR:** Member for Ramsay, it is important that it is not a reflection on what the minister thinks, his personal view. It is about what is in the budget line item. I know it is very broad, but if we have a question pertaining to the advisory board I would be happy to hear that, and I am sure the minister would be happy to answer it.

**The Hon. Z.L. BETTISON:** Obviously, there was considerable success for this board. Do you think the board was not successful?

**The Hon. D.W. RIDGWAY:** It is my understanding, and it was certainly the view of our cabinet, that the vast majority of the claimed successes were not as a result of the board but of other activities, the hard work of Michael Hnyda and his team in identifying potential opportunities and business leads.

As I said earlier—and I have the actual figure here now—the cost of running the board was some \$359,120. It was at that time an opposition cabinet and then a cabinet decision, following the election, that we would implement that plan and abolish the investment attraction board.

**The Hon. Z.L. BETTISON:** Can you detail the projects that were assisted by Investment Attraction SA? How much was spent, how many jobs, how many are still in progress?

**The Hon. D.W. RIDGWAY:** Since its inception, the previous investment attraction agency, whose core function now falls under this department, secured and announced 36 projects—I will read from this briefing but then I will qualify it with some other figures at the end—which will lead to the creation of almost 9,000 jobs, approximately 2,000 of which were actual jobs, and over \$2.275 billion of capital investment for the state. The independent analysis conducted by the University of Adelaide's South Australian Centre for Economic Studies said these 36 projects showed that over the full 10-year analysis period, using SA Treasury's recommended real post discount rate, the gross impact on GSP was \$9.08 billion.

Fifteen of the 36 projects secured since 2015 by IASA were secured with no financial assistance provided from the Economic Investment Fund, and will potentially result in 3,403 jobs—1,326 direct and 2,077 construction—and \$1.64 billion in capital investment. Again, independent analysis conducted by the South Australian Centre for Economic Studies of these 15 projects showed that over the full 10-year analysis period, using Treasury's recommended real post discount rate of 7 per cent, the gross impact on GSP was some \$2.27 billion.

Regarding projects with financial assistance from the Economic Investment Fund, the fund was successful in providing an additional incentive to deliver projects and when competing with other states. To date, 21 projects have been secured/committed by the former investment attraction agency from the Economic Investment Fund both in grants and loans: 20 projects were secured with grant funding and one project was successfully secured through an EIF loan administered by the Department of Treasury and Finance.

These 21 projects granted EIF funding will result in approximately 5,921 jobs, consisting of around 4,785 direct jobs and 1,136 construction jobs, with over \$634 million of capital investment. Independent analysis conducted by the South Australian Centre for Economic Studies of these 21 projects shows that over the full 10-year period, using Treasury's recommended real post discount rate of 7 per cent, the gross impact on GSP has been about \$6.8 billion. I have a list here for this, and we have gone through it. It is an interesting table to look at.

Under the previous government, from October 2015, there is a figure of 6,111 direct jobs and 3,213 construction jobs, a total of 9,324. That was the projected. If we look at actual jobs, instead of 6,111 as of 30 June, we have 1,548, so about 500 jobs a year from 2015, 2016, 2017 and 2018. With construction jobs, the figure was meant to be some 3,200, and it is 494, so only 2,042 jobs that have actually been created. While that briefing note highlights all of the potentials, the reality as of today is that we have 1,548 jobs. Some are yet still to be delivered. Some may never be delivered for a whole range of reasons and circumstances that have changed.

In answer to the honourable member's question, I think somewhat over the term of the previous government, the figures have been at their very maximum, and the reality is that about 500 jobs a year have been created. That was a decision we made—and regarding her original line of questioning about abolishing the investment attraction board, we believe that over time the

strategies we will put in place will deliver, at the very least, the same number but I expect significantly more jobs for South Australians.

**The Hon. Z.L. BETTISON:** Minister, you think that those original figures were incorrect or false?

**The CHAIR:** I assume we are still on the same budget line? If you could bring us back to that.

**The Hon. Z.L. BETTISON:** Yes. We are on Budget Paper 3, chapter 1, page 4.

**The Hon. D.W. RIDGWAY:** I am giving the honourable member the exact figures as of today. The very first one, Australian Crane and Machinery, was estimated to have had 193 jobs and, as of today, zero. These jobs could eventuate, but right now we are at 1,548 jobs, or as of 30 June. Some of these projects are on track but they are not delivered yet. It is a bit rich to claim that we have had this massive success from the Investment Attraction Agency. There are a few projects in the pipeline but it is the new government's view that we have a new structure. We are not going to have a paid \$350,000 or \$360,000 a year board. We think we can do it better, and I guess only time will tell whether we can deliver or we cannot.

**The Hon. Z.L. BETTISON:** Minister, I am a bit concerned, given that you have said this today and given that you have now gone on and hired Mike Hnyda, with the greatest respect, as the chief executive of your department. You come in today to say that the figures out there are not true, or were exaggerated, and yet you have hired this person who was heading up this area. I think you are giving mixed messages.

**The Hon. D.W. RIDGWAY:** I think you will find that often in these agencies it is about leadership. I think there is a renewed enthusiasm since the change of government. I think Mike Hnyda is an excellent choice for the role, and it is no reflection on Mike at all. I think it is a reflection on the former government wanting to continually embellish some of the data that they were providing. Mike is doing a fabulous job. Again, it is about leadership, and I think I am providing the sort of leadership that Mike and the team will respond to.

**The Hon. Z.L. BETTISON:** Technicolor was one of the companies that were supported and there was a lot of excitement about that. Where is that project currently?

**The Hon. D.W. RIDGWAY:** That project currently has not delivered any jobs as yet. I beg your pardon, it has delivered one at this stage. I have some more details here I can give you. As we know, it is a multinational company based in France and it is a world leader in visual effects. They received a \$6 million loan to establish a 500-person establishment. That has not happened yet.

All I am talking about is the jobs that are on the ground in Adelaide today, which are 1,584 in number. There may be more that come during the next 12 or 18 months as a result of the work done prior to 30 June. If you look at the figures—and I like to make sure, in all the time I have had in this place, that I actually quote real facts and do not say things like, 'Maybe one day we'll have a heap of extra jobs.' I think Technicolor, when it arrives, will add quite a lot of dynamic enthusiasm to our local visual effects sector, but at this point we do not have it here. I think the Technicolor studio in Adelaide will be known as Mill Film, and it will be Mill Film's first global location. However, as I said, it is not here yet.

**The Hon. Z.L. BETTISON:** What are the next steps for Technicolor?

**The Hon. D.W. RIDGWAY:** The agency continues to work with Technicolor. I think they have a bit of temporary office space here. My understanding is that it will be later in the year, or early next year, when they will actually be here, but they are not here yet so it is a bit hard to say, 'All these jobs are here,' when they are actually not. I am not going to be in the business of saying there are 6,000 jobs or 9,000 jobs when in fact we are talking about real jobs that are on the ground here today.

**The Hon. Z.L. BETTISON:** Minister, have you continued the production, digital and visual effects rebate for film production?

**The CHAIR:** Sorry, member for Ramsay, which budget line does that relate to?

**The Hon. Z.L. BETTISON:** I am just talking about, obviously, the investment attraction board. Budget Paper 3, chapter 1, page 4.

**The Hon. D.W. RIDGWAY:** It is my understanding that it is still in place, but I will take that on notice because I do not want to mislead either you or the rest of the committee on the actual details of that. There have been some transfers in machinery of government changes, and I am not 100 per cent certain on the detail of that so I will take that one on notice.

**The Hon. Z.L. BETTISON:** Thank you very much. Turning to Budget Paper 3, chapter 1, page 4, it states that the health industries advisory board is being discontinued. Why did the government abolish the health industries advisory board?

**The Hon. D.W. RIDGWAY:** Thank you for the question. Before the election, the opposition cabinet, now the government cabinet, made a decision that was the same as the one made for the investment attraction advisory board. We did not believe that it was value for money. Again, it is over \$300,000 a year. We thought that we could get the same outcomes with the team that we have, and we did not need an investment attraction board, many of whom were overseas and were flown in. It was quite an expensive board to manage. It was a decision of the government that we did not need to continue with it, so we discontinued it.

**The Hon. Z.L. BETTISON:** I see that we have Marco Baccanti with us today, who was the chief executive of the health industries advisory board. What role does he have now?

**The Hon. D.W. RIDGWAY:** Thank you for the question. Marco is still the Chief Executive of Health Industries South Australia, so he still heads up his team, but it is our view—and I think Marco supports it—that we do not need a health industries board. To support Marco, he was recruited because he has a whole range of good networks, his team is active in the field and he is constantly talking to prospective investors and companies that may set up here as a result of the large investment that has been made in the health biomedical precinct that we have to the west of this building. Marco has good connections and he can do it. We do not believe that we need a health industries board any more.

**The Hon. Z.L. BETTISON:** So Marco Baccanti is the Chief Executive of Health Industries within the department? Is that his title?

**The Hon. D.W. RIDGWAY:** That is his title at the moment.

**The Hon. Z.L. BETTISON:** How many FTEs are there?

**The Hon. D.W. RIDGWAY:** There are six FTEs, including Marco.

**The Hon. Z.L. BETTISON:** Does he retain his chief executive salary?

**The Hon. D.W. RIDGWAY:** Yes.

**The Hon. Z.L. BETTISON:** With six FTEs. What was the former number of FTEs of the advisory board?

**The Hon. D.W. RIDGWAY:** With Professor Steve Wesselingh, there were eight people on the board, but they only met a couple of times a year. Are you talking about board members or actual FTEs in the job?

**The Hon. Z.L. BETTISON:** FTEs that actually did the work.

**The Hon. D.W. RIDGWAY:** That was the same.

**The Hon. Z.L. BETTISON:** The same people have been retained?

**The Hon. D.W. RIDGWAY:** Yes.

**The Hon. Z.L. BETTISON:** To abolish the board, did you conduct a business case?

**The Hon. D.W. RIDGWAY:** No, we made the same assessment. It is interesting to note that the board was bigger than the team, which was a little strange in itself. As I said, in the lead-up to the election and post the election, it was the decision made by the new government that we no longer needed to invest in these boards and we felt that we could do the work.

As I said earlier, time will tell as to whether paying for these boards delivered a better outcome for the former government or if the structure that we have in place will deliver an equal or probably better outcome for the people of South Australia. There was no business case conducted: it was a decision made that it was over \$300,000 every year, which is \$1.2 million over four years, and it was a decision made to discontinue the board.

**The Hon. Z.L. BETTISON:** When will the advisory board officially become abolished? It is not made explicitly clear in Budget Paper 3, unlike the investment attraction board. When will it actually be abolished?

**The Hon. D.W. RIDGWAY:** The health industries board was established in January 2014 and the board was abolished effective 1 July 2018. The South Australian government, through a focus on health industries and the Department for Trade, Tourism and Investment, will continue to drive international business investment to create a competitive and dynamic life sciences sector that strengthens the state's economic position. So it was abolished on 1 July 2018.

**The Hon. Z.L. BETTISON:** Moving now to Budget Paper 5, page 10, talking about the economic and business growth fund: how many FTEs will work on this fund?

**The Hon. D.W. RIDGWAY:** I am not quite sure exactly what the member means?

**The Hon. Z.L. BETTISON:** In your organisational structure, how many people will be supporting the economic and business growth fund?

**The Hon. D.W. RIDGWAY:** It is a new fund. Effectively, if there is a project that comes to the team that fits the criteria—and we are still just finalising the criteria—then anybody in the team can suggest that we should put this project up for support. Of course, the new fund has some layers. There are government officials, Mike, the head of DPC, I think the head of the Department for Industry and Skills, and I think the head of PIRSA, but I will get those exact details for you, but that is my recollection. If there are any projects put up to them, obviously they have a look at it and there is some analysis done, and then it goes to the economic and investment subcommittee of cabinet.

Obviously, there are some resources put into there, but I cannot quantify the FTEs. Then, ultimately, it is a cabinet decision for any project to be funded. That money will be managed and held in Treasury, but it is not like there is a dedicated pool of people to manage it. It will be an opportunity for any project. That is my understanding. I will bring back the criteria because it is still being finalised. It is the actual criteria of what you would use to say that this particular project qualifies because it will give broad benefit or it will be transformational, or it will be technology that does not exist or jobs that do not exist. We are still just working through the final detail of that particular fund.

**The Hon. Z.L. BETTISON:** Minister, will you be taking the fund proposals to cabinet.

**The Hon. D.W. RIDGWAY:** That is what I said.

**The Hon. Z.L. BETTISON:** You are the lead minister?

**The Hon. D.W. RIDGWAY:** Yes, but the way it will work will be that—by and large, all of the projects will probably come through my department—but we are a cabinet government so if somebody has a project that they think fits the criteria, it is not going to be limited just to me. It will have to go through the heads of government—and I will get the exact number and titles of those for you—and then the subcommittee of cabinet, so then it becomes a recommendation. At that point, yes, it goes forward to cabinet from the subcommittee.

**The Hon. Z.L. BETTISON:** Can you take it notice to provide me with information about the selection panel, who is on the panel, the process—

**The Hon. D.W. RIDGWAY:** Yes, the panel. It is pretty much what I said, but I want to make sure—

**The Hon. Z.L. BETTISON:** You will come back to me.

**The Hon. D.W. RIDGWAY:** I want to make sure that was accurate.

**The CHAIR:** The member for Narungga I think has a question. He was keen to get in earlier.



**Mr ELLIS:** Thank you, Mr Chair. I would add that—

**The Hon. D.W. RIDGWAY:** Some of the projects, of course, come through minister Pisoni's area as well. We are keen to grow the state's economy. We do not want to leave any opportunity missed, but I will bring back more details for you.

**The Hon. Z.L. BETTISON:** So your people—

**The CHAIR:** Sorry, the member for Narungga has the call.

**Mr ELLIS:** I would like to take us to Budget Paper 4, Volume 4, page 161, if I may, regarding the opening of overseas trade offices. How has the minister found that experience and has he encountered any issues based on the previous government's closing of the trade networks?

**The Hon. Z.L. BETTISON:** Sorry, Mr Chair, can I just ask: we had an agreement that we would detail these in order. I will come to trade very shortly, but that was an agreement I had with the—

**The CHAIR:** No, that is fine. I have given the call to the member for Narungga and he is allowed to ask whatever question he likes within the budget papers.

**The Hon. D.W. RIDGWAY:** I thank the member for his question. As it was announced during the election, we would be opening five new trade offices across the globe. We have two existing ones: one in Jinan in the province of Shandong which has been there for 23 years, I think—that particular office. We have a sister state relationship with Shandong that spans in excess of 30 years, to my recollection. The only other one in existence that was not closed by the former government was the Agent General's Office in London that is part of Australia House. I am sure most members who have been in this place long enough have been there, and perhaps the three new members on my left will get a chance to visit there.

It was interesting, Mr President—Mr Chairman, we looked to where we should open offices. We thought that clearly, as China is our biggest trading partner, we should open an office there. I envisaged that to be a relatively simple thing to do: you would go to China, get the department to have a look and find a bit of office space and rent it. Well, nothing could be further from the truth, and it stems mostly from the fact that the former government closed our office.

As you would know, the Chinese are a great people to do business with but when you offend them it takes a fair while—you know the term, once you have lost face—so we have to apply for an operating licence to open an office in a city of one of our biggest trading partner's, which will be Shanghai. That was quite frustrating, Mr President—I beg your pardon, Mr Chairman.

**The Hon. J.R. RAU:** He does not mind 'Mr President' or 'Your Honour'.

**The Hon. D.W. RIDGWAY:** He does not mind being called President.

**The CHAIR:** The member for Enfield likes to call me 'Your Eminence', so I am happy to go with that if it helps!

**The Hon. D.W. RIDGWAY:** I am a creature of habit—my apologies. If I had been in the other place I would be calling you Mr Speaker probably. Our solution is that we have applied for a licence but we have no idea how long it will be; people are saying it could be 12 or 18 months, maybe even up to two years until we get the licence. In Shanghai there has been a bit of frustration but Austrade has made available a portion of its floor and we will rent that on a commercial basis.

All things being equal, the new Minister for Trade, Senator the Hon. Simon Birmingham, will join me there on the first Monday or Tuesday in November to open that office. There is a large trade mission that South Australian businesses are involved in called the Chinese International Import Expo (CIIE). There is a number of South Australian businesses there; it is an Australian delegation. I can talk more about the opening of that later. Likewise, Mr President—Mr Chairman, we are likely to—

**The Hon. J.R. RAU:** Your Highness.

**The Hon. D.W. RIDGWAY:** Your Eminence, Your Worship, whatever you would like me to call you. Likewise, I am led to believe, although we have not made any formal inquiries yet, that for

the office in the United Arab Emirates we will also have to apply for a new operating licence, as that has been lost. Anecdotally I was told that the person who we cancelled the office through was a bit annoyed that we cancelled it, and it is still the same official who has to grant the new licence in the United Arab Emirates. It is a little bit challenging in those two particular markets but we think that it is an opportunity to have a presence in the market, especially the one in China.

By having an office in Shanghai we will relocate the position that we currently have in Shanghai to Guangzhou. We already have an excellent person, a lady by the name of Alice Jim. Any members of the former government who have travelled to Hong Kong or China would know Alice. She has been, I think, 13 or 14 years working for the South Australian government and does a sensational job. She will be based in Hong Kong, where she always been, and we will have somebody in Guangzhou and then Shanghai.

One of the real areas of focus is the Greater Bay Area, which is the Pearl River Delta between Guangzhou and Hong Kong, and to have a network where we have a person in Hong Kong, a person in Guangzhou and also a base office in Shanghai and, I would have to add, tremendous support from the consul generals and all of the Austrade officials in that part of the world as well.

Interestingly—and I will stop now because I know members from the opposition would like to ask more questions—I was in Hong Kong late last week, and it has been at least two years since a South Australian minister has been to Hong Kong, which I found quite a surprise. I was there just after the typhoon and I will put on the record that there are 100,000 Australians who live in Hong Kong, and there was not one person at risk or who contacted the consul there for any assistance.

I think that is a real testament to how well the Hong Kong emergency services protected not only their own people but 100,000 Australians as well. I think they should be commended for their effort at keeping people safe. I think one of the buildings I was in on the Friday before I left was swaying during the typhoon 1.2 metres side to side, and at 100 floors off the ground I am glad I was not in that building when the typhoon was there.

**The Hon. Z.L. BETTISON:** Budget Paper 5, page 10, continuing on the Economic and Business Growth Fund. I have had a particular interest in the Northern Economic Plan. Will there be ongoing funding for this plan from the Economic and Business Growth Fund?

**The Hon. D.W. RIDGWAY:** The Northern Economic Plan? Not as the plan itself, is my understanding, but again I will take that on notice as to the exact details of where the Northern Economic Plan is funded from. I am advised that, with changes to the machinery of government, it sits with minister Pisoni, not with me, so I am not sure whether he—

**The Hon. Z.L. BETTISON:** Ask him tomorrow?

**The Hon. D.W. RIDGWAY:** If he is here tomorrow, maybe ask him, but I am not able to help you.

**The Hon. Z.L. BETTISON:** Budget Paper 5, page 166, outlines an efficiency measure for your department. Why is there a cut of a total of \$26.8 million and 64 FTEs from the Department for Trade, Tourism and Investment?

**The Hon. D.W. RIDGWAY:** I am just finding the relevant page. Can you repeat the reference please for us?

**The Hon. Z.L. BETTISON:** Budget Paper 5, page 166. Perhaps I could talk you through what it details there, minister. Obviously, this year it says that there will be 11 FTEs less, in 2019-20 14 less, in 2020-21 15 less and in 2021-22 24 FTEs less, which adds up to 64.

**The Hon. D.W. RIDGWAY:** So you were saying Budget Paper 5 or 4?

**The Hon. Z.L. BETTISON:** Five. It is here. Perhaps I could hand you my reference.

**The CHAIR:** Page 166.

**The Hon. Z.L. BETTISON:** Budget Paper 5, Part 2: Budget measures, trade, tourism and investment, page 166.

**The Hon. D.W. RIDGWAY:** I have some information here in relation to the savings across the forward estimates. To support the government's election commitments, the department will deliver \$30.9 million worth of savings over four years, predominantly through \$23.1 million through operational efficiencies, including redesign of the delivery function of DTTI with strategies still being developed to give us a reduction of \$14.4 million.

There will be a reduction in the Economic Investment Fund of \$6 million, a reduction in operating costs due to the termination of the investment attraction board, and a reduction in the market support of \$1.3 million. There will be a reduction of \$3.7 million through the rationalisation of advisory services, including a reduction in specialist advisers in international engagement, trade and immigration, the termination of the investment attraction board and the termination of the Health Industries South Australia advisory board, and, over time, a \$3.2 million overseas outbound missions reduction.

In addition to the new savings allocated as part of the 2018-19 state budget, the department has existing savings targets across the forward estimates of \$11.7 million. These savings will be achieved through a reduction of programs through reductions of employees, including organisational redesign, natural attrition and contracts coming to an end, and through general efficiencies.

**The Hon. Z.L. BETTISON:** So what type of roles are going to be cut from the department?

**The Hon. D.W. RIDGWAY:** I do not know whether the final structure has been determined. I might ask, if he is able to, the chief executive to talk about this. Some of the structural changes are still being negotiated.

**The Hon. Z.L. BETTISON:** Perhaps you could detail the current organisational structure and then how you think that will change.

**The CHAIR:** I have been consistent with this all week. All questions will go through the minister. If the minister is happy for Mr Hnyda to answer, he will so indicate even on every subsequent question from the committee.

**Mr HNYDA:** In terms of the new Department for Trade, Tourism and Investment, as you know, it is a brand-new department from 1 July 2018, which was the date I was also appointed as chief executive to the department. As part of the machinery of government, we are bringing various elements into the new department, including obviously trade, investment, immigration and international education, so a lot of functions. All these functions are targeted at the international business aspects of the government, and in terms of growing the economy—economic growth—but that is based on all the international aspects of the business that the government does.

What we are trying to focus on as part of the structure, and the structure going forward, is a mechanism that delivers for the state and obviously delivers economic outputs. We are in that process now. The department, which is unusual in the fact that it is a brand-new department of government, has been going for 11 weeks. What we are doing as part of the restructure is bringing all those functions together.

We are concentrating on delivering a very commercial output-focused department. That will cover a number of things. It is to ensure that we are able to compete and actually beat a competitor from not only states within Australia but other countries. The other thing we are looking at as part of the culture is the way we put the customer at the centre of everything we do, because I think that is so important. We are also introducing and establishing best practice for all those functions of investment and trade. The process is actually commencing in terms of that restructure and how we blend all the functions together into a new structure going forward.

In terms of FTEs, DTTI has an FTE count of 141 for 2018-19. That was actually made up of 67 FTEs from DSD, 60 from International Engagement, 6.8 from Health Industries and also 40.5 from Investment Attraction. We also have a further increase of 33 FTEs, which was 22.4 for corporate staff, as part of the new DTTI department, and that was part of the MoG process to bring new corporate staff in to blend across the team. There are 13 FTEs for the minister's office and also, as part of the MoG changes, 4.6 FTEs were transferred from PIRSA as part of the export drive on the food and trade side. That is the current level of FTEs, but we are in the process now of restructuring the department accordingly.

**The Hon. Z.L. BETTISON:** Minister, you must have been pretty blindsided when the decision was made to almost cut your FTEs in half.

**The Hon. D.W. RIDGWAY:** I do not think the word 'blindsided' is the word I would use. We have a new structure and we have, obviously, a new government in place. Of course, some of the savings measures are legacy ones that were never implemented from when you and your two colleagues sitting on the bench there were cabinet ministers. There were always going to be some decisions made to implement those savings measures. I am not blindsided at all. We have a focus on delivering a different delivery model. As I said earlier, time will tell as to how successful it will be. We think it will be very successful.

**The Hon. Z.L. BETTISON:** But in 2022, you are going to have 78 FTEs, and now you have 141. Will this not truncate your ability to achieve your targets?

**The Hon. D.W. RIDGWAY:** I think the figures you have talked about are cumulative rather than having them together. I think it is a total of 24 FTEs departing over the forward estimates. That is my understanding; that is what I am advised.

**The Hon. Z.L. BETTISON:** I might ask you to come back to me on that, because we might have a different understanding of how those efficiencies go.

**The Hon. D.W. RIDGWAY:** The advice I have just been given is that.

**The Hon. Z.L. BETTISON:** So 24 FTEs is your efficiency target over the forward estimates?

**The Hon. D.W. RIDGWAY:** By the fourth year, that is what I am advised.

**The Hon. Z.L. BETTISON:** It is 24? Okay. I know that you are in a process of change, but can I get you to come back to me about the organisational structure? Obviously, you have not bedded that down at this stage.

**The Hon. D.W. RIDGWAY:** No, it has not been bedded down, and when it is bedded down, I am sure it will even be published on the corporate website. It will be available.

**The Hon. Z.L. BETTISON:** Fantastic. I refer to Budget Paper 4, Volume 4, page 158. It is about your ministerial office resources. The previous minister for trade's office had eight FTEs last financial year. Why has your ministerial office grown to 13 FTEs, which is a similar size to the Treasurer's office at 15 FTEs?

**The Hon. D.W. RIDGWAY:** Obviously, the Department for Trade, Tourism and Investment supports one ministerial office, which is my office. The Treasurer approved a total budget of \$2.264 million for that, consisting of, for the 2018-19 budget, \$1.46 million in staffing of up to 13 FTEs, consisting of a maximum of four FTEs for ministerial contract staff. The \$660,000 worth of supplies and services includes general operating expenses, accommodation costs and then some other costs as well. We have in my office, I can tell you, a chief of staff, three ministerial advisers, an office manager, a PA to the minister, two policy liaison officers, one parliamentary cabinet officer, one senior business officer, one business support officer and a receptionist/administrative officer.

**The Hon. Z.L. BETTISON:** Did you initially have two ministerial advisers? Have you added an extra one?

**The Hon. D.W. RIDGWAY:** Yes, I have. We have three ministerial advisers plus a chief of staff.

**The Hon. Z.L. BETTISON:** So this was an additional recruitment for your office?

**The Hon. D.W. RIDGWAY:** No, it was an allocation made at the time that I was sworn in. It took a little while to recruit that person. You do not want to rush these things. It is hard to find hardworking staff, and you want to make sure you get the right people who understand the importance of the role. We want to make sure they are enthusiastic to work for me. Thankfully, I can say everybody in that office is enthusiastic to work for me.

**The Hon. Z.L. BETTISON:** Well, I hope some stay.

**The Hon. D.W. RIDGWAY:** A large number of them worked for previous ministers, and I have found them to be exceptional.

**The Hon. Z.L. BETTISON:** We can agree that it is a great portfolio. Can I move to trade offices, as discussed.

**The Hon. D.W. RIDGWAY:** I am just advised, also, that one departmental MLO was in an agency prior and has now been transferred to my ministerial FTE to be more transparent.

**The Hon. Z.L. BETTISON:** Okay, so that was the change.

**The Hon. D.W. RIDGWAY:** That would be the change.

**The Hon. Z.L. BETTISON:** Budget Paper 5, page 167. This budget measure looks at overseas trade offices and the Shanghai business investment hub.

**The Hon. D.W. RIDGWAY:** We are on trade now?

**The Hon. Z.L. BETTISON:** On to trade, yes. With the efficiencies that have been tasked to you, how do you intend to run your overseas trade offices and absorb these efficiencies as well?

**The Hon. D.W. RIDGWAY:** As I mentioned earlier, it was an election commitment, obviously, to open these five trade offices across the globe to support our exporters, and we believe that by doing that we get a much more efficient use of taxpayers' money. We are committed to creating jobs by boosting our exports and inbound investment.

Our Regaining Ground in International Trade Strategy we believe will transform the economy through growing exports in key markets. By establishing our own office we create a more extensive overseas trade and investment network for South Australian companies, and we will be more responsive to their inquiries to facilitate effective connections, leads and business matches.

We will locate in commercial centres, where engagement with these regions shows a strong match between our industry capability and demand for our high value goods and services. As I mentioned earlier but will repeat, the proposed locations for the new offices are Shanghai, the United States of America, Tokyo, Japan, Dubai in the United Arab Emirates, and Kuala Lumpur in Malaysia.

The Department for Trade, Tourism and Investment is undertaking scoping work to identify most suitable locations for an office. We have already done one in Shanghai, and we are doing scoping work to identify the most suitable locations for all the other offices in the region.

The Office of the Agent General will continue to provide the South Australian representation in Europe and the United Kingdom, and we will approach the opening of the overseas offices in a staged manner to ensure we are establishing an effective office structure that best services the South Australian business community. It would have been a real temptation to rush in and open five of them and then not actually have the support there to make sure we are doing it, so we are doing it in a staged-managed process. It is an election commitment over the next four years.

We have established in the Shanghai business investment hub in China because it is our biggest two-way trading partner—it seemed logical to go there first. We have support from the Australian Chamber of Commerce and the Australian Trade and Investment Commission, which is Austrade, in Shanghai. The South Australian government is currently recruiting a regional director for Shanghai to lead that new office and overseas activities across China.

When appointed, the new officer will finalise the operating arrangements for our office in China. The final four offices across the other countries we will look at over the next two or three financial years, but we expect by 2021 to have all five offices open. The opening of the new offices' budget is \$12.87 million over the forward estimates; \$3.48 million is allocated over four years to establish the Shanghai business investment hub; and, \$9.39 million is allocated over the forward estimates to open offices in the United States, Japan, the United Arab Emirates and Malaysia.

The budget increases over time as the offices are established, with two offices expected to be established in 2018-19—we may get the second one up early next year—and two in 2019-20 and the fifth in 2021. As I said, we are not going to rush it and get that wrong.

As part of the election commitment to significantly upgrade South Australia's overseas reputation, the government has also committed to provide a presence of Austrade in Guangzhou, and direct flights from China Southern land in Guangzhou. That is one of those initiatives. Lots of things are supported across election cycles and I think it was very important for our state to get those direct flights. They are now going to five flights a week on 29 October and to daily flights over the summer and Chinese New Year, so we can be optimistic that over the long term we will go to daily flights to Guangzhou. Of course, we have six flights a week with Cathay Pacific to Hong Kong. Effectively, as I mentioned earlier, that Greater Bay/Pearl River Delta area will almost have two flights a day in the longer term going to that area.

The Austrade embedded arrangements that were secured by the former government will be reviewed as the new offices are established. Currently, the Singapore position has been vacated and not filled and the Bangkok, Thailand, position was vacated on 15 August 2018. Austrade billing regarding these arrangements has ceased with the departure of the staff. The capacity of the new Malaysia based office that serves this region is being explored prior to future recruitment in this region.

For the recruitment of senior staff and overseas officers, internationally connected departments will assist in promoting roles and networks in the relevant markets. For example, Austrade and AustCham have promoted the regional director in China. We have some extremely good relationships with Austrade and AustCham. In the case of the China based role, an interview panel included an in-market representative from Austrade, and the department undertook an intense due diligence process on the preferred applicant prior to an offer being made.

The key performance indicators, covering both trade and investment activities, were reflected in the contracts of these regional directors with the requirement that they contribute to the South Australian government's goal to grow the South Australian economy by 3 per cent per annum and the department's broader performance indicators that contribute to this goal.

The timing of the other offices will be a work in progress. We will have them all in place before 2022. We hope to have them all in place by 2021. But there are some key points. I think Dubai is hosting a World Expo in 2020, so it would be logical if we could have a presence there at that time because that we can then enter the market with a little bit of fanfare and a splash.

We have the Japan Business Council, I think that is the name, but they have a desire to have a meeting one year in Australia, another year back in Japan, and they are wanting to come and bring their AGM here in 2020. Again, linking that around having some presence in Japan around those sorts of key business activities is important. The final timing of it will be stage managed but we are very keen to make sure that we have them all in place and operating so that we can deliver on our key sectors which are innovation, food, beverage and the defence sector.

**The Hon. Z.L. BETTISON:** This is obviously, minister, a key part of your election proposal. I have heard you talk many times about a trade-led recovery of the South Australian economy. Do you think that the staff allocation of two people in the trade offices and one person for Shanghai this financial year is enough to run an effective trade office?

**The Hon. D.W. RIDGWAY:** At this stage, yes, we think it is. You have to understand that the whole department will be effectively the on-ground team here that is supporting them.

**The Hon. Z.L. BETTISON:** How many FTEs will support each trade office? Do you have that?

**The Hon. D.W. RIDGWAY:** It is a sectoral approach, so you know we have food and wine, and you are not going to say, 'Here, there are two people for China and two for the US.' It will be a team approach. We think that we will get it right. We have spoken to business about what they want and they want a landing pad in a lot of these markets. There are existing exporters who have been a little tentative, there are some who have never exported and they need a place to go, somebody on the ground. They do not want to be involved in a great big trade mission, they just want to know there is somewhere to go where there is a friendly face and a bit of support when they are there.

So we think we can manage that. Everything would always be under constant review. If we have more demand than our team can service, then clearly we would have a look at putting more

resources in. But what we do not want to do is have people on the payroll sitting around twiddling their thumbs. It is a lean and efficient government. We will be focused on outcomes, not inputs.

**The Hon. Z.L. BETTISON:** It just seems, when I have looked into other states and their trade offices, that we are a little underdone in the amount of people. I am concerned that you will be setting up these isolated trade offices and we will not achieve that outcome.

**The CHAIR:** Member for Ramsay, you are being very broad. This estimates committee is for the examination of the budget papers, not of other states and the like. I might just flick to the member for Davenport who, I believe, has a question.

**Mr MURRAY:** I refer to Budget Paper 4, Volume 4, page 167. I note several programs for the delivery of government-led outbound and inbound missions. Can the minister advise what the focus of those missions will be?

**The Hon. D.W. RIDGWAY:** That will be a change from the previous government's approach to outbound trade missions, in particular, where there was a penchant for large missions with a lot of fanfare. Interestingly, I spoke to a gentleman in China who spoke quite good English, and he said, 'Those great big missions come in, we all hand around the name cards and we collect all the name cards, we make a few toasts over drinks, say ganbei a few times, be friendly, and they all go home and we throw the name cards in the bin and wait for the next big lot to come.'

That was a legacy the former minister and the former member for Waite, I might add, the Hon. Martin Hamilton-Smith, when he was minister. Without digressing too much, it was in his time as an opposition trade spokesman that he said we needed to have these big trade missions. I had a different point of view, way back then.

We have gone to industry and asked, 'What do you want, what do you want to grow your business? Do you want to go on a big mission with 50, 60, 100 or 200 people or do you want something small and targeted?' Industry has said they want small and targeted, and so that is what we have done. We are developing a program of trade missions that will complement our offices because, again, why would you have an office and not actually go to market?

The point I was making to the member for Ramsay is that you do not necessarily have to be on a trade mission to go to the trade office, quite the contrary. If you have something to do get on a plane, get over there and get into the market. For the honourable member's benefit, the key for us is that we have listened to industry and they do not want great big trade missions; they want smaller, targeted missions that are meaningful to them.

We have the parliamentary sitting calendar and we are in the final throes of trying to coordinate trade missions in and around that so that it is less problematic, having to miss parliament, for anyone who is on those particular trade missions. They will be much more targeted with a real business focus; as I said, industry does not want large ones and we think, from everyone we have spoken to, that this is the best way to do it.

Also, having these international offices we actually have a delegation-type leader, you have staff there, so you do not need the big trade missions we have had in the past where we have gone into it like we are exploring a new frontier with a couple of hundred people. That has been quite expensive; from my recollection some of those missions cost about \$300,000 for some of the actual events.

We are really keen to make sure we are targeted, and that the inbound missions are targeted as well, that we bring people here. Look at days like yesterday and today: South Australia sells itself if you have people here coming into the market. So we will also make sure we have a large number of inbound missions that are, again, focused and targeted. The one I spoke to yesterday was a French delegation looking at business investment that is not defence related; it is business well below the defence sector.

We will have a large number of those that focus on our strengths, and our strengths are about promoting the state. We know our food and wine, we know our technology, we know education, and we know defence is going to be a huge part of the future of our state. That is why it is pleasing to see the Leader of the Opposition and the Premier travelling together to Euronaval. We have lots

of arguments about lots of things in this place but that is probably one thing we will not be arguing about, because it is of multigenerational benefit.

Again, with all of the businesses that fall from defence that are not directly defence-related—and the defence sector is really very much for the federal government to deal with—there is a whole range of opportunities, so we want to make sure all of our trade missions are smaller, are focused, and deliver the outcomes that businesses want. We want to be output driven not input driven.

**The Hon. Z.L. BETTISON:** I would like to return to the isolated trade offices, Budget Paper 5, page 167. Did you commission or receive a business case for the trade offices?

**The Hon. D.W. RIDGWAY:** No, not that I am aware of. Obviously, the policy was developed by the opposition in opposition. I have not looked at any business cases. China is one of our biggest exporting partners, and the US is the second biggest one. Clearly the Middle East is an area where we have had long connections. Since I was a little boy, the department of agriculture were doing activities in parts of the Middle East, so we have had a long connection there. I think it is fair to say that there is a renewed interest in our food and wine and activities with the Japanese market so there is a great opportunity there. South-East Asia is clearly a key component for us. We have put an office in Kuala Lumpur, and negotiations with the federal government around the FTA with Indonesia are underway—

**The Hon. Z.L. BETTISON:** But we do not have a trade office proposed to go to Indonesia?

**The Hon. D.W. RIDGWAY:** Well, we do not, and if you did not interrupt, I was going to—the reason we have chosen Kuala Lumpur is that these trade negotiations take a reasonable length of time. Jakarta is a massively large city to have an office in, and I am not sure that you would have an office. We have direct flights with Malaysian Airlines to Kuala Lumpur. It is a little bit about access and we think we can service South-East Asia quite adequately from Malaysia. You made the point earlier about bigger states. We have to be targeted. We cannot have a trade office in every country in the world so we have made some judgements that these are the five we are targeting this time.

Certainly no decisions have been made, but clearly India is another big market in which at some point in the future I suspect we should look at some sort of presence. We have the sister state relationship with Rajasthan. The name of it escapes me but the federal government has released its white paper on Indian engagement. Interestingly, of the 10 most important states in India, Rajasthan did not make it onto the list of 10, so that might be challenging and we may need to have a look at where we have our office in India. But that is not part of this even four-year cycle at this point, so it is probably inappropriate for me to talk about India.

**The Hon. Z.L. BETTISON:** Minister, how did you determine how you will compensate our new trade officers? Are you thinking about local hires or people coming from South Australia or Australia? What are your thoughts? You have obviously put money towards how much you think it will cost to operate but what is your recruitment and compensation plan?

**The Hon. D.W. RIDGWAY:** I think it will all be a case-by-case judgement but clearly the ones that operate the best that I have seen, are the ones where you have somebody who is already living in-market and understands the market. Shanghai is a good example. Maybe with some other countries, such as the US and Dubai, you could probably get away with being just an English speaker, but clearly you need some language skills. The type of person the team are looking at is somebody who is in-market. I do not know if Mike wants to comment further on that but, if he would like to, I would welcome his input on the type of people we are recruiting.

**Mr HNYDA:** Just in response to that, we have been out and started the interview process for Shanghai, and actually a range of people have come in, people in-market and also one or two people from South Australia as well. Language skills and knowledge of the market is particularly key, so what we think that certain markets will vary as the minister highlighted with Dubai and the difference with China. What we are doing, whether they be in-market, is a real close scrutiny of the people we employ for the market, because we are very much aware that the type of person you have in-market will be a key driver for the economic part. Getting the right person to drive the business agenda, both in trading and investment and on the migration side, will be the key factor in terms of making sure we have the right person in the right market.



**The Hon. Z.L. BETTISON:** Obviously, the right person is really important but, in regard to compensation, if we were to have someone who became an expat, there would obviously be significant on-costs with housing and schooling for their family. Is that accounted for in this budget line?

**The Hon. D.W. RIDGWAY:** It is our intention to recruit, but Mike as the chief executive does the recruiting. We have given him a budget to do that. Again, I might hand back to Mike to answer that in more detail for you. It is not really a role for the minister to be recruiting people.

**Mr HNYDA:** Again, I think if that was the circumstance within the budget—and as we were just saying, if it was the right person for the role to actually drive the business—we would look at the cost factor in actually relocating someone. I think the point is that probably in the majority of these locations, given the nature of the markets and the contacts you are looking to develop within the market, we envisage most of the people being from within the market or being expats or having knowledge of South Australia from within those markets. Whilst we have not finalised that, that is the experience we have seen in the first one as well.

**The Hon. Z.L. BETTISON:** Thank you. Moving to export programs: Budget Paper 4, Volume 4, page 164. There are significant targets for 2018-19 that look at the facilitation of new exports through the program. Does the government intend to continue the Business SA administered Export Ready program? I understand it runs out in December of this year.

**The Hon. D.W. RIDGWAY:** I am advised that there is no intention to continue that program.

**The Hon. Z.L. BETTISON:** So it is cut?

**The Hon. D.W. RIDGWAY:** We will take that on notice and bring back some detail, but at this stage it is unlikely.

**The Hon. Z.L. BETTISON:** Is the budget of your new South Australia Export Accelerator program less or more than the previous export partnership program?

**The Hon. D.W. RIDGWAY:** I thank the honourable member for her question. On Friday 21 September, the first round of the new SA Export Accelerator closed with 79 applicants received by the department, so it has been very well supported. This is the largest number of applications received by the department in any round since the inception of the former export partnership program in 2015. This reflects the new government's commitment to provide more extensive eligibility criteria for export funding support.

The South Australia Export Accelerator program has improved on the former export partnership program by providing funding support to South Australian businesses at each stage of the export journey. These improvements include: creating three categories of funding to support South Australian businesses at the emerging, growth and mature stages of export; changes to our eligibility criteria for the allowance of emerging and new exporters to access the fund; and the addition of eligible activities that support e-commerce costs and increase support for inbound buyers.

In 2017-18, the export partnership program budget was \$1.655 million, of which \$1.132 million was acquitted. The remaining funds of \$523,000 were approved as a carryover from the 2017-18 to the 2018-19 budget. The SA Export Accelerator program will extend program funding to three export categories, each with specific eligibility criteria. Emerging Exporters has grants up to \$5,000, in a new category targeting new and emerging exporters who are new to export and attending their first business connection, trade, show or business mission. Export Accelerator has grants up to \$30,000 and is the major category for small and medium-sized businesses to access new global markets through marketing and export development. The New Market Entry has grants up to \$15,000 per new market available.

The new category provides funding to companies who have exhausted other funding. Companies apply for this fund when entering new export markets. The following eligible activities will be supported by the program: design and printing costs for marketing collateral, translation costs for non-English speaking markets, as well as website development. Market research: third-party costs to conduct market research into opportunities and barriers in targeted overseas markets.

The program also supports the costs of working with a third party to develop and implement an international e-commerce platform. Export training and consulting: the costs for that will be export-focused mentoring and coaching to prepare an export plan to gather market intelligence. Also, trade shows, including hiring exhibition space at international trade shows, entry and project management fees, freight of free samples, and costs associated with participating in trade shows, trade missions and business appraisals, including international trade shows held in Australia.

Other costs supported include travel and accommodation, including the cost of economy airfares, basic accommodation and on-ground transfers to attend international trade shows, business programs, or to accompany a trade mission. Finally, the cost of hosting income buyers, such as hiring local facilities, economy international travel, economy domestic travel and standard accommodation for no more than two inbound buyers. You did talk about the actual cost to budget—

**The Hon. Z.L. BETTISON:** For this 2018-19 financial year.

**The Hon. D.W. RIDGWAY:** The budget includes the carryover of the \$500,000 and takes it to \$1.258 million for 2018-19, and so it is actually about \$150,000 more than was spent in the previous financial year.

**The Hon. Z.L. BETTISON:** Because of the carryover?

**The Hon. D.W. RIDGWAY:** Yes.

**The Hon. Z.L. BETTISON:** In 2019-20, what will be your expected budget then, if the intention is you spend the carryover and the \$1.2 million?

**The Hon. D.W. RIDGWAY:** I do not have that figure right in front of me at the moment.

**The Hon. Z.L. BETTISON:** Perhaps I could get you to take that on notice.

**The Hon. D.W. RIDGWAY:** Okay.

**The Hon. Z.L. BETTISON:** How many businesses did the previous export partnership program assist?

**The Hon. D.W. RIDGWAY:** I have those figures here. The best we had in any one round of applications was 48. We have had 79, I think, in this one.

**The Hon. Z.L. BETTISON:** Sorry, minister; 48 successful recipients?

**The Hon. D.W. RIDGWAY:** No, just applicants.

**The Hon. Z.L. BETTISON:** Just applicants?

**The Hon. D.W. RIDGWAY:** All the data I have here for you is applicants. From its inception, in round 1 there were 48; in round 2 there were 62; in round 3, October 2015, there were 37 applicants; in round 4, February 2016, there were 49 applicants; in round 5, May 2016, there were 46; in round 6, in August 2016, there were 31; in round 7, November 2016, there were 37; round 8, February 2017, there were 20; in round 9, May 2017, there were 32; for the industry association one in May 2017, there were 16; in round 10, which was in August 2017, there were 31; and in round 11, November 2017, there were 34.

**The Hon. Z.L. BETTISON:** Minister, can you detail the successful recipients and their grant amount? Do you have that?

**The Hon. D.W. RIDGWAY:** I do not have those figures.

**The Hon. Z.L. BETTISON:** Could I ask that you take that on notice?

**The Hon. D.W. RIDGWAY:** I certainly do not have the list of all of the successful applicants.

**The Hon. Z.L. BETTISON:** Before the figures, were the applicants not the successful—

**The Hon. D.W. RIDGWAY:** These were the applicants, the figures I have just given you, yes.

**The Hon. Z.L. BETTISON:** Given that there was a delay this financial year, and you have done a new program, how many people do you think will be successful in 2018-19? Do you have a figure of how many people will receive grants?

**The Hon. D.W. RIDGWAY:** I expect that the fund will be oversubscribed—I suspect it will. It will be a pleasure to go back to my good friend and hardworking Treasurer, the Hon. Rob Lucas, and say, 'We need some more money.'

**The Hon. Z.L. BETTISON:** Is it likely that the Treasurer will give you more money?

**The Hon. D.W. RIDGWAY:** I am going to put a very strong case. If the program is oversubscribed, then that is a good indicator that exporters are keen to get on board. We like to back business and we want to support our exporters to grow the economy. It will be disappointing if the program is oversubscribed and people miss out, but I think it is a reflection on how good the program is. Industry feedback has been great. I had text messages and messages in the few days after it was launched that it was a great program and just what business wanted.

One of the key things is, when you are already an exporter but you are entering a new market, to give support to get back into a new market, and also the business mentoring. There are a lot of people who I have come in contact with who are very keen to export but just not quite sure what the next step is. So I think there are some really good opportunities there. If it is oversubscribed then it will be a pleasurable task to take it to—I think this is borne out by the fact that we had 79 applicants, more applicants than any other program, and it has only been open about a month.

**The Hon. Z.L. BETTISON:** I look forward to hearing about the recipients. If I can move to performance measures, Budget Paper 4, Volume 4, page 166. You have a fairly key target here: you want to achieve \$50 million for the value of exports facilitated by DTTI activity. Can you define what facilitated means in this context?

**The Hon. D.W. RIDGWAY:** In 2017-18, the former DSD, as part of the South Australian government's economic priority was responsible for reporting on economic priority 9, promoting South Australia's international connections and engagement, and to increase the South Australian businesses exporting by at least 50 per cent per annum.

Economic priority 9 was promoted and delivered through the TradeStart network. TradeStart is a partnered program with Austrade and delivered in South Australia by DSD through five TradeStart advisers. In 2017-18, TradeStart advisers provided 245 individual South Australian businesses with 333 TradeStart services. The EP9 target of 50 new exporters was achieved, with 82 of the 245 companies becoming new exporters. Export outcomes attributed to the TradeStart network program in South Australia were estimated at \$56.8 million. The export outcomes are recorded in Austrade's relationship management system.

In accordance with TradeStart's contract, the budget for the TradeStart's network program for 2017-18 was \$794,000, Austrade's partnered program was 357 and the Department for Industry and Skills and our department's estimated budget contribution was \$497,000. The South Australian Export Accelerator Program, as we said earlier, is now \$1.28 million.

We will be working with the TradeStart network as an extension of Austrade's offices and to deliver the partnership with DTTI in South Australia. TradeStart offers South Australian exporters the combined resources of Austrade and DTTI, providing local assistance and a direct link to Austrade services and overseas networks. The objective of the TradeStart network is to assist South Australian exporters to achieve long-term success in international markets.

DTTI now delivers the TradeStart network in South Australia, with the current contract due to be completed by 2019. Austrade is due to release a public tender for the future delivery of that program, and delivery is expected from 1 July 2019 to 2023. The South Australian government has partnered with the TradeStart network since 2002. It is anticipated that DTTI will retender for that program on 1 July 2019 for the term 2019 to 30 June 2023. DTTI currently supports 4.4 FTEs as part of the TradeStart program. TradeStart advisers are assigned to geographic regions as follows:

- Adelaide metropolitan north;
- Adelaide metropolitan south;

- South-East regional South Australia (there is one based in Mount Gambier);
- northern regional (there is one based in Tanunda); and
- Riverland (part-time adviser based in Berri two days a week).

Export services are defined as:

- providing practical advice about exporting, including analysing information from a variety of sources to provide useful input into business decisions (for example, market selection and export strategy);
- general market briefings on what to expect in international markets;
- international market selection, entry and strategic advice;
- assistance and advice for setting up businesses in an international market;
- delivering and following up specific international business opportunities;
- information about local commercial practices;
- local industry insights;
- understanding of cultural customs and business etiquette;
- awareness and preparation of international trade missions;
- business matching for inbound missions;
- referrals to specialist legal and tax advisory firms for both Australia and overseas;
- general marketing and promotional advice;
- advising on available government funding; and
- working with businesses to access their needs and develop briefings for in-market services for Austrade's overseas staff to deliver assistance from Austrade's overseas offices, provide advice and assistance for relevant export funding programs, including the Export Partnership Program and the Export Market Development Grant.

Going forward, the department has created a new performance indicator to provide support for new exporters, now that the former government's economic priority 9 program targets have ceased. The Department for Trade, Tourism and Investment proposes to continue the work of the South Australian companies to build a pipeline of exporters. The new target of the department is to support 90 new exporters through DTTI's programs to support their entry into global markets.

Measurement of the performance indicators will be through a number of services provided to the businesses from DTTI. Service indicators over the 12-month period will include export mentoring, training and advice through the TradeStart adviser network and broader Department for Trade, Tourism and Investment education programs; Austrade services delivered through TradeStart; inbound and outbound trade mission participation through DTTI; services provided by the South Australian trade offices overseas; and services provided by the South Australian officers embedded in Austrade offices overseas.

I think, Mike, you had some other comments you would like to add? I ask Mike Hnyda to add some further comment.

**Mr HNYDA:** Just in relation to that specific KPI I just wanted to add a couple of points there. This was an additional KPI that I wanted incorporated into the department. The reason for it, if you take the figure aside, is just to drive a far more commercial approach within the department. These will be the deals that we do as well as driving all the programs that we have talked about earlier—the overseas offices, the missions and the inbound missions. This is specific—that we are getting out and meeting the customer, driving the business, putting opportunities in front of them and working those opportunities. We will work hand-in-hand with the client, the customer, the company to drive that initial \$50 million dollars of direct business that we are involved in.

We have started that process, and we have actually taken some of the investment companies we dealt with and said, 'Let's work with you on the next market.' We have taken other companies that we know from within our structure and said, 'We want to take you to the next market. How about we work on your strategy?' It has been really well received by those companies. Again this is something we actually did in Wales in my former life. In terms of making a very commercial output focus to deliver for the minister, it is part of driving the culture that as well as doing the rest of it drives our business agenda and makes sure that we are working very closely. So these are direct deals for us within the department.

**The Hon. Z.L. BETTISON:** Thank you. Just continuing on Budget Paper 4, Volume 4, but now looking at page 163, we touched on this earlier in the conversation—and recently your chief executive presented at the Economic and Finance Committee: the investment attraction created in 2016 attracted \$2.26 billion of capital investment and 9,300 jobs—we may agree to disagree on that figure—supporting 36 organisations. You have a target for \$500 million of foreign direct investment and 2,000 jobs. Do you think that this is a conservative estimate, given the previous performance of investment attraction?

**The Hon. D.W. RIDGWAY:** I thank the honourable member for her question. We have set targets that we believe are achievable. Time will tell, obviously, as to whether we can achieve those targets. I am not one, and probably the government is not one, of setting unrealistic targets. We think they are achievable, but time will tell.

**The Hon. Z.L. BETTISON:** I guess my concern comes from when we look at the budget statement, chapter seven. We are forecasting employment growth only of 1.5 per cent in 2018-19—this year—down to 1 per cent in 2019-20. Given that we are looking for an export-led recovery, it just does not seem that we are going to help where we need. Do you think that we should be going and being more aggressive—going out to attract investment to the state?

**The Hon. D.W. RIDGWAY:** We will be aggressive in attracting investment, aggressive in growing exports, aggressive in getting more tourists to come to South Australia and aggressive in dispersing those tourists throughout South Australia. Regional South Australia is suffering quite badly at the moment with very low, almost zero, population growth, but I will not distract this part of the committee with important information I would like to give to you in the second session after morning tea.

Certainly, we will be aggressive all the time in attracting more people, more tourists, more students, more immigrants, more investment, more trade and more exports. We are not going to sit back and relax. It is a constant shoulder to the wheel, leave no stone unturned to grow our economy approach that we will be using.

**The Hon. Z.L. BETTISON:** Fantastic. Can I just reflect on business missions, Budget Paper 4, Volume 4, program 2, page 164. Minister, will you not publish a calendar for trade missions for 2018-19?

**The Hon. D.W. RIDGWAY:** We will. Obviously, the department has only been established since the beginning of July and we have gone through the budget process. We have had a couple of trade missions already this year. We are obviously delighted that, because of this estimates, the Governor, the Hon. Hieu Van Le, who had offered to help, is leading and on a trade mission to India as we speak. It is fabulous that he has offered to help out whenever he can. I am not sure that your side of politics would grant me a pair not to be at estimates.

*The Hon. Z.L. Bettison interjecting:*

**The Hon. D.W. RIDGWAY:** No, I did not even ask for it.

**The Hon. Z.L. BETTISON:** Perhaps you should suggest you go.

**The Hon. D.W. RIDGWAY:** No, estimates is an important part of our process, so it is great that he is doing that. We have an inbound trade mission coming with the test cricket with Australia playing India. Unfortunately, it is not a day/night match. I think India's batsmen like playing in the daylight and do not like the twilight. Anyway, we have an inbound trade mission planned there and

the response has been very good. Initially, there were only about 12 exporters going to the China International Import Expo. I am told there are more than that now, but I do not know the exact figure.

**The Hon. Z.L. BETTISON:** Will there not be a publicly available calendar?

**The Hon. D.W. RIDGWAY:** There will be later in the year.

**The Hon. Z.L. BETTISON:** That is your intention?

**The Hon. D.W. RIDGWAY:** We are just trying to finalise next year's program. I am keen to work with industry. A good example is the football match in Shanghai. There has always been the SIAL trade show, which is the food and beverage trade show in Shanghai. The AFL will not announce their draw until after the grand final. I think it is a week or so after. We do not know exactly the date of that much. Port Adelaide will be there, but it may not be the Gold Coast Suns; nonetheless, that date has not been announced. What we are really keen to do is finalise those dates because I am fearful that the football match will be two weeks after SIAL, not at the end of SIAL, so that makes it just a bit complicated.

**The Hon. Z.L. BETTISON:** How many outbound missions will you do next year?

**The Hon. D.W. RIDGWAY:** We have not come to a landing on that because they will not all be hosted by me. If there is a food and wine one, or a wine one, then clearly the Minister for Primary Industries and Regional Development would be the logical person to be the government lead on that. We are just finalising that, and it really is a matter of trying to look at the dates for things like football matches to make sure we can get the maximum benefit, and also the sitting calendar.

There are some key trade shows that industry have said to me they would very much like to participate in, and they would like us to help focus on those. There is Gulfood in Dubai. There is HOFEX and SIAL. There is Fancy Food in the summer and the winter in the US. We are just coordinating the dates. We will publish something. It would be good if we could have something that spans more than one year so that people can actually do some long-term planning as well.

**The Hon. Z.L. BETTISON:** Chair, I have some omnibus questions I would like—

**The CHAIR:** I think the member for MacKillop has a question. We can squeeze the omnibus questions into the next session, perhaps.

**The Hon. Z.L. BETTISON:** Am I able to insert them into *Hansard*?

**The CHAIR:** No, you have to read them in, unfortunately. Member for McKillop.

**Mr McBRIDE:** We are on Volume 4, Budget Paper 4, page 164, as was the last question from the member for Ramsay. My question to the minister is: can the minister please explain if there is a view to expand the entrepreneur visa beyond the initial intake of 30 per year if the program is successful in its first year of operation?

**The Hon. D.W. RIDGWAY:** I thank the honourable member for his question and his ongoing interest in entrepreneurial visas. We want to get it right at our very first and foremost opportunity. It is a pilot that has been offered by the federal government to us. In fact, at my very first trade and tourism ministers meeting a few months ago, they were all very envious that we had the pilot program in South Australia. All the other states were very keen to have a look at it, so I think it is important for us to make sure we get it right.

An initial step is to have 30. It has been put to me that a lot of people overseas will be very creative in trying to portray themselves as being hugely successful entrepreneurs, and so we are just negotiating the evaluation process with the federal government. The federal government has changed ministers and they have had their challenges in recent times, so we had a range of meetings and then we had to go back and have another range of meetings with different people.

We will certainly be looking to increase it beyond the initial intake, but because it is a pilot, if we get it wrong the federal government will shut it down. If we get it right, we will have an opportunity to expand it significantly. It is one of those things: let's just take small steps, let's not be too aggressive in the first instance until we have it in place and it is working.

I think there have been some very successful ones. There is one in Israel and there are a couple of other ones around the world where they have attracted entrepreneurs through a proper visa program. They have brought some of the world's smartest and brightest people into their economies.

We are not looking to have 10,000 entrepreneurs here; we really want make sure we have the right people who can grow their business but also help transform our economy, because we are in a pretty exciting era with technology. As we have said before, with the massive investment in defence, there will be huge opportunities for our economy to grow in all sorts of ways we have never really imagined.

Silicon Valley in the US came off the back of a US defence investment a few decades ago and look at that. Not that Adelaide is likely to be Silicon Valley, but anything is possible, so we want to get it right. We are the envy of the rest of the nation having this pilot program, and we want to make sure we get it right so that we can keep it, grow it and expand upon it.

**The Hon. Z.L. BETTISON:** I will read some omnibus questions.

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors with a total estimated cost above \$10,000, engaged between 17 March 2018 and 30 June 2018 by all departments and agencies reporting to the minister, listing the name of the consultant, contractor or service supplier, the estimated total cost of the work, the work undertaken and the method of appointment?

2. Will the minister provide a detailed breakdown of the forecast expenditure on consultants and contractors with a total estimated cost above \$10,000 for the 2018-19 financial year to be engaged by 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?

3. For each department and agency for which the minister has responsibility:

- (a) How many FTEs were employed to provide communication and promotion activities in 2017-18 and what was their employment expense?
- (b) How many FTEs are budgeted to provide communication and promotion activities in 2018-19, 2019-20, 2020-21 and 2021-22, and what is their estimated employment expense?
- (c) The total cost of government-paid advertising, including campaigns, across all mediums in 2017-18 and budgeted cost for 2018-19.

4. For each grant program or fund the minister is responsible for please provide the following information for the 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 financial years:

- (a) The name of the program or fund;
- (b) The purpose of the program or fund;
- (c) Balance of the grant program or fund;
- (d) Budgeted (or actual) expenditure from the program or fund;
- (e) Budgeted (or actual) payments into the program or fund;
- (f) Carryovers into or from the program or fund;
- (g) Details, including the value and beneficiary, of any commitments already made to be funded from the program or fund; and
- (h) Whether the grant was subject to a grant agreement as required by Treasurer's Instructions 15.

5. For the period of 17 March 2018 and 30 June 2018, provide a breakdown of all grants paid by the department/agency that report to the minister, including when the payment was made to the recipient, and when the grant agreement was signed by both parties.

6. For each department and agency reporting to the minister:

- (a) The total number of FTEs in that department or agency;
  - (b) The number of FTEs by division and/or business unit within the department or agency; and
  - (c) The number of FTEs by classification in each division and/or business unit within the department or agency.
7. For each department and agency reporting to the minister, could you detail:
- (a) How much is allocated to be spent on targeted voluntary separation packages in 2018-19?
  - (b) How many of the TVSPs are estimated to be funded?
  - (c) What is the budget for TVSPs for financial years included in the forward estimates (by year), and how are these packages to be funded?
8. For each department or agency reporting to the minister in 2018-19 please provide the number of public servants broken down into headcount and FTEs that are (1) tenured and (2) on contract and, for each category, provide a breakdown of the number of (1) executives and (2) non-executives.
9. Between 30 June 2017 and 17 March 2018, will the minister list the job title and total employment cost of SA executive positions—(1) which has been abolished and (2) which has been created?
10. Between 17 March 2018 and 30 June 2018, will the minister list the job title and total employment cost of SA executive positions—(1) which has been abolished and (2) which has been created?
11. For each year of the forward estimates, please provide the name and budget for each individual program administered by or on behalf of all departments and agencies reporting to the minister.
12. For each year of the forward estimates, please provide the name and budgeted expenditure across the 2018-19, 2019-20, 2020-21, 2021-22 financial years for each individual investing expenditure project administered by or on behalf of all departments and agencies reporting to the minister.
13. For each department or agency reporting to the minister how many surplus employees are there at 30 June 2018 and for each surplus employee, what is the title or classification of employee and the total cost of the employee?

I thank the minister and his staff. Having been on the other side, I know how much preparation is involved in estimates and I appreciate your time.

**The CHAIR:** That is very kind of you, member for Ramsay. There being no further questions, I declare the examination of the proposed payments for the portfolios of Department for Trade, Tourism and Investment and Health Industries SA completed. In accordance with the agreed timetable, the committee stands suspended until 11:01am.

*Sitting suspended from 10:46 to 11:01.*

#### **Departmental Advisers:**

Mr R. Harrex, Chief Executive Officer, South Australian Tourism Commission.

Ms S. Rozokos, Chief Financial Officer, South Australian Tourism Commission.

Ms H. Rasheed, General Manager, South Australian Tourism Commission.

Mr C. Miller, Commercial and Contracts Manager, South Australian Tourism Commission.

Mr A. Kirchner, Chief Executive Officer, Adelaide Venue Management.

Ms M. Hannaford, Chief Financial Officer, Adelaide Venue Management.



**The CHAIR:** Welcome back, everyone. We are here to discuss the South Australian Tourism Commission and the Adelaide Venue Management authority. The minister appearing is the Minister for Trade, Tourism and Investment. I declare the proposed payments open for examination and refer members to the Agency Statements, Volume 4. The minister can make an opening statement if he so wishes, and I ask him to introduce his advisers.

**The Hon. D.W. RIDGWAY:** My team here today is as follows: on my left-hand side is Mr Rodney Harrex, Chief Executive Officer, South Australian Tourism Commission; Ms Hitaf Rasheed, General Manager, EventsSA, South Australian Tourism Commission; and Ms Stephanie Rozokos, Chief Financial Officer, South Australian Tourism Commission. Sitting behind me is Mr Chris Miller, Commercial and Contracts Manager, South Australian Tourism Commission; and in the row behind, Mr Anthony Kirchner, Chief Executive Officer, Adelaide Venue Management; and Ms Marie Hannaford, Chief Financial Officer, Adelaide Venue Management.

I will make an opening statement. Good morning, everybody. Thank you for the opportunity to bring to your attention some of the highlights of our super growth sector, tourism. Tourism is an economic priority for both South Australia and the Marshall Liberal government. I cannot emphasise strongly enough its direct and indirect contribution to jobs and economic prosperity in South Australia.

Tourism is the lifeblood of our state and transcends so many sectors. Its impact can be felt across cafes, restaurants, retail establishments, accommodation providers, transport services, bars, tour companies, the arts and events and across regional South Australia. It encourages further investment in education, real estate and, in many instances, migration—all critical to growing our state's economy.

Tourism employs many South Australians, and an investment in tourism is an investment in jobs for South Australia. Tourism is especially important to regional economies—41 per cent of visitor expenditure now occurs in regional areas, well above the 23 per cent share of population that our regions have.

In speaking about the regions specifically, it is pertinent to add that, generally, primary industries and tourism are the biggest economic drivers, and in this modern age, the information age, where farming has become more reliant upon technology and less so on human resources, we look to tourism as the one industry which I suspect is still labour intensive to grow jobs in our regions and our regional populations.

Tourism is reflected in other economic aggregates, with the gross state product in South Australia growing by 8 per cent, while tourism's contribution grew by 28 per cent. Tourism outpaced the overall South Australian economy in other key economic measures, including consumption, output and gross value-added. We have experienced unprecedented growth in visitors and expenditure with our visitor economy at a record \$6.7 billion. We are getting closer than ever to our 2020 goal of an \$8 billion tourism industry. To the year ending March 2018, we welcomed 6.9 million international and domestic visitors.

With the importance of tourism to the broader South Australian economy clear, the Marshall Liberal government is committed to continuing to grow tourism in South Australia and investing strategically to realise even greater results. We went to the recent state election with a range of initiatives designed to bring more visitors to the state and keep the momentum going. The Marshall Liberal government will attract more international and domestic leisure events and business conventions to South Australia through our commitment to increase investment in the events bid fund. Specifically, we will invest an additional \$11.5 million over the next four years in the Convention Bid Fund to attract more conventions and business events.

As part of this commitment, we will also invest an additional \$10 million into the leisure events bid fund to attract more leisure events to South Australia. We are making a four-year long-term commitment to specifically target events which have a strong economic impact. The Marshall Liberal government recognises the impact of the business and leisure events sector and has decided to double-down on this new investment, so we will increase the total funds to \$40 million over the next four years. We have also broadened the remit for the Convention Bid Fund so that regional locations

can utilise it to attract business events and conventions and inject important dollars into regional South Australia.

We have taken a long-term view so that we can secure a pipeline of events for the state to continue to derive dollars into the visitor economy. More recently, a regional visitor strategy identifying strengths and future potential has been launched outlining the opportunity to grow South Australia's regional visitor economy by \$1 billion to create an extra 1,000 jobs. The regions are so important to the South Australian visitor economy that the Marshall Liberal government will always back our regions.

Our marketing focus continues to be on key markets like the United Kingdom, United States, New Zealand and Germany, as well as the ongoing emerging markets like China. Chinese travellers are the fastest growing inbound market for South Australia, with 57,000 visitors spending a record \$415 million. A key initiative that has delivered strong results in the Chinese market has been the signing of Huang Xiaoming as our Tourism Ambassador.

Feedback from operators has been extremely positive and many are reporting an increase in inquiries and bookings directly because of the Huang Xiaoming phenomenon. These efforts are also yielding strong results in the aviation sector with China Southern Airlines recently announcing plans to increase flights to between five and seven flights per week during peak periods and maintaining five flights a week on an ongoing basis from 25 February 2019.

The direct correlation between effective and targeted marketing and increased tourism expenditure is why the Marshall Liberal government is investing an additional \$10 million in 2019-20 for the South Australian Tourism Commission to continue its marketing strategy designed to promote South Australia domestically and internationally. We need to compete with other Australian states to ensure that our unique tourism offerings are front of mind for potential visitors.

Food and drink, food and wine, are amongst the state's best assets, so we are constantly seeking ways to stimulate the appetite for South Australia. Our investment in MasterChef SA Week has served as a strong showcase of South Australian produce, talent and innovation. The show achieved an average nightly audience of 1.16 million viewers, which included TV, online and catch-up TV views, with a total TV audience reach of 5.2 million equating to 23 per cent of the Australian population. The impact it will have on international audiences is still to be measured.

To capitalise on our investment in MasterChef, celebrity chef and MasterChef Australia judge Gary Mehigan has been signed on as a South Australian Tourism Ambassador. As part of his role, Gary will be involved in campaigns to be rolled out both interstate and internationally. Despite the shadow minister's desire to see Gary in South Australia eating frog cakes and FruChocs, this is not where his time is best spent. This initiative forms part of an ongoing strategy to promote the state as the country's premier food and drink destination.

Whilst on the subject of MasterChef, I know that a lot of attention has recently focused on releasing the details of the South Australian Tourism Commission's contracts with celebrities and influencers. I, too, have been an advocate for that in the past. I have discussed this with the South Australian Tourism Commission management and sought assurances that, where possible, details of payments and contract terms be released to the public and that all future negotiations commence from a position of transparency. The Marshall Liberal Government will always take an open approach to contract disclosure unless there are valid reasons why this should not be the case. On that point I will always take advice from the experts sitting at the table with me.

South Australia has a great story to tell, and our digital marketing strategy is helping take our compelling story to the rest of the world. Our Facebook audience has grown to over 1.3 million fans, ranking second among Australian state tourism organisations, and our consumer website southaustralia.com has recorded 5.4 million visits, an increase of 43 per cent on the previous year. Of these visits, there have been 433,213 leads generated to South Australian tourism operators and trade partner websites.

These statistics highlight how relevant content and the right digital strategy is making real-time impact for operators and partners. The growth in visitors and expenditure is also attracting significant private investment, with recent announcements like the Westin Hotel at the GPO site and

at the Wirra Wirra in McLaren Vale and, just out the back here, the SkyCity development. They are all indicators of growing confidence in the South Australian economy.

I am happy to report that events originally launched under the Liberal Party's watch are still making an economic impact for the state. The 2018 Santos Tour Down Under attracted 46,000 visitors from interstate and overseas who travelled specifically to South Australia for the event, generating an economic impact of \$63.7 million and the equivalent of 774 full time jobs. I remember that when it was announced by then premier Olsen and then minister Hall more than 20 years ago, then opposition deputy leader the Hon. Kevin Foley said, 'What, a bike race? You're mad, nobody will ever come to that.' In the end, more than 20 years later and with the support of all sides of politics, it is a world-class event and something we should be very proud of.

The 2018 Adelaide 500 event was the largest since 2015 with more than 273,000 event-goers pouring through the gates to celebrate 20 years of the event in Adelaide. This event, which fills our hotel rooms in the Mad March period, combined with the recent developments at The Bend, is a strong testament to our motorsport credentials.

This year's Tasting Australia event was another resounding success, with nearly 5,000 interstate and almost 3,000 international guests experiencing the leading South Australian festival celebrating our state's amazing food and wine scene. The interstate and international visitation amounted to just over 41,000 room nights, with more than 54,000 people experiencing the free festival hub in Victoria Square.

The Bid Fund initiative has also been a major contributor to the tourism sector; with almost \$695 million in economic benefit it is a proven performer. Through the leisure events bid fund initiative, South Australia has secured 54 leisure events with an estimated economic benefit of \$245 million. Among these event wins were significant wins with sporting events like the ISPS Handa Women's Australian Open being held in South Australia until 2020 and the ICC World T20 men's cricket semi-final in 2020.

The convention bid fund has successfully brought more than 70 major conventions to South Australia since it began attracting over 90,000 delegates and contributing nearly \$450 million in economic benefit to the state. This includes the World Congress on Medical Physics and Biomedical Engineering for 2024 with over 2,500 delegates. Adelaide beat four other contenders in Japan, Argentina, Columbia and Mexico to win this important conference, which has great synergies for us, bringing together artificial intelligence, proton therapy and big data for improved health care among other things.

Growing air access continues to be important and, as of June 2018, international flights to Adelaide were at 46 per week; that is, around 12,000 international seats to Adelaide each week. Air New Zealand has confirmed that from November 2018 all flights between Adelaide and Auckland will be operated using their Dreamliner aircraft, and we are also working closely with Adelaide Airport and are committed to exploring the possibility of bringing a new US carrier service to Adelaide.

The South Australian Cruise Ship Strategy 2020 has been developed by SATC to ensure our state continues to be a national leader and destination of choice by cruise lines visiting Australia. In the coming season South Australia is expecting a record 86 cruise ship visits, including 46 to Port Adelaide, 30 to Kangaroo Island and 14 to Port Lincoln, welcoming in excess of 180,000 passengers.

As members can see, a lot has been achieved on the path to our 2020 target of \$8 billion, but it is an uphill climb with significant challenges. South Australia is no longer a well-kept secret, the world is sitting up and taking notice of our state and it is largely off the back of key initiatives undertaken by the South Australian Tourism Commission and the broader tourism industry. We must keep this momentum going and the Marshall Liberal government is committed to tourism, growing jobs, working with our passionate tourism industry and delivering our \$8 billion target.

**The CHAIR:** Thank you, minister, for that very detailed opening statement. The member for Ramsay may have a question.

**The Hon. Z.L. BETTISON:** Thank you, Chair. Can I acknowledge my committee members, both former ministers for tourism. I refer to Budget Paper 5, page 161, the budget measure titled Adelaide 500 Grandstand. The budget measure is a commitment of \$400,000 over four years;

however, in March 2018 the Liberal Party promised \$1 million to speed up the set up and pull down of the Victoria Park grandstand. Minister, why has the government broken an election promise by underfunding their election commitment for the Victoria Park grandstand?

**The Hon. D.W. RIDGWAY:** I thank the honourable member for her question. Building a world-class, large-scale, temporary, city-based event of its kind necessitates a detailed time line. To ensure the Parklands remain accessible to the public for the maximum time possible, the SATC builds and dismantles the event in a staged process. The SATC seeks to optimise the building and dismantling process in the most cost and time efficient manner, having regard for weather conditions, industrial award conditions, safe working practices and concerns of the public.

The SATC in conjunction with the engineering project manager, iEDM, reviews the build and dismantle process annually. The SATC has reduced the build and dismantle time line by four weeks since 2016. As part of the government's election commitments, it originally committed to investing an extra \$1 million in the operation to reduce the build and dismantle time by four weeks compared to the current schedule. The SATC investigated the scope of work required for the build and dismantle schedule and believes that a one-week reduction is achievable without compromising work health and safety obligations.

To meet the one-week reduction, the SATC will condense the 2019 Adelaide 500 construction program by amending critical path infrastructure works. This will be achieved by mobilising additional resources at the commencement of the works on site. It will work concurrently to build elements of the infrastructure that have previously been built consecutively.

**The Hon. Z.L. BETTISON:** If you were able to give as much as you expected to, could they reduce it even further?

**The Hon. D.W. RIDGWAY:** For the actual details, I might even—

**The Hon. Z.L. BETTISON:** The promise was \$250,000 per year; it is now \$100,000.

**The Hon. D.W. RIDGWAY:** If I may, Mr Chair, I might ask Ms Hitaf Rasheed to respond on the actual details of that question.

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

**Ms RASHEED:** We investigated the opportunity to reduce the time line and, based on the investigation, the scope of work required for the build and the dismantle schedule, the one-week reduction was what we thought we could achieve for the coming year without compromising our work health and safety obligations. So the answer is: regardless of funding right now, the one-week reduction is all we can achieve, and so we have committed funds to that one-week reduction and it was made on the investigation that we did.

**The Hon. Z.L. BETTISON:** The Liberal Party promise was to cut it from 25 weeks to 21 weeks, and that is not achievable?

**Ms RASHEED:** No. I think there was an amendment to that. We are actually at 19½ weeks for the 2018 event, and we are planning to reduce it by one week to 18½ weeks for the 2019 event, based on the work we did.

**The Hon. Z.L. BETTISON:** When will the ticket sales for next year's Adelaide 500 go on sale?

**The Hon. D.W. RIDGWAY:** Again, I will ask Ms Hitaf Rasheed because she is the general manager of major events and has those details at her fingertips.

**Ms RASHEED:** We had a really successful 2018 Adelaide 500. It was our 20<sup>th</sup> anniversary. We had more than 270,000 people attend the event across the four days and we are really thrilled that it maintains its status as the opening round of the Virgin Australia Supercars Championship and also Australia's largest domestic-ticketed motorsport festival. The event contributed an economic benefit of nearly \$42 million into the economy. Planning is well and truly underway for next year's event.

There has been a delay in putting tickets on sale for the 2019 event. The reasons for this include a delay in confirmation of the final budget in an election year, which has delayed the

budgeting process. However, we are hopeful of finalising our negotiations with a naming rights sponsor. Based on this, the team wants to provide an opportunity for the naming rights sponsor to participate in an organised announcement and to include the naming rights sponsor on any new Adelaide 500 logo and ticketing. We are hopeful that we will conclude those negotiations shortly.

At this stage, we are planning to launch the Adelaide 500 in late October or early November, at which point tickets go on sale. It is worth knowing that our 500 CLUB member sales, which are our most significant pre-public sales of our grandstand tickets, have been on sale and are tracking well.

**The Hon. Z.L. BETTISON:** So if you are unable to secure the naming rights sponsor, this is when the tickets will go on sale?

**Ms RASHEED:** Correct.

**The Hon. Z.L. BETTISON:** How much are we asking for, for sponsorship and for naming?

**Ms RASHEED:** As you would know, it is—

**The CHAIR:** Can I just remind you, as I have said consistently all session, that all questions are through the minister and then through the Chair. If the minister is happy to delegate those, it is not the role of the committee to have conversations between members of the committee asking questions and departmental advisers.

**The Hon. Z.L. BETTISON:** My apologies, Chair. Minister, obviously this is an exciting thing. It is a key event for us, so we would be looking to have a significant sponsor. From your previous comments, it is probably unlikely that you will tell me how much, but are we holding out to have a significant sponsor?

**The Hon. D.W. RIDGWAY:** My understanding is that the sponsor will be announced soon, hopefully. That will be a long-term commitment. These arrangements that the Tourism Commission and EventsSA enter into are clearly always confidential because of their nature, but I expect that we will have a good announcement. It was a shame that we went through a period where we did not have someone. Clipsal was the sponsor for nearly 18 years, and last year we did not have an official naming rights sponsor. I think it is a testament to the hard work of the team that it appears that they have a naming rights sponsor who is prepared to back the event. Hopefully, they can get the level of promotion and support that Clipsal managed to give over that more or less 18-year period.

**The Hon. Z.L. BETTISON:** Will there be a post-race concert next year?

**The Hon. D.W. RIDGWAY:** My understanding is that yes, there will be a post-race concert, but the final negotiations for the actual performers have not yet been finalised. I may ask Hitaf to clarify that.

**Ms RASHEED:** No, that is correct. At this stage, we are yet to announce our concerts. However, we will have concerts on the three nights of the Adelaide 500, as we have previously had.

**The Hon. Z.L. BETTISON:** I have had significant feedback that the concert performer on the Sunday night this year was a very positive experience that brought in additional ticket sales. Are you concerned that the delay of the tickets and not knowing who the concert performer on Sunday night will be will decrease the ticket sales?

**The Hon. D.W. RIDGWAY:** No, I think the event will be as popular as ever. You have two groups of people, the motorsport enthusiasts and the music lovers, and then there is a group that enjoys both. I think it will be well supported by all of those groups.

**The Hon. Z.L. BETTISON:** Regarding the significant savings in tourism events, what is going to be cut from the Adelaide 500?

**The Hon. D.W. RIDGWAY:** For some information for the member on broader savings and the net cost of services: the SATC budget for 2018-19 is \$87.9 million. The 2018 SATC budget includes additional state government funding allocated to election commitments and additional investment in the event bid fund of \$1.5 million. The SATC's budget will reduce from \$99.1 million in 2017-18 to \$87.9 million in 2018-19.

It is a decrease of \$11.2 million and is due to a number of reasons including, but not limited to: the decrease in expenditure associated with supporting events, including the sponsorship of events and operating costs for managed events, such as one-off funding for the Adelaide 500 of \$2.9 million; increased expenditure to host the Australian Tourism Exchange in 2017-18 of \$3 million; contractual arrangements with proprietors of airline access to South Australia of \$2.8 million; the implementation of operating savings measures in the 2018-19 budget of \$1.4 million; and variations in income received from sponsorship revenue, managed events and cooperative marketing campaigns of \$1.1 million.

In 2018-19, the SATC's marketing spend will be more than \$36 million and will target domestic and growing international markets, such as China and South-East Asia, as well as South Australia's traditional tourism markets, including the United Kingdom, the United States and New Zealand. SATC is on track to be fully spent within budget for the 2018-19 year.

**The Hon. Z.L. BETTISON:** With \$11 million less spent this financial year than last financial year, and the description of it just being a one-off cost for the Adelaide 500, what will be cut from this event?

**The Hon. D.W. RIDGWAY:** I will ask Hitaf to detail some of the savings measures for the Adelaide 500.

**Ms RASHEED:** As you rightly pointed out, in 2018 we received an allocation of one-off funding, specific to the 20-year celebrations, and that included securing a very strong concert line-up across the three nights, including Cold Chisel and Robbie Williams, and that one-off funding will not be in the budget. However, planning for the event is well underway and we are doing a complete review of the content and presentation of the site. That will include our review of the race categories for 2019, reviewing our programming on and off the track, creation of an improved patron experience, including enhanced navigation and activations around the circuit, an enhanced attraction zone for kids and families, increased off-track experiences and food and beverage destinations and an enhanced concert green to engage festival and city patrons after 4pm.

The team are doing a fantastic job of reviewing the event under the lens of making sure that the customer is at the heart of every decision we make and that the experience will be improved. What you will see next year is a different looking event and an exciting event for our patrons and our customers.

**The Hon. Z.L. BETTISON:** The Adelaide 500 is a very popular family event. Are you going to cut any of the key activities from that, minister? I know you are talking about enhancing, but—

**The Hon. D.W. RIDGWAY:** My understanding is, from the family perspective, I think we had a kids' zone and I think the planning for this next event will have an enhanced tri-action zone for kids and families. It has been a fabulous event for our state for more than 20 years and the team, under Ms Hitaf Rasheed's leadership, is constantly looking at ways that we can keep it refreshed and keep the patrons coming through the gate.

**The Hon. Z.L. BETTISON:** Are the Stadium Super Trucks coming back next year?

**The Hon. D.W. RIDGWAY:** I am not entirely certain whether they are. That might be something that, again, I will ask Hitaf. We can take it on notice, but—

**Ms RASHEED:** I am happy to answer it now.

**The Hon. D.W. RIDGWAY:** Yes, it is easier than taking it on notice.

**Ms RASHEED:** As I said, we are constantly reviewing and refreshing our event product, and so we have not finalised what our program will look like. What is exciting this year might not be exciting next year and, if you have had something for a number of years, you may choose to do something different next year to refresh the product. The team is continuing to work and look at what products we put out there on the track.

There is also a question about whether the Stadium Super Trucks will be available to be operating on tracks as well. So we are refreshing the product. We are constantly looking at and reviewing the product. We are doing some great work and what we do know is that the event will be pleasing both for our traditional motorsport fans, but also our festival-goers and families.

**The Hon. Z.L. BETTISON:** Well, I will take that as a no. But just moving on, I understand that the current agreement with Supercars Australia runs out in 2021. Have you started renegotiating the next commitment?

**The Hon. D.W. RIDGWAY:** The team at the SATC is in constant contact with Supercars Australia. Obviously, they supported the event that was held at Tailem Bend recently, so the Supercar people were in town. We are constantly talking to them. It is a world-class event and it is an event that we own in South Australia. We are constantly looking at ways to keep it fresh and renewed. Certainly I think that supercars have dropped the V8 part now and they are just Australian supercars because we do not have V8s manufactured in Australia anymore; in fact, any cars manufactured here. I am sure that they will be reviewing their product but we are certainly committed to working with them to secure a long-term future for the event.

**Mr ELLIS:** Budget Paper 4, Volume 4, page 141, and I note the target to conduct the feasibility study on the development of a tourism cycling trail from Adelaide to Melbourne. Could the minister update us on the progression of that target.

**The Hon. D.W. RIDGWAY:** I thank the honourable member for his interest. I guess he is from Narungga so, sadly, it is a bit of a detour to go through Narungga if you are riding from Adelaide to Melbourne.

**The Hon. L.W.K. BIGNELL:** Get one of those big bikes off the Torrens. You can get big three-wheelers.

**The Hon. D.W. RIDGWAY:** He would need a 34-inch one I reckon, for the length of his legs. It was one of those election commitments where I was surprised that there was not any criticism from any quarter anywhere, even across the nation, that we would look to develop a world-class cycling track. I think at the time that it was announced there was a little bit of speculation that it would be a dedicated bitumen track like the Amy Gillett Bikeway. It will not be that, but it was taken from what has happened in New Zealand, where the New Zealand government basically connected up all the little bits of tracks into a trail from the top of the North Island to the bottom of the South Island. It is a bit longer than Adelaide to Melbourne but over time, I think last financial year, 1.3 million people rode on part of that track. It has created 1,200 regional jobs in New Zealand and put \$40 million into the regional economy.

When I took it to our team as the opposition they thought it was a good idea. We then explored it a little more and released it as a policy, and it has certainly met with a lot of support. Even at the recent trade and tourism ministers' meeting, Senator Dalidakis, the Labor minister from Victoria was sitting next to me and said, 'Mate, this is a fantastic idea; count us in.' So we have the Victorian opposition and the Victorian government, as they stand today, both supporting the development of it.

The feasibility study will look at all of the bits that are missing. One of the things we would like to do is to ride across the barrages but it will be no surprise to anybody that SA Water does not think that is a particularly good idea. You can drive four-wheel drives across the barrages so I am sure it can be done. It will require a bit of investment and that is what the feasibility study will look at: how do we make that safe to traverse? There is about 15 or so kilometres of unmade road on the eastern side of the barrages so clearly that will be a—but it does not mean to be a four-lane highway, maybe just a bit of road that is good enough to take a bike.

We have our bikeways, the Linear Park out to the beach, the bikeway down the coast. It does not take much imagination to realise that we have parts of it. We have the Encounter Bikeway at Victor Harbor. It is not a route that some of our elite cyclists will want to ride on but this is designed to be a touring route. Even somebody as unfit as me might be able to achieve it with the right sort of technology assisting. Then you can go further south, so part of the feasibility study is to have a chat to local government.

I always use the point that you get to Kingston and you could carry on and go down the coast road which, of course, is in the Hon. Mr McBride's electorate, or you could turn left and go to Lucindale and Naracoorte. There is an old rail corridor. There are no lines left there but the corridor is still there, so it is a bit like the Riesling Trail or the trail in the Barossa—you could use that—and

then turn right and go down past the Naracoorte Caves, our only world heritage listed asset, and through the Coonawarra. Or you could go down the coast to Beachport. I think there is an old rail corridor from Beachport into Millicent and into Mount Gambier.

So there are some opportunities and part of the feasibility study is to have the conversation with local communities about where they might like it to go and to look at the sort of costs and over what time frame. I would imagine that the capital cost would be something to be shared by state government and the federal government. The previous tourism minister and the current tourism minister think it is a good project. I have had discussions with Tourism Australia and they say they want to have a signature cycling opportunity in their offering and they say this is one of the likely ones.

So we have really strong support from pretty much all sides of politics, and if we can drive more visitors to our regions, create jobs in regional South Australia, promote an active lifestyle—I mean, clearly, South Australia and Victoria are the two biggest cycling states. With our Tour Down Under, the Herald Sun Tour and the Cadel Evans race—I cannot remember the exact name of the race—there are some opportunities there to leverage off that.

There is a renewed enthusiasm from Victorian political parties to re-engage with South Australia on a cycling opportunity. We have airports in, I think, Portland, Warrnambool and Mount Gambier, so you have opportunities to ride a bike, or hire it, get off and get on a plane and fly; you do not have to do it all in one particular opportunity.

Just briefly, on some of the regional visits I have done there is quite a lot of interest in day trips, or three or four-day trips, to the Fleurieu, the Murraylands, the South-East and even Kangaroo Island. So there are some really good opportunities coming from it. It is not going to happen overnight. I see it as a multiyear project, but it will be something I think we can be proud of. If we can get everybody—all the players—on the main page we will end up with a tourism attraction that connects two cities and will be a world-class opportunity.

**The Hon. J.R. RAU:** Minister, Budget Paper 5, page 162. It has always been a challenge for South Australia to have a year-round calendar of events. There has always been these dead spots in the calendar. I just want you to perhaps tell the committee what your intentions are and what funding you have available for the prospect of either attracting or establishing new events to fill that calendar in and look at some of the events that historically we have had here. When I was sitting where you are I tried very hard to get the Milk Carton Regatta and the Birdman Rally re-established, but I never succeeded, and since then, actually, Victoria has pinched one of these events—

*The Hon. D.W. Ridgway interjecting:*

**The Hon. J.R. RAU:** They have; they have pinched the Birdman Rally. These things are jewels, and if you do not pick them up, somebody else will. So with particular reference to those two great, iconic South Australian events, but more generally, what are your plans?

**The Hon. D.W. RIDGWAY:** Thank you for that question. Major events, as you know, are a significant driver in our economy. I think last year events generated more than \$396 million worth of tourism expenditure. Major events increase expenditure, support businesses, create employment and generate considerable media PR value for South Australia, promoting our state to national and international audiences.

EventsSA, which is under the good leadership of Hitaf Rasheed and is the events arm of SATC, makes a strategic approach to development of the state's events calendar. It seeks to complement the core listings of regularly occurring managed and sponsored events by securing additional events to ensure a balanced calendar of activities across the year. In developing a strong competitive market position, EventsSA identifies and researches opportunities to attract and/or develop new or existing events and actively bids or negotiates to target these events.

The events bid fund allows the state to strategically attract events which add considerable value and brand to the state. EventsSA focus on events which generate significant benefits and align with the state's Tourism Plan 2020, showcase the state, contribute to the state's brand position, generate media coverage and visitation from national and/or international markets and utilise the government's investment in infrastructure.



South Australia's strengths, as you know, former minister, are the arts; cultural festivals, including music; food and wine festivals; motorsports; cycling events; mass participation events; and one-off national and international events.

**The Hon. J.R. RAU:** Point of order, Mr Chairman. Minister, we know all that stuff—

**The CHAIR:** What is the point of order?

**The Hon. J.R. RAU:** The point of order is he is not responding to the question, which is more particular, not about why it is a good idea—

**The CHAIR:** Is it relevance?

**The Hon. J.R. RAU:** Relevance, exactly.

**The CHAIR:** I have been listening intently and, to quote Speaker Atkinson, I believe the minister's answer is very germane to the broad question. Thank you, minister.

**The Hon. D.W. RIDGWAY:** I will get to the member's details shortly. To date, 54 events have been supported through the fund, and these events have been forecast to inject another \$245 million into the South Australian economy. I have mentioned the Women's Australian Open. We had the Sydney Roosters versus Melbourne Storm NRL match. We have the 2019 Adelaide Festival feature, the 2020 ICC Cricket World Cup, the 2020 NRL State of Origin and the 2020 Hancock Prospecting Australian Swimming Championships.

A range of work is being undertaken to look at the opportunities to secure events in coming years, particularly in the longer term beyond 2020. We continue to look at these opportunities in the context of budget and competing priorities and a return on investment, including the value to the South Australian economy.

The work includes consideration around the possibility of Adelaide bidding for the 2026 Commonwealth Games. Earlier this month, I think from 6 to 8 September, South Australia hosted officials from the Commonwealth Games Federation and Commonwealth Games Australia, including chief executive David Grevenberg. They were most impressed with our city, but that work is ongoing. Furthermore, we have supported 29 events through the regional events and bid program.

From my point of view, I think we should look at things. We have some great events now that we want to make sure we do not compromise. In conversations I have had with the SATC, nothing is off the agenda, but let's make sure we get a strong return on our investment. We are aiming for \$8 billion of visitor expenditure by 2020. We are on track or thereabouts to get there. I am sure the team and the community will want a target well beyond that after we get to 2020. I am not going to identify events, such as your Birdman Rally. Maybe if you had actually led the charge into the water yourself, that might have inspired—

**The Hon. J.R. RAU:** I did volunteer at the time. I pushed every button I possibly could.

**The Hon. D.W. RIDGWAY:** I know you are a very capable member of parliament, a former attorney-general and not a bad bloke, but I do not know whether you are a great judge of events, and I am the same. I am one of the most important parts of an event: I am a consumer. I really want to leave it to the experts to identify the events that can deliver a benefit to our community and grow our visitor economy. To have an event for the sake of having an event, which does not give us lasting benefits or marketing opportunities, I think would be foolish. I will always defer to the experts to make sure that we do not compromise our existing events, such as the Tour Down Under which we own and have had now for more than 20 years. We do not want to ever put them at risk.

**The Hon. Z.L. BETTISON:** Just referring back to Budget Paper 5, page 146, minister, can you guarantee that the government is committed to the Adelaide 500 remaining in the CBD and not being relocated to Tailem Bend?

**The Hon. D.W. RIDGWAY:** Yes.

**The Hon. Z.L. BETTISON:** We spoke about events in Budget Paper 4, Volume 4. Obviously, you are keen to continue events.

**The CHAIR:** Page?

**The Hon. Z.L. BETTISON:** Page 144.

**The CHAIR:** Thank you.

**The Hon. Z.L. BETTISON:** There is a reduction of \$4.59 million this financial year in tourism events. What events are going to be negatively impacted because of this cut?

**The Hon. D.W. RIDGWAY:** I am advised it was because of one-off funding that was used last year for events and is not being continued with this year.

**The Hon. Z.L. BETTISON:** Given this is such an important part of our economy, do you not think it is disappointing that we will be spending \$11 million less this financial year in tourism?

**The Hon. D.W. RIDGWAY:** In tourism, we are still investing some \$40 million over the four years in the events and convention funds. We have continued to increase the extra marketing with another \$10 million. There is often in budgets an opportunity to have some efficiency dividends. The three of you sitting there were all ministers in the previous government. There are some legacies in efficiency dividends. We have seen across government the horrendous messes in Health when it comes to trying to make the budgets balance. The Liberal approach will be to invest wisely, invest sensibly, but when a little bit of belt tightening needs to take place, that is what we will be doing.

**The Hon. Z.L. BETTISON:** Who will be the key sponsor for the Christmas pageant in 2019?

**The Hon. D.W. RIDGWAY:** All those details will be released when the sponsorship details are finalised.

**The Hon. Z.L. BETTISON:** If you cannot find a sponsor, will it become the Adelaide Christmas pageant?

**The Hon. D.W. RIDGWAY:** I can assure you we will find a sponsor.

**The Hon. Z.L. BETTISON:** What will be the cost of hosting the World Routes aviation conference in 2019?

**The Hon. D.W. RIDGWAY:** As members would know, I had the great pleasure of visiting Guangzhou last week. In fact, it was on Tuesday in Guangzhou, so a week ago today, that I was at the World Routes conference. That was a spectacular event. They did survive the typhoon. They had to shut it down on one of the days. I think on the Sunday they evacuated the premises because there were some concerns about safety. As I said earlier, buildings were shaking, the big tall ones up to 1.2 metres.

It was a great event and it was an opportunity for Adelaide and South Australia. It was a very impressive stand that we had. Nick Jones led the team up there and they did a great job. I was very proud to be a South Australian, looking at the quality of the offering. There was a lot of chatter and a lot of interest when we did the handover.

There were a couple of speeches and we had a presentation by Uncle Moogy. He did a Welcome to Country, which got all the people from other parts of the world standing there excited. Obviously, there was some food and beverage on offer. I am sure that the food and beverage we offer here will be different. Theirs was very good, but I am sure ours will be, too. We are looking forward to a wonderful event next year, and it was a pleasure to be there representing the state.

Just quickly, I have some more information for you. World Routes is a major annual aviation event, which attracts more than 3,000 senior international aviation delegates. After a very rigorous bidding process, Adelaide was selected to host the 2019 event. It will be the first time it has ever been in Australasia. I will give credit to SATC and the former minister. I do not know quite how hard he pushed, but—

**The Hon. L.W.K. BIGNELL:** I pushed hard, but the SATC people did all the good work.

**The Hon. D.W. RIDGWAY:** Nonetheless, it is one of those things. When you have a change of government, there are things that previous governments invested in that we are going to grab and run with, because it is a good thing. World Routes provides scheduled meetings and appointments between airlines and airline network planners. It looked a bit like speed dating; you had 20 minutes. There were hundreds and hundreds of people there. It was really quite spectacular to see.

Tourism authorities, such as SATC, can also attend. The bid for the World Routes provided the owner (UBM) with a choice of two venues to hold the event in Adelaide: Adelaide Showgrounds and Adelaide Convention Centre. Due to the amount of exhibition space required and the format, UBM has selected the Adelaide Showgrounds.

The SATC worked with Adelaide Airport Ltd, Tourism Australia and the Adelaide Convention Bureau to pitch the event. The former two organisations have made significant financial contributions to the operations of the event. It is estimated that the impact of hosting the event will be some \$20 million to the state's economy. Adelaide will also benefit from the profile it will gain from hosting international airline delegates. I did say we could guarantee there will be no typhoons in Adelaide next September; it might be a bit cold and showery, but maybe not. It will provide a great opportunity to showcase our strengths to the aviation community, with the objective of attracting new airline carriers.

Hosting such a significant business event is a major credit to Adelaide. It will make a significant statement about our ability to win future major events for the city. The SATC is now working with its partners to prepare the event. This brief was obviously prepared before last week. I attended the 2018 event in Guangzhou, China, where the handover ceremony took place. It was not a baton, it was a little sort of 'R' standing for 'Route'. I was not quite sure what it would be.

The cost of hosting the World Routes conference is commercial in confidence and cannot be disclosed, and is subject to contractual confidentiality restrictions. Under the contract agreement with the event owner, the SATC is required to pay for components of the event. This includes such things as hosting a gala dinner, providing transport for delegates, providing a venue to hold the event and undertaking a delegate marketing campaign. Tourism Australia and Adelaide Airport have also contributed to funding the event, but unfortunately for the shadow minister, it is subject to commercial confidentiality.

**The Hon. Z.L. BETTISON:** If you are able to—

**The CHAIR:** Member for Ramsay, I think the member for MacKillop has been waiting patiently all day. He has driven all the way from Millicent to be here with us this morning, so get your question up, member for MacKillop, for your constituents.

**Mr McBRIDE:** Thank you, Mr Chair. My question is on Budget Paper 4, Volume 4, page 141, regarding the highlights in the Regional Visitor Strategy. Can the minister please outline this government's plans to promote tourism in regional South Australia through the recently released Regional Visitor Strategy?

**The Hon. D.W. RIDGWAY:** I thank the honourable member for his question. I knew that the Regional Visitor Strategy was being prepared, and I was always a little nervous in the lead-up to the election that it might be released before the election, or that the former minister might get a whisper of what is in it and we would get into some bidding war, but that did not happen.

I have commended Helen Edwards, the chair, and all of those involved in it because it was done very rigorously, independent of political parties, and for the first time it brings together the priorities of all the regions in one document to focus on regional South Australia as a whole. The strategy has been extremely well received, and the steering committee is working actively to oversee its implementation.

I pay tribute also to the South Australian Tourism Industry Council, under the leadership of Shaun de Bruyn. Following the election, I suggested that I would like to do some regional visits. As you all know, I am originally from the regions and am happy to get out and see the regions. I envisaged half a dozen trips to the regions. SATIC said it would organise it; I said, 'Whatever you do, we'll be there.' Well, they organised 19 meetings—two in the city (the shadow minister attended the one in the city), one at Glenelg, and 17 of them spread all over the state: Cooper Pedy, Ceduna, Mount Gambier, Renmark and most places in between.

It was one of the things I think I have enjoyed the most in the first few months as minister. We directly engaged with over 800 tourism or community people right across South Australia, travelled 5,500 kilometres, and received particularly good feedback. For me, it gave me an

opportunity to talk firsthand with people in the regions about the things they want. You have a range of different views.

That is why I am so pleased that we did not perhaps go out with a bidding war, in the regions from a tourism point of view during the election campaign, because I had not had a chance to have such a detailed, in-depth discussion with them. With input from the SATC, they have looked at the \$8 billion target, each regions' share of that target and what they need to do to get to that target, which informs them and informs the new government of the things that we need to do in regional South Australia.

It has been a real pleasure—at times a little bit of a task as we have done a lot of miles—but it has been very good from my viewpoint and I want to thank Helen Edwards who chaired it. She is the chair of Adelaide Hills Tourism—she did a fabulous job—and there was input from the RDAs, from local government, from SATIC (the SA Tourism Industry Council) and Shaun and his team. It was fabulous, and it meant that we were able to engage with everybody and pick up their ideas. Certainly, from our viewpoint it will now inform me for future budget bids, things the SATC needs to help support and help grow our regional visitation.

I will quickly make a comment, if I can. Some of the little things that came out: Arkaba Station in the Flinders Ranges is still running sheep—probably a pretty good wool price this year. If they are still running sheep they would have three jackeroos or farmhands. I think they have 24 employees when it comes to tourism. Rawnsley Park I think would have 1½; Tony Smith would have 1½ stock hands—he has 21 staff with their operation.

The other fact that came out: I think it was the Eyre Peninsula RDA that said that, at the Elliston Hospital, 40 per cent of admissions are from tourists. I do not know whether it is because grey nomads are getting overexcited or surfies are hurting themselves against the rocks—and I have not spoken to minister Wade—but 40 per cent of admissions to a regional hospital certainly would help underpin the viability of that hospital. It showcases that regional tourism benefits our community in so many different ways, other than by simply jobs in the regions.

**The Hon. L.W.K. BIGNELL:** Just a quick one: through you, minister, I see Anthony Kirchner down the back there.

**The CHAIR:** Member for Mawson, if you could just refer us to a budget paper and line item, please.

**The Hon. L.W.K. BIGNELL:** Yes, it is a bit overall—it is a quick one.

**The CHAIR:** No, no, member for Mawson, consistently all committee we have been referring to a—

**The Hon. L.W.K. BIGNELL:** Page 162, paper 5. Anthony Kirchner has been coming to these estimates for 14 years. Has anyone ever asked him a question, is my question?

**The Hon. D.W. RIDGWAY:** I can answer that for you, member for Mawson.

**The CHAIR:** Member for Mawson, this is about the events bid fund or Great Southern Bike Trail?

**The Hon. L.W.K. BIGNELL:** Exactly.

**The CHAIR:** No, no, member for Mawson.

**The Hon. L.W.K. BIGNELL:** It was just a joke, Chair.

**The CHAIR:** Does the member for Ramsay have a question?

**The Hon. D.W. RIDGWAY:** I am happy to answer that, if you like. Please, allow me to answer it because, as the shadow minister, I always felt guilty as well that you would have people from the Convention Centre or the Adelaide Entertainment Centre, or Adelaide Venue Management and they never, ever get asked a question. They gave me advice. This will be the 11<sup>th</sup> year, so please do not ask them a question because that means it will be 11 years in a row that they have not had a question. They are hardworking servants of the community, they are happy to answer questions. As a diligent shadow minister, sometimes you just do not get around to asking them questions.

**The CHAIR:** Perhaps, minister, for next year's budget preparation we could put a dot point in the papers so that they can be asked a question.

**The Hon. D.W. RIDGWAY:** Yes, okay: 'ask Anthony a question.'

**The Hon. Z.L. BETTISON:** In reference to Budget Paper 4, Volume 4, program 3, page 146, tourism is a super growth economy expected globally to grow more than 4 per cent. We are obviously participating in the Discover program with Tourism Australia. Why have you then cut the tourism budget at this crucial time?

**The Hon. D.W. RIDGWAY:** We have not. The savings target for this year, 2018-19, is a measure of \$660,000 over the forward estimates. As I was trying to explain earlier, we have invested in ongoing marketing with the \$10 million that has been there annually, so we are focusing on showcasing South Australia to the world. We are showcasing investing. We have worked closely with the team and we will continually look at ways and opportunities to do that. I think we are well on track to deliver our \$8 billion by 2020 from what the team tells me.

Obviously, we have reduced some expenditure because there were one-off expenses last year. There are some efficiency dividends, as I mentioned earlier. We see tourism as a very important part of South Australia's economy. As I mentioned before, we have zero population growth in the regions. It is a labour-intensive industry. It is something that helps grow our populations in our regions, put kids back in some of our regional schools, and one of the big challenges is that we are a very city-centric state. Some of the real challenges are to maintain those services in the regions and you can only do that with more kids in schools, more kids playing sport, more people living out in the regions. Every farmer I know employs fewer people, the same with every mine just about in regional Australia, everything, including technology. They have to do that to be modern and efficient and productive.

You cannot really have a robot or some sort of automated service—I suppose you can have drink delivery—because hospitality is about people. It is a people business, so it is really important for regional South Australia. We are investing in it, we continue to invest in it, and it will continue to be a priority for the Marshall Liberal government.

**The Hon. Z.L. BETTISON:** This is probably my last question, referring to Budget Paper 5, page 161. There is additional marketing funding that you have put in for 2019-20 because it obviously continued in 2018-19. What happens after that in 2020-21 and 2021-22? Why did you only decide to continue for one extra year of additional marketing funding?

**The Hon. D.W. RIDGWAY:** I am glad the honourable member has asked that question. As the new government wants to make sure their investment is adequate, SATC wants to review all of their programs. We have given extra funding. We want to have a close look, maybe we should increase it, maybe it should be more than \$10 million. I think that maybe this time next year we will address that again. We wanted to continue it on, we made a strong case that it needed to be continued on, but it is an aggressive market we are in. We need to make sure that we are spending our dollars wisely. At the time of the budget, I think it was announced that we would be having a look to see whether it is the appropriate level of support to grow our visitor economy.

**The Hon. Z.L. BETTISON:** Minister, I am a little concerned. I think we are out of step with our competitors. The NT announced they are turbocharging their tourism with an additional \$114 million. Western Australia just announced a \$30 million partnership with Perth Airport. Queensland put another \$94.6 million to progress programs, growing tourism and tourism jobs. It is not that I do not think you are committed, I am just concerned that our states and territories around us are turbocharging this area and we are not seeing that lift this year.

**The Hon. D.W. RIDGWAY:** Most of their commitments are not an annual commitment. They are over a four to five-year period.

**The Hon. Z.L. BETTISON:** Well, that is the forward estimates.

**The Hon. D.W. RIDGWAY:** Well, exactly, and that is why we wanted to have a review and assess it and look at it. We wanted to look at the comparison with other states. The market is a competitive market. This is the first budget of the new government. We want to make that

assessment. We have \$40 million in our conference and events fund over the forward estimates, and this is one where we want to make sure that we get the level of investment right. We will take advice from the hard-working team around me to ensure that it is targeted and gets the benefit we want.

What I do not want to see, what we cannot afford, is to have waste. We want to make sure that whatever money we spend goes to deliver the outcomes we want, which is a bigger, stronger visitor economy and more jobs in South Australia.

**The Hon. Z.L. BETTISON:** If we are able to attract more airlines here, how will you incentivise—

**The CHAIR:** Member for Ramsey, time has expired, unfortunately; I am sure there can be further questions in question time. I declare the examination of proposed payments for the portfolio of the South Australian Tourism Commission and the Adelaide Venue Management Corporation and estimated payments to the Department for Trade, Tourism and Investment, the South Australian Tourism Commission and the Minister for Trade, Tourism and Investment completed.

*Sitting suspended from 12:00 to 13:00.*

**DEPARTMENT FOR HEALTH AND WELLBEING, \$4,046,725,000**  
**SOUTH AUSTRALIAN MENTAL HEALTH COMMISSION, \$2,058,000**

**Membership:**

Mr Picton substituted for Hon. J.R. Rau.

Mr Boyer substituted for Hon. Z.L. Bettison.

**Minister:**

Hon. S.G. Wade, Minister for Health and Wellbeing.

**Departmental Advisers:**

Dr C. McGowan, Chief Executive, SA Health.

Mr D. De Cesare, Acting Chief Finance Officer, SA Health.

Mr D. Frater, Deputy Chief Executive, SA Health.

Ms L. Cowan, Deputy Chief Executive, SA Health.

Mr B. Hewitt, Executive Director, Infrastructure, SA Health.

Mr A. Knez, Manager, Executive Services and Projects, SA Health.

**The CHAIR:** The estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. I understand that the minister and the lead speaker for the opposition have agreed on an approximate time for the consideration of proposed payments, which will facilitate a change of departmental advisers. Can the minister and the lead speaker for the opposition confirm that the timetable for today's proceedings, as previously distributed, is accurate?

**The Hon. S.G. WADE:** Yes, I can.

**Mr PICTON:** Yes.

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

later than Friday 26 October 2018. I propose to allow both the minister and the lead speaker of 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 and referenced, and I will ensure that this one is enforced at all times.

Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the House of Assembly *Notice Paper*. There is no formal facility for the tabling of documents before the committee; however, documents can be supplied to the Chair for distribution to the committee. The incorporation of material in *Hansard* is permitted on the same basis as applies in the house; that is, that it is of a purely statistical nature and limited to one page in length. All questions are to be directed to the minister and not the minister's advisers. The minister may refer questions to advisers for a response.

The committee's examination will be broadcast in the same manner as sittings of the house are broadcast, and that is through the IPTV system within Parliament House and via the web stream link to the internet.

I will now proceed to open the following lines of examination: SA Health, Minister for Health and Wellbeing, Department for Health and Wellbeing. I declare the proposed payments open for examination and refer members to the Agency Statements, Volume 3. I call on the minister to make a brief statement if he wishes, and perhaps to first introduce his advisers to the committee.

**The Hon. S.G. WADE:** I would like to introduce Dr Chris McGowan, Chief Executive of SA Health on my left; and Mr Don Frater on my right, who is the Deputy Chief Executive of SA Health. Behind me is Ms Lynne Cowan, Deputy Chief Executive of SA Health; Mr Brendan Hewitt, Executive Director, Infrastructure, SA Health; Mr Danny De Cesare, Acting Chief Finance Officer, SA Health; and Mr Andrej Knez, Manager, Executive Services and Projects, SA Health.

I will now proceed to the opening statement. The Marshall Liberal government is refocusing health in this state with a progressive vision for the health and wellbeing of all South Australians. The budget is focused on delivering on the promises the government made to the people of South Australia at the election. The government is committed to refocusing health expenditure, not only in the care and treatment of illness but also in the wellness of our community. The SA health system is centred on delivering high-quality and safe medical care and treatment to those in need, either in a hospital, community or home environment.

Health is a large and complex portfolio and this budget will deliver better health and preventive services for all South Australians. In the government's view, the former government's savings targets were not realistic or achievable and placed a considerable burden on the system. For this reason, the budget has included significant savings relief for health by providing additional funding to reset the savings program for SA Health. The budget provided \$70 million in 2017 and an extra \$730 million over four years to deliver hospital and health services to our community. Allowing for additional savings of \$181.9 million over four years, the government will be providing net additional funding of \$548 million over four years, from 2018-19 to 2021-22.

The budget recognises that South Australian hospital services are not operating as efficiently as other systems and that sensible reform should be pursued to ensure SA Health delivers more services at the national efficient price in the future. As the Treasurer advised as part of the budget address, even with all the money invested in our health system to date, South Australia continues to have the worst performance of any state in terms of the percentage of ED visits completed within four hours, with 64 per cent of patients seen in this time.

A number of statewide system reforms will be pursued by this government to drive efficiencies and service improvements at the local health network and agency levels. The health budget also provides funding for a range of new initiatives over the forward estimates, consistent with our election promises. These include the following:

- \$40 million over two years to reduce elective surgery waiting lists in South Australia's public hospitals to provide timely and equitable access to elective surgery for all South Australians, with treatment prioritised based on clinical need;
- \$56 million to provide improved Country Health facilities and to address the backlog of sustainment works and significantly improve the amenity of our regional hospitals and infrastructure;
- \$30.7 million to introduce a fully funded meningococcal B vaccination program for South Australian babies and young people;
- \$23 million to support the establishment of a four-bed high dependency unit at Modbury Hospital to care for patients with complex needs;
- \$20 million for a rural health workforce strategy to address the shortage of health practitioners in rural areas. This strategy will provide for the recruitment and development of health professionals required to deliver regional health services into the future;
- \$16 million for increased palliative care support for people in the final stages of life;
- \$5.2 million for the planning and design of a new women's and children's hospital, with a view to the new build by 2024; and
- \$10 million to strengthen cardiac services and develop The QEH as a key cardiac centre, with a focus on common acute chronic cardiac conditions for an ageing population.

On 28 June, 24/7 cardiac services recommenced at The Queen Elizabeth Hospital, delivering on this government's commitment—

**Mr PICTON:** How long this is going for, Stephen?

**The CHAIR:** Sorry, member for Kaurna! Quite clearly in my opening remarks it says, as was agreed to in the schedule that you agreed to, that a minister is allowed a 10-minute opening statement—as you are allowed to as well. I will continue to allow that, as I have for all ministers in these estimates and in previous estimates. Minister, please continue.

**The Hon. S.G. WADE:** On 28 June, 24/7 cardiac services recommenced at The Queen Elizabeth Hospital, delivering on this government's commitment to restore these vital services in the western suburbs. \$22.1 million was allocated to expand regional dialysis services at the Mount Gambier hospital. The government will continue other major health-related infrastructure spending over the forward estimates, including a \$91.6 million Modbury Hospital upgrade, a \$277 million redevelopment of The Queen Elizabeth Hospital stage 3 and \$58 million for the Lyell McEwin emergency department expansion.

A key commitment of the government was to board governance. Fundamentally, we trust people with their health. We are devolving health management through board governance. This will ensure strong community and clinician engagement in how health services are run to ensure that they meet the needs of local communities. Devolution is being implemented through a staged approach. The first stage of these reforms is complete with the passage of legislation for the establishment of governing boards. Board chairs have recently been appointed in eight of the 10 local health network chair roles, with the recruitment of board members to follow shortly. Boards will not only empower the community and clinicians but I believe they will also empower local management to be part of the decision-making process and deliver better outcomes.

A second stage of work has commenced that will consider a wider range of issues, such as the government framework to support a devolved system and a functional review to consider the devolution of functions to the local health networks, as appropriate. A key part of the reform process will be the engagement with clinicians and the community in delivering these reforms, along with other key health stakeholders. Another priority for SA Health will be to improve preventive health care measures through empowering individuals to make better and more informed choices about their own personal health and wellbeing. This will range from the primary through to the continuing, to assist people to remain well and out of the hospital system.



I acknowledge there will be challenges ahead for SA Health. The key challenge will be to ensure the health system is sustainable without compromising the provision of high-quality services to the community. I conclude my opening remarks by acknowledging our doctors, nurses, midwives, paramedics, allied health professionals and other SA Health staff across our health system for their support, hard work and dedication to delivering quality and safe care.

**The CHAIR:** Thank you, minister. Member for Kaurana, do you have an opening statement to make?

**Mr PICTON:** Thank you, Chairman. I welcome the minister and the advisers, but I will just briefly say that I think it is a disgrace that the minister took the full 10 minutes to give an opening statement for what is a two-hour block for \$6 billion worth of expenditure. The opposition has a limited time for questions.

**The CHAIR:** So do not waste any of your questions, member Kaurana.

**Mr PICTON:** Exactly.

**The CHAIR:** Perhaps we could have your first question for the day?

**Mr PICTON:** We have many questions for him to answer and the minister is, I hope, not going to spend his time with Dorothy Dixers to take up even more time of this limited period that we have to ask and answer questions.

**The CHAIR:** Member for Kaurana, question please, sir.

**Mr PICTON:** Thank you. I refer to Budget Paper 5, page 77, which refers to the KordaMentha review of the Central Adelaide Local Health Network. I am wondering if the minister can outline what the cost of the report is to taxpayers for both sets of reports, and also the supporting officers and project office that is referred to in the budget papers.

**The Hon. S.G. WADE:** In terms of the contract with KordaMentha itself, the contracted cost for phase 1 and phase 2 is \$880,000. If the honourable member, by talking about support, is referring to the steering committee within SA Health, the engagement of clinicians and the like, that has not been separately costed and I am happy to take that on notice, but the contract with KordaMentha itself for the first two phases is \$880,000.

**Mr PICTON:** The budget paper refers to the formation of a dedicated project office, so how much does that cost? It is in the last paragraph of page 77, on the last line. If the minister does not know he can perhaps take it on notice.

**The Hon. S.G. WADE:** I am happy to take that on notice.

**Mr PICTON:** On what date did you first receive the diagnostic report from KordaMentha?

**The Hon. S.G. WADE:** I will take that on notice.

**Mr PICTON:** You do not know on what date you received your report?

**The Hon. S.G. WADE:** I will take that on notice, Mr Chair.

**Mr PICTON:** So you cannot tell this committee when you received your report in the last few weeks?

**The Hon. S.G. WADE:** I have taken that question on notice.

**Mr PICTON:** On what date is the second report due to the government?

**The Hon. S.G. WADE:** My expectation is that I will receive the second report, the implementation plan, by the end of October.

**Mr PICTON:** How is it consistent with cabinet confidentiality for a cabinet-in-confidence document, which supposedly this is, to be quoted from the Treasurer in excerpts that he likes to have published, but for the rest of the report to remain private?

**The Hon. S.G. WADE:** That is a question that you will need to put to the Treasurer.

**Mr PICTON:** You yourself have quoted from this report as well, so how is it consistent with cabinet confidentiality for you to quote from a cabinet-in-confidence document?

**The Hon. S.G. WADE:** I think the key information that the Treasurer conveyed to the estimates committee was key information that the people of South Australia have a right to know.

**Mr PICTON:** They had the right to see the whole report.

**The Hon. S.G. WADE:** As I have indicated publicly, it is the intention of the government that the diagnostics and the implementation plan will be released together in the not-too-distant future.

**Mr PICTON:** Will they be released in full?

**The Hon. S.G. WADE:** I expect they will be but I will need to consult my officers as to whether any redaction is required.

**Mr PICTON:** What could possibly be the redactions that would be required?

**The Hon. S.G. WADE:** It depends on what is in the report.

**Mr PICTON:** How was KordaMentha appointed; what was the process that led up to that?

**The Hon. S.G. WADE:** I will ask the deputy chief executive officer to answer that question.

**Mr FRATER:** Arising out of the budget papers, the Central Adelaide Local Health Network support for service improvements funding issues which you raised before, CALHN sought to engage a number of people in executive roles to undertake a way forward and to implement a sustainability program. In terms of the turnaround role for the executive position, it was apparently not attractive to potential candidates due to a number of issues and the salary offered was considered to be low in regard to the responsibilities and accountabilities for the role. CALHN had used a number of other big four consulting companies in the past. The option was investigated to look at KordaMentha to undertake expertise in forensic investigation. It was a direct appointment undertaken by the CE in accordance with the standard procurement process.

**Mr PICTON:** The CE of SA Health or the CEO of the local health network?

**The Hon. S.G. WADE:** Sorry, Mr Chair, can I ask that questions be—

**The CHAIR:** Yes, and I was about to intervene.

**Mr PICTON:** Yes, it was a question to you, minister.

**The CHAIR:** I will be strict on that.

**Mr PICTON:** Was it the CE of SA Health or was it the CEO of the local health network?

**The Hon. S.G. WADE:** It was the chief executive of SA Health.

**Mr PICTON:** So nobody else was asked to apply for this; only KordaMentha was asked to apply for a contract worth almost a million dollars.

**The Hon. S.G. WADE:** I think the deputy chief executive has explained the context in which that procurement was decided upon.

**Mr PICTON:** Is that consistent with the state procurement guidelines?

**The Hon. S.G. WADE:** Yes, I am advised.

**Mr PICTON:** Was advice sought from the Procurement Board about that?

**The Hon. S.G. WADE:** We will take that on notice.

**Mr PICTON:** Does KordaMentha have any experience in providing similar reviews of public health services?

**The Hon. S.G. WADE:** The company has worked closely with both the former SA government and the federal government on a number of high-profile projects including the Arrium steelworks in Whyalla.

**Mr PICTON:** That is a bit different.

**The Hon. S.G. WADE:** Sorry, Mr Chair, could I have the opportunity to answer the question?

**The CHAIR:** You certainly can.

**The Hon. S.G. WADE:** Thank you. The company has worked closely with both the former SA government and the federal government on a number of high-profile projects, including the Arrium steelworks in Whyalla and also the NBN Co, Australia Post and Defence Housing.

**Mr PICTON:** Have any reports been done by KordaMentha into public hospital services?

**The Hon. S.G. WADE:** I will just make the point that the projects I have mentioned that KordaMentha has been involved in are very different from each other. This project is different, too.

**Mr PICTON:** Do I take it from the minister's answer that there has never been a project of this type done by KordaMentha into public hospital services?

**The Hon. S.G. WADE:** I will take that on notice.

**Mr PICTON:** Does KordaMentha have any health experience whatsoever?

**The Hon. S.G. WADE:** I am advised that they do have health industry experience and, as I said, I will take that on notice.

**Mr PICTON:** Does the diagnostic report that you have received from KordaMentha say that there are too many nurses employed in the Central Adelaide Local Health Network?

**The Hon. S.G. WADE:** I am not going to, shall we say, provide the shadow minister with a jigsaw of the diagnostic report piece by piece.

**Mr PICTON:** You have already put some pieces out there; why not the rest?

**The CHAIR:** I appreciate this is a very important portfolio, as all portfolios of government are. But this one is particularly important, and I think we all want appropriately to have answers provided by the government and questions asked. If we can just be respectful and allow the minister to complete his questions—and he is proving to answer his questions in a timely fashion as well—and if we continue in this format, I think we will have a very pleasant, enjoyable afternoon.

**The Hon. S.G. WADE:** Thank you, Chair. In terms of the KordaMentha report, I have already assured the committee that the full diagnostics and the implementation plan will be released publicly in the next month or so.

**Mr PICTON:** Minister, I refer to Budget Paper 4, Volume 3, page 56, that refers to Central Adelaide Local Health Network and a reduction in FTEs over the next financial year of 850 staff, which is a very large number of staff members in a local health network to drop. How many of those 850 staff will be nurses?

**The Hon. S.G. WADE:** I would just make the point to the committee that the figures that the honourable member refers to are not a target. They are indicative. CALHN, having been informed by the KordaMentha reports, will be able to settle on strategies. The impact that that will have on particular groups of FTEs is yet to be seen, but I would just reiterate what the Treasurer advised to the estimates committee on Friday, that there would be no nurses or doctors sacked as a result of this budget.

**Mr PICTON:** With respect, minister, how does that magic pudding work in that you are going to reduce by 850 staff at CALHN? This is in your own budget papers; presumably the numbers in the budget are predicated on the basis of that reduction. How can you possibly do that without sacking any doctors, nurses or other health staff?

**The Hon. S.G. WADE:** There is an element of *déjà vu* in these questions, because these same questions were put by previous oppositions, and your fellow—

**Mr PICTON:** You are the minister now, so you can answer them.

**The Hon. S.G. WADE:** I give the same answer that minister Snelling gave before me, which is it is up to the individual LHNs to identify strategies. These figures are indicative. Also I would make it clear that they include agency staff, and one of the things that was highlighted in the KordaMentha

report is that there has been a significant increase in the use of agency staff in CALHN. Part of the figure the honourable member refers to will be refocusing on using SA Health nursing and doctors.

**Mr PICTON:** Minister, how can you have it both ways, on the one hand saying that there will be no sackings of nurses and doctors under this government and on the other hand saying, 'These targets of 850 staff that are going to be cut, that's just up to the LHN to work out how they are going to do it, and we are not quite sure how they're going to reduce those staff numbers?' Surely, if there is a government mandate as to how these staff should be reduced, apparently including no sackings whatsoever, then that should be a directive down to the LHNs.

**The Hon. S.G. WADE:** Again, I would reiterate these are not targets. These are not mandates on the LHN—

**Mr PICTON:** Your budget is predicated on them.

**The Hon. S.G. WADE:** I would reiterate that these figures are not targets; they are not mandates down to the LHNs. In terms of how LHNs manage their workforce, clearly attrition is a natural part of the life cycle of a workforce within an LHN. We expect all the LHNs to operate within our mandate, which is that there shall be no sackings of doctors and nurses as a result of this budget.

**Mr PICTON:** Given that, is the minister saying that all savings that are going to be identified—and the budget quite clearly says for CALHN that there is going to be a \$130 million reduction in expenditure from the previous financial year to this financial year—all of that reduction will not come from any salaries whatsoever, and it will only be from agency nurses and other suppliers, which is a pretty small percentage of the CALHN budget considering that two-thirds of everything that is spent in the health budget is spent on staff?

**The Hon. S.G. WADE:** The honourable member invites me to reflect on the ways that LHNs will be able to save money without reducing staff. One example that I would give would be the—

**Mr PICTON:** That was not my question.

**The Hon. S.G. WADE:** The question I understood I will answer. In relation to public sector costs of providing clinicians rights of private practice, the SA government is looking to increase the contribution that clinicians make in relation to treating private patients in the public system—

*Mr Picton interjecting:*

**The CHAIR:** Order!

**The Hon. S.G. WADE:** —beyond the cost of providing the necessary insurance cover and administrative support. They currently pay 9 per cent compared with other jurisdictions where it can be as high as 68 and 90 per cent. So that is one of the ways in which we will be looking to help our health system become more efficient.

**Mr PICTON:** Can the minister confirm what the overspend was for CALHN between the 2017-18 budget and the 2017-18 estimated result?

**The Hon. S.G. WADE:** Budget Paper 3 shows that the Central Adelaide Local Health Network was projected at 30 April to have a \$255 million budget overspend.

**Mr PICTON:** That is not what the budget papers say.

**The Hon. S.G. WADE:** That figure does not include statewide clinical and support services, which is a part of CALHN. Including the statewide clinical and support services, the estimated CALHN overspend for 2017-18, as at 30 April 2018, was projected to be \$281 million. SA Health advises that the final unfavourable variation to budget for CALHN for the 2017-18 year, including statewide clinical and support services, is expected to be \$298 million.

**Mr PICTON:** So why in Budget Paper 4, Volume 3, page 56, does it show an overspend of \$98 million?

**The Hon. S.G. WADE:** The budget figures in the program summary report that the Central Adelaide Local Health Network is estimated, as at 30 June 2018, to have a \$98 million budget overspend for 2017-18. This figure does include statewide clinical and support services, which is a

part of CALHN. The budget overspend of networks in Budget Paper 4 is offset by three factors: firstly, funds held centrally by the department; secondly, part of the \$132 million budget allocation to Health as part of the 2017-18 Mid-Year Budget Review; and, thirdly, part of the \$70 million budget allocation to Health as part of the 2018-19 budget but applied to the 2017-18 financial year. I am advised that both the \$255 million and the \$98 million figure are unfavourable variance to budget figures and that they are consistent.

**Mr PICTON:** I refer to Budget Paper 4, Volume 3, page 72, SA Ambulance Service. On what basis has the minister decided to privatise the NALHN patient transfer ambulances?

**The Hon. S.G. WADE:** No decision has been made to privatise the NALHN patient transport services.

**Mr PICTON:** You have said in your press release for the budget that you are putting this out for contract, so was the press release that you put out wrong?

**The Hon. S.G. WADE:** The government has decided to approach the market to ensure that we have the most cost-effective means of providing a dedicated transport service. In terms of maximising the impact of each dollar spent on health, we believe it makes sense to see if another provider can provide the service we need at a lower cost.

The service would be focused on patients not requiring a full ambulance service. If a patient going between the hospitals needs the level of care provided by an ambulance, they will get it. SA Health already uses private providers to transport patients in at least four of its entities—SALHN, NALHN, Country and SAAS—and NALHN will be looking at opportunities to go to a contestable model for non-acute patient transfers between Modbury and Lyell McEwin.

**Mr PICTON:** Has the minister spoken to paramedics on the ground who advise that over 80 per cent of the patients to be transferred between these hospitals require medical supervision from ambulance paramedic staff?

**The Hon. S.G. WADE:** I have heard that suggestion, and I would just say that if 80 per cent of patients need a full ambulance service, 80 per cent of patients will get a full ambulance service.

**Mr PICTON:** What will happen to the staff of the four rotating crews dedicated to the ambulance when the service is privatised?

**The Hon. S.G. WADE:** The shadow minister persists in misrepresenting the government's decision. The government has only decided to test the market.

**Mr PICTON:** You are not going to do it?

**The Hon. S.G. WADE:** The government has only decided to test the market. NALHN intends to employ a consultant to advise on the most suitable option for patients and the network. A number of options will be explored as part of this process, including but not limited to: (1) NALHN purchasing vehicles and operating the services internally; (2) working with SAAS in a different way; and (3) outsourcing non-acute patient transfers.

In terms of two of those options, I would remind the honourable member, knowing that he was a former assistant minister for health in a previous government, that in three years of the last term of the Labor government more than 1,200 patient transports were provided by external services contracted by SAAS.

In relation to the first option that NALHN will be looking at, which is an internal service, that sounds to me remarkably like the service that already operates in the south. The Southern Adelaide Local Health Network operates a transporter service for non-urgent patients who require transfer between SALHN hospital sites by barouche. It can be used for elective cases, to transfer patients to appointments, to transfer discharges to a residential care facility or for interhospital ward-to-ward transfers.

That service is operated Monday to Friday on two shifts. It is provided by a South Australian local health network employed driver. The fact of the matter is, if a service such as this is safe in the south, we have no reason to think that NALHN cannot develop a model that can be safe for the north.

**The CHAIR:** The member for Narungga.

**Mr PICTON:** Ah, a Dixer.

**Mr ELLIS:** Thank you, Mr Chair. A very important part of the budget. In fact, I suspect the previous minister for health would have been fumbling for words upon this question.

**The CHAIR:** Member for Narungga, can you please just ask the question.

**Mr ELLIS:** How much funding has the government provided—

*Mr Picton interjecting:*

**The CHAIR:** Thank you, member for Kurna. I do not need any assistance in how to chair estimates, but I thank you as well. Member for Narungga.

**Mr ELLIS:** I am particularly interested in regional health. I refer to Budget Paper 5, pages 82 to 89. How much funding has the government provided for regional health in this budget over the forward estimates, and how will it impact the people living within the electorate of Narungga?

**The Hon. S.G. WADE:** I thank the honourable member for his question. The government has committed significant resources over the forward estimates to improve rural health services. For example, \$56 million will be provided over the next four years to address the backlog of sustainment and infrastructure upgrade works in country hospitals. This includes \$1.8 million to upgrade the Whyalla renal dialysis unit. In addition, in relation to Narungga specifically, over four years there will be \$605,000 to upgrade surgical facilities at Yorketown and employ additional nurses to enable surgical services to remain in the Lower Yorke Peninsula.

The services will go from every end of the state. In Mount Gambier, there will be \$2.13 million for a renal dialysis unit at the Mount Gambier hospital. At the other end of the state, in the APY lands, we will be investing \$50,000 for permanent dialysis on the APY lands. The level of investment required in that service going forward will be significantly reduced because of the decision of the federal government to make those services MBBS fundable.

To again pick up on the honourable member's request specifically to address services in his electorate, there will also be \$720,000 over four years to fund services at the private not-for-profit Ardrossan Hospital. One of the most important investments for rural health will be the \$20 million investment over four years to the development and implementation of a rural health workforce strategy to address the shortage of a whole range of health practitioners in rural areas.

I know that my honourable colleagues are well aware that, in spite of the tremendous need for rural health services, in spite of all the money you put into capital, all of the community support, it comes to nought if you cannot employ the health professionals to deliver the service. We are very keen to work in capital works and recurrent funding and in health workforce development to make sure that country South Australia gets the services they need.

**Mr PICTON:** On the same budget line as previously in terms of the SA Ambulance Service, Budget Paper 4, Volume 3, page 72: has the minister an allocation or a budget saving that has been allocated in terms of the outsourcing of NALHN patient transfers?

**The Hon. S.G. WADE:** This is a measure identified in one of the budget press releases. As I understand it—and I will take this on notice to check whether I am wrong—no figure has been identified at this stage. The network will need to develop the model and test the market.

**Mr PICTON:** Was it something recommended by the network to you?

**The Hon. S.G. WADE:** I do not intend to go into the budget process of cabinet.

**Mr PICTON:** It is nothing to do with cabinet, it is whether the network recommended it. When do you expect, if there was a successful tenderer, for the service to start?

**The Hon. S.G. WADE:** I do not believe I have been given a projected start date. What I have been advised is that the current contract with SAAS goes through to 30 June. I do not think I have been advised as to whether NALHN expects that this process can be completed in time for any new arrangements to start from 1 July next year, but I am happy to take that on notice.

**Mr PICTON:** Can the minister guarantee to the people in the north-eastern suburbs that this will not result in any less paramedic support than they would currently receive from that ambulance service?

**The Hon. S.G. WADE:** The very nature of a non-acute service is that the patients do not need the same level of intensive support, so the service will be relevant to the needs.

**Mr PICTON:** So, potentially, it could be fewer staff than are currently in place now, hence why it will be a good budget saving for you?

**The Hon. S.G. WADE:** The government intends, through NALHN, to test the market. One of the options to be looked at specifically will be delivering the service with SAAS. The SAAS model may well include using their paramedics.

**Mr PICTON:** I refer to Budget Paper 5, pages 78 and 79, in terms of an efficient public pathology service and an efficient public imaging and diagnostic service. Did the minister have any discussions with any private pathology or medical imaging companies about the privatisation of SA Pathology or SA Medical Imaging prior to the state budget?

**The Hon. S.G. WADE:** I would make clear to the committee that the government is not committing to outsourcing or privatising SA Pathology. What we are committing to do is look at efficiency measures within the pathology service so that we can provide a quality service to South Australians in the most sustainable way.

**Mr PICTON:** Is the minister planning on answering the question? The question was: did you have any discussions with any private pathology or private imaging companies prior to the state budget?

**The Hon. S.G. WADE:** Lots of people have suggested where there are opportunities in South Australian health services to provide more efficient services. One source was the former Labor government, which employed Ernst and Young to develop what I think was called an efficiency improvement program. I remind honourable members that the former Labor government saw that there were opportunities for efficiencies in SA Pathology. We do not disagree.

**Mr PICTON:** I will ask it for a third and final time. Hopefully we get an answer this time. Have you had any discussions with any private pathology or medical imaging companies?

**The Hon. S.G. WADE:** I certainly have not had discussions with pathology companies about the government privatising SA Pathology because that is not on the government's agenda. What is on our agenda is having a review done to look at opportunities for efficiencies.

**Mr PICTON:** Have you talked to them about that?

**The Hon. S.G. WADE:** No, I have not spoken to any companies about the PwC review.

**Mr PICTON:** Have you attended any fundraising events with private pathology or medical imaging companies?

**The CHAIR:** I remind the member for Kaurna if he could refer to a particular line and budget item which relates to fundraising events that the minister might attend.

**Mr PICTON:** Yes, Budget Paper 5, page 78 and 79.

**The CHAIR:** It is a very broad question, not quite in the scope. It is up to the minister to determine if he wants to answer that question.

**The Hon. S.G. WADE:** To be honest with you, I would not know where to start in terms of the number of community and party and fundraising events that I attend to know what the invitation list is at each event. I can assure you that I have never been to a progressive business function.

**Ms BEDFORD:** Also on SA Pathology, which is the same budget line the member for Kaurna is using, Budget Paper 5, page 78: how many bad debts and non-collectable bills capable of attracting Medicare rebates did SA Pathology identify last year? If all of those are collected, would the service be profitable? Has that level of bad debt reduced?

**The Hon. S.G. WADE:** I thank the honourable member for her question. I do not recall that issue having been raised with me but a similar issue has been raised in terms of coding of medical episodes within hospitals. Certainly in that context there was a significant revenue shortfall by not in a timely way achieving coding. I do not recall it having been raised with me but it would not surprise me if that was the case. I would certainly expect that any review of SA Pathology efficiency would make sure that it took into account where there may be opportunities for efficiency improvements.

The PricewaterhouseCoopers review will take about six months and will examine in detail the public and commercial services provided by SA Pathology. SA Pathology will engage staff, unions and stakeholders through that process. As I expect in a range of these measures, I am very keen for there to be active engagement with staff and their employee organisations because often it is the staff and their employee organisations who are particularly aware of opportunities for efficiencies that management might pursue.

**Ms BEDFORD:** I understand there is a shortage of trained medical technologists and pathologists. Since the technicians and pathologists are trained by SA Pathology, and the organisation actively monitors emerging public health issues, has this cost been factored into health and treasury number crunching? How will any form of privatisation of the service provide South Australians with these non-commercial rebatable public health services?

**The Hon. S.G. WADE:** I thank the honourable member for her question. It is certainly our practice to include training outcomes in the assessment of efficiencies such as this. As I referred to earlier in answer to a question from the member for Narungga, the ongoing quality and viability of the health system in South Australia is significantly dependent on our capacity to train and retain health workers, so training would be factored into any plans.

**Mr PICTON:** The same budget line, Budget Paper 5, page 78, and an efficient pathology service. Was looking into SA Pathology part of the scope of the KordaMentha review?

**The Hon. S.G. WADE:** I am advised that the KordaMentha report does not involve detailed analysis of SA Pathology's efficiency. Certainly it is quite distinct from the PricewaterhouseCoopers' report. However, I make the point that KordaMentha looks at CALHN in both the narrow and the broader sense: CALHN in the sense of the Central Adelaide Local Health Network, and CALHN as the Central Adelaide Local Health Network including the statewide clinical and support services.

**Mr PICTON:** So it is not as detailed as the PwC report but it is in the broader scope of the KordaMentha review?

**The Hon. S.G. WADE:** Yes.

**Mr PICTON:** Is the minister aware that KordaMentha has engaged Mr Michael Stanford as part of the review into CALHN, and that Mr Stanford sits on the board of Australian Clinical Labs, one of the largest private pathology services in the country?

**The Hon. S.G. WADE:** I will ask the Deputy Chief Executive to answer that question.

**Mr FRATER:** The department is aware of the issues you have raised. We have asked KordaMentha to ensure that those potential conflicts of interest are managed appropriately. From memory, the advice from KordaMentha was that Dr Stanford is not engaged in terms of the discussions or looking at pathology services. He has worked mainly in terms of the clinical aspects across the hospital.

**Mr PICTON:** Obviously, you are aware that there is a significant conflict of interest with KordaMentha looking into pathology, but hiring someone who is on the board of one of the private pathology people—which, presumably, are going to apply if you were to privatise pathology services. Is that something that was part of their bid? Of course, no-one else bid for it; they were just directly given an almost million-dollar contract from you, but was that part of the proposal to the government before the contract was signed, to have Dr Stanford as part of it?

**The Hon. S.G. WADE:** I will ask the Chief Executive to answer that question.

**Dr McGOWAN:** In looking at CALHN, KordaMentha have no real interest in scope in terms of looking at SA Pathology, other than the price out of the hospital they are paying for pathology. As



the Deputy Chief Executive said, we are very aware of this. We know there is a conflict if it is not managed well, so Dr Stanford will have nothing to do with any issues to do with SA Pathology.

**Mr PICTON:** Have you engaged probity advisers to advise you on this?

**The Hon. S.G. WADE:** KordaMentha is not part of the discussions in relation to the scrutiny of SA Pathology efficiencies, so KordaMentha is not part of the discussions.

**Mr PICTON:** To be frank, minister, about five minutes ago you said that SA Pathology was in the scope of the KordaMentha review, and that was not the question at all. The question was: have you engaged any probity advisers in relation to what your deputy chief executive has said is a significant conflict of interest?

**The Hon. S.G. WADE:** Mr Chair, it will not help the committee if the shadow minister wants to rephrase statements quite inaccurately. In terms of my comments earlier about KordaMentha, CALHN is both, if you like, the central hospital network and also the hosting LHN for statewide clinical and support services, which includes SA Pathology, SA Medical Imaging, dental services and others. The focus of KordaMentha is on the efficient operation of the hospitals and, as my officers have indicated, the primary relevance of SA Pathology in that context is the price that is asked of the local health networks. The efficiency review of SA Pathology is being undertaken as a discrete project by PricewaterhouseCoopers.

**Mr PICTON:** For the third time, have there been any probity advisers appointed?

**The Hon. S.G. WADE:** Sorry, was it probity advice sought or probity advisers appointed?

**Mr PICTON:** Either.

**The Hon. S.G. WADE:** I am advised no.

**Mr PICTON:** Has there been any independent oversight of what you are now saying is going to be managed, that Dr Stanford does not have anything to do with the SA Pathology side of any recommendations from KordaMentha?

**The Hon. S.G. WADE:** The KordaMentha project is overseen by an executive steering committee which is chaired by Mr Raymond Spencer, who is the incoming chair of the board of the Central Adelaide Local Health Network. The whole project will be overseen by the executive steering committee.

**Mr PICTON:** Can the minister confirm that Michael Stanford worked with the current executive director of SA Pathology, Glenn Edwards, when he was at St John of God Health Care, that has now, I understand, been purchased or merged with Australian Clinical Labs?

**The Hon. S.G. WADE:** I will take that question on notice.

**Mr PICTON:** Have you asked for any independent investigation into connections there?

**The Hon. S.G. WADE:** Considering I am taking on notice whether there is a connection, I will take on notice the honourable member's question.

**Mr PICTON:** Can the minister guarantee that under any privatisation of SA Pathology that complex cases currently handled in the community sector by SA Pathology would still be able to be dealt with in South Australia, and would not have to go interstate or overseas?

**The Hon. S.G. WADE:** PricewaterhouseCoopers will undertake a review over the next six months which will engage staff, unions and other stakeholders. All of these issues, I expect, will be canvassed in that review.

**Mr PICTON:** Will you ensure that the review also examines the impact that privatising SA Pathology will have on bulk billing and primary healthcare outcomes in the state?

**The Hon. S.G. WADE:** I need to stress again that the SA Pathology review is an efficiency review. As a result of their work with Ernst and Young, the former Labor government set up efficiency targets for SA Pathology. Following the PricewaterhouseCoopers process, should efficiencies not be achieved, the option would be open to the local health network boards to procure services from

alternate providers. We are not committed to using external providers, and I am not going to presume what decisions local health network boards might make in the years to come.

**Mr PICTON:** When is the deadline in terms of when you will say whether the savings have been met or not? Will you make a decision after the first year of cuts that you put in the budget or at the end of the forward estimates of cuts?

**The Hon. S.G. WADE:** I am interested in the member using the term 'cuts' in his comments.

**Mr PICTON:** Just answer the question, please.

**The CHAIR:** Sorry, member for Kurna, the minister is answering the question appropriately. Ultimately, I determine what is being answered and what is not. We will continue. Member for Davenport, do you have a question?

**Mr MURRAY:** Yes, I do.

**Mr PICTON:** So he is not going to answer the question at all?

**The CHAIR:** The member for Davenport has the call.

**Mr PICTON:** Outrageous.

**The CHAIR:** Do you want to be back here tomorrow morning at 9.30?

**Mr PICTON:** Happy to.

**The CHAIR:** Good, because I will be naming you if you continue. The member for Kurna—sorry, Davenport—has the call.

**Mr MURRAY:** Davenport, Mr Chair. That is very close to the Repatriation General Hospital.

**The CHAIR:** Member for Davenport, just ask the question.

**Mr MURRAY:** Yes, I was just being helpful to those opposite, Mr Chair. My question relates to Budget Paper 4, Volume 3, page 63, in particular the consultation process that is being undertaken to re-establish the services at the site, which of course was never, ever going to be sold under a Labor government. I wonder what the key elements of the consultation process were, how much it has cost and when does the government expect more services at the site?

**The Hon. S.G. WADE:** I thank the honourable member for his question. To facilitate the activation of health and wellbeing services at the Repat, SA Health developed a staged stakeholder consultation and engagement process. That included extensive consultation with clinicians and health service leaders, health consumer groups, NGOs, external stakeholders and the local community. The first step of this process involved key stakeholders from SA Health, NGOs and the local community in two workshops to generate ideas and test the options for potential services on the site. A large number of high-quality ideas and themes came out, which were distilled into three preliminary concepts.

On 15 August, I officially launched a four-week consultation process at a community forum event where the three master plans were presented to facilitate community discussion. On 1 September, a second consultation event was held, which provided guests with an opportunity to discuss the proposals with clinicians, SA Health and stakeholders. The process was extremely well received by the community, with almost 1,500 members of the community participating, 1,325 online poll results and approximately 100 submissions via letter and email. The public response has been overwhelming and confirms how much the community values the Repat site.

In tandem, SA Health released an expressions of interest process, inviting private and non-government organisations to describe how they could partner with SA Health to maximise the reactivation opportunities that the Repat site presents. The closing date for submissions to the EOI was 14 September 2018, with over 30 EOIs received. SA Health will now shortlist potential partners from the EOI process in alignment with the results from the community and stakeholder feedback and begin negotiations with those shortlisted organisations. The government will also develop a fully costed conceptual master plan based on the feedback from the public and other input. The master

plan is expected to be released for public comment either late this year or early next year, with the site's further activation commencing in 2019.

Regarding the honourable member's questions in relation to cost, I am advised that the stakeholder consultation and engagement process has been delivered at a total cost of approximately \$90,000, excluding GST.

**The CHAIR:** I think the member for Kurna has a question.

**Mr PICTON:** Yes, thank you very much. The reference is Budget Paper 4, Volume 3, page 67: the expenses of the Women's and Children's Hospital network. Does the minister stand by his previous comments that patients will continue to be treated by the Australian Craniofacial network from overseas as per practice over the past 40 years?

**The Hon. S.G. WADE:** My comments to the parliament and beyond in relation to the Australian Craniofacial Unit were particularly in relation to the 15 international patients per year paid for by the South Australia government. I am advised that that arrangement is still in place. Issues have been raised in relation to the ongoing operation of the Indonesian clinics and also some other elements of the engagement of support of clinicians in terms of humanitarian work.

In terms of the issues in relation to the selection process of visiting medical specialists at the end of last financial year, and in relation to issues raised by SASMOA that led to me referring matters to the Office for Public Integrity, I am in the process of referring some further issues to the office to clarify whether or not they are matters that the office would want to consider.

**Mr PICTON:** What are the details of the other issues that you are referring to?

**The Hon. S.G. WADE:** As I said, I have met my reporting obligations and provided information to the OPI. I am currently considering whether further information needs to be provided to them.

**Mr PICTON:** Has the minister received a letter from Professor David David, the South Australian of the Year, dated 21 September, raising significant concerns about patients in outreach clinics in Indonesia who had started their treatment but have been stranded, unable to get their treatment in South Australia, as would have previously been the case?

**The Hon. S.G. WADE:** When I was referring to Indonesian clinics, I was referring to that more recent communication from Professor David. As I said, I intend to refer that matter to the Office for Public Integrity and I have received some initial advice from the department and I am seeking a fuller briefing.

**Mr PICTON:** Thank you for the clarity that that is what is being referred to the OPI. As well as that, is the minister going to ensure that these patients, who have been stranded in Indonesia, are treated before any OPI investigation needs to take place?

**The Hon. S.G. WADE:** The fact of the matter is that I am seeking a full briefing. Once I have that, I will consider the appropriate response. The reason why I am seeking a briefing as well as referring it to the OPI is to make sure that if earlier action is required it will be taken.

**Mr PICTON:** In light of this new information, does the minister change his perspective that he has previously expressed that there has been no change to the unit in how it is operated?

**The Hon. S.G. WADE:** As I have said, I have made a referral to the Office for Public Integrity, and, as I have said to the parliament, I do not intend to ventilate those issues further.

**Mr PICTON:** Is the minister aware of an email from Lisa Lynch, the Chief Operating Officer of the Women's and Children's Health Network, dated 20 June 2018, in which she said, in response to draft letters to be sent that:

The service profile won't change and also that the patients will still be from overseas, interstate etc. Wondering whether we need to think about this section. In some ways, we have already changed the service/patient profile with the changes to dental and also don't want to lock us in to overseas and interstate in the future.

What is your response to that?

**Mr ELLIS:** Mr Chair, is that a question from a budget paper?

**The CHAIR:** I was just consulting with Mr Riggs and we are actually trying to find that in the budget papers, member for Kaurua. I am happy for the question to stand if you can just draw me back to the budget papers.

**Mr PICTON:** Yes; the budget papers refer to the expenses of the Women's and Children's Hospital Network, including the Australian Craniofacial Unit, which is part of the Women's and Children's Health Network, in Budget Paper 4, Volume 3, page 67.

**The CHAIR:** I think that is a very, very broad question and I will leave that to the minister's discretion.

**The Hon. S.G. WADE:** The issues that the honourable member is referring to are clearly issues that were being discussed at the time of the matters being referred to the Office for Public Integrity. In that context, I stand by my comments to the parliament. I have met my reporting obligations and provided the information to OPI, and I am unable to make any further statements about this matter at this time.

**Mr PICTON:** What was the process that the minister went through in appointing the independent public servant to review the appointment of Dr Ben Grave in the craniofacial unit in the Women's and Children's Health Network?

**The Hon. S.G. WADE:** If the honourable member is suggesting that I personally made the appointment of an independent reviewer, that is not the case. I asked the Women's and Children's Network in discussions to facilitate an independent review.

**Mr PICTON:** Was it the case that the people that you asked in the Women's and Children's Health Network to appoint somebody independent, were the same people who had made the initial appointment or were they different people?

**The Hon. S.G. WADE:** The initial appointment of whom?

**Mr PICTON:** The review was going to be over the appointment of the VMO position that Dr Grave originally had, and somebody else was appointed instead. Did you go to the people who made that appointment and ask them to appoint somebody to review their own decision or did you ask somebody higher up the chain to review what had happened?

**The Hon. S.G. WADE:** I asked the Women's and Children's Health Network to facilitate an independent review. I will take on notice who identified that person.

**Mr PICTON:** Is the minister aware of an email from Cindy Molloy, who is Executive Director, Medical Services at the Woman's and Children's Health Network, who was the person who made the original appointment, and who wrote in an email, after your decision to get somebody to appoint, where she stated:

Mark Moore and I met with Minister Wade yesterday. Amongst other things he continues to make inquiries as to the HR process in the recruitment of Dr Ben Grave. He wished someone from the department to check if I had undertaken the process correctly and fairly and come to an equitable decision. He did not want to do this himself. Happily, after Mark and I met with him, he met with Professor David and the publicity appears to be calmer in today's Advertiser. Who do you suggest in the Department or can we count Kieran. Regards, Cindy.

Is it not clear that Cindy Molloy, who made the appointment, was the person who was choosing who was going to do the independent review of her own decision?

**The CHAIR:** Minister, before you proceed to choose or not to answer that question, I once again rule that out of order for my purposes. This is not the lower house question time where that would definitely be ruled out of order—it properly sits up here. Once again, whether there has been an email received is not pertinent to the budget and the statements that are open in front of us, but if the minister chooses to answer he so can but I give him very broad scope in his desire to answer that question.

**The Hon. S.G. WADE:** I have asked the Commissioner for Public Employment to look at the recruitment process for the Visiting Medical Specialist (VMS) and I do not intend to comment further.

**Mr PICTON:** After all of this happened, after all the discussion about this, will you actually ask for an independent investigation into the operation of the unit at a clinical level, putting aside the public integrity issues that you have referred to and, at a clinical level, make sure that the unit is running properly, make sure that the original intent that South Australia has always supported for this unit over the past 40 years, is maintained?

**The Hon. S.G. WADE:** There is quite a bit of work being done at the moment in relation to the unit. There is the work of the Office for Public Integrity, there is the work of the Commissioner for Public Employment, who I understand has put the matter in the hands of the ICAC commissioner, and there is also consideration by the South Australian Employment Tribunal. I have indicated to Professor David that if matters are not dealt with in those processes then there may well be the need for further inquiry. The need for a clinical review of the unit I think is something that we need to consider once we have a better idea of what the OPI will be looking at.

**Mr PICTON:** I refer to Budget Paper 5, page 78, the contracting arrangements, and Budget Paper 4, Volume 3, Sub-program 1.1: System Performance and System Delivery, page 50, and also to your press release that announced cuts to HIV services—

**The CHAIR:** Member for Kurna, I remind you that government press releases and briefing notes are not the subject of examination of this committee, so if we just stick to the budget papers, that would be wonderful.

**Mr PICTON:** Has the minister been to Centacare's Cheltenham Place HIV service?

**The Hon. S.G. WADE:** The answer to the honourable member's question is no, and clearly the member from the lower house—

**Mr PICTON:** I went; you should go. It is worthwhile. See what you are cutting.

**The CHAIR:** Order! I hope the minister is not about to reflect on the lower house of parliament, which is of course a most important body.

**The Hon. S.G. WADE:** It is the case that I have not visited the Cheltenham facility, but then clearly neither has the member for Lee, because he suggested it was located in the western suburbs when in fact it—

**Mr PICTON:** I have been, and I can advise you it is very worthwhile to visit and see the services that you are cutting.

**The CHAIR:** Member for Kurna, it is not relevant where you have been and have not been.

**Mr PICTON:** It is not relevant whether the member for Lee has been.

**The CHAIR:** No, no—

**Mr PICTON:** He is the health minister. He is the one cutting the service.

**The CHAIR:** I think the Minister for Health was merely reflecting the *Hansard* of the parliament from the last sitting, which is entirely appropriate.

**Mr PICTON:** Just answer the question.

**The CHAIR:** But, minister, if you can just answer the question in your good time please, sir.

**The Hon. S.G. WADE:** I have not visited Cheltenham.

**Mr PICTON:** Have you met with Centacare to discuss the cut to their HIV service at Cheltenham Place?

**The Hon. S.G. WADE:** No, I have not.

**Mr PICTON:** On what basis did the minister conclude that the HIV service was purely for homeless people, as per statements that were put out during the budget process?

**The Hon. S.G. WADE:** I am not aware of any statement in any government documents that suggest that the service was purely homeless.

**Mr PICTON:** Your press release did.

**The CHAIR:** As I said previously, government press releases are not subject to budget estimates proceedings.

**The Hon. S.G. WADE:** I would simply make the point that about half the client group of Cheltenham Place are assessed as having issues with accommodation, homelessness or being at risk of homelessness.

**Mr PICTON:** How did the government form the view, as stated by the Minister for Energy in the House of Assembly, that the Centacare model of care was not contemporary?

**The Hon. S.G. WADE:** The response to HIV continues, but the epidemic has changed and services need to evolve. In the early stages of the epidemic, the majority of clients at Cheltenham Place were gay men. Now people living with HIV are a much broader group, including people from high prevalence, religiously conservative countries. A centre-based respite service is less relevant to the contemporary client group.

In 2017, while Labor was in government, the communicable diseases control branch of SA Health interned a masters student from the University of Adelaide to investigate best practice support services for people living with HIV in South Australia. No outcome was predetermined, and the intern consulted people living with HIV across South Australia as part of their project.

The masters student report noted that while around 1,300 South Australians are living with HIV, 49 per cent of those diagnosed with HIV between 2011 and 2016 in this state were not born in Australia, with the majority of those born in sub-Saharan Africa or South-East Asia. The profile of people living with HIV in this state has changed significantly, particularly for new notifications, and now include significantly more heterosexual women and heterosexual men and women from religiously conservative countries. The masters student noted:

Since the advent of antiretroviral drugs the prognosis for people living with HIV in South Australia has improved dramatically. No longer synonymous with AIDS and premature death, a diagnosis of HIV may now be treated as a chronically manageable condition. People living with HIV/PEL-HIV who receive antiretroviral therapy (ART) are expected to have next-to-normal life expectancies.

The report also goes on to note:

This trend of diminishing demand for HIV-specific respite has been observed globally in other countries with similar burdens of HIV. A literature research reveals Ireland, Wales and New Zealand no longer provide HIV-specific respite services, and few remain in Canada, England and Australia.

**Mr PICTON:** The reason why I ask whether the minister has visited or talked to Centacare is that I certainly learnt a lot about the service from doing that. Can you confirm, minister, whether the service was actually changed three years ago when they got their new contract and previous to that was just a centre-based model, as you have been talking about in your speech, but is now an outreach service as well, so a lot of the centre-based staff have been converted to outreach staff and provide service across the community for people who are suffering from HIV in the community and make sure that they are managed well and stay out of emergency departments?

**The Hon. S.G. WADE:** I certainly agree that we need to have a broad range of services for this client group. The client group has complex needs, particularly in relation to mental health and drug and alcohol issues. It is SA Health's view that these needs are more effectively addressed by specialist mainstream services, and there is a range of mainstream service providers who are well placed to provide the support. So the funding decision has been made in the context of the range of services available to meet the needs of this client group.

**Mr PICTON:** Was that decision made following clinical advice from the department, including the Chief Medical Officer?

**The Hon. S.G. WADE:** Yes.

**Mr PICTON:** How is cutting this service and not replacing it with anything else consistent with what you previously said is what you want to do in terms of increasing out-of-hospital care, and particularly what your chief executive has said in terms of ramping up out-of-hospital care to try to keep pressure off hospitals?

**The Hon. S.G. WADE:** I would remind the committee that the former government reduced the Cheltenham Place service from a seven day a week respite service to a three day a week service. The fact of the matter is the government needs to continue to focus resources on the best possible use, and the decision has been made that this service will not continue to receive SA Health funding.

**Mr PICTON:** When Cheltenham Place and Centacare raised concerns about this, they said that there were reports that they had from the AIHW that showed that their support was providing a benefit to the health service of double what it was costing, so \$800,000 compared to the \$400,000 it was costing. You said on ABC TV that SA Health has its own figures that have a different estimation. I am wondering if you can outline for the committee what those different estimates are?

**The Hon. S.G. WADE:** I do not recall talking about a cost-benefit analysis of AIHW or competing figures from SA Health.

**Mr PICTON:** You said that SA Health has its own figures.

**The Hon. S.G. WADE:** Sorry, Mr Chair, I was just hoping to answer the question.

**The CHAIR:** Correct, thank you.

**The Hon. S.G. WADE:** SA Health has information about the service, the client group, contemporary models and the like. SA Health's decisions will be made in the context of all the data available to it.

**Mr PICTON:** Will the minister publicly release the information he relied upon to justify cutting this program?

**The Hon. S.G. WADE:** I think it is important to realise that SA Health develops a whole series of grant programs without seeking to have the minister make the decision. I imagine there are hundreds of grants made by SA Health each year. They do not all get ministerial approval.

**Mr PICTON:** If there were issues with the model of care—which, as I said, was only updated three years ago in their revised model of care that the department agreed to—why were no issues presented to Centacare before the budget came out?

**The Hon. S.G. WADE:** I am happy to take on notice the shadow minister's question, if I could take it to mean what discussions were had between Cheltenham Place and SA Health about the development of their service.

**Mr PICTON:** And if that is the case, why have the communicable diseases branch of your department, on a number of occasions, told Centacare that they were performing well and in fact they could not think of any suggestions for how they should improve their service?

**The Hon. S.G. WADE:** I have already taken on notice what discussions occurred between SA Health and Centacare in relation to this program.

**Mr PICTON:** Is the minister aware that HIV rates last year increased and that that increase was the highest in four years in South Australia?

**The CHAIR:** Member for Kaurua, can I just bring you back to the budget. I am not sure if HIV rates are one of the named performance indicators or activity indicators in the budget. The member for MacKillop has a question.

**Mr McBRIDE:** Thank you, Mr Chair. The topic for my question is Murray Bridge—

*Mr Picton interjecting:*

**The CHAIR:** The member for Kaurua, you are not going to reflect on the Chair or what I think or do not think.

*Mr Picton interjecting:*

**The CHAIR:** No, no. Member for Kaurua, it is completely and utterly—

**Mr PICTON:** Point of order, Chair. I asked a legitimate question.

**The CHAIR:** There is no point of order. Alright, let's be realistic. I am keeping tally: I think we have had about 47 opposition questions and we are now on to our third government question. If you think I am being unreasonable, please let me know.

**Mr PICTON:** You are being unreasonable.

**The CHAIR:** If you think I am being unreasonable—

**Mr PICTON:** You are being unreasonable. I think it is an important service. I think it is an important matter for the state as to whether HIV rates are increasing or not, and you trying to protect the minister from answering that is a significant issue.

**The CHAIR:** Member for Kaurua, I am not protecting the minister. The minister can look after himself. This is your estimates.

**Mr PICTON:** That is why we are trying to ask this question.

**The CHAIR:** You are wasting your time.

**Mr PICTON:** Why are you trying to stop the question from being asked?

**The CHAIR:** I want to continue to ask you: are you reflecting on my ability to chair?

**Mr PICTON:** I am raising a point of order.

**The CHAIR:** Which is what?

**Mr PICTON:** The point of order is that this is highly relevant to the budget.

**The CHAIR:** Relevance is not a point of order in terms of what I determine to be relevant or not, under the standing order.

**Mr PICTON:** On what basis have you ruled the question out of order?

**The CHAIR:** I am not ruling the question out of order. I am giving the go for the member for MacKillop. You can come back to your question after him. The member for MacKillop.

**Mr McBRIDE:** Thank you, Mr Chair. My topic is Murray Bridge Soldiers' Memorial Hospital. I refer to Budget Paper 5, page 89. To the minister, how will the \$7 million investment in the Murray Bridge Soldiers' Memorial Hospital ED improve services for people in Murray Bridge and surrounding areas? Has the number of presentations of that ED changed in recent years, and what are the projections going forward?

**The Hon. S.G. WADE:** I thank the honourable member for his question. As a metropolitan based MP myself, I appreciate the honourable member is not only a regional member but also a regional member who uses the Dukes Highway and comes up through Murray Bridge. Not only do we have the ongoing growth of the Murray Bridge community and the ongoing need for Murray Bridge as a transit site for people across the South-Eastern region and interstate accessing South Australia, but we also have the establishment of the motor sport park at Tailem Bend, which will be a major, if you like, risk in terms of a medical response, so addressing the longstanding capital needs at the Murray Bridge Soldiers' Memorial Hospital is a priority for the government. I would ask the director of capital to answer the member's question.

**Mr HEWITT:** Thank you, minister. As the minister has touched on, Murray Bridge is one of the larger centres in country SA. It has an estimated population of 18,382 and provides a critical regional centre for health services in the Murraylands region. It is growing at an average rate of 1.4 per cent per annum. The current emergency department facility at Murray Bridge Soldiers' Memorial Hospital is 30 years old and has only one trauma bay and three treatment bays, with no nurses' station and limited storage space.

As the population of Murray Bridge and the surrounding areas has grown, the demand for emergency services has increased, and there has not been enough capacity at the emergency department to manage those requirements. A partnership approach with the Bridge Clinic medical practice for a number of years has enabled the emergency workload to be partly managed by basing the duty doctor at the GP clinic during business hours, maximising the care that could be delivered for both emergency patients and walk-in urgent cases. However, the demand has outgrown this



arrangement and it has also increased the workload for the SA Ambulance Service transferring patients between the sites.

Demand at the hospital has grown 11 per cent in the past four years and is now close to 7,000 presentations per year. In addition, the presentations at the Bridge Clinic, which may shift to the hospital once the redevelopment is finished, have been factored into the future demand. The new emergency department has been designed to handle up to 15,000 presentations a year, meeting the needs of the projected population growth and other demand from services in that region. A range of people have been involved in the concept design, including local doctors and nurses, SA Ambulance, infection control specialists and clinical leaders at Country Health SA.

The new emergency department will be more than double the size of the existing emergency department, and will include two resuscitation bays, which is one more than currently available, and seven treatment bays, four more than is currently available. The new emergency department will also include a dedicated waiting room for patients and a separate quiet room for vulnerable patients, two procedure rooms, two consulting rooms, an ambulance lobby, nurses station, access toilet and shower facilities, and a relative room. With the large workload at the new ED, a different approach to medical and nursing staff will be needed, which will be developed in partnership with clinicians over the coming 12 months.

**The CHAIR:** Member for Kurna, I think you might have a question on the Centacare provisions of HIV services.

**Mr PICTON:** Thank you, Chair, for the opportunity to ask an important question.

**The CHAIR:** My pleasure.

**Mr PICTON:** I refer, with an abundance of caution, to Budget Paper 4, Volume 3, page 50, System Performance and System Delivery, and that includes the communicable diseases control branch that monitors HIV infections in South Australia. Can the minister confirm that last year we saw an increase in HIV infections in South Australia, and the highest rate for the past four years?

**The Hon. S.G. WADE:** I am happy to take that question on notice to provide the committee with detailed stats. In terms of data that can provide comparisons with other states and territories, my understanding is that the Kirby Institute recently released some statistics, which suggest that South Australia had 61 notifications of new HIV cases in 2017, but I will get more information on both the department's statistics and the findings of the Kirby Institute.

**Mr PICTON:** I refer to Budget Paper 5, page 80, Health Consumers Alliance discontinue. On what basis did the minister make the decision to defund 100 per cent of the funding that went to the Health Consumers Alliance from SA Health?

**The Hon. S.G. WADE:** The government is withdrawing central funding of the Health Consumers Alliance in the context of its decision to devolve health management to the regions and establish regional boards. When we are devolving health management to the regions through boards, it is appropriate to also devolve consumer engagement to the regions. Statewide collaboration in relation to consumer engagement will be driven by the networks. Considering that the Health Consumers Alliance has expertise in this area, it is well placed to undertake funded project work for local health networks.

**Mr PICTON:** So is the minister saying that there are no statewide issues that need clinician involvement?

**The Hon. S.G. WADE:** No, I am not saying that. What I am saying is that I think that a consumer advocacy body that relies on centralised funding is less likely to be accountable and responsive to its membership and the communities across the state. I believe the changes will promote accountability and actually strengthen the consumer voice.

**Mr PICTON:** How does the minister believe in the future he will be engaging consumers in the delivery, implementation and review of health issues, noting that the Health Consumers Alliance has been involved in a number of issues at the central level of the state's determination, particularly including things like EPAS but also in terms of the review after Oakden and a number of those

statewide issues that cover a whole range of things, including public health issues that your department looks after that do not necessarily involve any local health network at all?

**The Hon. S.G. WADE:** I think the honourable member is conflating the issue of central funding and ongoing funding. What has been withdrawn is the SA Health central funding from the Health Consumers Alliance.

There is already money going from SA Health to the Health Consumers Alliance on a project basis. I anticipate that would continue; in fact, I expect that would increase. It is the responsibility of the Health Consumers Alliance to put in place a business model which provides a sustainable organisation. They provide a range of services that could be both project funded or paid for on a fee-for-service basis such as training and my expectation is that Health Consumers Alliance is well placed to provide services in those areas.

**Mr PICTON:** With respect, minister, my question was in terms of the central roles of the Department for Health and Wellbeing, as it is now called. Those roles are not being devolved to local health networks and they would not be subject to any future hypothetical funding agreement between an LHN and Health Consumers Alliance should it still exist. So how would your department, dealing with central issues that cover the whole state, whether it be public health or any other issue, engage clinicians without any central funding and support going to the Health Consumers Alliance?

**The Hon. S.G. WADE:** There are certainly a number of organisations in South Australia that provide a statewide voice, peak bodies, and my view is that the local health networks will find value in the services provided by the Health Consumers Alliance. To the extent that the SA Health central requires services from Health Consumers Alliance, they may well purchase those on a fee-for-service basis. The alliance is a membership organisation and yet receives less than 1 per cent of its income from membership fees. I do not think that is a strong basis for accountability and a strong consumer voice.

**Mr PICTON:** How much do you think it would be sensible for patients to have to subscribe to the Health Consumers Alliance to get a voice from your health department?

**The Hon. S.G. WADE:** The membership of the organisation is both organisational and individual.

**Mr PICTON:** Yes, but you are suggesting that the alliance has to survive on membership from basically hospital patients in your hospitals. I presume that they are not going to be running around emergency departments asking for people to chuck in \$100 to give them a voice so that they can actually contribute to your statewide running of the health system. So how much do you think it would be worthwhile for patients to have to contribute of their own money to keep this organisation going now that you have defunded it?

**The Hon. S.G. WADE:** I suggest the honourable member looks back at my earlier answers. I did not say that membership fees from patients is the only source of income for the Health Consumers Alliance.

**Mr PICTON:** The minister referred to other peak bodies continuing to be funded at a central level. Why has the minister not applied the same logic that he has to the Health Consumers Alliance to other peak bodies—and they are numerous—that the health department funds at a central level that are not being devolved or having all their funding cut in the same way that the Health Consumers Alliance is, with the expectation that they are going to have to ask LHNs for money now?

**The Hon. S.G. WADE:** I do not know the peak bodies which the honourable member is referring to.

**Mr PICTON:** Budget Paper 4, Volume 3, page 64: SALHN expenses. How much of the SALHN expenses in 2018-19 are to be spent on the provision of services at the Repatriation General Hospital?

**The Hon. S.G. WADE:** The government has just closed the request for community input into the options for the Repat site and also closed the expressions of interest process with private and non-government organisations in relation to what services they might like to provide on the Repat site. That input will be considered in the decision-making of government in relation to the future use

of the Repat site. The government will release a fully costed, fully funded plan either late this year or early next year. In the context of those decisions, the extent to which state government funding will be required—both capital and recurrent—will be determined and funding allocations made.

**Mr PICTON:** Thank you, minister. I am sure that answered some question but it did not answer my question. How much of the SALHN expenses detailed in the budget are going to the Repat?

**The Hon. S.G. WADE:** The budget reflects the fact that the government is forgoing \$20 million in revenue from unwinding the decision of the former government to break its promise to never close the Repat. The former government closed the Repat and contracted to sell off the land. Fortunately for the people of South Australia that sale was not concluded by the time of the election and, as minister, I terminated that contract. So that \$20 million is reflected.

There is certainly money that may well be utilised at the Repat; for example, part of the \$45 million for elective surgery and colonoscopies. In relation to capital works, there is money that has been earmarked for capital works which may be applied at the Repat.

**Mr PICTON:** For the third time, minister, how much money of this budget is going to health services at the Repat—in a dollar amount? If you do not know just say 'I don't know,' or if it is nothing then say 'It's nothing.'

**The Hon. S.G. WADE:** In terms of the Repat reactivation planning works, there are the Repat reactivation planning works that have been progressed within residual funds of \$2.71 million previously allocated to the decommissioning of the Repat. I also understand there would be funds within the SALHN budget, and I will take that on notice.

**Mr PICTON:** Does that \$2.7 million provide health services?

**The Hon. S.G. WADE:** It relates to the Repat reactivation planning works. I will take on notice what that consists of.

**Mr PICTON:** On what date will the elective surgery operating theatres be opening for surgery at the Repat?

**The Hon. S.G. WADE:** As I have indicated to the committee, decisions will be made by the government by the end of the year or early next year in terms of the future use of the site, and time frames will be clear then.

**Mr PICTON:** I refer to Budget Paper 5, page 81, and the introduction of local health network governing boards. Is the full \$13 million allocated in the budget for establishing these boards over the forward estimates the entire cost of restructuring under the health system, or are there other costs that will have to be borne either by the department or the local health networks? If there are, can you please detail them?

**The Hon. S.G. WADE:** The figures referred to in the budget relate to costs associated with the establishment of the regional governing boards. The costs associated with the restructuring of the health system will become clear as decisions are made in what we call stage 2 of the board governance reforms. We are confident that over the forward estimates the enhanced corporate and financial management of the health networks through board governance will lead to efficiencies that more than offset the costs.

**Mr PICTON:** I understand that this budget of \$13 million going for the boards is just stage 1, and the minister is saying there is another future stage 2 that is going to cost an uncertain amount. Does he have any estimates as to what that future stage is going to cost? I think his chief executive next to him provided some estimates to Budget and Finance Committee. Do they still stand or are there any revised estimates that you can provide?

**The Hon. S.G. WADE:** My understanding is that the chief executive, in the Budget and Finance Committee, suggested an upper limit for costs if we were to fully replicate. That is not our intention but we do not have a new estimate of the lower figure.

**Mr PICTON:** For those unknown stage 2 costs, are they going to be subject to a future bid to Treasury for additional supplementary funding, or will they be borne from within the resources of the local health networks or the department?

**The Hon. S.G. WADE:** I reiterate the point that we anticipate that the efficiencies will more than offset the costs but the specifics in terms of the Treasury accounting would need to be the subject of discussions with Treasury in future budget bilaterals.

**Mr PICTON:** So, minister, you can guarantee that those additional unknown stage 2 costs will not have to come from the local health networks' budgets that have been allocated in this budget?

**The Hon. S.G. WADE:** I have already indicated that it is the expectation of government that the efficiencies delivered by local health networks under the guidance of their boards will more than outweigh the costs. The accounting in relation to Treasury will be the subject of future budget bilaterals.

**Ms BEDFORD:** I refer the minister to Budget Paper 5, page 84. The budget includes \$23 million over four years to establish an HDU, or what I prefer to call a level 1 ICU at Modbury Hospital. How is the amount of \$23 million calculated, and what clinical advice was used re the cost of establishing and operating a safe and sustainable unit at Modbury?

**The Hon. S.G. WADE:** The establishment of a four-bed high dependency unit at Modbury Hospital is a key commitment of government and will enable the provision of care to patients requiring high levels of extensive care and observation. I ask the director of capital to address the specifics of the member's question.

**Mr HEWITT:** The establishment of the \$23 million budget was built upon a requirement for \$5 million in capital for the creation of the beds and then \$18 million in the operating budget over the four years to actually operate the facility with the doctors, nurses and clinical staff.

**Ms BEDFORD:** On my reading of the budget papers, the allocation of the Modbury money includes \$5 million of capital funding, all of which is expected to be spent by June 2019. Has the tender been issued for these capital works and, if not, when do you expect that tender to go out?

**The CHAIR:** Member for Florey, all questions are to go through the minister.

**Ms BEDFORD:** I am looking over there, and it does not matter who I am—

**The CHAIR:** Yes, it does matter.

**Ms BEDFORD:** But I am looking over there.

**The CHAIR:** Minister, if you are happy for that to be answered?

**The Hon. S.G. WADE:** I thank the honourable member for her question. I will ask the director of capital to answer that question.

**Ms BEDFORD:** I will look over here now.

**The CHAIR:** Just be consistent, member for Florey.

**Ms BEDFORD:** Okay. It is elder abuse, really, is it not?

**The CHAIR:** That infers that you are old, member for Florey. I think you are very young. Minister.

**The Hon. S.G. WADE:** I have asked the director of capital if he can respond.

**Mr HEWITT:** We are on a plan to go out to tender for a managing contractor in the coming month of October and are expecting that the works for the Modbury redevelopment will commence early in 2019.

**Ms BEDFORD:** So—

**The CHAIR:** Last one, member for Florey.

**Ms BEDFORD:** Yes. The allocation of \$2.470 million for the operating costs this financial year suggests that, at the time the budget papers were finalised, you expected the unit would be up

and running in the early part of 2019. Has the time frame for this project slipped since the budget papers were finalised? If so, what has led to the delay?

**The Hon. S.G. WADE:** Thank you, member for Florey. I will ask the director of capital to answer that.

**Mr HEWITT:** Since the handing down of those budgets, we are looking at integrating the works for the high dependency unit with the rest of the redevelopment works for Modbury Hospital in order to get the best outcome. So yes, it will result in a delay in the commencement of operations of the high dependency.

**The CHAIR:** Member for Wright.

**Mr BOYER:** I refer to the same budget line: Budget Paper 5, page 84, regarding Modbury Hospital. Just to build on what the member for Florey was asking, how long will the delay in establishing and having an operational HDU at Modbury Hospital be, given your previous answer?

**The Hon. S.G. WADE:** I thank the member for his question and ask the director to respond.

**Mr HEWITT:** The first works that we have to do at Modbury relate to some decanting works through the space. We plan on commencing work on the high dependency unit with the extended acute surgical unit later in 2019. It is probably expected that those works will take a little over 12 months, so it will be early in 2020-21 before they are fully operational as a complete new capital development.

**Mr BOYER:** Minister, I am wondering if you are able to be a bit more precise in terms of when in 2019 you think the work—best-case and worst-case scenarios—might begin on the HDU at Modbury?

**The Hon. S.G. WADE:** The officer has highlighted the interplay between the general redevelopment at Modbury Hospital and, specifically, the HDU. There may be a range of options for the timing of the delivery of the HDU, and they will be worked out as part of the overall project.

**Ms BEDFORD:** I have a question on the extended stay in emergency.

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

**Ms BEDFORD:** We have been promised the extended stay area in the emergency section for years.

**The CHAIR:** A direct question, member for Florey.

**Ms BEDFORD:** Same budget line, to the minister: is there any light at the end of the tunnel for that?

**The Hon. S.G. WADE:** The Modbury development project includes the establishment of an extended emergency care unit and an acute medical unit, both located next to the hospital's emergency department.

**The Hon. L.W.K. BIGNELL:** My question, minister, is related to Budget Paper 5, page 72. For the McLaren Vale hospital there is a \$500,000 payment for a solar panel array and building a shed for volunteers. Can you guarantee that the McLaren Vale hospital will stay open for the next four years?

**The Hon. S.G. WADE:** I am not accountable for the McLaren Vale hospital as it is a community facility, but I have no reason to believe that it would not be continuing to operate.

**Mr PICTON:** Supplementary to that: are you going to ensure that the same level of funding provided to treat public patients in the McLaren Vale hospital is continued over the next four years?

**The Hon. S.G. WADE:** My understanding is that the public patient services at McLaren Vale hospital are delivered as a contract with the Southern Adelaide Local Health Network. Those contracts are negotiated as they fall due and that will fall, primarily, to the local health network board.

**Mr PICTON:** I refer you to Budget Paper 4, Volume 3, Sub-program 2.1: Central Adelaide Local Health Network, page 56. I understand you have said that under your watch you will continue

what was originally planned in terms of St Margaret's and Hampstead moving into other sites. For St Margaret's, does that mean that any health services will remain on the site, and if not, will you be selling that site?

**The Hon. S.G. WADE:** The St Margaret's facility, on my understanding, is a facility controlled by a trust and so the government will be seeking advice as to how best to deliver relevant services in the context of the trust.

**Mr PICTON:** So there is no commitment to continue to provide health services of any description on that site?

**The Hon. S.G. WADE:** I remind the committee that the government is continuing the decision of the former government. In terms of the implications of the trust, my understanding is the fact that the trust has limitations in terms of uses of the site would suggest that health services would be ongoing on that site, but SA Health has decided that, over time, it will not need the services being provided at St Margaret's as part of its Central Adelaide Local Health Network service model.

**Mr PICTON:** If you are moving all the services off the Hampstead site, what is the future of the pool there, which is used for a number of community purposes? Will that stay as a government service, or will you be seeking to transfer that to the private sector?

**The Hon. S.G. WADE:** The decision in relation to the pool will be taken in the context of the overall capital works plan.

**Mr PICTON:** So no decision has been made in terms of the future of the pool, at this stage?

**The Hon. S.G. WADE:** Yes: no decision has been made about the future of the Hampstead hydrotherapy pool, at this stage.

**Mr PICTON:** I refer to Budget Paper 5, page 77: Establishment of a sustainable, efficient health system, which sets a target to reach national efficient pricing by 2021-22. Do you have any estimate in terms of what change in workforce would be required, in terms of the numbers of doctors and nurses compared to now, to reach that?

**The Hon. S.G. WADE:** South Australia is operating significantly above the national efficient price. Obviously, as I said earlier, there is a range of efficiency measures available to government to bring us closer to the national efficient price. I am not aware of any staffing modelling because there are all sorts of strategies that are available to government to move towards efficiency.

**Mr PICTON:** I refer to Budget Paper 4, Volume 3, page 72, SAAS expenditure and FTEs. Has the minister received any advice in terms of the need for additional paramedics in the South Australian Ambulance Service?

**The Hon. S.G. WADE:** The South Australian Ambulance Service strategic working group was established to bring together key stakeholders to review statewide service delivery arrangements and to agree plans for future delivery of ambulance services. That group was established in July 2017 and has met regularly since. It involves SAAS, the Ambulance Employees Association, the SAAS Volunteer Health Advisory Council, the Department of Health and Wellbeing, the Department of the Premier and Cabinet and the Department of Treasury and Finance.

These stakeholders have been brought together to help review SAAS's current statewide service delivery arrangements and explore plans for the future delivery of emergency ambulance services in South Australia, particularly in the context of increasing demand. The central element of the SWG's work was the consideration of new approaches to patient care underpinned by a model which ensures that the ambulance services in South Australia are efficient and appropriately resourced; that is, ensuring that ambulance services are accessible, that people receive the right care and treatment at the right time and that the need for professional development and work-life balance meets the needs of SAAS employees.

This has resulted in the development of a five-year service delivery plan and provides a clear picture as to how SAAS can improve the design and implementation of services. Cabinet will consider this plan shortly, and I look forward to ensuring that SAAS is an efficient, sustainable and responsive ambulance service for years to come.

**Mr BOYER:** Minister, I take you back to Budget Paper 5, page 84, Modbury Hospital. Has it been decided yet where in the hospital the HDU will be located?

**The Hon. S.G. WADE:** I am advised that it will be on level 1.

**Ms BEDFORD:** Budget Paper 5, page 84, talks about more affordable hospital car parking. What similar arrangements will be put in place for relatives of patients at the Lyell McEwin health service and Modbury Hospital, and what improvements are being planned for the appalling parking situation in Elizabeth at the Lyell McEwin health service?

**The Hon. S.G. WADE:** The Marshall Liberal government is committed to ensuring that affordable car parking fees are applicable at all South Australian public hospitals. Under the former Labor government, parking rates for visitors to long-stay patients at the NRAH cost nearly twice as much as any other metropolitan hospital, that being \$65 as opposed to \$38. These prices put an extra emotional and financial burden on South Australians experiencing significant stress.

In response, the Marshall Liberal government committed, at the 2018 election, to a specific plan to ensure affordable parking fees. This included reducing car park charges at the Royal Adelaide Hospital for relatives of long-stay patients from \$65 a week to \$38 a week, and the government delivered on that fee reduction within the first 100 days.

We also committed to establishing a new patient and carer parking scheme to apply at all metropolitan hospitals. The scheme will specifically provide support for patients with frequent outpatient appointments, parents or carers of long-stay patients, relatives or carers of a young child patient, and families and friends of palliative care patients. The government also committed to openly disclosing car parking fees, fee exemptions and availability of car park passes. This open disclosure will be on both websites and at car parks.

In relation to Modbury Hospital in particular, parking in the open-air car park is free for the first two hours. After that the cost is \$2.50 for two to three hours and rising to \$13 for more than 10 hours in one day. The weekly rate for visiting long-stay patients is \$38. I acknowledge the concerns that the honourable member has raised with me in the past, particularly in relation to disability access as well and I appreciate that is an issue of concern. In terms of the changes at the Lyell McEwin, I will ask Mr Hewitt if he might address that.

**The CHAIR:** Minister, unfortunately we are out of time. I declare the examination of the proposed payments for the portfolio SA Health completed. In accordance with the agreed timetable, the committee stands suspended until 3.15.

*Sitting suspended from 15:01 to 15:15.*

#### **Departmental Advisers:**

Assoc. Prof. J. Brayley, Chief Psychiatrist.

Mr C. Burns, South Australian Mental Health Commissioner.

Dr C. McGowan, Chief Executive, SA Health.

Mr D. De Cesare, Acting Chief Finance Officer, SA Health.

Mr D. Frater, Deputy Chief Executive, SA Health.

Ms M. Bowshall, Acting State Director, Drug and Alcohol Services, SA Health.

Mr A. Knez, Manager, Executive Services and Projects, SA Health.

**The CHAIR:** Welcome back. We are now with SA Health, mental health and substance abuse, being the Minister for Health and Wellbeing, and with estimates of payments being Department of Health and Wellbeing, \$4,046,725,000, and the South Australian Mental Health Commission, \$2,058,000. I call on the minister to introduce his advisers and make an opening statement if he so wishes.

**The Hon. S.G. WADE:** I introduce Associate Professor John Brayley, Chief Psychiatrist, to my right; to my left Ms Marina Bowshall, the acting director of Drug and Alcohol Services, South Australia; Dr Chris McGowan, Chief Executive, SA Health; Mr Chris Burns, the South Australian Mental Health Commissioner; Mr Danny De Cesare, the Acting Chief Finance Officer of SA Health; Mr Don Frater, the Deputy Chief Executive of SA Health; and Mr Andrej Knez, Manager, Executive Services and Projects, SA Health.

In terms of an opening statement I make the clear point that mental illness has a substantial impact on the personal, social and economic levels in our society. It is well recognised that mental health problems and illness are among the greatest causes of disability, diminished quality of life and reduced productivity. The recent Fifth National Mental Health and Suicide Prevention Plan reminds us of some very salient statistics. One in five Australians aged under 16 will experience mental ill health each year. Mental health and substance abuse disorders are the third-largest burden of disease in Australia, after cardiovascular disease. In 2015 there were 3,027 deaths by suicide, or an average of eight deaths every day across Australia, yet most early deaths of psychiatric patients are due to physical health conditions.

During the election campaign the Marshall government promised to develop a national statewide mental health services plan within 12 months. South Australia has not had a state mental health plan since the Stepping Up mental health plan expired in 2012. This plan will chart the future direction for mental health and wellbeing services.

In recent years, gaps and failures in mental health care have led to multiple reviews and consultancies. Building on the vision and direction provided by the South Australian Mental Health Strategic Plan 2017-22, which was developed under the auspices of the Mental Health Commission, we now need an integrated services plan to guide the commissioning and delivery of state government funded mental health and wellbeing services in the state.

The plan will benefit service users and enable our skilled and dedicated staff to deliver best practice. The mental health plan will be a blueprint for services that deliver prevention, early intervention, acute care and rehabilitation and will apply to all age and population groups. The plan will be codesigned and co-produced with people with lived experience and will also engage clinicians and providers across sectors in South Australia who either deliver SA government-funded mental health and wellbeing services, work with them or refer to them.

The net cost of service for mental health services for the 2018 financial year are budgeted at \$398.7 million, some \$15.4 million more than the 2017-18 budget of \$383.3 million. The 2018 state government budget contains a number of initiatives to improve mental health services over the next four years. These include \$2.5 million for additional suicide prevention services, \$10 million to establish a specialised statewide borderline personality disorder service and \$3.345 million for paediatric eating disorders services.

This government is committed to addressing the recommendations of the Independent Commission Against Corruption report in relation to Oakden, which will be implemented as two consecutive service improvement initiatives. The first is the reform of the Older Persons Mental Health Service across the state. The second is the improvement in mental health services governance facilities, staffing mix, the understanding and use of safety and quality mechanisms and the Mental Health Act. The Chief Psychiatrist has commenced a more rigorous announced and unannounced inspection regime and has completed 20 inspections so far in 2018.

The South Australian government is committed to the ongoing support of psychosocial services it funds to those with severe mental illness who are not eligible for the NDIS. South Australia has set up an NDIS psychosocial disability transition task force that comprises members from SA Health, the LHNs, the Department of Human Services, primary health networks, the National Disability Insurance Agency, Lived Experience and community representatives. The task force functions are to monitor the impact of the NDIS transition arrangements on both clients and service providers with a particular focus on continuity of service to clients, advice on appropriate action to address continuity of service and identifying future issues that might arise.

Further, this government is committed to addressing the harms associated with alcohol and drugs. The government is committed to implementing the South Australian alcohol and other drugs



strategy, working with the Ministerial Drug and Alcohol Forum to provide a coordinated response to tobacco, alcohol and drug-related issues.

We are also committed to reducing smoking prevalence in the community. The review of the Tobacco Products Regulation Act has been completed and a bill has recently been introduced to ensure we have strong and clear legislation to effectively regulate e-cigarettes. A number of important initiatives have been supported in the recent budget, including \$7.5 million over three years to achieve a real-time prescribing monitoring program, an additional investment of \$160,000 over two years to support people in the Riverland who are struggling with methamphetamine use, and \$6.2 million over four years to support all South Australian prisons to go smoke-free by 2019.

I conclude my opening remarks by acknowledging the work of health professionals, peer workers and others across both SA Health and the non-government partners for their support, hard work and dedication to deliver quality and safe care.

**Mr PICTON:** Just as a quick opening statement, it is a bit disappointing to have yet another opening statement from the minister taking up another five minutes of this valuable time, but we will persist.

**The CHAIR:** Member for Kaurana, I would have thought after your interactions earlier you would have known that it is your question, so do not waste your time.

**Mr PICTON:** Despite the attempt, we will try to get as many questions in as possible. I hope there are no Dorothy Dixers, unlike what we saw in the last session.

**The CHAIR:** Member for Kaurana, remember that this is a committee of the parliament. I remind the parliament and the committee that government members are entitled, on behalf of their constituencies and electors, to ask the executive any question that they like.

**Mr PICTON:** And I am entitled to make an opening statement.

**The CHAIR:** I think, not being a member of the executive at the moment, member for Kaurana, it is disappointing that you reflect on other members who may wish to ask a question at some point. If you have a question, I would love to hear it.

**Mr PICTON:** Minister, I refer to Budget Paper 4, Volume 3, page 55, Health Services. How many mental health patients in the past six months have waited more than 24 hours for a bed in a public hospital?

**The Hon. S.G. WADE:** I will take that on notice and get the data the honourable member seeks.

**Mr PICTON:** Do you as minister receive any updates in terms of the number of patients who have to wait more than 24 hours?

**The Hon. S.G. WADE:** I receive a range of statistical and other information, and I have undertaken to take the honourable member's question on notice.

**Mr PICTON:** Do you have any information here today, given that this is part of the information you receive as updates, in terms of how many patients do wait more than 24 hours in an emergency department?

**The Hon. S.G. WADE:** In terms of emergency department waiting times generally, there has been an improvement in the timely delivery of care since 2014. The percentage of mental health patients waiting in a metropolitan emergency department for more than 24 hours has fallen by 11 percentage points over the past four years. It was 20 per cent in October 2014, which is an absolute number of 262; and 9 per cent in August 2018, which is an absolute number of 145 patients.

The average waiting time for adults and older mental health patients in metropolitan hospital emergency departments reduced from 18.5 hours in October 2014 to 11.8 hours in August 2018. There has been deterioration in waiting times over the past 13 months, and that is not insignificantly related to the transition to the new Royal Adelaide Hospital and the failure, to this point, to be able to open the PICU (psychiatric intensive care unit) on that site.

**Mr PICTON:** Given that you have just said that there has been a deterioration, do you have any update in terms of the figures over that period of time where there has been a deterioration?

**The Hon. S.G. WADE:** In May 2017, the emergency department average waiting times were as low as 7.6 hours compared to the current waiting time for August 2018 of 11.8 hours. In terms of the mental health unit, currently four of the 10 beds are open. They are not open as full PICU beds, they are open as general mental health beds, but the 10 PICU beds that are provided at the Glenside site continue to be available to CALHN.

**Mr PICTON:** Those figures represent, from my quick maths, almost a 50 per cent increase in terms of the waiting times for mental health patients in emergency departments over a year. Can the minister confirm that that is across the whole health system, not just one particular hospital?

**The Hon. S.G. WADE:** I would ask the Chief Psychiatrist to provide information to the committee.

**Dr BRAYLEY:** The details of the long waiting times can be broken down on notice. These figures that have been presented are across the metropolitan mental health system, but when the figures are graphed you can see a deterioration, particularly from September 2017. Most of the impact here relates to the changes in the Central Adelaide Local Health Network since the commissioning of the new Royal Adelaide Hospital.

The Northern Adelaide Local Health Network generally appears to be coping better, but it is currently waiting for five additional short-stay unit beds to start operating after the closure of a short-stay unit in December last year, so there will be more capacity up north as well as the additional capacity at the Royal Adelaide Hospital in the PICU area.

**The Hon. S.G. WADE:** If I could add to the Chief Psychiatrist's comments, as well as the impact of the move to the new Royal Adelaide Hospital, the balance of supply and demand would have been impacted upon by the fact that, I think in July 2017, the Oakden facility was closed, with a significant reduction in beds. I think there are about 16 beds at Northgate, but there is a net reduction as a result of that. Some of that reduction in supply may well be impacting on people in general mental health wards.

**Mr PICTON:** When does the minister expect that waiting times will reduce to the level he has previously mentioned of about 7½ hours, rather than about 11½ hours, where they are currently?

**The Hon. S.G. WADE:** Implicit in my responses to the earlier questions is that getting the mental health beds at the Royal Adelaide Hospital operating for their design capacity is crucial to the effective operation of that hospital, with knock-on benefits to the wider system. My advice is that significant progress is being made in dealing with the duress alarm issues and that we can be hopeful of progress in the next month or so.

**Mr PICTON:** So you are expecting within the next month that those PICU beds are going to be opened?

**The Hon. S.G. WADE:** Yes, that is my expectation. The key steps, obviously, are to deal with the IT issues that currently mean that the duress alarms are not fit for purpose, and of course the final sign-off for the fact that they are fit for purpose is a decision for the Chief Psychiatrist.

**Mr PICTON:** I refer to Budget Paper 4, Volume 3, page 63, SALHN. I understand that a senior business manager from the Southern Adelaide Local Health Network was congratulating staff for not filling vacancies in mental health. Has any action been taken against that senior business manager?

**The CHAIR:** Member for Kaurana, we have canvassed this issue earlier in the previous session. We are looking at page 63 and there are seven dot points, and if we can refer our questions on those, please, in relation to SALHN I am happy to do that, but it is not in order to canvas what someone may or may not have said at one level or not.

**Mr PICTON:** I refer to page 64, which refers to the number of full-time equivalent staff in 2017-18 in SALHN, which directly refers to how many people were filled in vacancies. The minister has had a staff member who has been congratulating staff for not filling these vacancies, which would affect these FTE numbers in the budget.

**The CHAIR:** Perhaps page 64 is more FTE relevant—perhaps a direct question around FTEs. I will give you a chance to reshape your question to get to where you want to.

**Mr PICTON:** Is the minister disappointed that a staff member of his has been congratulating staff for not filling FTE numbers in mental health positions in SALHN?

**The Hon. S.G. WADE:** I am advised that the email to which the honourable member is referring was unauthorised, inappropriate and inaccurate in content and context. I am told that the email did not reflect the entire picture in that the south has invested more in mental health compared with the last financial year. I am advised that SALHN has not reduced mental health staff. I am advised that figures demonstrate that the south has employed more than 40 additional full-time equivalent staff within its mental health services compared with this time last year. A range of concerns have been raised with me in relation to southern mental health services. I have discussed those with the Chief Psychiatrist, who is looking into matters and will report back to me in due course.

**Mr PICTON:** Is the minister's concern not that the email was sent—the advice that he has received, can I seek confirmation from him that he is telling the committee that the email was not accurate and that vacancies have been filled in SALHN?

**The Hon. S.G. WADE:** I am advised that the email does not present the entire picture. That is the view of SALHN, and that is what I have been advised by SALHN.

**Mr PICTON:** How does that compare with the advice that has been received, as I understand it, by you from the Australian Nursing and Midwifery Federation, which has said there are significant staffing pressures in SALHN mental health services and that staff are at the end of their tether?

**The Hon. S.G. WADE:** As I said, a range of concerns have been raised with me in relation to southern Adelaide mental health services. I have discussed those concerns with the Chief Psychiatrist, who is looking into a range of matters and has undertaken to report back to me. I do not intend to comment further until I have received that advice. The government is determined to ensure that mental health services operate with quality and safety.

**Mr PICTON:** When will you receive the advice from the Chief Psychiatrist?

**The Hon. S.G. WADE:** I am not aware of a time frame.

**Mr PICTON:** He is right next to you—you could ask him.

**The CHAIR:** Member for Kurna, it is up to the minister to answer the question how he sees fit.

**The Hon. S.G. WADE:** I am not aware of a time frame.

**Mr PICTON:** So it could be next year, in five years—when are you expecting it? Presumably it is an urgent matter on which you wish to be urgently briefed.

**The Hon. S.G. WADE:** There is a range of concerns in relation to the Southern Adelaide Local Health Network in relation to mental health, and I am looking forward to the report from the Chief Psychiatrist.

**Mr PICTON:** Will you be releasing the Chief Psychiatrist's report?

**The Hon. S.G. WADE:** My understanding is that it is not the normal practice for Chief Psychiatrist reports to be released.

**Mr PICTON:** There has been, particularly in the last year, a very famous instance of a Chief Psychiatrist's report being released. Why is not this report important to be released? Why is not this something where, particularly residents in the south, who are concerned about the state of mental health services, are able to see what the Chief Psychiatrist has determined the state of mental health services in the southern network to be?

**The Hon. S.G. WADE:** I presume that whether or not a Chief Psychiatrist's report is released is a decision for the chief psychiatrist. Some of the matters that Chief Psychiatrists need to investigate are intensely personal and I certainly will not be making open-ended commitments without consulting the Chief Psychiatrist.

**Mr PICTON:** Once again, he is right next to you. Will the Chief Psychiatrist's report have the ability to cover all staffing related issues in the southern local health network, including why the vacancies were not filled, according to the email that has been leaked?

**The Hon. S.G. WADE:** The member asks: does the Chief Psychiatrist's report have the capacity to look at the adequacy of staffing? My understanding is that the Chief Psychiatrist is able to look into all matters in relation to quality and safety, including staffing levels.

**Mr PICTON:** Can the minister assure the committee that nowhere else in the health system are vacancies being held open to meet budget savings targets?

**The Hon. S.G. WADE:** That is an extremely broad question. I would also remind the honourable member that this is the mental health and substance abuse line. If he wants to ask catch-all questions in relation to health, he perhaps might have put the catch-all questions during the health session.

**Mr PICTON:** I will ask it specifically in terms of mental health services then.

**The Hon. S.G. WADE:** I am not aware of any systematic practice to hold vacancies open to meet financial targets. The fact of the matter is any organisation carries vacancies from time to time and that obviously needs to be factored into your budgeting because otherwise your budgets would not be realistic.

**Mr PICTON:** I refer to Budget Paper 4, Volume 3, page 55: Health Services. Has the minister done any further work in relation to the recommendations from the Coroner that an additional 200 mental health beds are critically needed?

**The Hon. S.G. WADE:** I am aware that following the Coroner's inquest into the death of Ms Chrystal Ross in January 2015 the Coroner has recommended a fourfold increase in the number of mental health beds in South Australia. This recommendation will be formally considered in a new South Australian mental health services plan that is being developed by the Chief Psychiatrist and the Mental Health Commissioner and will review services and funding now and into the future. I might ask the Chief Psychiatrist whether he might want to expand on that planning process.

**Dr BRAYLEY:** The mental health services plan is going to be an outcomes based plan that will define the expectations that our local health networks and contracted services will be expected to deliver. We intend it to be codesigned with consumers, carers and community, and to have strong staff engagement. There are a number of key areas that are being looked at to develop this outcomes based plan. So it will define the outcomes. The local services will then need to meet those outcomes and develop the models of care to do that. Those areas include access to services, and we have other groups looking at service excellence, continuity of care, recovery and rehabilitation, and early intervention and workforce.

So in the access section, the modelling of the number of beds that we require and the amount of community services that are needed will be done. There is a national mental health framework that has been developed by a group led by Professor Harvey Whiteford in Queensland that is used extensively by state governments and primary health care networks, and that modelling will help guide us on the number of beds that are required.

In terms of the quality and this issue of access to service, it is critical that people have access to a mental health bed when they need it. It needs to be available to provide care so that in tragic circumstances, such as the one the Coroner reviewed, people are not waiting for beds for a long time. Other problems can develop because of those delays and their flow-on effects. So the beds have to be available.

Will it be four times the number of beds? On our preliminary look at the modelling that would not be the figure the modelling is showing, but there will be recommendations about bed numbers. It is more likely that longer term beds in the community would need to increase rather than acute beds, because there is a group of people who have multiple readmissions to hospital who, if they were better supported and then did not need to come back into hospital, would no longer require acute beds. Therefore people with a crisis admission, who do need that support, would have better access.

The mental health services plan will deliver some recommendations. In the interim, I guess, with the pressures being experienced in the system, steps like opening some extra beds in the PICU and getting the Lyell McEwin shortstay unit beds up and running are some of the immediate steps, but there needs to be medium and longer term strategies as part of the plan to address this issue.

**Mr PICTON:** Given that reference was just made to the preliminary modelling not showing that need, what is the preliminary modelling showing as the need for mental health beds?

**The Hon. S.G. WADE:** I suggest we should allow the Chief Psychiatrist, the Mental Health Commissioner and the other member of that team to do the full services plan, rather than giving us progress reports over the next few months.

**Ms BEDFORD:** I have a question on acute mental health, and I refer to Budget Paper 4, Volume 3, sub-program 1.3, page 54. What allocations and plans are proposed for improving infrastructure and services at NALHN's Woodleigh House?

**The Hon. S.G. WADE:** I know the member for Florey appreciates this, but Woodleigh House, for the benefit of other members, is a 20-bed acute adult inpatient service situated in the grounds of Modbury Hospital. It was opened in 1982 and was based on institutional thinking and practices at that time. I have had the privilege of visiting Woodleigh House with the Premier, and I am sure he would agree that Woodleigh House does not meet contemporary standards for mental health care and requires significant capital investment.

Its design was contemporary for its day, but it is not contemporary now. Woodleigh House is one of the few remaining adult mental health services in Australia located over two levels, and therefore will remain as a high risk to SA Health until issues regarding the building infrastructure can be addressed. All the client bedrooms are on the first floor and all client showers and toilets are of a communal type common to old institutions. Patients who are frail, bariatric or who have limited mobility or other medical issues are not able to be admitted. I appreciate that means the honourable member's constituents who need care and who are in those categories have to go further afield to get it.

At the time of its design significantly less emphasis was placed on limiting or mitigating ligature points, so the main areas of risk arise from areas that are out of direct line of sight, including patient toilets, bathrooms and bedrooms. In July 2017 and again in February 2018 an audit was undertaken on ligature points at Woodleigh House, and the audit identified 35 high risk ligature issues. A significant body of work has occurred to rectify those issues, and I am advised that 34 out of those 35 high risk ligature issues have been resolved. It is anticipated that the outstanding issue will be dealt with shortly.

Of course, the challenge is to balance the management of risk via ligature whilst operating under the Mental Health Act and the principles of least restrictive practice. NALHN is particularly mindful that Woodleigh House is not a psychiatric intensive care unit or a prison setting. The government is mindful of the need for capital investment to respond to the mental health needs of people in the northern area. This an example of infrastructure that is well past its useful life.

**Mr PICTON:** I refer to both Budget Paper 4, Volume 3, page 55, Health Services, and Budget Paper 5, page 86, Rehabilitation in the Riverland. Is the \$160,000 over two years for the Riverland rehabilitation measure the only new item in the budget that the government has allocated to deal with substance abuse and, in particular, the use of ice in the community?

**The Hon. S.G. WADE:** As I mentioned in my opening statement, as well as the Riverland rehabilitation investment there is also an investment in relation to real-time prescribing monitoring, which is directly relevant to Schedule 8 drugs, and also investment in relation to smoke-free prisons.

**Mr PICTON:** I do not think smoking cigarettes in prisons relates to ice in any way but, hopefully, that is not going to be the only way that people stop using ice in prisons. I am sure ice is not being sold through our pharmacies either, so I am sure that is not a measure that helps with ice at all. This new government has come in and said that we have an ice crisis, and has only put in \$160,000 to address it in the Riverland.

**The Hon. S.G. WADE:** I appreciate that the honourable member is referring to the budget reference specifically, but the total project cost for the Riverland rehabilitation unit is higher than that. Let me address that: the total indicative project budget for this pilot program is \$593,000 over 24 months. There is the specific budget allocation and the remainder of the resources will come from within SA Health's budget.

**Mr PICTON:** Are you therefore satisfied that that is enough resources to deal with the ice crisis across the state?

**The Hon. S.G. WADE:** The government will continue to use a range of resources that are available to the state government to maximise its contribution to minimising substance abuse. We believe this initiative is a valuable addition to a range of services available across the state.

**Mr PICTON:** In April this year, the minister said, and I quote:

South Australia is experiencing a disturbingly high level of abuse of methamphetamine and we hope to secure a larger share of the federal funding available under the National Ice Strategy.

**The CHAIR:** Member for Kurna, as I ruled yesterday and the day before, it is not relevant what the federal government does and does not do. Once again, I refer you to the items in the budget that the minister is responsible for, and ask you to shape your questions through that prism, please.

**Mr PICTON:** Sorry, Chair. I appreciate your interruptions and continual ability to frustrate—

**The CHAIR:** I do not know if you really do.

**Mr PICTON:** —the opposition's questions. I refer specifically to page 55, Health Services, Commonwealth revenues. My question is: given your desire to receive more funding from the federal government, how much additional funding has the minister secured from the commonwealth ice strategy to date?

**The Hon. S.G. WADE:** The state government has had discussions with the commonwealth, and my understanding is that those discussions are likely to lead to announcements shortly. I do not intend to pre-empt them.

**Mr PICTON:** So you are confident that there will be additional funding coming to South Australia?

**The Hon. S.G. WADE:** Yes.

**Mr PICTON:** I again refer to Budget Paper 4, Volume 3, page 55, Health Services, specifically in terms of mental health services. What action has been taken to stop block funding for mental health programs being cut by the commonwealth government?

**The CHAIR:** Once again, I remind the committee that the minister is not responsible for federal government decisions.

**The Hon. S.G. WADE:** I am at a loss to see how a state appropriation estimates committee can ask me how much—

**The CHAIR:** Thank you, minister. I just made that very same point.

**The Hon. S.G. WADE:** Sorry. Okay, I am following your drift.

**The CHAIR:** Finally!

**Mr PICTON:** In relation to that, is the government going to provide any funding for services that have had their funding cut by the commonwealth government?

**The Hon. S.G. WADE:** In my opening statement, I referred to the work of the task force that the state government established. It is certainly true, and I have said it time and time again, that the state government is very keen that all governments honour their NDIS transitional bilateral agreement commitments to ensure mental health clients receive continuity of support. It is the view of the state government that the commonwealth should continue to provide support for individuals who would have been otherwise receiving a service, only reducing the support as these individuals access either the NDIS or National Psychosocial Support Measure services.

The issue was raised by the South Australian government at the COAG Health Council meeting held on 2 August. The council discussed and agreed to South Australia's proposal that the COAG Health Council monitor the ongoing transition to the NDIS of mental health clients and identify any emerging service gaps that need to be addressed in order to ensure continuity of services. Ministers agreed that the Australian Health Ministers' Advisory Council work with the Disability Reform Council Senior Officials Working Group and provide advice at the next COAG Health Council on actions to resolve the interface issues between health and disability.

The current planning for the NDIS, as it relates to people with primary psychosocial disability, is being managed by the NDIS mental health implementation group, convened by the SA Health Mental Health Strategy Unit, which includes representatives from the commonwealth, state, non-government service providers, SA government mental health workers and service users. As I mentioned in my opening statement, a South Australian NDIS psychosocial disability transition task force has been established, comprising members from SA Health, the LHNs, Department of Human Services, primary health networks, the National Disability Insurance Agency, Lived Experience, community representatives and non-government organisations.

The task force functions are to monitor the impact of the NDIS transition arrangements on both clients and the service providers, with a particular focus on continuity of service to clients to advise on appropriate action to address continuity of service. This will include remedial action necessary by services, programs and jurisdictions to identify future issues that may arise. SA Health, for its part, has extended all non-government mental health service provider agreements from 1 July 2018, on a one plus one year basis, while the full impact of the NDIS is being assessed to ensure that existing services are maintained and continued for those clients who are not eligible for the NDIS.

**Mr PICTON:** Minister, you just referred to the extension that is being given to providers of mental health for non-government services in the community until, I believe, 30 June 2019—so about nine months away. Does SA Health have, in the forward estimates, provisions for funding to continue those programs?

**The Hon. S.G. WADE:** I will take that question on notice.

**Mr PICTON:** So you are not sure whether there is any funding or not in the forward estimates for all of those NGO programs?

**The Hon. S.G. WADE:** If the member wants an answer, I have undertaken to take it on notice. The answer will come.

**Mr PICTON:** Does the minister believe that there is a need for those programs after 30 June of next year?

**The Hon. S.G. WADE:** Currently, for 2018-19, SA Health will provide about \$24.7 million for psychosocial services, which the government has endorsed for continuation. Based on current best estimates for the current eligibility criteria, it is estimated that approximately \$6 million of this may be allocated for NDIS-eligible clients. This funding will be transferred to the Department of Treasury and Finance as part of South Australia's NDIS commitment to the commonwealth government, leaving around \$18.7 million for ongoing mental health clients who require a state-funded NGO service.

**Mr PICTON:** Just to clarify: the minister does or does not believe that there needs to be those non-government services after 30 June next year when the funding expires?

**The Hon. S.G. WADE:** Consistent with the answer I have just given, it is my understanding that in the 2019-20 financial year, there will be in the order of \$18.7 million for ongoing mental health services.

**Mr PICTON:** In 2018-19 you said?

**The Hon. S.G. WADE:** In 2019-20.

**Mr PICTON:** Are you satisfied that that is enough?

**The Hon. S.G. WADE:** I will be interested to see whether the mental health services plan has any observations to make on that matter.

**Mr PICTON:** I refer to Budget Paper 4, Volume 3, page 55, Program 2: Health Services. Is the government investing any additional mental health services to help farmers affected by the current drought?

**The Hon. S.G. WADE:** I am advised that officers of the Office of the Chief Psychiatrist were involved in meetings with officers across government in relation to the response to the challenges in relation to the climatic conditions. The primary response to support the industry, in my understanding, is being led by the Department of Primary Industries and Regions. I will undertake to ask the responsible minister whether they might be kind enough to provide advice to this committee.

**The CHAIR:** Thank you, minister. The member for Davenport has been waiting for some time.

**Mr PICTON:** I bet he has.

**The CHAIR:** He actually has. He has been very well behaved.

**Mr MURRAY:** There have been 113 questions today, three from here, one of them on the Repat and you are whining like the diff on an old taxi.

**The CHAIR:** Member for Davenport, if you could just ask your question.

**Mr MURRAY:** You are unbelievable. Sook. Thank you, Chair. My question refers to Budget Paper 5, page 74. I just want some details on how the Premier's Council on Suicide Prevention will support suicide prevention and postvention services in SA.

**The Hon. S.G. WADE:** Thank you, member, for the question. In South Australia, the suicide rate is 34.5 people per 100,000. South Australia is the only state where the rate is statistically the same in both country and metropolitan areas. The rate of 13.5 per 100,000 is higher than the national metropolitan average of 11.7 people per 100,000 and lower than the national country average of 15.3 per 100,000. For South Australia, this means we must continue with our effective actions in rural and remote South Australia to seek further reductions, but must intensify our efforts in metropolitan areas.

The government has committed \$2.5 million over four years to support the vital work of the state's suicide prevention networks and associated voluntary groups working in postvention—that is, work that aims to reduce the impact of suicide death and mitigate the risk of further related suicide deaths. The Premier's Council on Suicide Prevention will drive the agenda and direction for this election commitment. The Office of the Premier's Advocate for Suicide Prevention has been established within the Department for Health and Wellbeing, and I will ask the Chief Psychiatrist whether he might give us an update on its operation since being established.

**Dr BRAYLEY:** Certainly. The first meeting of the Premier's Council on Suicide Prevention was held on 27 July 2018, which coincided with the Suicide Prevention Australia National Conference, and the second meeting is scheduled to be convened tomorrow. There are 12 members of the council who represent extensive experience in the field of mental health, suicide prevention, backgrounds in clinical research and academia, medical practice and community outreach service, including people who are on suicide prevention networks.

The Premier's Advocate, the Hon. John Dawkins MLC, will be working with the Commissioner for Public Sector Employment in relation to the development of the suicide prevention issues group which will be chaired by Mr Sam Duluk MP, and include senior officers from all state government agencies. The issues group will feed information into the Premier's Council on Suicide Prevention, and terms of reference have been developed consistent with the Fifth National Mental Health and Suicide Prevention Plan, the SA Mental Health Strategic Plan and the SA Suicide Prevention Plan 2017-21.

The current operations in suicide prevention are based on that Suicide Prevention Plan 2017-21 and include the continued implementation of connecting with people's suicide mitigation training, a comprehensive all of community approach to suicide assessment, mitigation and safety planning, work translating evidence into practice, and empowering communities with



suicide prevention networks. There are currently 26 suicide prevention networks established with the eventual aim to have a suicide prevention network in every council region of South Australia. That is the update on suicide prevention at the moment.

**Mr PICTON:** I refer to Budget Paper 4, Volume 3, page 50, System Performance and Service Delivery. I ask the minister whether he still believes his comments last year when he said that bringing strategy into the Chief Psychiatrist's remit 'just undermines the people's confidence that they are being completely independent'.

**The Hon. S.G. WADE:** It is important to highlight to the committee the importance of the Mental Health Services Plan, which I think will be a very important refocusing on mental health services after a period of a lack of focus. In that context it will be of interest to see whether there are any observations from the group in terms of the governance, particularly in relation to LHN governance of mental health services.

There are also other governance issues which are raised, in my view, particularly by the Oakden report by the Chief Psychiatrist and the ICAC inquiry into the Oakden events which have implications for governance. I certainly believe that we need to make sure that as we refresh the governance framework going forward, we make sure that we minimise conflicts of interest and make sure that we get the balance right now.

There is a range of models that is used for mental health management and mental health oversight around Australia. There is no doubt that, as we look to refresh our governance framework, I will need to not only speak with all relevant officers in my agency but also have discussions with my cabinet colleagues. I am particularly thinking of the Attorney-General and the Minister for Human Services. We have already had discussions in terms of the interface of issues that we face.

For example, the Principal Community Visitor is an office I rely on strongly for mental health oversight. That office will be significantly impacted by the shift to the NDIS, because, as I understand it, the community visitor function for the NDIS will be taken on by the commonwealth disability framework. There will be issues across portfolios that will impact on any steps we take on mental health governance improvement, but I am still of the view that we need to do work in that area.

**Mr PICTON:** Same budget line, minister. Let me say at the outset: I do not have any problem with you appointing the Chief Psychiatrist to develop and lead the policy and strategy for the SA mental health service plan, but you yourself, minister, last year said that it would undermine public confidence for the Chief Psychiatrist to be involved in strategy. So have you now departed from the view that you held last year, or is there an issue with public confidence in you appointing the Chief Psychiatrist to run the strategy for our mental health services?

**The CHAIR:** Member for Kaurana, can I just remind you once again that it is not so much about opinions of the minister; it is about delivery and budget line items in the budget that we have open for examination. If there is a specific question in relation to budget and delivery of service, I think that is important; otherwise, the questions are quite broad and once again we will receive a broad answer from the minister.

**The Hon. S.G. WADE:** The fact of the matter is that what I was trying to inform the committee was that I do regard that interface as an unresolved issue, which I believe needs to be looked at again. I think that consideration should run parallel to the mental health services plan. If the member for Kaurana is suggesting that I should insist that no mental health services planning be undertaken until we are comfortable that the mental health governance framework needs no further refinement, I do not agree.

**Mr PICTON:** What I am suggesting is that—attaching to the budget—this is the strategy that determines all of our mental health services and strategy and spending across the state. You previously were very critical of the Chief Psychiatrist having an operational, policy, strategy role for our health services when you were in opposition, and as soon as you got into government you have decided to ignore your previous concerns and appoint the Chief Psychiatrist to determine the plan for the whole state.

*Mr Ellis interjecting:*

**The CHAIR:** Point of order, member for Narungga.

**Mr ELLIS:** This is entirely about a previous point made some time ago. It is not even remotely related—

**The CHAIR:** I do concur. I just remind the member for Kaurua to ask questions in relation to the budget and delivery of budget programs, which is what we are here to examine.

**Mr PICTON:** So you are not going to answer that?

**The Hon. S.G. WADE:** To be frank, I think it is a clear misrepresentation of the answers I have previously given.

**Mr PICTON:** Budget Paper 4, Volume 3, page 46, Investing expenditure summary. What is the status of the government's proposed three older persons mental health facilities in each LHN as promised by your government in its election promises?

**The Hon. S.G. WADE:** As I mentioned earlier, the consequences of the former government's mismanagement of the Older Persons Mental Health Service meant that last year the Oakden facility was closed, with a significant reduction in the available capacity for older persons mental health services. One of the opportunities that the Marshall Liberal team identified before the election to help redress the impact of that loss of supply was the reactivation of the Repat site. The former Labor government vigorously opposed that proposal right up to the election, and they continue to do that right up to today.

**Mr PICTON:** Chair, point of order: this is not a question about the opposition. It is a question about whether the government is delivering on its election policies.

**The CHAIR:** This is the problem we get when we ask broad ranging questions; we get broad ranging answers.

**Mr PICTON:** It was not a broad ranging question.

**The CHAIR:** It has been happening all day.

**Mr PICTON:** It was a specific question about whether this is being delivered or not.

**The CHAIR:** I am happy to listen to the minister, and if I feel he is out of order, I will so reflect.

**The Hon. S.G. WADE:** One of the exciting opportunities with the reactivation of the Repat site is to get access to the former Ward 18, which is a purpose-built older persons mental health facility. The consultation with the community in relation to the Repat site I have already referenced in answer to a question from the honourable member for Davenport. That closed, I think, if my mental calendar serves me correctly, nine days ago, and the EOI process two days before that.

The feedback from the Repat consultation will be relevant in terms of plans for that site. The director of the Older Persons Mental Health Service—the statewide service—was actively involved in that process, so I look forward to the work from the Repat feeding into the planning for the older persons mental health services. I expect there will be an opportunity to progress the facility's plan towards the end of this year.

**Mr PICTON:** When does the minister expect each of those three sites that he has promised to be open?

**The Hon. S.G. WADE:** I expect to be able to make a further announcement on the development of the older persons mental health services later in the year.

**Mr PICTON:** So you do not have any estimates at all that you can give the parliament in terms of when those centres will be open?

**The Hon. S.G. WADE:** As I said, the development of the older persons mental health facility strategy, to use a working title rather than a program name, will be progressed in parallel with the work on the Repat.

**Mr PICTON:** Do you have any estimate of when work will start on any of those three sites?

**The Hon. S.G. WADE:** I refer the honourable member to my earlier answer.

**Mr PICTON:** Do you have any estimate in terms of how much each of those sites will cost?

**The Hon. S.G. WADE:** I refer the honourable member to my earlier answer.

**Mr PICTON:** Do you have any estimate in terms of how many beds each of those sites will cost?

**The Hon. S.G. WADE:** I would refer the honourable member to the Chief Psychiatrist's report in relation to the Oakden facility. He gave some very detailed estimates of forward projections, particularly I think based on the Brodaty model. Those forward projections of population base need were taken up by the—

**Mr PICTON:** I am aware of the report.

**The Hon. S.G. WADE:** The honourable member I thought was asking me about population needs.

**Mr PICTON:** No.

**The Hon. S.G. WADE:** The projections in the Groves report were taken up by the implementation group, whose reports were released earlier this year.

**Mr PICTON:** So is the minister saying that for those three sites, for which there is no budget and no estimated time frame for construction or completion, the determination of how many beds is reflected in the Groves report? That is the government's position as to how many beds each of those sites will have?

**The Hon. S.G. WADE:** I think it is important to appreciate that older persons mental health services going forward will not be delivered solely by the state government. The federal government has made announcements in relation to particularly dementia-related facilities that they are intending to invest in. There is certainly capacity to partner with particularly non-government providers who have experience in this area. We will be continuing to work with a range of stakeholders and other governments to meet the needs of older persons with mental health issues.

**Mr PICTON:** I refer to Budget Paper 4, Volume 3, page 45, Department for Health and Wellbeing, key agency outputs. The government has made commitments in terms of youth treatment orders for young people. How much money has been committed over the forward estimates to delivering on that promise?

**The Hon. S.G. WADE:** Youth treatment orders is a legislative regime, not a service model. As services are developed, cabinet will make the relevant allocations.

**Mr PICTON:** So there are zero dollars allocated in the forward estimates for any of the youth detention orders that are part of your election promise?

**The Hon. S.G. WADE:** I would make the point again that the youth treatment orders regime is a legislative regime, not a service model. The fact of the matter is that youth treatment orders, depending on the legislation finally approved by parliament, if that is its will, will be available both within state government services and beyond. For example, a person with a youth treatment order might be in youth detention.

**Mr PICTON:** So there is going to be no cost to the health services through that legislation?

**The Hon. S.G. WADE:** I would refer the honourable member to my earlier response that anticipated cabinet considering resource allocations.

**Mr PICTON:** Are you making a further submission to cabinet asking for more money for those orders?

**The Hon. S.G. WADE:** I refer the honourable member to my earlier response.

**Mr PICTON:** Is there any potential that agencies in the health area will have to find funding from their internal resources to meet these new youth orders?

**The Hon. S.G. WADE:** I would have to rely on the wisdom of the Chair as to whether that was a hypothetical question. It sounded pretty hypothetical to me.

**The CHAIR:** It has been the nature of the day; that is okay.

**Mr PICTON:** I have a question in relation to Budget Paper 4, Volume 3, page 52 and DASSA. Why is the government estimating a decrease in the number of in-patient DASSA sessions from the estimated 2017-18 result?

**The Hon. S.G. WADE:** I will ask acting state director, Marina Bowshall, to answer that question.

**Ms BOWSHALL:** Drug and Alcohol Services has a target of 1,600 in-patient separations a year, which we exceeded in the 2017-18 financial year, and the target is 1,600 again for the 2018-19 financial year. That has been a fairly stable target over several years, and we are consistently meeting it.

**Mr PICTON:** Have there been any budget efficiency savings to DASSA?

**The Hon. S.G. WADE:** I am advised that DASSA is not being asked to provide efficiency savings in this financial year.

**Mr PICTON:** What about future financial years?

**The Hon. S.G. WADE:** My presumption is that they would not be in a position to answer that at this time.

**Mr PICTON:** I ask in terms of Budget Paper 4, Volume 3, page 55, health services, is the minister satisfied with the uptake in terms of mental health clients into the NDIS?

**The Hon. S.G. WADE:** No, I am not. I have real concerns that NDIS could do better in terms of timely assessments. I have certainly had concerns expressed to me that NDIA is underestimating the level of disability that people with mental health issues are experiencing.

**Mr PICTON:** What action have you taken following those concerns?

**The Hon. S.G. WADE:** I refer the honourable member to my earlier answers where I talked about the fact that I had raised the issue in the COAG Health Council and that I have asked the Chief Psychiatrist to chair, in shorthand form, the NDIS transition task force.

**Mr PICTON:** How many mental health clients in our hospitals or other health services should be being looked after by the NDIS at this moment?

**The Hon. S.G. WADE:** I do not have figures on that specifically. I will take that on notice.

**Mr PICTON:** In relation to Budget Paper 5, page 76, borderline personality disorder service, can the minister confirm that no extra additional funding has been allocated to this and that it is having to be found from existing resources and therefore, presumably, cuts to other services?

**The Hon. S.G. WADE:** I am advised that all of the allocation for borderline personality disorder is new money to mental health, but not necessarily new to health.

**Mr McBRIDE:** The topic is South Australian Mental Health Commission, Budget Paper 4, Volume 3, pages 53 and 54. What have been the main achievements of the South Australian Mental Health Commission since the release of the South Australian Mental Health Strategic Plan 2017 to 2022 late last year, and what work does the commission have planned going forward?

**The Hon. S.G. WADE:** I thank the honourable member. I might ask the Mental Health Commissioner, Chris Burns, who is with us today, if he might address that question.

**Mr BURNS:** The Mental Health Commission, on the back of significant consultation with 2,200 South Australians, developed the Mental Health Strategic Plan for the state, which was delivered in late December last year. On the back of that plan we have now committed to running a series of activities, which includes a pilot project known as SMS4dads South Australia, a project to support new and expectant fathers in terms of anxiety and depression that they experience during that period.

We have also run a series of forums with industry leaders, with media and in this house, with politicians and their staff, to help them understand the language around mental health and suicide, but also to focus on self help and how to help their colleagues. We co-convened just recently the mental health services conference—a major international conference held here in Adelaide—and we have done activities with the South Australian National Football League and the AFL through the Crows.

We have done a lot of work around mental health first-aid courses, and within the Public Service employment agreement now there is a requirement for the number of mental health first-aiders in the workplace to equal the number of St John first-aiders. We have launched the inaugural older persons mental health first-aid course in South Australia.

We are also working with Bowls SA about how we get the message of mental health and mental health fitness throughout the state. In terms of the future, we are now focused very much on working with the Chief Psychiatrist on the development of the mental health services plan. We are working with the National Mental Health Commission on a mental health leadership fellowship, which will see people come from around the country here to South Australia, and South Australians go to other states to develop leadership in this space. We are conducting an audit of workplace mental health initiatives that are being conducted within the state, and we are doing a lot of work around developing a professionalised peer workforce.

**The Hon. S.G. WADE:** I thank the commissioner for his answer.

**The CHAIR:** Minister, is there anything you would like to add to that?

**The Hon. S.G. WADE:** I would like to add to an earlier answer I gave. In relation to the BPD service, in the forward estimates it is currently budgeted at \$13.5 million. Of that, \$7.4 million is SA Health repurposed funding. Thank you, Chair, for your indulgence.

**Mr PICTON:** Further to the line on the SA Mental Health Commission, regarding Budget Paper 4, Volume 3, page 53, has the government committed funding over the forward estimates to continue the Mental Health Commission?

**The Hon. S.G. WADE:** I am advised the Mental Health Commission is in the forward estimates.

**Mr PICTON:** Has the government got a commitment to continue the Mental Health Commission over the next four years?

**The Hon. S.G. WADE:** We have no plans to abolish the Mental Health Commission, if that is what the honourable member is asking.

**Mr PICTON:** Has the government got any plans to legislate for an independent mental health commission?

**The Hon. S.G. WADE:** I refer the member to my earlier answers which were in relation to what I see as the need to refresh the mental health governance framework. One of the options in that regard would be to establish the Mental Health Commission as a freestanding statutory authority. I note that the former Labor government chose not to do that when the Mental Health Commission was first established. There are a range of models of mental health commissions operating across Australia and I know that our Mental Health Commissioner is a regular participant in a forum of mental health commissioners. As I said, I believe as a minister, and I am talking to my other colleagues, that in the wake of Oakden we should take the opportunity to ensure that our oversight framework is as robust as possible.

**Mr PICTON:** I refer to Budget Paper 4, Volume 3, page 63 regarding SALHN and the 2018-19 target to establish Repat services. I also wonder if the minister can confirm that the government's election promise is for two mental health services on the site, as follows:

We will...use Ward 18 as an older persons' mental health facility to provide accommodation for people who until recently would have been admitted to Oakden...Build a new older persons' mental health facility for people with Tier 7, extreme BPSD (behavioural and psychological symptoms of dementia).

**The Hon. S.G. WADE:** I refer the honourable member to my earlier answer in that the development of the plan for older persons' mental health will interact with the plan for the Repat site itself. I would almost add to the challenges that are highlighted in the pre-election comments because I think it is becoming increasingly clear that we need to specifically provision services for people with enduring mental illness. People with enduring mental illness have significantly different care needs to people with behavioural and psychological symptoms of dementia, and we need to be ensuring that we provide a range of services for the range of challenges that people face.

**Mr PICTON:** I ask why you are reactivating the Repat discussion paper. It seems to have these two separate election commitments for two separate facilities merged into one. Is that just a drafting error in the document that has been provided to the public, or does this reflect that the government is now breaking what its promise was originally to build two separate services and now is going to merge them into one mental health service?

**The Hon. S.G. WADE:** I will certainly have a look at the document that the honourable member refers to and, if I need to clarify it, I will provide an explanation to the committee. In terms of broken promises, I can assure that we never promised to never ever close the Repat. It was your former government that promised that and broke it in spite of the ongoing opposition—

**Mr PICTON:** Point of order, Chair: there was a very specific question in terms of the discussion paper and talking about the opposition is not within standing orders.

**The CHAIR:** I remind the minister that obviously we are looking at the budget, but if I could just remind everyone, given there are the 2017-18 estimated results within our budget lines, it is pertinent to talk about what happened in last year's financial year compared to this year's financial year. Minister, please continue.

**Mr PICTON:** What a fair and impartial chair you are!

**The CHAIR:** That is a line that the member for Florey once imposed on me when I was asking questions and she was in the chair.

**Ms BEDFORD:** You are not reflecting on a ruling I made some years ago? Is that allowed?

**The CHAIR:** It is a ruling that is sound and to be upheld. Minister, please continue your answer.

**The Hon. S.G. WADE:** I would make the point that it is a bit rich for the honourable member for Kaurua to try to compare and contrast a pre-election Liberal Party document—

**Mr PICTON:** Point of order. This is a very specific question in terms of what the government is proposing to do in its budget.

**The CHAIR:** Thank you, member for Kaurua. The question was about services at the Repat and the minister is answering regarding services at the Repat. I think it is entirely appropriate and germane.

**The Hon. S.G. WADE:** I reiterate the earlier answer I gave, which is that the planning for the development of facilities for older persons mental health services is continuing in parallel with the planning for the reactivation of the Repat site.

**Mr PICTON:** The paper talks about trying to receive expressions of interest from public providers to take on an older persons mental health facility. Has the government received any such expressions of interest? What will you do if you receive no such expressions of interest: will you commit government funding or will you not establish the facility?

**The Hon. S.G. WADE:** Chair, I do not know what the practice of the member's house is, but that sounded remarkably like two questions to me.

**The CHAIR:** The question is in order.

**The Hon. S.G. WADE:** It is somewhat hypothetical. Whilst I have received a broad preliminary indication of the expressions of interest, I have not received the evaluation from that expressions of interest process. I look forward to seeing what options come forward. Certainly I would

be hopeful that there would be organisations with expertise in older persons mental health services that would partner with us on that site.

**Mr PICTON:** Has the minister received any estimates from his department about what the cost would be of retrofitting Ward 18 as a tier 7 facility?

**The Hon. S.G. WADE:** I will take that on notice.

**Mr PICTON:** When will construction commence on the tier 7 facility?

**The Hon. S.G. WADE:** I will continue to refer the member to my earlier answers.

**Mr PICTON:** So you do not know?

**The Hon. S.G. WADE:** I will continue to refer the member to my earlier answers.

**Mr PICTON:** I refer to Budget Paper 4, Volume 3, page 46. On what date is the government going to release the first progress report against the recommendations of the Oakden Oversight Committee?

**The Hon. S.G. WADE:** I am advised we are expecting the next report late this year, probably December.

**Mr PICTON:** I refer to Budget Paper 5, page 74, and additional suicide prevention services. Why did the minister not increase the budget and FTE position under this new budget measure to add a staff member dedicated to the suicide prevention council?

**The Hon. S.G. WADE:** Would the member mind stating that question again?

**Mr PICTON:** Why did the minister not increase the budget and FTE position under this new budget measure to add a staff member dedicated to the suicide prevention council, instead of adding it to his ministerial office? Why was this not part of this budget measure for the department and why has that staff member gone to your ministerial office instead?

**The Hon. S.G. WADE:** I am advised that there are two relevant FTEs: one funded from the \$2.5 million over the next four years, although the council only has a lifespan of two years, and another from ministerial office funding. My understanding is that those decisions were made at a Treasury level, and you might want to ask that question of the Treasurer.

**Mr PICTON:** Do you think it is a bit odd to have the staff member for the suicide prevention council as part of your political office rather than as part of the department serving what I would have thought is an important service and council for the whole state?

**The Hon. S.G. WADE:** The honourable member has misconstrued the nature of the office. The person who supports the Premier's suicide prevention council is not a political operative in my office. In fact, they are not even located in my office.

**Mr PICTON:** They are located in your office in the budget, so where physically are they located?

**The Hon. S.G. WADE:** I am advised that they are located in the health department building.

**Mr PICTON:** So is it not a bit odd to have a staff member allocated in the budget papers to your office, who is not actually in your office?

**The Hon. S.G. WADE:** These decisions are made at Treasury level and far be it from me to express what is an oddity and what is not.

**Mr PICTON:** Who is this staff member responsible to? Are they responsible to you, given they are in your office?

**The Hon. S.G. WADE:** It is clear that the person's role is to support the Premier's suicide prevention council, which is part of my department. As I said, one of the officers is funded through the ministerial office.

**Mr PICTON:** Does this person involve themselves in staff meetings in your office?

**The Hon. S.G. WADE:** No.

**Mr PICTON:** Are they involved in political discussions in your office?

**The Hon. S.G. WADE:** I refer the honourable member to my earlier answer. I have an ongoing dialogue with the Hon. John Dawkins in his role as the Premier's Advocate for Suicide Prevention, and incidental engagement with his staff in that context. Suicide prevention is a high priority for this government and we will continue to demonstrate that commitment, both through the work of the council and the work of the issues group.

**Mr PICTON:** Just for clarity, does this person report to you, your chief of staff, to the chief executive of the department or to the Hon. John Dawkins?

**The Hon. S.G. WADE:** The primary reporting line of this person is to the Premier's Advocate for Suicide Prevention, who is the chair of the Premier's suicide prevention council.

**Mr PICTON:** Is there a precedent for a backbench member of parliament who has no executive appointment from the Governor to be responsible for a public servant and be the direct reporting line for a public servant?

**The CHAIR:** Just a point of clarification: the minister is not responsible for backbench members. As such, once again, the minister if he chooses and is happy to can answer that question, but he is under no obligation to answer that question.

**The Hon. S.G. WADE:** It was a very broad question and considering I am not a historian of the South Australian executive, I do not propose to answer it.

**Mr PICTON:** Just for absolute clarity, you are saying that the Premier's Advocate for Suicide Prevention, who is a backbench government MP, has the direct supervisory role over a public servant who is accountable under the Public Sector Act?

**The CHAIR:** Member for Kaurana, I have previously indicated that the minister is not responsible for—

**Mr PICTON:** Well, he is responsible for the suicide council, and he is responsible for staff members within his own office.

**The CHAIR:** He is not responsible for the oversight of a member of what is commonly known as the backbench.

**Mr PICTON:** Chair, with respect, this person is allocated to the minister's own office. He is responsible for his own office.

**The CHAIR:** I am just advising what the minister is and is not responsible for.

**The Hon. S.G. WADE:** I think the honourable member is misunderstanding the nature of the role. One of the FTEs is funded through the ministerial office; ipso facto, they are not employed under the Public Sector Management Act. I will certainly take it on notice, and if the advice I have just given you is incorrect, I will advise the committee accordingly.

**Mr PICTON:** So they have a political contract with the Premier and they are not a public servant; is that right?

**The Hon. S.G. WADE:** The person is employed. One of the FTEs who supports the Premier's suicide prevention council is a person who is employed under the minister's office budget. My understanding, as I said, is that they are not a public servant in the normal sense, but I will seek advice to make sure that that advice is accurate.

**Mr PICTON:** Minister, you and I both have some experience in this as former ministerial advisers and chiefs of staff, back in the day. As you would be aware, people are either public servants under the Public Sector Act and are accountable to the chief executive, or they are political appointments with a contract to the Premier and responsible to their minister and undertake political activities. What you are saying is that this person, who is nominally there to provide for the suicide council and who you are saying is not political, is on a political contract and is responsible to the Hon. John Dawkins.



**The CHAIR:** Member for Kaurna, the minister has indicated quite a few times that he will take these questions on notice, seek clarification and report back to the committee in a timely manner. I am happy to go down this line if the minister proceeds, but I am letting you know that, by and large, the questions are out of order.

**The Hon. S.G. WADE:** I appreciate the creativity of the member being able to ask the same question in so many different ways, but I will choose to provide the same answer to the same question.

**Mr PICTON:** That is so dodgy. In reference to Budget Paper 4—

**The CHAIR:** Member for Kaurna, I ask you to withdraw that statement.

**Mr PICTON:** I withdraw it, Chair. Budget Paper 4, Volume 3, page 64, SALHN targets, under the dot point beginning 'Commence Adult Community Mental Health reform'. By what date will SALHN implement the recommendations from the review of community mental health services?

**The Hon. S.G. WADE:** I need to take that question on notice.

**Mr PICTON:** Will SALHN be publishing progress reports against the recommendations as they progress through their reforms?

**The Hon. S.G. WADE:** I will take that on notice.

**Mr PICTON:** We might do the omnibus questions now, if that is alright?

**The CHAIR:** If you wish, member for Kaurna.

**Mr PICTON:** I think the member for Wright is very keen.

**The CHAIR:** Member for Wright, step up.

**Mr BOYER:** Thank you. I am very pleased indeed at the opportunity.

**The CHAIR:** One day you will be a shadow, too.

**Mr BOYER:** May I get straight into it, Chair?

**The CHAIR:** Yes, please.

**Mr PICTON:** You could get a job from the Hon. John Dawkins.

**The Hon. S.G. WADE:** You are not a shadow. Are you not an assistant shadow?

**Mr BOYER:** I am an assistant shadow.

**The Hon. S.G. WADE:** I think it is a reflection on the honourable member; he is an assistant shadow.

**Mr BOYER:** In that case, do I get a staffer, too? That is how we are doing it now.

**The CHAIR:** You get two FTEs and a trainee. Ask your omnibus questions.

**Mr BOYER:** I will put my hand up. No worries.

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors with a total estimated cost above \$10,000, engaged between 17 March 2018 and 30 June 2018 by all departments and agencies reporting to the minister, listing the name of the consultant, contractor or service supplier, the estimated total cost of the work, the work undertaken and the method of appointment?

2. Will the minister provide a detailed breakdown of the forecast expenditure on consultants and contractors with a total estimated cost above \$10,000 for the 2018-19 financial year to be engaged by 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?

3. For each department and agency for which the minister has responsibility:

(a) How many FTEs were employed to provide communication and promotion activities in 2017-18 and what was their employment expense?

- (b) How many FTEs are budgeted to provide communication and promotion activities in 2018-19, 2019-20, 2020-21 and 2021-22, and what is their estimated employment expense?
- (c) The total cost of government-paid advertising, including campaigns, across all mediums in 2017-18 and budgeted cost for 2018-19.

4. For each grant program or fund the minister is responsible for please provide the following information for the 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 financial years:

- (a) The name of the program or fund;
- (b) The purpose of the program or fund;
- (c) Balance of the grant program or fund;
- (d) Budgeted (or actual) expenditure from the program or fund;
- (e) Budgeted (or actual) payments into the program or fund;
- (f) Carryovers into or from the program or fund;
- (g) Details, including the value and beneficiary, of any commitments already made to be funded from the program or fund; and
- (h) Whether the grant was subject to a grant agreement as required by Treasurer's Instructions 15.

5. For the period of 17 March 2018 and 30 June 2018, provide a breakdown of all grants paid by the department/agency that report to the minister, including when the payment was made to the recipient, and when the grant agreement was signed by both parties.

6. For each department and agency reporting to the minister:

- (a) The total number of FTEs in that department or agency;
- (b) The number of FTEs by division and/or business unit within the department or agency; and
- (c) The number of FTEs by classification in each division and/or business unit within the department or agency.

7. For each department and agency reporting to the minister, could you detail:

- (a) How much is allocated to be spent on targeted voluntary separation packages in 2018-19?
- (b) How many of the TVSPs are estimated to be funded?
- (c) What is the budget for TVSPs for financial years included in the forward estimates (by year), and how are these packages to be funded?

8. For each department or agency reporting to the minister in 2018-19 please provide the number of public servants broken down into headcount and FTE's that are (1) tenured and (2) on contract and, for each category, provide a breakdown of the number of (1) executives and (2) non-executives.

9. Between 30 June 2017 and 17 March 2018, will the minister list the job title and total employment cost of SA executive positions—(1) which has been abolished and (2) which has been created?

10. Between 17 March 2018 and 30 June 2018, will the minister list the job title and total employment cost of SA executive positions—(1) which has been abolished and (2) which has been created?

11. For each year of the forward estimates, please provide the name and budget for each individual program administered by or on behalf of all departments and agencies reporting to the minister.

12. For each year of the forward estimates, please provide the name and budgeted expenditure across the 2018-19, 2019-20, 2020-21, 2021-22 financial years for each individual investing expenditure project administered by or on behalf of all departments and agencies reporting to the minister.

13. For each department or agency reporting to the minister how many surplus employees are there at 30 June 2018 and for each surplus employee, what is the title or classification of employee and the total cost of the employee?

**The CHAIR:** Thank you very much, member for Wright. With that, I declare the examination of the proposed payment for the portfolio of SA Health, Mental Health and Substance Abuse, and the estimate of payment for the South Australian Mental Health Commission completed.

#### **Departmental Advisers:**

Dr C. McGowan, Chief Executive, SA Health.

Mr D. Frater, Deputy Chief Executive, SA Health.

Ms J. Walters, Acting Executive Director, Policy and Governance, SA Health.

Mr D. De Cesare, Acting Chief Finance Officer, SA Health.

Mr A. Knez, Manager, Executive Services and Projects, SA Health.

**The CHAIR:** Moving on to the portfolio of the Office for the Ageing, with the minister appearing being the Minister for Health and Wellbeing. I declare the proposed payment open for examination and refer members to the Agency Statements, Volume 3. I ask the minister to please introduce his advisers and, if he wishes to, to make a short statement.

**The Hon. S.G. WADE:** Thank you, Mr Chair. I introduce Ms Jeanette Walters, Acting Executive Director, Policy and Governance, SA Health, to my right. To my left is Dr Chris McGowan, Chief Executive, SA Health. We are also joined by Mr Don Frater, Deputy Chief Executive, SA Health, Mr Andrej Knez, Manager, Executive Services and Projects, SA Health, and Mr Danny De Cesare, Acting Chief Finance Officer, SA Health.

The Office for the Ageing, soon to be renamed the office for ageing well if legislation is passed by parliament, leads a range of policy initiatives at the system, community and individual level that support older South Australians to age well. Our goal is to create an age-friendly South Australia, ensuring that older South Australians feel valued and can participate in all aspects of life as they age.

In 2018, the Office for the Ageing has been undertaking an age-friendly government services resource and training pilot project to improve the customer experiences of older people who access a range of government services. Aligned to the Marshall government's commitment to combating ageism through challenging the way ageing is framed in the language and structure of the services our government delivers, this project will support older people using government services to feel valued, listened to and have a dignified experience.

To ensure the resources and training are relevant across a range of government service settings, representatives from a number of South Australian government departments have been involved with a group of older age-friendly volunteer advisers in codesigning and pilot testing the resources and training materials. In addition to the age-friendly resources and training materials being developed through this project, raising awareness about the rights of older South Australians complements other work being undertaken by the Office for the Ageing to promote and safeguard the rights of older South Australians.

On World Elder Abuse Awareness Day I launched the Stop Elder Abuse public awareness campaign, which ran for eight weeks from June to August 2018 and included advertisements on radio, in newspapers, on bus shelters and on the backs of Adelaide Metro buses. In addition to the

general community, the 2018 campaign particularly focused on raising awareness amongst people working in the banking and real estate industries about the signs of elder abuse.

In 2018, the Office for the Ageing will continue to deliver the Stop Elder Abuse public awareness campaign, with a focus on sharing the message with financial planners and hairdressers as well as the general community. However, raising awareness is only the first step which is why in the lead-up to the state election in March the Marshall team made a commitment to introduce adult safeguarding legislation into parliament as an early priority.

The Office for the Ageing (Adult Safeguarding) Amendment Bill 2018, developed in close consultation with Professor Wendy Lacey, the dean and head of the Law School at the University of South Australia, is the first legislation of its kind in Australia. The bill provides for the establishment of an adult safeguarding unit with statutory responsibility and accountability for responding to reports of abuse or neglect of vulnerable adults and builds on the work already being undertaken in this area by the Office for the Ageing in raising community awareness of elder abuse, awareness of the rights of older people, and building age-friendly communities and services.

Following the bill's passage through parliament, the newly named office for ageing well will work with key stakeholders across government, non-government and the community to develop regulations to support the act, as well as a code of practice and charter of the rights and freedoms of vulnerable adults. Consolidating partnerships across government and the non-government organisations and engaging our older Australians in the decisions that affect them is an important component of all the work undertaken by the Office for the Ageing. That is why, in 2018, the Office for the Ageing partnership partnered with the Australian Centre for Social Innovation to conduct its second statewide conversation with older South Australians to find out what matters most to older people when it comes to ageing well.

The voices of more than 1,500 people were heard through more than 80 community conversations and over 1,200 survey responses, which included people from disadvantaged, culturally and linguistically and gender diverse and Aboriginal backgrounds, as well as those living in regional areas. In 2018-19, the office for ageing well will use the outcomes of these statewide conversations to guide the development of the next state ageing plan which will outline the state government's vision for ageing well over the next five years. This work will focus on the key themes of the home and community, navigating and managing change and meaningful connections which emerged strongly from the conversations.

Another important way the office for ageing well works with and for older South Australians is through the administration of the South Australian Seniors Card program which provides around 380,000 older South Australians with a range of benefits, including public transport concessions, local business discounts and offers and access to information. I would like to take this opportunity to thank the staff of the office and our broad range of partners, including older persons themselves who are collaborating to ensure that current and future older South Australians are in the best position to age well.

**The CHAIR:** The member for Kaurana may have an opening statement. If you do not, a question.

**Mr PICTON:** I will forgo the opening statement but note my disappointment at another opening statement from the minister. Budget Paper 4, Volume 3, page 50, System Performance and Service Delivery—I understand is where the office sits. There is no separate line despite the separate line in estimates so all the questions will be about that. On what basis did the minister cut funding to ethnic ageing grants?

**The Hon. S.G. WADE:** From 1 January 2019 the ethnic ageing grants program will be refocused to ensure that ageing well initiatives and safeguarding information engage older people from a broader range of culturally and linguistically diverse communities to reflect the diversity of South Australia's older population. Approximately 25 per cent of older South Australians were born in non-English-speaking countries. Under the ageing well and CALD communities grant program, \$30,000 per annum will be provided to the five current recipients that support three cultural groups, those being the Italian, Greek and Polish communities. Current recipients will receive 50 per cent of their existing funding from July to December 2018, and \$15,000 from 1 January to 30 June 2019.

Under this new grants program the Multicultural Communities Council of South Australia will also receive a \$60,000 per annum grant to expand the program to a broader range of ageing CALD communities. The government's objective in these changes is to increase the access to a broader range of South Australians from culturally and linguistically diverse communities.

**Mr PICTON:** Previously, how many organisations received funding? How much funding did they each receive?

**The Hon. S.G. WADE:** In relation to the Associazione Nazionale Famiglie degli Emigrati Inc., in 2017-18, they received \$85,000. I am advised that in the financial year we are currently in they will receive \$58,500. In relation to the Federation of Polish Organisations in South Australia, I am advised that they received \$56,000 in 2017-18 and will receive \$43,500 this financial year. In relation to the Co-ordinating Italian Committee Inc., I am advised that they received \$50,000 in 2017-18 and will receive \$40,500 in the current financial year.

In relation to the Greek Orthodox Community of SA Inc., I am advised that they received \$29,000 in the 2017-18 financial year and will receive the same amount in the current financial year. In relation to the Greek Welfare Centre, I am advised that they received \$66,000 in the 2017-18 financial year and that they will receive \$48,500 in the current financial year. As I said earlier, the Multicultural Communities Council of South Australia was not previously receiving a grant under this program and will, going forward.

**Mr PICTON:** Is that the extent in terms of the cuts? Will the 2018-19 grant figures for those organisations carry through to 2019-20 and so forth, or will they continue to reduce?

**The Hon. S.G. WADE:** I would refer the member to my earlier answer, which talked about future funding.

**Mr PICTON:** Sorry, so what will their funding be for 2019-20?

**The Hon. S.G. WADE:** I have already answered that in my earlier answer.

**Mr PICTON:** I thought you were talking about 2018-19.

**The Hon. S.G. WADE:** My initial answer, as I understand it, advised that ongoing they will receive \$30,000 per annum.

**Mr PICTON:** Okay. So for each organisation there is a step down in 2018-19, and then they will all go down to \$30,000 from 2019-20 and onwards?

**The Hon. S.G. WADE:** I would refer the honourable member to my earlier answer.

**Mr PICTON:** Did the minister consult with any multicultural organisations prior to these cuts to the grants?

**The Hon. S.G. WADE:** I am advised that the Office for the Ageing over time has had discussions with a range of stakeholders about the need to make this grants program more contemporary. For the information of the honourable member, there is a significantly large number of communities in South Australia beyond the three that are the focus of the current program.

**Mr PICTON:** So this would not have been any surprise to those organisations at all? They would have been expecting this to happen?

**The Hon. S.G. WADE:** I do not answer for organisations. I am at a loss to know how I can answer whether or not an outside organisation would be surprised.

**Mr PICTON:** How much money is the government saving in 2018-19 and 2019-20 in total through these cuts?

**The Hon. S.G. WADE:** I am advised that, in 2018-19, the relevant amount is \$36,500 and, in 2019-20, it is a figure of \$73,000.

**Mr PICTON:** What is the total grant funding set aside for Ageing Well and other grants pertaining to the ageing portfolio in 2018-19, and how does that compare with 2017-18?

**The Hon. S.G. WADE:** The net cost of services for the Office of the Ageing for the 2018-19 financial year is budgeted at \$4.5 million, representing a \$0.6 million increase from the 2017-18 estimated result primarily associated with the 2018-19 state budget funding for the Adult Safeguarding Unit. In relation to the grant programs, I will undertake to obtain information for the honourable member and provide it to the committee.

**Mr PICTON:** Between 2017-18 and 2019-20, have there been any changes to the grant pool allocated to the Age Friendly SA grant round and the Grants for Seniors and Positive Ageing Grant programs? If so, what have been the changes?

**The Hon. S.G. WADE:** I am advised that there have been no changes.

**Mr PICTON:** When are the Positive Ageing Grants and the Grants for Seniors likely to open, noting that the 2017 round of both of those programs opened in mid-August, so it is already a month later than last year?

**The Hon. S.G. WADE:** I will ask the acting executive director of policy and governance to answer that question.

**Ms WALTERS:** The opening date for those grant rounds has yet to be determined, but it will be happening this calendar year. It is adjusted on a year by year basis, so each year there are slightly different opening times depending on other activities that are underway.

**Ms BEDFORD:** I refer to Budget Paper 5, page 86, which talks about the new Adult Safeguarding Unit. I wonder how that is going to work and how it might interface with federal government bodies around aged care and instances of elder abuse. How is it going to work?

**The CHAIR:** Once again, as I have advised the member for Kaurana, member for Florey, this question with regard to interface with the federal government is broad. Obviously, the minister is not responsible for the administration of federal projects, but I am sure he is happy to take the question.

**Ms BEDFORD:** I am sure he has an idea of how he sees it working. I guess I am trying to find out whether it will interface at all with federal government bodies.

**The Hon. S.G. WADE:** I am somewhat constrained at a couple of levels because I think the member's question draws in clusters of issues. One is how it is going to operate, which is your fundamental issue, but at the same time the chamber you are sitting in currently has before it the adult safeguarding bill, so I can only answer in the context of the government's proposed bill, and I would not want to presume on the consideration of this place or the other place.

In relation to the ongoing reforms at the federal level, first of all, there are the waves of reforms that the federal government initiated in response at least in part to the Oakden experience. Secondly, the federal government has announced a royal commission into commonwealth aged care. In fact, the state government has been asked to provide terms of reference to that royal commission. This is a dynamic area.

I would make the point that the adult safeguarding unit is a response to the recommendations of the Closing the Gap report in 2011, which was reiterated in the more recent report, which I think was made last year, of the Australian Law Reform Commission in relation to elder abuse, both of which recommended vulnerable adults type legislation, and it was certainly a priority of the incoming Marshall government that we would establish such a unit.

As I said, I think in my opening statement, we were committed to tabling the legislation in the first 100 days, and we did that. Following the passage of the legislation through the parliament, the newly named office for ageing well will work with key stakeholders across government, non-government and the community to develop regulations to support the act, as well as a code of practice and a charter of the rights and freedoms of our vulnerable adults.

As the bill creates a legislative obligation to respond to all reports of abuse or suspected abuse that are made to the adult safeguarding unit, further consultation will be undertaken with the relevant stakeholders to explore key issues, in particular the process of individual case management and referrals, how the relevant agencies see the legislation working with their existing remit and the capabilities so as not to duplicate effort and information sharing.

My expectation would be that in the context of that work, there would be discussion with commonwealth agencies. There is no doubt that there would be reports made to the state agency in relation to people who are residing in commonwealth aged-care facilities. Whether the abuse relates to the actions of the person who is providing the residential aged care or, for example, a member of their family who is abusing them while they are a resident of residential aged care, the potential for interface is significant.

The government is strongly anticipating that the office will take a coordination role between state government agencies, and I would hope that sort of cooperation would also happen with commonwealth government agencies. I suppose, just as the Health and Community Services Complaints Commissioner interfaces with other bodies such as AHPRA, we would expect the adult safeguarding unit to work cooperatively with federal government agencies.

**Mr BOYER:** I refer the minister to Budget Paper 4, Volume 3, page 50. Given the disproportionately high number of older citizens who use Service SA centres, what advice did the office for ageing well provide to the new government on the planned closure of three Service SA centres in the metropolitan area before that decision was made?

**The CHAIR:** Member for Wright, the minister before us is not responsible for Service SA. I believe that is minister Knoll, who is appearing before Estimates A on Thursday, so if you have questions about Service SA, I suggest you go down there.

**Mr BOYER:** Point of order.

**The CHAIR:** No, there is no point of order. I have not finished. As I have said all day and all week, should the minister choose to answer, he is allowed to. I have given the ministers latitude all day, which allows you the opportunity for your question to be answered, but I remind you that the minister is not responsible for Service SA.

**The Hon. S.G. WADE:** I reiterate the point I made earlier that budget considerations are traditionally confidential. I intend to respect that.

**Mr BOYER:** I refer to the same budget line again, Budget Paper 4, Volume 3, page 50. Minister, was your agency in this respect, the office for ageing well, consulted about the decision that your government has made to close Service SA centres?

**The Hon. S.G. WADE:** I refer the member to my earlier answer.

**Mr PICTON:** I refer to the same budget line. How much money is the government saving by defunding the Radio for the Third Age?

**The Hon. S.G. WADE:** The member includes an incorrect assertion. The money is being transferred, not cut. The elder protection grant of \$44,000—

*Mr Picton interjecting:*

**The Hon. S.G. WADE:** Sorry, if members want answers, they might let me provide one. The elder protection grant of \$44,000 provided to the Radio for the Third Age will be reallocated to the Aged Rights Advocacy Service to support older South Australians at risk of, or experiencing, elder abuse.

**Mr PICTON:** What was it about the Radio for the Third Age that made you decide to reallocate that funding away from it?

**The Hon. S.G. WADE:** The Radio for the Third Age was funded under an elder protection grant, and the Office for the Ageing believed that there was a need to strengthen the provision of services with a specific focus on older Aboriginal communities, and in that context ARAS was identified as an appropriate agency to deliver that enhanced service.

**Mr BOYER:** Again, I refer the minister to Budget Paper 4, Volume 3, page 50. What work is the office for ageing well doing to make sure that age appropriate services are retained for citizens who may not be inclined to use the internet?

**The Hon. S.G. WADE:** I will not ask the honourable member whether the former member for Heysen, Isobel Redmond, put him up to this question, but it has certainly been a concern of a

number of members over time that, whilst we need to make sure that our services are more accessible, we should not in the process deprive people who are less able to engage with technology to get access.

In 2017-18, the Office for the Ageing allocated \$22,500 to undertake a project to develop resources and training to improve the customer experience of older people who access a range of government services. It is a project that is aligned to the state government's commitment to combat ageism by challenging the way ageing is framed in the legislation and structure of government services, so work is aimed to ensure that resources and training are relevant across a range of government settings and aligned with current staff orientation and training.

The project has worked in collaboration with age-friendly local government providers, including the cities of Unley, Salisbury and Onkaparinga, to recruit and support a group of older people who are age-friendly volunteer advisers to the project. Their role is to bring their own experience of government services and that of their peers to the codesign process. Consultation with a selection of key government stakeholders to codesign the age-friendly government resources and training materials was conducted to ensure relevance across a range of government customer service settings.

The Office for the Aging pilot tested the codesign tools and resources with Housing SA and the Department of Planning, Transport and Infrastructure to further refine the draft resources and training approaches, and recommendations for broader implementation across government services will be developed. I was going to ask the acting executive director whether she might add to that answer.

**Ms WALTERS:** Following a successful pilot program in the Riverland in 2017-18, Office for the Ageing partnered with public library services, Service SA and Telstra to deliver the Tech Savvy Seniors South Australian program throughout regional South Australia, providing free digital literacy training to older residents to encourage them to embrace information technology and improve their digital skills. This engaged with 2,250 people over 543 sessions.

**The Hon. S.G. WADE:** So the government is both helping older South Australians to access technology but also trying to remind state government providers that they need to ensure that their services remain accessible.

**The CHAIR:** It being 5.15pm, I declare the examination of the proposed payments for the portfolio Office for the Ageing and the estimate of payments for the Department for Health and Wellbeing completed.

At 17:15 the committee adjourned to Wednesday 26 September 2018 at 09:00.