

HOUSE OF ASSEMBLY**Tuesday 11 November 2008**

The **SPEAKER (Hon. J.J. Snelling)** took the chair at 14:02 and read prayers.

LONG SERVICE LEAVE (UNPAID LEAVE) AMENDMENT BILL

His Excellency the Governor assented to the bill.

WATER (COMMONWEALTH POWERS) BILL

His Excellency the Governor assented to the bill.

SUMMARY OFFENCES (INDECENT FILMING) AMENDMENT BILL

His Excellency the Governor assented to the bill.

MURRAY-DARLING BASIN BILL

His Excellency the Governor assented to the bill.

ANSWERS TO QUESTIONS

The SPEAKER: I direct that the following written answers to questions be distributed and printed in *Hansard*.

UNIVERSITY SCHOLARSHIPS

18 Mr HANNA (Mitchell) (30 September 2008).

1. How many scholarships has the government awarded to Carnegie Mellon University, Flinders University, the University of South Australia and the University of Adelaide for 2006-07?

2. What is the total value of these scholarships for each university?

The Hon. P. CAICA (Colton—Minister for Industrial Relations, Minister for Employment, Training and Further Education, Minister for Science and Information Economy, Minister for Youth, Minister for Volunteers): In most instances, the state government does not award scholarships directly to universities. It either contributes to or fully funds a particular scholarship scheme offered to individual students. In some circumstances, funds are provided to the universities which in turn administer a scholarship through their scholarship offices, on behalf of the SA government.

While there is no central data collection for information on government funded student scholarships, advice from individual departments has identified that more than \$1.3 million is invested per annum.

The total expenditure in 2006-07 on Carnegie Mellon scholarships awarded in 2006-07 is \$39,214.

SUPPORTED DISABILITY ACCOMMODATION

26 Mr HANNA (Mitchell) (30 September 2008).

1. Why has the government failed to announce how many people within South Australia are on the supported disability accommodation list?

2. How many people on this list are in urgent need of supported disability accommodation?

The Hon. J.M. RANKINE (Wright—Minister for Families and Communities, Minister for Northern Suburbs, Minister for Housing, Minister for Ageing, Minister for Disability): I provide the following information:

Prior to the establishment of Disability SA there were numerous supported accommodation waiting lists in use by various disability agencies.

This did not enable an accurate understanding of the total number of people waiting for supported accommodation, as many people were on more than one list, and the lists were not kept up-to-date.

Following the establishment of Disability SA, people requiring supported accommodation were re-assessed to create a single waiting list, and were assigned new priority ratings. This established a more accurate and clear picture.

When supported accommodation vacancies arise, they are allocated on the basis of priority of need and also suitability. The list is not a 'wait-in-turn' system and therefore the list will fluctuate. Numbers of people on the list will vary from day to day.

Therefore there has not been a tradition of releasing waiting list data.

As part of negotiations for a new disability agreement, states and territories have agreed to work with the commonwealth government on developing a nationally consistent approach to measuring all unmet needs, including supported accommodation.

POLICE, APY LANDS

49 Mr HANNA (Mitchell) (30 September 2008).

1. When does SAPOL expect its new facilities on the APY Lands to be completed?
2. Will the new SAPOL facilities include housing for police officers located in APY communities, as opposed to Umuwa and Murputja?
3. How many sworn officers will reside permanently in local communities on the APY Lands?

The Hon. M.J. WRIGHT (Lee—Minister for Police, Minister for Emergency Services, Minister for Recreation, Sport and Racing): The advice I have received is:

SAPOL expects the three new police stations to be completed between October and November 2009.

The new SAPOL facilities including houses for police officers will be located in the APY communities at Amata, Pukatja (Ernabella) and Mimili. These sites have been selected after extensive consultation with the communities and police.

Four uniform officers will reside permanently in the communities of Amata, Pukatja and Mimili. They will be supported by three uniform officers at Murputja, also the officer in charge (senior sergeant) of the APY Lands, one detective and two child and family violence officers, who will be positioned at Umuwa.

STORMWATER DIVERSION

145 Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (30 September 2008). What plans does the government have to divert stormwater going into the gulf from Glenelg, West Beach and other stormwater systems into wetlands for reuse, has consideration been given to reclaiming the Cheltenham racecourse site as a wetlands filtering system and has the state government applied to the federal government for funding of such infrastructure works?

The Hon. K.A. MAYWALD (Chaffey—Minister for the River Murray, Minister for Water Security): I am advised that the South Australian government supports the capture and harvesting of stormwater where it is appropriate and cost-effective to do so. The government's Water Proofing Adelaide strategy sets a goal to increase total stormwater use in the Adelaide area to 20,000 megalitres per year by 2025, which is equivalent to about 10 per cent of Adelaide's mains water use.

Wetlands are not the only means for encouraging increased use of stormwater. The rainwater tank policy for new homes, together with uptake from the rainwater tank and plumbing rebate scheme being administered by SA Water encourages increased rainwater use at the site level. Other important stormwater reuse projects include Water Proofing Northern Adelaide, which when completed is expected to reduce ocean outfall through Barker Inlet by 20,000 megalitres per year, and the Metropolitan Adelaide Stormwater Reuse project, which will harvest up to 1,000 megalitres per year.

The Water Proofing Northern Adelaide project, for which the proponents are the cities of Salisbury, Playford and Tea Tree Gully, and the Metropolitan Stormwater Reuse project, are receiving commonwealth support.

The Cheltenham racecourse site has been identified for its potential to accommodate a stormwater wetland and aquifer storage and recovery system (ASR) to harvest stormwater for

reuse. The government has indicated that it is prepared to invest up to \$5 million towards creating the open space for local people, which will include a wetlands, stormwater and aquifer storage system.

The Land Management Corporation (on behalf of government) is currently working with the City of Charles Sturt and the developer to prepare concept plans for, and undertake the design of, the wetlands and ASR system. Should the ultimate system meet the eligibility criteria for federal funding, then an application for funding would be made.

WATER MANAGEMENT STRATEGIES

156 Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (30 September 2008). What are the government's water management strategies beyond a desalination plant and water restrictions and specifically are there any plans to:

- (a) to prevent water runoff to sea;
- (b) develop a national pipeline infrastructure;
- (c) mandate water tanks and water recycling technologies in all new homes built in this state; and
- (d) promote awareness in schools and industry?

The Hon. K.A. MAYWALD (Chaffey—Minister for the River Murray, Minister for Water Security): I am advised:

Stormwater run-off

The government has established a Stormwater Management Authority. The authority will assist local councils in the preparation of stormwater management plans which incorporate value adding opportunities, such as stormwater reuse and water quality enhancements.

Developing a national pipeline infrastructure

The transporting of water from states was investigated in the Water Proofing Adelaide strategy. The infrastructure and energy requirements of these proposals are considered to be more expensive than other alternative sources of water such as desalination and recycling.

Water tanks and water recycling

South Australia leads the country in the percentage of its wastewater that is recycled. In 2006-07 nearly 30 per cent of Adelaide's wastewater was recycled. In addition new projects such as the Glenelg to Adelaide Parklands scheme, extensions to the Virginia pipeline and the Southern Urban Reuse project will further increase the proportion of wastewater recycled. SA Water is also working with developers at Lochiel Park and the Land Management Corporation to develop further third pipe systems in new developments.

The installation of rainwater tanks in new homes was made mandatory from 1 July 2006.

Promoting education in schools and industry

A new water education facility dedicated to educating South Australians about water which will be located in SA Water's new accommodation in Victoria Square.

The new water education centre will include information on our water supply network and displays for all community members from customers and school children through to water industry experts.

In addition, a new school education program is currently under development in collaboration between SA Water and the Department of Education and Children's Services (DECS).

SA Water's Business Water Saver program assists industrial and commercial customers to save water. SA Water works with businesses throughout the state to identify opportunities to reduce water consumption and minimise wastewater production.

In addition to offering education and training to industry, the Business Water Saver program also offers the following services to businesses:

- Water efficiency audits;

- Water efficiency reports;
- Monitoring; and
- Ongoing support.

PAPERS

The following papers were laid on the table:

By the Speaker—

Joint Parliamentary Service, Administration of—Report—2007-08
Kimba, District Council of—Report 2007-08—Pursuant to Section 131 of the Local Government Act 1999

By the Premier (Hon. M.D. Rann)—

Premier and Cabinet, Department of—Report 2007-08

By the Treasurer (Hon. K.O. Foley)—

Regulations under the following Act—
Public Corporations—General—Disclosure of Pecuniary Interests

By the Minister for Transport (Hon. P.F. Conlon)—

Adelaide Cemeteries Authority—Report 2007-08

By the Minister for Infrastructure (Hon. P.F. Conlon)—

Surveyors Australia, South Australia Division Inc., The Institute of—Report 2007-08

By the Minister for Health (Hon. J.D. Hill)—

Ambulance Service SA—Report 2007-08
Chiropractic and Osteopathy Board of South Australia—Report 2007-08
Occupational Therapy Board of South Australia—Report 2007-08
Physiotherapy Board of South Australia—Report 2007-08

By the Minister Assisting the Premier in the Arts (Hon. J.D. Hill)—

History Trust of South Australia—Report 2007-08

By the Minister for Environment and Conservation (Hon. J.W. Weatherill)—

Regulations under the following Acts—
Marine Parks—Establishment of Marine Parks
Native Vegetation—Exemptions

By the Minister for Families and Communities (Hon. J.M. Rankine)—

Dame Roma Mitchell Trust Fund for Children and Young People—Report 2007-08

Regulations under the following Acts—

Liquor Licensing—Dry Areas—

Beachport

Spalding

Victor Harbor

Local Council By-Laws—

City of Prospect

No.1—Permits and Penalties

No.2—Moveable Signs

No.3—Local Government Land

No.4—Roads

No.5—Dogs

No.6—Waste Management

DESALINATION PLANT

The Hon. K.A. MAYWALD (Chaffey—Minister for the River Murray, Minister for Water Security) (14:09): I seek leave to make a ministerial statement.

Leave granted.

The Hon. K.A. MAYWALD: I am pleased to advise today that the environmental impact statement for the Adelaide desalination project at Port Stanvac was provided to the Minister for Urban Development and Planning. Publication of the EIS and its supporting scientific analysis is part of the major development assessment process which ensures the highest level of environmental scrutiny available in South Australia.

The statement details key environmental aspects for consideration in the plant construction and also includes an updated cost estimate for the project, which incorporates costs of inflation and accelerating construction. The cost estimate is now \$1.374 billion. Of course, final costings will be available once the final design of the project is complete.

The EIS project by SA Water addresses all the sensitive issues associated with the project, such as the potential impact on the marine environment in Gulf St Vincent. Members of the public, government agencies, community groups and local councils will be invited to consider the EIS as part of a six-week consultation period and lodge submissions to be considered by SA Water as part of the development assessment process. This six-week public consultation period runs until Wednesday 24 December 2008, with submissions to be lodged with Planning SA by the Christmas Eve deadline.

A public meeting to be organised by Planning SA will be held on Monday 17 November at 7:30pm at the Hallett Cove Baptist Community Centre. The features of the EIS include:

- fast-tracking of the desalination plant located at Port Stanvac with a rated capacity of 150 megalitres per day (about 50 gigalitres a year, with a capacity to upgrade to 100 gigalitres a year) using reverse osmosis technology;
- intakes and outlets up to 2.5 kilometres long to draw raw seawater into the facility and disburse concentrate to the gulf;
- environmental performance objectives and criteria that underpin the design, construction and operational phases;
- the development of sound management strategies and monitoring plans to avoid, minimise and/or mitigate any potential impacts; and
- meeting the standards set by Planning SA and agencies, such as the Environment Protection Authority (EPA), in the delivery of the proposed desalination plant.

Publication of the EIS is an important stage in the design and approval process for the desalination plant. The state government and SA Water are committed to informing the community on the design and construction of this project, which will provide Adelaide with a secure supply of water that does not rely on rainfall.

SA Water is requiring its contractors to ensure that the detailed environmental performance requirements are achieved through all stages of the project. The publication of the EIS provides the community and government agencies with an opportunity to examine all the information that will assist in the design of the plant and the supporting infrastructure.

SA Water has established detailed environmental performance objectives and criteria in consultation with the EPA and other agencies to come up with the concept designed to inform modelling of the final detailed design for the project. The EIS addresses more than 100 separate environmental, social and economic issues identified by the independent Development Assessment Commission. These issues include:

- potential impacts on the marine environment;
- climate change and greenhouse gas emissions;
- effects on terrestrial and marine flora and fauna;
- construction impacts, including noise, dust, odour and vibration;
- infrastructure requirements, including the inlet and outlet pipelines;

- traffic generation and implications for the local and arterial road network;
- visual and community impacts from the proposed development;
- land contamination; and
- indigenous and non-indigenous heritage.

The views of key stakeholders—including the EPA, the Department for Environment and Heritage, the Coastal Protection Board, the DWLBC, the Fisheries Office of Primary Industries and Resources SA, the Onkaparinga and Marion councils, and the broader community—will be taken into consideration. Following the consultation period, SA Water will prepare a written response that addresses matters raised in public submissions. The EIS for the proposed desalination plants and more detail about the major development assessment can be found online at www.planning.sa.gov.au.

As part of the state government's *Four Ways to Water Security* strategy, the desalination plant is an investment for the future that will provide us with a climate independent source of water. The EIS is a critical step in the development of this major project.

QUESTION TIME

PUBLIC SECTOR EMPLOYMENT

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:15): Does the Premier stand by his public statements that there will be no public sector job cuts in response to a deterioration of the state's financial position? The Premier stated publicly on 6 November, 'There will be no consideration by cabinet of cutting back any jobs.' In the same week the Treasurer, whilst overseas, and the acting treasurer, here in Adelaide, were insisting that this option remained on the table.

The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (14:15): We know what their plans are before the next election. By the way, on the next election, we have got some breaking news. The Leader of the Opposition apparently has been telling people that all the announcements he has made, all the promises he has made and all the commitments he has made do not amount to a fig because they are not really his election promises. They are promises, but they are promises that do not count.

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: Apparently, they are non-core promises.

The SPEAKER: Order! The Premier must answer the substance of the question.

The Hon. M.D. RANN: Can I just say that last week when we got the employment figures (and all the predictions, of course, around Australia and internationally are about the economic impact of the global financial meltdown; and no-one is immune from that), what happened in this state? Unemployment went down. We have 94,000 more people in jobs than we had when you were in government, and that is the difference. I will tell members what I said last week: the government had made no consideration (because that was what was put to me) about sacking people because we have been employing 900 extra doctors, 2,800 extra nurses and record numbers of police, because this party has always been about job creation where yours has been about job destruction.

SCHOOL RETENTION RATES

Ms CICCARELLO (Norwood) (14:16): Will the Premier provide the house with an update on school retention rates, as well as the international education industry in South Australia?

The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (14:16): What a difference this government makes compared with our predecessors. We saw under the Liberals the biggest freefall in school retention this state had seen—the biggest freefall, right? So, I am delighted today to announce—

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: Because the first act of this government—

Members interjecting:

The SPEAKER: Members on my left will come to order!

The Hon. M.D. RANN: I want to praise the member for Taylor, because, when we introduced legislation, our first act in government was to raise the school-leaving age from 15 to 16 after 42 years at 15. Even Mississippi does not have it at 15. It is hard to think of places around the world that have a school-leaving age of 15. I do not know what it is in Kazakhstan and elsewhere, but the fact is that our first act in 42 years was to raise the school-leaving age. Then we went about engaging with young people through the Social Inclusion Initiative, the 'I can' networks and the work done by both the previous and present ministers for education to engage with the most disadvantaged students—those most likely to drop out of school.

I am very pleased today to announce a 13-year high in school retention in South Australia. It went down under you, and went up under us. That 13-year high is before next year's lifting of the school-leaving age for the second time to 17, when students must either be learning or earning. The Labor government remains strongly committed to ensuring that all young people are actively engaged in education or training. As we know, young people who regularly attend school have the best possible chances of future success.

Since 2002 this government has significantly invested in and worked towards senior secondary school reform in collaboration with all school sectors to give young people more relevant and flexible opportunities to learn and gain skills. This includes our 10 new Trade Schools for the Future, the new South Australian Certificate of Education and the raising of compulsory education to 17 from 2009, as well as our school retention initiatives. We are now seeing great results from our investment. I am delighted to confirm to the house that South Australia's school retention rate has reached its highest level in 13 years.

Some 75.3 per cent of students who started year 8 in state high schools in 2004 were retained in the public school system to year 12 in 2008. This is a significant improvement from the low retention rate of 67.2 per cent recorded in 1999 when the Liberals were in power. These improvements clearly show that this government is making significant progress in its commitment to improve retention of students, offering flexibility and educational opportunities. I take this opportunity to commend all schools, school leavers, school teachers and support officers who have worked hard to keep young people in school longer in order to give them a chance of reaching their full potential.

An honourable member interjecting:

The Hon. M.D. RANN: I just heard the interjection. Yesterday we made an offer amounting to about \$526 million, which would bring the vast majority of teachers over the threshold of \$75,500. One thing I can tell members is that teachers will be allowed to run our classrooms, principals will be allowed to run our schools and the Minister for Education in this state—not the union—will run the education department. I remain strongly committed to ensuring that all young people develop the skills they need to reach their full potential, because the bottom line is that the kids who complete their schooling and go onto either TAFE or university, or some other form of training—the ones who get the qualifications—are the ones who will get skills for the future.

The new figures released just last week by the ABS show that South Australia's international education industry is now worth more than \$741 million. It is now one of our biggest export earners, with increasingly large numbers of overseas students choosing Adelaide as their study destination. This new total represents a rise of 16.5 per cent over last year's figure, and this growing industry now supports more than 3,200 local jobs.

International education now ranks as this state's largest service export and the fourth largest export earner overall behind wine and alcoholic beverages, motor vehicles and copper. This year alone Adelaide will host more than 26,000 overseas students. This is an especially superb result when viewed historically. Less than a decade ago, in 1998, our international student total was 5,584. So under the Liberals there were fewer than 6,000 overseas students and under this government there are 26,000 overseas students—which is expected to rise to 28,000 next year.

Since 2002 our state's international student numbers have grown from 11,000. These noteworthy results stem from this government's commitment to grow the state's international education industry and position Adelaide as Australia's learning city.

I am delighted with those results. The state's top 10 markets for international students are now (in order): China, India (where we are putting in a huge amount of work), Malaysia, South Korea, Hong Kong, Vietnam, Japan, Singapore, Taiwan and Thailand. I have been leading a mission every year and I am pleased India is up 67 per cent—which is a massive rise. It is now No. 2, behind China.

STATE BUDGET

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:23): My question is to the Treasurer. What is the current status of state government budget revenues? The Treasurer told the house—

The Hon. P.F. Conlon interjecting:

The SPEAKER: Order! The Minister for Transport will come to order.

The Hon. M.J. Atkinson interjecting:

The SPEAKER: Order! The Attorney-General will come to order.

Mr HAMILTON-SMITH: The Treasurer told the house on 14 October that the 2008-09 budget was short \$280 million, including \$150 million in superannuation unfunded liability costs, \$100 million in lost state taxes and \$30 million in lost GST revenues. On 5 November the commonwealth government put the GST shortfall to this state at \$127 million—more than four times worse than the Treasurer's estimate. In recent weeks other states have revealed downturns in property tax revenues beyond ratios revealed so far by the Treasurer. Since 14 October, the house has also heard that superannuation unfunded liability now exceeds \$10 billion and the WorkCover unfunded liability is in excess of \$1 billion.

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:25): Firstly, on the GST revision, we have made an estimate, and when making that estimate, we put in a provision. We thought probably \$30 million. However, clearly the onslaught of the world economic crisis is hitting Australia, as it is every other part of the globe, and therefore the commonwealth has revised down its economic growth forecast for the country. In terms of GST receipts, my advice is that we will see a further deterioration of \$131.1 million for 2008-09, a \$183.8 million deterioration for 2009-10, a \$197.3 million deterioration for 2010-11, and a \$230 million deterioration for 2011-12. That is a combination of the earlier provisioning that we had made and a subsequent revision of commonwealth revenue.

What concerns me, as I have said publicly, is that it may get worse. We do not know what the final impact of the world economic crisis will be: as the contagion effect impacts on all nations, no-one is immune from it. Can I say in terms of property that we have made significant revisions down in terms of property turnover—a slight softening in value but not a noticeable softening in value at this stage. What I should say is that, indeed, our housing market relative to the nation is holding up very well, and that may well be the reason why you are seeing a more significant revision downwards in other parts of the country compared with what we are seeing here. We still have a very tight rental market.

As the Premier has just indicated, performance in our job market remains very strong. We have significant advantages in our economy that other states do not have. Of course, we have the air warfare destroyer project which is starting to accelerate early in the next calendar year and which has substantial employment positives to it. We still have a very strong manufacturing sector, notwithstanding the obvious global pressures and domestic pressures on our auto industry, but, at this stage, we still have significant commitments in the mining sector. BHP Billiton, whilst not in position yet for final board sign-off, has clearly indicated that it is all systems go in terms of its planning for the expansion of Olympic Dam. I have had discussions with Marius Kloppers, as has the Premier, and we are confident that, notwithstanding the current global crisis and a drop in commodity pricing and obviously economic impacts on China, that project, being a very long duration project, is still on track.

We have a number of other mining ventures that we believe have got their capital locked away and those projects are still continuing; and, of course our own capital spending program,

whilst it will be adjusted—and some deferments will be announced once we are in a position to do so—in general terms our economy is holding up pretty well right now. What does concern me is what we do not know, and what we do not know is what the final impact or end point will be in terms of the economic crisis facing the world which is impacting every part of the globe—and it is now China. Obviously, China is not immune from this. That is why they announced (as only China can do) a stimulus package in the order of some 7 per cent of GDP I am told—some \$850 billion (I think that is Australian dollars) of capital injections into their economy—which will, in part, hold up the economy.

If I can indulge the house, I will give a little more lengthy answer on this very issue of where we are at with the financial crisis that the world is seeing. We do need China to keep investing and we do need the American economy still purchasing from China. There is clear correlation between the consumption by people in the United States and the productive output of China and, obviously, a reduction in consumption in America has a significant impact on the level of activity in China.

Having just been overseas, I know there is no question that this is the worst financial crisis the world has seen, certainly since the Great Depression. In many ways it is a more significant crisis than the Great Depression in terms of how it relates to the banking system. The banking system in the world is now gridlocked and dysfunctional. It is being propped up by taxpayers in the United States, Europe and here in Australia. There is barely a bank in Europe that is not guaranteed by government, part owned by government or in some cases totally owned or subsidised by government. It is quite an extraordinary situation that we are facing.

Interbank lending is just a trickle. There is the phenomenon in Europe where deposits are going up in banks in Europe because banks are being guaranteed but, instead of banks then lending that money into the economy, they are transferring it overnight into the European Central Bank and are prepared to take half a percentage point cut on those funds as a safer measure than putting it out into the market. I saw an extraordinary graph, which I have in my office and am happy to share with the leader, which shows a historical timeline of how much money European banks would transfer to the European Central Bank and put on deposit. Since the Second World War the line has been level and, in the last couple of months, it has gone straight up like a sky rocket.

Ms Chapman interjecting:

The Hon. K.O. FOLEY: Sorry?

The SPEAKER: Order!

Ms Chapman interjecting:

The SPEAKER: Order! The deputy leader will come to order.

The Hon. K.O. FOLEY: I am sorry, sir, I thought members may have been interested in some—

Ms Chapman: Do a ministerial statement, but give us an answer.

The SPEAKER: Order! The deputy leader will come to order!

Ms Chapman interjecting:

The SPEAKER: The deputy leader will come to order!

The Hon. K.O. FOLEY: Mr Speaker, I actually gave the answer at the beginning when I gave the—

Ms Chapman interjecting:

The SPEAKER: Order!

The Hon. K.O. FOLEY: I gave forward estimates on GST.

Ms Chapman interjecting:

The Hon. K.O. FOLEY: What else was the question?

The SPEAKER: Order!

The Hon. K.O. FOLEY: Sir, I just thought it might have been of interest to members to pass on some comments. I apologise. I was trying to do it in a bipartisan manner.

Ms Chapman interjecting:

The Hon. K.O. FOLEY: Okay, all right. I am sorry, sir, I was trying to be helpful and taking politics out of the situation. Can I also say, for members' benefit, because it is very relevant to the question, that today Standard & Poor's has released a statement about our state. The headline reads: 'State of South Australia AAA/A-1+ ratings affirmed on low debt levels: Outlook stable'. I will read the first three paragraphs. It states:

...Standard & Poor's Rating Services today said it had affirmed its AAA long-term and A-1+ short-term local currency credit ratings on the State of South Australia, the South Australian Financing Authority, and the Local Government Finance Authority of South Australia. The outlooks on the ratings are stable.

It goes on to say:

The ratings on South Australia reflect the state's low levels of debt, adequate operating performance—and I like this bit, if I can have the indulgence of the house—the government's demonstrated fiscal discipline, and strong system of government support, said Standard & Poor's credit analyst Anna Hughes.

The stable outlook reflects our expectation that the state will maintain its commitment to implementing its savings and efficiency dividend measures, and that debt levels will remain low.

The report goes on to say, in the spirit of balance, that there are threats facing our state balance sheet and that Standard & Poor's would be looking for us to make the appropriate adjustments to ensure that we keep our ratios of financial liabilities to operating revenue within a band of between 80 per cent and 90 per cent, and that they would expect us to undertake a number of measures to ensure that occurs, and we are now working on that.

I met with Moody's when in New York and with Standard & Poor's a few weeks ago. They appreciate the fact that we keep them in the loop and keep talking to them, and they appreciate that we are in exceptional circumstances and that there are many things that are simply beyond our power—in effect, the loss on stock market earnings and a lower discount rate in terms of revaluing our unfunded liability—and they will take account of that in terms of how they assess our state.

STATE BUDGET

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:35): In light of the Treasurer's response, on what date will the promised financial statement, providing full details of our fiscal position, be made to parliament?

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:35): I have already said that it is unlikely that we can do it now for parliament. We would normally bring the mid-year review down in either late December or into January. It is my intention to bring that forward to early December and to incorporate both the Mid-Year Budget Review and an update on the financial position of the state and what we are doing to address the concerns and the expectations of rating agencies, and what we should be doing for the prudent management of our balance sheet.

The problem we have, and the reason it is being delayed, is that we are in a period of incredible volatility. You cannot make a judgment call—and it may well be that we cannot when we make a decision in December to go ahead with the mid-year review—on exactly what our unfunded liability is or exactly what money we will have to put into our unfunded liability to meet our expectations.

There is a new accounting standard, the mark-to-market assessment of liabilities, which is a very difficult accounting standard for governments and business to deal with. There has been a lot of debate and discussion occurring on whether it is unfair on governments or businesses to have to report their liabilities on a mark-to-market basis on any given day on any given week, given the volatility of the share market.

Yesterday the Australian stock market, I think, performed okay: today in early trading, I heard it was down 3 per cent. In New York you have a situation where the stock market is going up 500 to 800 basis points a day and coming back down the next day. The volatility in the market is such that it is nigh on impossible to get a proper understanding of where our liabilities are at.

The information I have received from my discussions with people in both the United Kingdom and the United States, and just to show what we are dealing with: I had a meeting with one fund manager who was confident that we were starting to see some stability in the equities market and that we should start to see some rational behaviour, and the next day I got on a plane

and by the time I got into the next airport the thing had dropped 800 points or something. Nobody knows what is happening in America.

I am hoping that by early December we will have a better feel for it. If we do not, we will go with what we have at the time. Reporting these numbers to the parliament or the public is not the issue here, it is what action we are taking to address the position, and we will be as open and forthright as we can.

AFFORDABLE HOUSING

Ms FOX (Bright) (14:38): My question is to the Minister for Housing. Can the minister update the house on the state government's latest affordable housing initiatives?

The Hon. J.M. RANKINE (Wright—Minister for Families and Communities, Minister for Northern Suburbs, Minister for Housing, Minister for Ageing, Minister for Disability) (14:38): I thank the member for Bright for her question. I have the pleasure of announcing today the state government's plan to provide land in Adelaide's north for cutting-edge builders to showcase the latest in housing innovation with homes under \$250,000. The news follows the official launch last week of the \$1.5 billion Playford Alive project, which will rejuvenate the north over the next 15 years.

I was thrilled by the community support at the launch last week, which was held on the site of the Peachey Road extension, overlooking the new super school site. It was also the site of 300 land parcels which the state government is going to fast track, so that they are available from March, to take advantage of the federal government's first homeowner's grant.

I am pleased to announce today that the Land Management Corporation has issued tenders for builders to develop more than two dozen affordable demonstration homes in two parcels of land: one at Andrews Farm and the other at Smithfield Plains. The first project at Andrews Farm is expected to deliver a range of options, from one-bedroom mews properties for around \$135,000, through to three-bedroom courtyard homes for \$250,000. This is the state government really saying to the industry, 'Tell us what you can bring to the table.' We know there has never been a greater need to find more affordable ways of providing housing—

Ms Chapman interjecting:

The Hon. J.M. RANKINE: It is an interesting comment that the member for Bragg makes around the sale of Housing Trust homes.

Ms Chapman interjecting:

The SPEAKER: The deputy leader will come to order!

The Hon. J.M. RANKINE: Over 11,000 sold by your government; over 11,000.

Ms Chapman interjecting:

The SPEAKER: The deputy leader is warned!

The Hon. J.M. RANKINE: Do you want me to go through some of the other figures? There has never been a greater need to find more affordable ways of providing housing, and it will be exciting to see how the industry responds to this challenge. I believe this innovative concept will raise the bar, providing home buyers with fresh and interesting ideas at affordable prices. It will create new homes for families to settle in this growing area as well as providing a model for the development of quality homes across the project area. Each home will conform to the Land Management Corporation's environmental sustainability benchmarks, and the houses will be sold through the Affordable Homes Program's Property Locator website.

In relation to the second project, LMC, on behalf of Housing SA, is seeking proposals to develop a minimum of 11 affordable homes on the parcel of land at Smithfield Plains. This is great news for the northern suburbs; it is great news for those seeking their first home, or those needing to re-enter the housing market; and it is a great opportunity for builders to develop innovative housing products which reflect the changing needs of our community.

Ms Chapman interjecting:

The Hon. J.M. RANKINE: You sold 11,000.

MARJORIE JACKSON-NELSON HOSPITAL

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:42): My question is to the Treasurer. Does it remain the firm promise of the government that its proposed Marjorie Jackson-Nelson Hospital will be a public-private partnership?

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:42): I stand to be corrected—the Minister for Health may help me here—but I think I have been consistently on the record as saying that our preferred method of delivery for the Marjorie Jackson-Nelson Hospital is a PPP, provided, of course, that it meets the public benefit test—the public sector comparator—and it is the best way of delivering the hospital.

I guess I can take that question a bit further. What the member is probably alluding to is the current financial crisis we are in. Is that going to make it harder to get PPPs away or not? The answer is yes, it will. There is no question that what has developed in recent months is a capital drought. It is reported widely; it is not a new fact or revelation. The banks of the world today are not lending, and it is very difficult for people to get access to sizeable links of capital. We now have before the government the PPPs for the schools projects. The last advice that I had is that all the bids that we have in have met the public sector comparator; that is, they offer value for money and finance is available.

The Marjorie Jackson-Nelson Hospital will go to tender with a letting of contracts, I think, from memory—I stand to be corrected—some time during the calendar year 2010. One would hope that, by the calendar year 2010, there is a restoration of normality in the world's financial markets and that a PPP will get away just nicely. If we do not have a return to normality in the world capital and equity markets by the calendar year 2010, we will then be dealing with a whole different environment than we are today, and whether or not you can get PPPs away or not will be the least of our problems if this thing goes on for another two years.

As we have always said, the issue is not, in the view of the government, whether or not the Marjorie Jackson-Nelson or any project is a PPP. The core decision of this government is to build a brand new hospital: the largest, most modern and sophisticated, providing the best quality of health care anywhere in Australia, arguably, anywhere in the world. The method by which we deliver it is simply a matter for governments in terms of ensuring we do it in the most financially affordable and appropriate way. We think that will be a PPP. If market conditions are such that it is not, then we can do a direct procurement because ultimately it does not make a significant difference at all to the balance sheet of government because PPPs are counted as on-balance sheet. It is about the delivery model. You do not sign up for PPPs as the be all and end all; they have to give value for money, they have to be the most affordable way to do it. I do not think we have ever said anything different.

MARJORIE JACKSON-NELSON HOSPITAL

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:46): I have a supplementary question, again, to the Treasurer. Has the dollar figure for the initial public sector comparator for the government-funded build of the Marjorie Jackson-Nelson Hospital been fully determined and has that comparator been revised?

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:46): I will get a specific answer for the leader on that. I am not exactly certain of the answer to that. I saw some comments in the paper just recently referring to what the final number will be, but we are still scoping the project. The government has put an initial estimate to the parliament and into our budget; that was based upon an assessment of what the hospital would cost with a significant contingency for cost overrun for increased scope and a prudential margin, as we would for all these projects.

I am not aware specifically of any variation in that except to say that when you are scoping a very large hospital, it is a constant battle between—and I think I am fair in saying this—what the medicos may want in their hospital and what we, as a government, think is an appropriate level of service. So, that challenge and scoping work happens whether it is a PPP or a government-owned build. I will get an answer for the leader to the extent that I am able and to the extent to which it is prudent that we make that information available publicly, because we are going into a sensitive set of negotiations.

Ms Chapman interjecting:

The SPEAKER: Order, the deputy leader!

The Hon. K.O. FOLEY: Anyway, I am trying to answer the question as fairly as I can. The hospital planning is going along quite nicely, as we have said, and once we have fully scoped the project and we are able to get all these things bolted down, then we will know exactly what the public sector comparator will be. You cannot compare something until you have decided the exact shape and nature of the hospital, and that is what we are doing right now.

MARJORIE JACKSON-NELSON HOSPITAL

Mr GRIFFITHS (Goyder) (14:48): My question is to the Treasurer and it leads on from his recent answer. Is there an estimated change to the cost of the Marjorie Jackson-Nelson Hospital as a result of the higher returns now demanded by public-private partnership consortia? ABN AMRO's head of finance, Mr John Martin, said publicly yesterday that global infrastructure investors expect a much higher rate of return—in the vicinity of 15 per cent to 20 per cent compared to about 12 per cent a year ago.

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:48): I think I have just said that. You have two factors. One is that just getting the capital was going to be a challenge. As I said, one would hope that by 2010 it is not a challenge and, if it is still a challenge in 2010, the least of our worries will be whether or not this is a PPP or a direct build. We will have a lot of other budgetary and financial issues to try to grapple with. But it is not surprising that the private investors will want a higher return for the risk involved in borrowing capital and investing capital in these projects.

One of the factors of a financial crisis is that the cost of risk has risen, that people perhaps are now more appropriately pricing risk and what they expect to get as a return. One of the reasons that we have what we have in the world today is that there was no appreciation of what risk was. There was no proper pricing of risk. There was no understanding of risk and people did not care about risk. They just belted money out by the shovel load to people, packaged them up into derivatives; those derivatives were then on-sold to unsuspecting, gullible or naive retail investors, and many of these transactions were off-balance sheet from the finance companies involved. The number given was as much as \$US40 trillion of derivatives on the back of shoddy and shonky, unsustainable and unsupported loans put out into the market primarily by US lenders, but certainly by some European lenders.

It comes back to the PPP. The delivery for a piece of public infrastructure by a PPP is not the issue; it is not the be all and end all. The decision to build a new piece of capital works is the primary issue and, having done that, one way you would deliver these projects is through a PPP, and there are a lot of pluses as to why you would do a PPP. But, if circumstances change, and the availability and cost of capital and the risk premium that people want to apply to these transactions increases, making it more expensive than doing a direct government procurement, you would do a direct government procurement.

Mr Hamilton-Smith: Well, tell him, because he is saying—

The SPEAKER: Order! The Leader of the Opposition will come to order.

The Hon. K.O. FOLEY: It is not rocket science. We will do what is the best delivery model based on fair value and value for money for taxpayers. That is exactly what your government did when it initially embarked on the project to build court houses and police stations. In the embryonic stage, the Minister for Infrastructure took carriage of that project, but you wrote the guidelines. The guidelines were that you do a PPP and sign up to a PPP, provided that it meets—or betters, at least—the public sector comparator, otherwise why would you do it? That will be the same with the hospital, it will be the same with the prisons, and it is the case with the schools.

MARJORIE JACKSON-NELSON HOSPITAL

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (14:52): My question is to the Minister for Health. Has the budget for the Marjorie Jackson-Nelson Hospital been reduced by \$300 million? Last week, it was announced that the site of the proposed hospital had shrunk by 30,000 square metres—from 170,000 square metres down to 140,000 square metres. The opposition was informed during a briefing provided by the minister's office that the costing of the hospital originally had been loosely based on a cost of \$10,000 per square metre.

The Hon. J.D. HILL (Kaurua—Minister for Health, Minister for the Southern Suburbs, Minister Assisting the Premier in the Arts) (14:52): The state government, as everybody knows, is building a state-of-the-art hospital, the Marjorie Jackson-Nelson. The project will produce a hospital for South Australians, providing the very best in patient care, in a brand new facility. The hospital will be planned based on advice on what we need from our clinicians and international architectural teams.

Our current planning is for the total hospital footprint to be more than 250,000 square metres, including over 150,000 square metres for key clinical spaces. It will have 20 per cent more beds than the 150 year old Royal Adelaide Hospital, and it will be more than 12 times the size of AAMI Stadium. I think that is an interesting comparison, because the opposition was planning to put a stadium on the site until just this week. We are going to build a hospital more than 12 times the size of AAMI Stadium on that site.

In every possible way, the new hospital will be superior to the more expensive and time-consuming proposal to redevelop the sprawling patchwork of buildings at the Royal Adelaide Hospital. The Marjorie Jackson-Nelson Hospital—

Members interjecting:

The SPEAKER: Order!

The Hon. J.D. HILL: —will completely replace the Royal Adelaide Hospital. Much of the Royal Adelaide Hospital was built during the 50s and 60s, and I would say to anyone who has not been around there lately that it really shows its age.

The Marjorie Jackson-Nelson Hospital will offer more services than the Royal Adelaide Hospital in a purpose-built facility. The Marjorie Jackson-Nelson Hospital will be a major tertiary hospital, containing statewide services, such as burns, major trauma, radiation oncology and renal transplantation. The Marjorie Jackson-Nelson Hospital will have more beds—800 beds compared to the 680 beds at the Royal Adelaide at the moment.

The Marjorie Jackson-Nelson Hospital will be able to provide help to thousands more emergency patients every year. The new hospital will produce half the amount of greenhouse gas emissions compared to the Royal Adelaide, and it will use renewable energy. Most importantly, this brand new hospital will be built from scratch, with the needs and comfort of patients at the heart of the design. The majority of patient rooms will be single rooms with ensuites and views, we hope, of the river. That is 700 or so single rooms with ensuites. That is a far cry from the up to six-bed wards with patients sharing a bathroom at the Royal Adelaide Hospital.

If you were to reconfigure the Royal Adelaide Hospital there is no way you could create 700 or so single rooms with their own bathrooms. You just could not do that with the best will in the world—you would end up with shared wards and shared bathrooms. The single rooms in the new hospital will be bigger than those at the Royal Adelaide Hospital, allowing additional treatment to be carried out in the rooms rather than patients being moved around the hospital.

These important specifications are detailed in the 'model of care' document for the new hospital which was released today. The 'model of care' is a key part of the very important planning process for the development of the Marjorie Jackson-Nelson Hospital. The document is the product of 18 months work.

Ms Chapman interjecting:

The SPEAKER: Order! The Deputy Leader of the Opposition is warned a second time.

The Hon. J.D. HILL: Excellent! The document is the product of 18 months work with leading doctors, nurses and other allied health workers from the Royal Adelaide and the Queen Elizabeth hospitals. Up to 400 doctors and another 100 nurses and allied health staff have been involved in the numerous work groups who have developed this document—400 doctors plus 100 or so nurses and allied health workers. I pay tribute to them and thank them very much for their excited involvement in this project. It has also been approved by the state's Clinical Senate, which is the place where the leading health workers—doctors, nurses and allied health workers—come together.

The document provides to the private sector a strong vision of what the Marjorie Jackson-Nelson Hospital should look like and how it will focus on patient needs and care. This is the next step towards the construction of Australia's best hospital, the hospital that South Australians deserve. Can I say, directly answering the question, that the scope of the hospital is as I have

described. It will have 800 beds and it will have more operating theatres. It will have all the things we require in the hospital. We have asked the planners to design it in the most efficient way they have, and if that happens to be a little smaller than our original estimate I think that is a cause for celebration rather than anything else. I commend the report I have published today to members of the house, and I encourage them to read through it to get an idea of how exciting this project is.

SUPER SCHOOLS

Mr PISONI (Unley) (14:58): My question is to the Treasurer. Will the government's super school project still proceed as a PPP, and, if not, how will the project be funded? The government's media release of 24 April 2008 indicated that three short-listed consortia would present their detailed proposals to the government in September 2008. These three consortia are backed by debt and equity vehicles Babcock & Brown, Deutsche Bank and ABN AMRO, the market values of which have declined 97 per cent, 72 per cent and 48 per cent respectively since 30 June 2007.

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:58): Clearly, the opposition is either not listening or clever enough to realise that I answered that about two or three questions ago when I said that we have all three bids in. My advice is that all three bids better the public sector comparator and that they have advised government they are able to access debt capital and equity. I said that half an hour ago. Maybe you should listen, member for Unley, a bit more closely and you would not make an idiot of yourself by asking a question that has already been answered.

Clearly, the access of capital and the availability of capital is changing on a daily basis. Before we award those contracts we will want reconfirmation that capital is available. That project is on track, it is a good project and our kids will be very well rewarded by having the best schooling facilities available anywhere in Australia.

MARJORIE JACKSON-NELSON HOSPITAL

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (14:59): My question is to the Premier. When will the contract be signed for the Marjorie Jackson-Nelson Hospital? The government's document for the Marjorie Jackson-Nelson Hospital states that the contract will be signed in early 2010, but last week the Minister for Health said publicly that the contract was unlikely to be signed before March 2010.

The Hon. P.F. Conlon interjecting:

The SPEAKER: Order! The Minister for Transport will come to order.

Members interjecting:

The SPEAKER: Order! The house will come to order.

The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (15:00): When I was leader of the opposition, if I had come out and said that all the announcements I have made up to now are null and void because we cannot cost them—here's the quote—

Ms CHAPMAN: I have a point of order, sir. The question was when will the contract be signed. It has nothing to do with the Leader of the Opposition.

The Hon. P.F. Conlon interjecting:

The SPEAKER: Order, the Minister for Transport!

Members interjecting:

The SPEAKER: Order! We have had a very good question time. My blood pressure is doing very well and I do not want to spoil it with only 14 minutes to go.

The Hon. P.F. Conlon interjecting:

The SPEAKER: The Minister for Transport will come to order while the Speaker is on his feet. In addressing the deputy leader's point of order, I am not sure what the Premier is about to say, but it must relate to the substance of the question, which is the signing date of the contract for the Marjorie Jackson-Nelson Hospital.

The Hon. M.D. RANN: Thank you, sir. It is by way of comparison. The difference is that we stand by our commitments in relation to the Marjorie Jackson-Nelson Hospital.

Ms CHAPMAN: I have a point of order, sir. This is clearly an attempt by the Premier to defy your position on the answer in relation to the date when the contract will be signed. It is not a comparison. We have not proposed a Marjorie Jackson-Nelson Hospital.

The SPEAKER: Order! I am not in a position to rule on it until I know what the Premier says.

The Hon. M.D. RANN: It is extremely difficult for someone as sensitive as me to answer the question in the way in which you want me to answer it. I know you want me to answer in a simple way and I understand why. You keep talking over the top of me, even though you have been warned twice. I make the pledge today—so let the word go forth from this time and place—that we will sign the contract in 2010. The Leader of the Opposition on ABC Radio was asked by David Bevan, 'Do you agree that you are going to have to go back and revisit each of the promises you have made while you have been leader?' Hamilton-Smith said, 'Absolutely, Matt.' He got the wrong guy. He continued, 'There is no question about that. It's that we haven't made election promises yet. We will do that in March 2010.'

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: I can understand why the Leader of the Opposition is turning red.

Mrs REDMOND: I have a point of order, sir.

The SPEAKER: Order! The Premier will take his seat.

Mrs REDMOND: Sir, you have already ruled that the Premier's answer had to be specifically on the point of the question and, thus far, nothing he has said has gone anywhere near the question.

Members interjecting:

The SPEAKER: Order! I uphold the point of order.

GLOBAL FINANCIAL CRISIS

Mr GRIFFITHS (Goyder) (15:04): My question is to the Treasurer. Are we or are we not seeing the collapse of the global banking systems? On 10 November the Treasurer publicly said, 'We are seeing the collapse of the banking systems.' When questioned further about the statement, the Treasurer said, 'I have not said that.'

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (15:04): Could you repeat that?

Members interjecting:

The SPEAKER: Order! Could the member for Goyder repeat the question? If members on my right are quiet, the Treasurer might have a better chance of hearing it.

Mr GRIFFITHS: Are we or are we not seeing the collapse of the global banking systems? On 10 November the Treasurer publicly said, 'We are seeing the collapse of the banking systems.' When questioned further about the statement, the Treasurer said, 'I did not say that.'

The Hon. K.O. FOLEY: I do not know what planet the member for Goyder has been living on over the past few months, but we have seen the collapse of the world banking system, and what that has necessitated is the most extraordinary intervention by governments globally the world has ever seen. It started with Bear Stearns. The US government decided not to bail out Lehman—and it will be interesting over history to see whether or not that was a good or bad judgment call—but that bank collapsed. We have seen—

Mrs Redmond interjecting:

The Hon. K.O. FOLEY: We have seen—

Mrs Redmond: No response.

The Hon. K.O. FOLEY: What point are you making?

The SPEAKER: Order! If the member for Heysen has a question, I am more than happy to give her the call.

The Hon. K.O. FOLEY: The mortgage houses of Fanny Mae and Freddy Mac have been saved by government. I think Washington Mutual—did that go through or was that saved, I cannot recall now? Merrill Lynch has gone. In the United Kingdom, you have seen forced mergers between Lloyds and the HBOS, from memory. You have seen—

The Hon. M.D. Rann: The Royal Bank of Scotland.

The Hon. K.O. FOLEY: The Royal Bank of Scotland. I think there have actually been some collapses of banks in Germany. Look at Iceland: I mean, Russia bought Iceland. What is occurring is the collapse of the world banking system that has provided and necessitated national sovereign governments to step in and to prop up these banks. In fact, at one of the meetings I had in London, a very senior finance executive made this observation: in Europe, or certainly in the United Kingdom, banks that were once commercial-for-profit enterprises were now not that, they were simply there providing a social service propped up by government.

We actually need to lend and borrow money for a society and an economy to function. We need to house our people; they need to borrow money. You have to have finance available as a social service. If the government chose not to prop up these banks anywhere around the world, the system would have not only collapsed but it would be beyond recognition. In Australia, we have also had the extraordinary intervention by our national government—and appropriately so—to underwrite and to guarantee our banking system. If that is not the collapse of the banking system, I am not sure what is.

HOMESTART FINANCE

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (15:08): My question is to the Treasurer. Will the Reserve Bank interest rate cut be passed on to HomeStart Finance customers and when will HomeStart provide advice on the rate cut to its customers? HomeStart Finance customers have advised the opposition that they had to wait 20 days after the Reserve Bank October rate cut for a HomeStart statement on which their new payments would be applicable. These complaints have resurfaced with the November rate cut, with HomeStart customers again unsure of their repayments. After the October and November rate cuts, the four big Australian banks announced their new interest rates within a day. HomeStart is the government's entity that provides home loans to low income earners.

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (15:08): I do not have that answer here. I will get that answer for the member. The issue is: when was the information provided to customers and when is the actual effective date of the interest rate cut? I would assume (and I would hope) that HomeStart would be passing on that cut at the earliest opportunity, but, bearing in mind, of course, that HomeStart's balance sheet is supported by government and its borrowings are supported by government, I would assume that they would have passed on the full rate of the cut, but I will get that information.

WORKCOVER CORPORATION

Dr McFETRIDGE (Morphett) (15:09): My question is to the Minister for Industrial Relations. Has the government received advice on the length of time the work capacity test will take to have an effect on the unfunded liability of WorkCover? If so, when was this advice received; from whom was it received; and what is the advice the government received?

The Hon. P.F. Conlon interjecting:

The SPEAKER: Order! The Minister for Transport will come to order. The Minister for Industrial Relations.

The Hon. P. CAICA (Colton—Minister for Industrial Relations, Minister for Employment, Training and Further Education, Minister for Science and Information Economy, Minister for Youth, Minister for Volunteers) (15:10): Thank you, sir, and I thank the honourable member for his question. I think I understand the thrust of the question this time, that is, when will we see the effects of the legislative changes with respect to, amongst other things, how the WorkCover Corporation is operating? I would say there is still some time before we see the full effect of that.

I also mention, for the benefit of the member and the house, that we have a briefing at 3.30 this afternoon. I have organised WorkCover officials to be there to brief the honourable member, and that, and many other questions, will be able to be asked at that time.

POLICE NUMBERS, CRIME STATISTICS

Mr PICCOLO (Light) (15:10): My question is to the Minister for Police. Can the minister advise the house if the government's tough stance on crime and the recruitment of more than 443 extra full-time equivalent police officers since 2002 is having an effect on detecting and deterring crime?

The Hon. M.J. WRIGHT (Lee—Minister for Police, Minister for Emergency Services, Minister for Recreation, Sport and Racing) (15:11): I can announce that SAPOL's new statistics show that police, through proactive policing, are uncovering more public order offences such as drink driving, offensive and disorderly behaviour, loitering and drug offences. The detection of public order offences, through proactive policing, is extremely important as it can prevent the escalation of relatively low level offences to more violent and serious crimes. Unlike offences against the person and property, public order offences rarely have an identified victim; rather, detection relies almost entirely on police acting on their own initiative.

I am advised that, since coming to government in 2002, the biggest increases have been in the areas of: disorderly or offensive behaviour, with a detection rate increase of 26.5 per cent; drink driving, with a 56.6 per cent increase in detection; and other offences such as trespass, prostitution and loitering, of which police have increased detection by approximately 27 per cent.

We as a government are extremely proud of these figures. They are a clear indication that the additional resources we have provided are enabling police to hold to account those who commit such offences. We have taken the hard line on drug drivers, drunk drivers, hoon drivers and those who drive at excessive speeds or just plain irresponsibly. We have implemented changes to ensure immediate loss of licence for driving with a blood alcohol level of 0.08 or more. This has acted as a significant deterrent, yet still some people continue to drink and drive. The police have done an exceptional job of targeting these people. Last year, SAPOL conducted 39,000 more random breath tests than in 2006-07 and, as police conduct more breath tests, more drink drivers are detected.

It is clear the Rann government's commitment to increased police numbers is paying dividends. More police, more police stations, better resources, modern policing practices and tougher laws are making South Australia a safer place to live and raise a family. The year 2007-08 also brought a significant fall in overall victim-reported crime. The statistics show overall victim-reported crime in South Australia fell by 8 per cent. This follows falls of 7.2 per cent in 2003-04, 6.6 per cent in 2004-05 and 5.8 per cent in 2005-06. This represents over 55,000, or 26.8 per cent, fewer offences in South Australia since 2001-02.

South Australians can feel much safer than they did six years ago because they are less likely to become a victim. There are more police on the beat in South Australia than ever before, and we will keep recruiting so that by mid-2010 there will be 700 more police than in March 2002. The latest SAPOL data shows how far we have come since the days of the former Liberal government. In 1997 I am advised that the Liberals allowed police numbers to fall to an appalling low of 3,410. Crime rose by a staggering 31 per cent, the incidence of murder, serious assault and minor assault went up, and there were more burglaries. Theft from motor vehicles rose by an amazing 95.6 per cent.

The Liberal opposition simply has no credibility on law and order. It cut police numbers, shut stations and drove crime rates up during its term in office. The Rann Labor government will continue to work to make South Australia an even safer community.

REMEMBRANCE DAY

The Hon. M.J. ATKINSON (Croydon—Attorney-General, Minister for Justice, Minister for Multicultural Affairs, Minister for Veterans' Affairs) (15:15): I seek leave to make a ministerial statement.

Leave granted.

The Hon. M.J. ATKINSON: I rise to acknowledge this important date on our calendar. Today is Remembrance Day, the day we pause to commemorate the sacrifice of the members of

our armed forces and civilians lost in all conflicts in which Australia has participated. We particularly remember those with no known grave.

On the 11th hour of the 11th day of the 11th month in 1918 the guns fell silent. The allies had forced the invading German army back and the Germans had called for a suspension of fighting. Armistice was declared and the four years of tragedy, unredeemed slaughter and inexcusable folly that could describe the Great War were over. This war had seen the mobilisation of more than 70 million people and left between 9 million and 13 million dead, with as many as one-third with no known grave.

On 7 November 1919, King George V declared this day, and it has been observed throughout the commonwealth and in France, Belgium, Germany, Ireland and the United States ever since. Initially known as Armistice Day, it was renamed Remembrance Day after World War II to commemorate those killed in both world wars. The prominence of Remembrance Day increased in 1997 when it was proclaimed as a day to remember the sacrifice of those who have died for Australia in all wars and conflicts.

The price paid by Australia in the Great War was particularly high. Of our population of five million, 400,000 young men volunteered for service and 300,000 served overseas. Sixty thousand Australians died and more than 156,000 were wounded or taken prisoner. This reflects a casualty rate of two-thirds, which is one of the highest of any nation.

I noted earlier that on Remembrance Day we particularly remember those lost with no known grave. That is particularly relevant this year to those lost in the battle of Fromelles on 19 and 20 July 1916. The Battle of Fromelles was the first time the 1st AIF saw action on the Western Front, and it ended in tragedy. There were 5,533 Australians killed, wounded or taken prisoner in an action described by the Australian War Memorial at the time as 'the worst 24 hours in Australia's entire history'. Of those killed, 1,335 could not be accounted for.

For over 90 years nearly 200 of those killed lay unknown in a mass grave at nearby Pheasant Wood. This year that grave was discovered and yesterday our Governor-General attended a ceremony at the site for the first time. Her Excellency was moved to tears as she spoke of the finest of human values: courage. She later visited a memorial erected at nearby Cobbers Corner. This site was once in the heart of no man's land, and it was where Australians became known for their daring as they crossed the wire each night to risk their lives scouring the battlefields for their wounded mates.

Each of these incidents—the discovery at Pheasant Wood and the conduct of our soldiers at Cobbers Corner—reinforces characteristics that we as Australians hold dear: courage and our code that we will never run out on our mates.

At home, the Great War had a huge social impact. Unlike many of our allies, Australia did not conscript its soldiers. Two referenda were held on conscription and they bitterly divided us. Both were narrowly defeated, with the prevailing view appearing to be that Australians should not be legally obliged to offer their lives for their country overseas, that they should do so as volunteers.

Well, young men did volunteer and they ensured that we passed our first test as a nation. The challenges they faced were mighty and should be familiar to us all. Anzac Cove in 1915 was the first, but from there it was to the Western Front, to Fromelles, Pozieres, winter in the Somme, followed by more battles and casualties. Ypres, Villers-Bretonneux, Bullecourt, Amiens, Passchendale and the Hindenburg Line all followed bringing their own brand of horror.

The cost was high and can be easily seen by anyone who pauses at any of the memorials that dot our countryside. They are the roll-calls of the dead, each inscribed with the names of brave young men who did not return. In some cases, two or three from the same family were lost. Scythe-like, the war cut down the very best of their generation and caused grief to those left behind. It refashioned Australia and what we held important.

Today we also remember those who followed the first AIF—the young men and women who little more than 20 years later volunteered for service in World War II. They served in precisely the same tradition as their predecessors. They went overseas to serve in Europe, North Africa, the Middle East and South-East Asia. They remained equal to the task even when the war reached our very shores and Australians were dying on Australian soil. Like the generation before them, these gallant men and women eventually prevailed.

We also remember subsequent generations who have taken the torch and held it high as they served with distinction in Korea, Malaya, Borneo, Vietnam, Iraq, and many other areas of conflict and on peacekeeping missions in our name. They continue to serve today, and we particularly remember those who are currently on operational service, especially those on active service in Afghanistan.

Remembrance Day is the day that we honour a pledge that has lasted almost a century: to remember the 100,000 soldiers, sailors and airmen and women who have been lost at war defending us and our way of life. Their sacrifice was selfless, their courage inspirational, their independence admired, their compassion applauded. Most of all, their unswerving loyalty to their mates was unquestioned, not for an instant. Today we remember and give thanks to them all. Lest we forget.

COPPER COAST DISTRICT COUNCIL

The Hon. J.M. RANKINE (Wright—Minister for Families and Communities, Minister for Northern Suburbs, Minister for Housing, Minister for Ageing, Minister for Disability) (15:22): I table a ministerial statement made in another place by the Hon. Gail Gago.

GRIEVANCE DEBATE

KERIN, HON. R.G.

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (15:23): On this day, 11 November, the member for Frome, the Hon. Rob Kerin, our friend and colleague, announced his retirement from parliament. I rise to pay tribute to Rob on behalf of the Parliamentary Liberal Party and also on behalf of the people of Frome, whom he represents, and all South Australians.

Members may recall that Rob came into the house as member for Frome in 1993 and had a fairly meteoric rise. It is not a mean feat to be promoted into cabinet in your first term. He became minister for primary industries from 1995 to 1997; minister assisting for regional development and small business in 1996 to 1997; minister for primary industries, minerals and energy, regional development from 1997 to 1999; member of Executive Council; and deputy premier in 1998—within four years of arriving here. From 1999 to 2000 he was minister for primary Industries, mineral and energy and regional development, and went on from 2000 through to 2002 in that role, as well as being state development minister and minister for tourism for a good period.

Rob then became premier in October 2001 and served well and did an outstanding job in the 2002 election of actually winning that election, only to find that election victory taken away by circumstances that are well-known to us all. He then served during a very difficult period as leader of the opposition from 2002 to 2006—an experience I hope members opposite get to enjoy in the near future.

Were it not for Rob Kerin, South Australia would look very different today. The Food for the Future program that Rob championed in government saw an increase in the value of South Australia's exports from \$6.5 billion in 1996-97 to \$9.1 billion by 2001-02—an achievement to which they have only just returned in recent times, having fallen into a hole when government changed in 2002. Rob lobbied Canberra and achieved the rehabilitation of the Loxton irrigation area from channels to pipes. He negotiated and commenced the rehabilitation of the Lower Murray swamps, and he was there for a range of decisions on water from the River Murray through to wastewater, recycling through to a raft of other initiatives, including stormwater initiatives.

He also set up Bio Innovation SA and established the Thebarton Bioscience Precinct. It would not be there today were it not for Rob Kerin. Rob understood the importance of innovation, science and bioinnovation, in particular, to the future of the state. Were it not for Rob, the Australian Centre for Plant Functional Genomics at the Waite campus of the University of Adelaide would not be there. We also would not have seen the introduction of the Regional Development Infrastructure Fund which was successful in starting many businesses in regional areas. It is unlikely that the expansion in the meat processing industry would have occurred. The Gepps Cross abattoir would not have been relocated to new livestock markets at Dublin.

Aquaculture would not be where it is today and the Beverley uranium mine may not have been initiated. Rob helped ensure that the Moomba Basin was opened up for competitive exploration. He convinced cabinet of the need to build the SEAGas pipeline. He restructured fisheries and increased exports. He was involved in aeromagnetic surveys to map mining prospectivity across the state which set the ground work for the mining exploration we see today.

There are so many things that Rob has achieved, not the least of which was the commissioning of the Mullighan inquiry for which many South Australians should be thankful. Rob has been a fantastic mate and colleague to all of us on this side of the house and many opposite. He is a champion of the Liberal Party, a former premier and a former leader of whom we are all very proud and towards whom all South Australians, from my experience—and I am sure it is shared by all in the house—feel affection. They are genuinely fond of Rob.

Rob is one of those MPs who stepped forward from the community to answer the challenge of representing people in this place. It is not an easy job. It takes its toll on members and their families and it is a very difficult undertaking. He has done it with aplomb. We thank you, Rob, and we are very proud to have served with you. We wish you well in the future.

Honourable members: Hear, hear!

SUDANESE REFUGEE PROJECT

Ms CICCARELLO (Norwood) (15:29): I would also like to add my sentiments to those of the Leader of the Opposition about the contribution that the Hon. Rob Kerin has made to this parliament, and I will certainly miss the exchanges that Rob and I have secretly across the chamber.

Too often it is easy to be cynical in a world where compassion and tolerance do not easily fit into the all too prevalent pursuit of individual wealth and success, often at the expense of others. Therefore, I am delighted to talk today about a school, a teacher and a group of fantastic young men who have turned that viewpoint on its head. Through their time, work, money and selfless commitment, they have made a dream come true for a community that could not be further apart from them in the realities of life.

As part of the Future Problem Solving educational initiative, Francesca Peel and her class of St Peter's College 7P students embarked upon a mission to do everything they could to help Sudanese refugees who had fled their homeland and were now living in South Australia. The plan of action, which began in 2007 and continued this year, was simple: to make life a little easier for the Dinka Bor community with the ultimate goal being to raise enough money to buy them a small bus so that they had necessary access to transport.

The first step on this path was the combined community barbecue, where boys from the entire junior school brought in donations of sporting equipment, clothes, shoes, bikes and other household items. This initial success then launched two years of social activities, community get-togethers and anything that could fill the project coffers with funds.

The first big fundraising event was the 2007 Refugee Day held at Saints, where \$2,864 was raised with activities, including casual clothes, snack-attack recess, a barbecue lunch, raffles and competitions. Many more fundraising efforts followed, the biggest being a further Refugee Day this year which raised over \$3,000, and a quiz night which raised over \$10,000.

Importantly, the smaller efforts also kept the money pouring in. From donation tins and hot chocolate at recess to donations from the St Peter's student and parent body—not to mention \$3,000 allocated from the college's Charities Fund—the prospects of buying a bus look good. This was even after outlaying funds for trips to the zoo, purchasing a table tennis table and equipment, funding a \$2,000 micro-financing account and sponsoring Kur (a Dinka Bor leader and refugee aide) to acquire a bus driver's licence.

However, while funds are important, it is fantastic that people reached out in other ways. For instance, Norwood State Swim donated a Learn to Swim campaign for 18 of the children; the Magdalene Centre, which provided a room for the community on Fridays, is now setting aside an exclusive area as an African refugee drop-in centre; John Brinkman and Associates audited the books of the Dinka Bor Association for free; Mrs Leon Rulfs, a former parent of the school, volunteered her time to begin language lessons at the centre; Mrs Julia Graham, a nutritionist, volunteered her time to provide information sessions at the centre; and Mrs Ellen Freeman, who has a grandson at Saints, provided free drama lessons to the Nile Boys, a group of young Sudanese men.

I am delighted that Saints have agreed to award at least one scholarship for 2009 to a member of the Dinka Bor community. Unfortunately, time limits me in mentioning everyone who has assisted the boys with their project, but I give my heartfelt thanks to them all. With this assistance and selfless commitment to the cause, the end result—though by no means inevitable—

was a cause of great celebration. Saints now had enough funds to realise their dream of providing the Dinka Bor community with a means of accessible transport.

I was honoured to be a part of the ceremony at the college recently, when Francesca and her team of young men officially presented the Dinka Bor community with a small commuter bus. I was very moved by the spirit of unity and cooperation that was clearly evident in the faces of everyone present, and to see the joyous singing and dancing of the Sudanese women in their national dress in thanks for what they had been given was a moment to remember.

Though great results have already been achieved, I am reliably informed that continuing efforts to assist the Dinka Bor community will remain undimmed. Francesca has visited my office many times over the past few months to keep me informed of her, and her team's, activities and, for my part, I will be working very hard to assist the Dinka Bor community in their new efforts to secure government funding for new office equipment and the hire of a hall for social functions.

I am extremely proud to have St Peter's College in my electorate, and I give my sincere congratulations to Francesca and her 7P classes from 2007 to 2008. I would also like to give a special mention to those who are now in year 8 and still actively working towards—and supporting—the project.

The Sudanese Refugee Project is a shining example of what can be achieved through understanding, compassion and a willingness to reach out to others in need. The fact that it has been achieved by a group of young men still in their wildly formative years is a lesson to us all. To everyone involved in the project, a job well done.

LAND TAX

Mr GRIFFITHS (Goyder) (15:33): While the topic of my contribution today relates to land tax, it would be remiss of me not to specifically mention the member for Frome and congratulate him on his service to South Australia, not only as the member for Frome, but as a minister, a deputy premier and a leader of the state. As someone who has had the great privilege of sitting next to him for the first year or so of my time in the house, I enjoyed enormously the fact that he would tell me what the true history would have recorded about comments that came from the other side. So, I am grateful for every bit of worldly advice that he has provided to me.

I am sure that all members of the house have probably had contact from constituents who are concerned about increases in land tax. The budget papers tell part of the story—from \$223 million to \$306 million this year, an \$83 million increase, or 37 percent. The contact that I have had from people has been very concerning. They are from all levels of society: people who are renting property; the mum and dad investors out there; and businesses, both big and small.

The Hon. R.J. McEwen interjecting:

Mr GRIFFITHS: If the member for Mount Gambier would like to make a contribution on this, he is most welcome to.

The Hon. M.J. Atkinson: No; he would prefer to make it during your time.

Mr GRIFFITHS: Okay. Well, he will not put me off, because I am quite happy—

The Hon. R.J. McEwen interjecting:

The SPEAKER: Order! The minister is interjecting out of his place.

Mr GRIFFITHS: Land tax is a revenue that exists in all states other than, I think, the Northern Territory. That is the only state or territory in which it does not happen. People are very concerned. I had a conversation only yesterday with a person who owns a holiday home in my area, on the north beach of Wallaroo. This gentleman owned a business in Kadina. He has since retired. His family built this property some 45 years ago, so for them it is not an investment opportunity, it is a lifestyle choice that he and his family have made.

They do not wish to sell this property, they do not wish to realise what the increase in the valuation has been: they just want to enjoy it. The problem is that, from last year to this year, land tax has increased from, I think, a level of \$615 to \$1,148 per three months.

The Hon. R.J. McEwen: It's called bracket creep.

Mr GRIFFITHS: That is the amount he is paying. The member for Mount Gambier refers to bracket creep, which is certainly affecting this chap. He does admit to me that it has a very high

valuation, and he understands that, but it comes back to the basic premise that this chap owns his property.

The Hon. M.J. Atkinson interjecting:

Mr GRIFFITHS: I know it but I am not quoting it.

The Hon. M.J. Atkinson: Why? You need it to illustrate the point.

Mr GRIFFITHS: It is not important.

The Hon. M.J. Atkinson: The house needs to know.

The SPEAKER: The Attorney will come to order!

Mr GRIFFITHS: The value attached to the property is \$750,000, Attorney, if you want to know.

The Hon. R.J. McEwen: So, \$750,000 and he is complaining.

Mr GRIFFITHS: No.

Members interjecting:

The SPEAKER: The Minister for Agriculture will come to order!

Mr GRIFFITHS: This is ridiculous. These are good people who live in communities. He wants to retain this property, member for Mount Gambier. You might think it is smug and you might laugh at this and not be interested in what people in regional areas think, but this chap is very concerned.

The Hon. M.J. Atkinson interjecting:

Mr GRIFFITHS: Business is also very concerned about this, Attorney. Nathan Paine, who I believe is the Executive Director of the Property Council of Australia, is quoted as saying that the level of land tax applied affects everyone's superannuation returns, too, because many superannuation schemes invest in the larger business properties in CBD areas. If you look at South Australia's land tax rate in comparison to other states and the amount that we pay, it is vastly more than what people in other states pay. It is therefore reducing the returns those superannuation schemes will make. So, it affects all levels of society. I understand that states need a lot of dollars to operate, there is no doubt about that. But importantly there needs to be a spread of taxation revenues to try to create an equitable system which allows the services and infrastructure to be provided.

The Hon. M.J. Atkinson interjecting:

The SPEAKER: The Attorney will come to order!

Mr GRIFFITHS: But we must ensure that we do not bring in tax regimes that make it a disincentive for people to own property, because we want people to invest. We want people to risk their own capital and have the confidence that, yes, they will pay a fair level of taxation. There is no concern for this chap I spoke to. He recognises that he must pay a fair level of taxation, but his concern is such a dramatic jump in one year. It has gone above the threshold of the \$700,000 increment, which has created the outstanding change, but it still—

The Hon. M.J. Atkinson: You tried to cover that up, didn't you?

Mr GRIFFITHS: Not at all, Attorney. The government must realise the facts. When I asked the Treasurer questions on this during estimates to try to make him understand that all sections of society are affected by land tax rates, his remarks and his answers did not appear to recognise that it was an issue. He thinks, 'Well, they can afford to pay it or they can sell it. People with multiple properties, it does not matter, they can sell one.'

The Hon. M.J. Atkinson: What is your policy?

Mr GRIFFITHS: I am making the house aware of the issues, clearly that. I want the house to be aware of it. The intent of my contribution is to make the house aware of it so there can be accountability and so that people understand what is going on. I am sure that members on the Attorney's side of the house are getting complaints about this, too.

The Hon. M.J. Atkinson: What are you going to do?

Mr GRIFFITHS: I want to make sure that we recognise it, Attorney.

Time expired.

REMEMBRANCE DAY

The Hon. L. STEVENS (Little Para) (15:38): I would like to begin by echoing the comments made by the Attorney-General in his ministerial statement about Remembrance Day. I had the pleasure of attending a ceremony this morning—as I am sure many other members did—in my electorate. My ceremony was held at the Elizabeth RSL Club in Elizabeth East. It was a moving ceremony. There were not as many people there as there are at dawn services on ANZAC Day, but it is a very important time to remember those who paid the ultimate price and sacrificed their lives, their health and wellbeing to defend us and our way of life.

The other thing I would like to talk about today is that I was asked to open the renovations of an important community group in my electorate. Club 84, which has been operating for about 13 years and is situated at 84 Yorktown Road, Elizabeth East, is a day centre for people who are recovering from mental illness. It has provided opportunities for friendship, social interaction and skills acquisition for a range of people who are recovering from mental illness. One of the very good things about this particular organisation is its many volunteers who themselves are recovering from a mental illness. Therefore, they are able to provide particular support to others in the same boat. It is very much a team game, with many different people being able to make a contribution to others.

They were lucky to receive, and very deserving of, a small grant which enabled them to upgrade the fairly basic accommodation. Club 84 has a new reception area, a new entrance to the building (including a new ramp), new double doorway and activity room, a new pergola for outside activities, some painting and storage, and a makeover of the gardens. I look forward to that group continuing its important work in the area.

This is not the first time I have spoken about increased expenditure for facilities for people with a mental illness in my electorate and surrounding electorates in the north. Earlier this year we had the opening of a rehabilitation centre with 20 beds at Elizabeth East for people who are on the road to recovery but who for some reason may have had a relapse. They are able to go back to have support in the new facility. It is one of three facilities, the others being at Mile End and adjacent to Noarlunga hospital.

Another new important facility for people with a mental illness will be opened shortly at the Lyell McEwin Health Service. The facility will include 50 new beds and will probably be completed. I understand that the opening will be in the very near future. There has been a transfer of 50 beds from Glenside to the north. It is very important to get acute beds away from one site which is hard for some people to access, so that the beds are decentralised and put in an area where people live. In the north in the last few years three very important facilities, as well as millions of dollars that have gone to other non-government organisations, have enabled health support, personal support and social support in the community for people recovering from a mental illness. They are very important hallmarks of the Rann government. They are a long time coming but they are here at last.

MANNUM WATER SUPPLY

Mr VENNING (Schubert) (15:44): I, too, join my leader in congratulating the Hon. Rob Kerin on his 15 years service to this parliament and South Australia. We were shocked and saddened this morning when we received the news—which came quite suddenly. I have known Rob all my life. We are both Crystal Brook boys. Rob and members of the Kerin family are very much respected in Crystal Brook. I am sure that this parliament's loss will be Crystal Brook's gain. Rob was a very prominent person in the community and, no doubt, he will be again. I say to Cathy: you have him back in one piece. I am sure they will have a new life together. Rob has been a very busy person. We all can take a leaf out of this. We should remember our partners because they are the ones who pay the price. I say to Cathy and the girls: thanks for giving us Rob but you can now have him back. Well done, Rob, and all the best for the future.

Fifty-four homes along Purnong Road in Mannum have been without domestic water for over 12 months, since the backwater from where they were drawing water supply was shut off from the main river due to government drought management aimed at reducing the amount of water lost. The residents have been forced to rely solely on their rainwater, pay for water to be carted in—and recently I have been informed that they are paying \$150 for 9,000 litres—or pay the cost to have

their pumps extended the 800 metres or so to the river. I am told that this is extremely expensive, costing in excess of \$30,000, and only a couple of the 54 households have been able to afford to get this done.

The residents have been given no information from the state Rann Labor government about their future water supply. At a recent meeting held at Mannum with Drought Coordinator, Hon. Dean Brown, the residents were told that they do not qualify for assistance from the government to relocate their pumps as the funds are only available for relocating regulated supply. One of my constituents who lives on Purnong Road called SA Water to inquire about a water supply for the residents along her street and was told that there were no plans to supply water along Purnong Road. These people are not irrigators, they merely want water to live; that is, to be able to go about their daily lives, to shower, go to the toilet, do their washing, wash dishes, etc., as we all do.

I have raised this issue with the minister both via email on 12 September and then via a written letter dated 19 September, but, to date, I have not received any response, aside from the acknowledgment that my correspondence has been received. The residents along the road are questioning whether they are entitled to receive assistance as are the townships and irrigators around the Lower Lakes and the Narrung Peninsula. An amount of \$120 million from the \$610 million in federal funding pledged to South Australia in July at the COAG meeting is to be used to construct new pipelines to ensure the supply of better drinking and irrigation water from Tailm Bend to the Lower Lakes.

The government has said that it will completely re-engineer water infrastructure for these towns and irrigators. Following the COAG meeting, Mr Rann announced that South Australia also achieved funding of up to \$100 million to remove pumps from backwaters and wetlands so that hundreds of irrigators can improve their security of supply and quality of water.

Recently, I have been informed that, when Lake Bonney was shut off, the residents drawing their water from the lake were provided with water cartage and then supplied with piped water from the government. I wonder why? I can understand why my constituents living along Purnong Road are so frustrated, cross and agitated. Why is this minister working with some South Australians like those on the Narrung Peninsula and around Lake Bonney, but ignoring others? Why are some considered more important than others? Why does my urgent inquiry on behalf of them not seem important enough to deserve a prompt response?

Moving their pumps across to the river is cost prohibitive for most of these people and all they are asking for is a little help. I will continue to lobby on their behalf until they receive such help. All the government has to do is provide a pump, a pipe and a manifold from which each of the houses can take their water. We do not live in a Third World country and all South Australians have the right to expect their government to help them maintain their right to have water available for domestic purposes, after all, it was the government that caused this problem by draining the backwater. The government should assist these families to regain access to the water supply so they can live with the same convenience as we all do.

HALLETT COVE POLICE STATION

Ms FOX (Bright) (15:48): Before I begin to speak on the subject I had chosen, I would also like to pay tribute to the member for Frome and his outstanding service to this place. Ever since I have been here, he has been extremely friendly and very kind, and he is always courteous. He is well loved by South Australians from both sides of politics and I wish him all the very best in whatever he chooses to do next.

When I was preselected as a candidate for the seat of Bright some 18 months before the 2006 election, I had to listen extremely carefully to what residents were telling me about their needs in local areas, as opposed to what previous governments had decided they did or did not need. One of the issues that arose time and again in Hallett Cove was the residents' desire for a permanent police presence in their area, but establishing that police presence was contingent on a number of other hinge factors: the construction of a large new road crossing Lonsdale Highway which connected Hallett Cove, Trott Park and Sheidow Park, and the subsequent redevelopment of the Hallett Cove shopping centre, which would have a suitable space for a police presence.

As a Labor candidate, I lobbied Premier Mike Rann and minister Conlon mercilessly for months about funding that road. I knew that, unless the state government contributed over \$5 million to that road, it would never be built; redevelopment of the shopping centre would only

happen if the road was built; and a police station would only happen if the shopping centre was redeveloped.

In early 2006 the Premier personally approved funding for the road, for which I and the community are very grateful. The Premier has visited Hallett Cove with me on many occasions now and, even back then, he saw very quickly that this vibrant, growing community needed a serious injection of funds into key infrastructure.

I am happy to inform the house that two weeks ago the Hallett Cove Police Shopfront opened for business on the southern side of the shopping centre adjacent to the new connector road, which I believe will be called Patpa Road. Police minister Michael Wright came to open the station, with Chief Inspector Les Buckley, and it was great to see a number of police dropping by just to check out the new facility.

The police shopfront is operated by police who live locally, which I think is an outstanding decision on behalf of police administration. Nothing can replace local knowledge. It is a wonderful thing to know there are police officers out there who live locally, know local kids and local families, and are prepared to develop wonderful relationships with the community. The police presence there will, hopefully, reduce crime and, even more importantly, should build relationships between police and the local community. Locals will be able to report traffic crashes, crimes and other incidents, apply for police clearance certificates, and seek advice on crime prevention and other matters at the new facility.

I should state that crime figures in the area have recently fallen, which is good news. In 2006-07, total crimes reported in the Hallett Cove area were at 980. In 2007-08 they fell to 953, with a significant fall in robberies, criminal trespass and the illegal use of motor vehicles—a significant decrease in illegal use of motor vehicles.

That is not the end of it for the people in Hallett Cove, I might add. The Rann government has recently allocated \$6 million towards expanding the Christies Beach Police Station, with construction due to start shortly.

I made two promises to this community, Mr Speaker. One was that I would make sure the connector road was funded and built. The other was that a permanent police facility would be established in Hallett Cove. I am privileged to have worked hard with community members to achieve these two goals, and I look forward to an even better, safer future for the residents of Hallett Cove.

AUDITOR-GENERAL'S REPORT

In committee.

(Continued from 28 October 2008. Page 642.)

The CHAIR: Minister for the River Murray and the Minister for Water Security: I remind everyone that questions must be about the Auditor-General's Report and must be referenced. In the earlier session a lot of questions were estimates questions, not questions about the Auditor-General's Report, and the minister has no obligation to answer questions that are not about the Auditor-General's Report. Normal committee procedures apply, with members standing, unlike estimates committee. The member for MacKillop.

Mr WILLIAMS: By way of reference, I will quote the page number first. I refer to the Auditor-General's Report at page 1,211. It is noted that the total income since 2004 has risen by \$167 million, and the commentary notes the main factors have been an increase in water consumption up to November 2006, and revenue increase since that date due to price increases and growth in customer numbers. Can the minister provide figures giving annual water usage for the financial years 2003-04 through to 2007-08 inclusive, broken down into monthly and yearly consumption; and, similarly, the customer numbers as at the end of June for each of those years, broken down into country customers and metropolitan Adelaide customers, with a further breakdown into domestic and business customers?

The Hon. K.A. MAYWALD: I thank the member for his question. I will take the question on notice and provide that information to the house.

Mr WILLIAMS: I now refer to page 1,212. Comment is made that:

The biggest impact on the corporation's profit has been various drought and water initiatives causing higher operating costs.

It is noted that the new rebate schemes have contributed to a \$16.2 million escalation in the 'other expenses' category. The SA Water website lists that rebates are available for six initiatives. How many applications have been made for each of these initiatives? How many applications have been successful? What has been the cost for each initiative? What is the estimated water saving from each initiative?

The six initiatives are: up to \$30 for a low-flow showerhead; \$150 for retro-fitting a dual-flush toilet; \$200 for the purchase of a new water-efficient washing machine; a \$50 rebate when you spend \$150 or more on water-efficient garden goods; \$100 for a home water audit, including the installation of up to two low-flow showerheads; and between \$200 and \$1,000 towards the cost of purchasing and plumbing a rainwater tank.

The Hon. K.A. MAYWALD: I thank the member again for his question. It is a very detailed question, and we will get a very detailed answer and bring back the numbers for the member. I would also offer to the opposition that we can provide those figures to them on a regular basis.

Mr WILLIAMS: Under those schemes, why, to qualify for the rebate for a dual-flush toilet, do householders have to replace the whole toilet suite, including the pan, rather than just the cistern, given that it is the cistern that provides the water saving?

The CHAIR: Minister, that is extending the Auditor-General's reach a little. Do you wish to make any comment?

The Hon. K.A. MAYWALD: I will answer the question, but it really has little reference to the Auditor-General's Report. It is actually a question on SA Water policy probably more suited to question time; however, I will answer the question. The reason why the pan and the cistern must be changed is because not all pans are suitable for dual-flush operations. It is a requirement under the guidelines that both be replaced so that they will work effectively and as designed.

Mr WILLIAMS: With regard to the same reference on the rebates. Minister, when questioned on Adelaide radio some months ago, you indicated that these rebates were under review. Have any changes been made to the rebates since the beginning of the new water year?

The CHAIR: That is a question more appropriate to question time, a question on notice or anything else. It does not seem to be related to the Auditor-General's Report at all, that I can see, unless you can provide me with a more exact reference. Minister, do you wish to make any comment?

Mr WILLIAMS: On page 1,212 in the comments regarding operating results, the Auditor-General states:

The biggest impact on the corporation's profit has been various drought and water security initiatives causing higher operating costs.

This is one of the water security—

The CHAIR: That is extending the bow a little—a very long bow; beyond Robin Hood's reach, but it may be within the reach of the Minister for the River Murray and Water Security.

The Hon. K.A. MAYWALD: Obviously, there are very few questions on the Auditor-General's Report, so I will indulge the member opposite by answering the question. The rebates are under review. We have not made any changes just recently, but they continue to be under review.

Mr WILLIAMS: I now turn to page 1,239. Under 33: Commitments, operating leases commitments not provided for in the financial report show an increase in leasing commitments into the future of some \$18 million, an escalation, if we take the four-year period—and I can only assume that that period in the table provided in the report starts from 1 July 2009—of some \$8 million, which equates to \$2 million per year over that four-year period, or equivalent to a 33 per cent increase in lease payments. Can the minister confirm that this is the additional lease cost from moving the corporation's office space to the building known as Victoria Square 1?

The Hon. K.A. MAYWALD: Yes, there are some impacts there, because Bolivar and Thebarton are owned by SA Water, of course. Whilst we are moving staff from Bolivar and Thebarton, we are still required to have some staff at Thebarton for a short time. Then we will be returning that significant parcel of land to parkland, of course, and the staff who were previously operating at Bolivar will be moving into Vic Square. So, that is largely the impact on the lease lines in the budget.

Mr WILLIAMS: Same reference. The Auditor noted that the lease has escalation clauses and no purchase options. Can the minister explain the escalation clauses in the lease?

The Hon. K.A. MAYWALD: I am advised that they are just normal commercial lease arrangements.

Mr WILLIAMS: I understand that the Public Works Committee was told, during its hearings on this project, that the building was due for completion on 15 September and that penalty clauses were in the contract in case of building delays. Given that SA Water did not have access to the building by that date and, I understand, will now not attempt to occupy the new laboratories prior to the summer when water quality testing becomes very important, will those penalty clauses be invoked and what will be the financial impacts?

The Hon. K.A. MAYWALD: I am advised that there are no penalties related to the September date. In actual fact, it was due for completion in December; however, with negotiations between SA Water and the developer, things were going ahead reasonably well and it looked like we could anticipate a September moving in date. However, there were some complications, I understand, largely as a complication of ICT issues, and the September date was delayed, and we are now currently moving into the building as we speak. We will still meet the occupation date prior to December, so no penalties will be applied.

Mr WILLIAMS: I refer to page 1,211 where the Auditor-General states that the electricity costs have decreased by \$8.3 million between years ending '07 and '08. Given that one of the major factors affecting electricity consumption is the pumping of water from the River Murray, will the minister provide the volume of water that was pumped from the Murray for each of the water years from 2002-03 to 2007-08 inclusive?

The Hon. K.A. MAYWALD: Yes; I can provide that information to the member. I do not have that to hand, as it was not the subject of audit, but I will certainly provide that information to the member.

Mr WILLIAMS: I refer to page 1,213. Given that plant and equipment revaluations contributed \$481 million to the valuation of non-current assets combined with the government's objective of maintaining a debt to total assets ratio within the range of 15 to 24 per cent, does this simply mean that SA Water is locked into providing cash to the government just on the effect of inflation on its substantial asset base?

The Hon. K.A. MAYWALD: No.

Mr WILLIAMS: So, why does SA Water then justify that it is keeping within the bound of 15 to 25 per cent and saying that is okay when the contributions keep going up and up, and they say they are within the bounds of that parameter because of the revaluation?

The Hon. K.A. MAYWALD: I think where the member gets confused is between the dividend and SA Water's capital investment. The dividend comes through to government net of the requirement of SA Water to meet its capital expenditure and also to meet its costs of borrowings. Let me say that 15 per cent to 25 per cent asset or gearing ratio is a reasonable gearing—it is even less than a lot of the other corporations around Australia—and it is a target that the government has set for borrowings for the corporation. However, the dividend is calculated once the cost of those borrowings has been included and also any capital expenditure for that year has been accounted for, so I think the member gets confused with what the dividend actually means. The dividend was actually established under the previous government and in accordance with the NWI requirements for a public utility.

Mr WILLIAMS: I will just correct the minister: the dividend payments being paid by SA Water were set under the current Treasurer's regime, where it is set at 95 per cent of retained earnings or profit after tax.

The Hon. K.A. MAYWALD: The method was set.

Mr WILLIAMS: No, you said the dividend was set. I will ask a further question on the same topic, particularly given the minister's answer to the previous question. Can the minister explain why it is that the Auditor-General continues to point out that the corporation is forced to borrow to pay the level of dividend and capital required by the government? He points out that the increase in borrowings has risen significantly in 2007-08 when commenting on this requirement to meet the payments to Treasury.

The Hon. K.A. MAYWALD: Can you identify where the Auditor-General actually says that?

Mr WILLIAMS: On page 1,215.

The Hon. K.A. MAYWALD: Which part? Could you please quote it?

Mr WILLIAMS: At the top of the page, it states:

In four of the last five years net cash generated from operating activities was sufficient to cover the net cash used in investing activities (ie essentially the purchase of property, plant and equipment, etc), but insufficient to pay the level of dividend and return of capital required by the Department of Treasury and Finance. To meet its payment obligations to government and finance its capital works programs the Corporation's net increase in borrowings has risen significantly in 2007 and 2008.

The Hon. K.A. MAYWALD: The reason why the borrowings have increased is not to do with the payment of the dividend: it is simply because the capital investment has increased substantially. So, the finance required to undertake the very significant investment in capital works that SA Water is undertaking, of course, does have costs associated with it. Those costs are covered by SA Water's operational budget and the dividend is then paid net on that.

Mr WILLIAMS: Basically, the dividend is paid—

The Hon. K.A. Maywald interjecting:

Mr WILLIAMS: No, SA Water is considerably different. Basically, the dividend is paid because of the substantial write-downs for depreciation in SA Water. I refer to page 1,211. What the Auditor-General has been concerned about, for at least six years, and he keeps going back and making the same comment year in, year out—

The Hon. K.A. Maywald interjecting:

Mr WILLIAMS: He is not concerned because he has not qualified it? He keeps raising it, not because it is illegal but because he is concerned about it, minister. On page 1,211, it is noted that financial costs increased by \$11.6 million due to increased borrowings and increased interest rates. Can that figure be broken down into individual components; that is, how much of it is because of increased borrowings and how much is because of increased interest rates?

The CHAIR: Minister, do you want to get any of the repartee across the table onto the record? It seems to me that some points did not get on to the record.

The Hon. K.A. MAYWALD: I would like to refer to the previous question, and I thank you for the opportunity, Madam Chair. On page 1,215, the comments made by the Auditor-General are observations, not concerns. They are observations that we are increasing our capital expenditure, which is a very good thing, because we have some water security issues that we are actually dealing with at the moment.

To actually finance that, we need to increase our borrowings and, when you increase your borrowings, you actually increase your operational costs. In increasing operational costs, you also need to increase the prices to cover those costs, which is what we have done. The dividend that is then returned to the shareholders—as with any corporation—is net of those operating costs. So, I think it should be made very clear that that is not a concern, but an observation of the Auditor-General. Going back to the question regarding the \$11.6 million due to increased borrowings and increased interest rates, I believe that we can get a breakdown of that for the member.

Mr WILLIAMS: Referring to the same page, employment expenses increased by some \$12.6 million due to salary escalation and new appointments for drought and water security initiatives. How many new employees were employed during the year? Were those employed to manage the drought initiatives employed on a permanent basis and, if not, how much of the total increased employment would come within that category?

The Hon. K.A. MAYWALD: Once again, I will return to the house with the information to answer the detail of that question.

Mr WILLIAMS: I refer to pages 1,215 and 1,216 under the heading of 'Adelaide Desalination Project'. The Auditor-General notes that cabinet approved the Design, Build, Operate and Maintain (DBOM) procurement method in June 2008 and that, in July 2008, cabinet approved an acceleration of the procurement with an estimated cost of \$1.374 billion. Does this indicate that final decisions have been made? I ask the question because the transparency statement tabled during the last sitting week noted that SA Water financial modelling will be reviewed by an

independent consultant prior to the 2009-10 pricing process, which I presume is happening about now.

The Hon. K.A. MAYWALD: Each year, the government undertakes a review of our pricing and our capital investment and makes a decision in relation to pricing for the following financial year, taking into account cabinet decisions in relation to any capital investment, including the acceleration of the Adelaide desalination plant. The figure of \$1,374 million is, of course, still an estimate. We are going through the process at the moment of working with three consortia that have been shortlisted to actually determine the final design of the project, and more accurate costings will be available once that process has concluded. The government undertakes a review of pricing on an annual basis, and we have done so again this year. That information will be available by the 7 December gazettal date.

Mr WILLIAMS: I refer to page 1,220, which notes that a reclassification of expenditure has seen an \$11.8 million transfer from the salaries and employee benefits expense line to the services and supplies expense line. Can the minister explain what caused that to happen?

The Hon. K.A. MAYWALD: I do not have the details of that to hand. We will get that information for the honourable member.

Mr PEDERICK: Volume V, page 1,498 mentions the Living Murray initiative, which establishes arrangements for recovery and management of water to address the declining health of the River Murray system and DWLBC contributions for 2007-08. Given the government's recent actions to purchase water for irrigators through the Critical Water Needs Package, and given that the health of the whole river system is paramount to the long-term survival of the river and irrigators alike, does the government intend to purchase water specifically for the preservation of the Lower Lakes until at least next winter?

The Hon. K.A. MAYWALD: Two different issues are involved there. One is the Living Murray purchase of water, which, of course, is purchasing permanent entitlements: it is not purchasing annual allocations. The Living Murray is about the longer term reduction in the amount of water that is available to be extracted in the river on entitlements. So, we are purchasing permanent entitlements. That water will be transferred to the Living Murray licence and will be managed in accordance with the Living Murray business plans. Of course, one icon site under the Living Murray is the Lower Lakes and Coorong; so, they will definitely be beneficiaries of water purchased through that water mechanism.

The critical water allocation is an underwriting of potential future improvements in the water resource for keeping permanent plantings alive, and that critical water allocation will be reduced as improvements arise. What it is doing is providing for irrigators now a fixed minimum knowledge of what water they will get. If there is a shortfall in the improved resource to cover off on that, by the end of the water year the government has guaranteed that we will step into the market and purchase that water. So we are not actually purchasing water specifically for that purpose at this point, but we may need to.

We are monitoring the environment of the Lower Lakes very closely. As I reported to the federal Senate inquiry on the Lower Lakes and Coorong, there could be a shortfall of around 60 gigalitres between when I reported to that inquiry and the end of the year. We are monitoring that on a monthly basis and, as the situation improves or decreases, we are re-throwing that modelling and understanding how much water might be needed. At this stage, we believe we will get through to next winter without having to purchase water to supplement the flows into the Lower Lakes.

Of course, other things are impacting upon water in the Lower Lakes: localised rainfall, and localised inflows from the Finnis, Currency Creek and other inflows. Also, this year a number of wetlands have been closed for the last water year and also for this water year and that is benefiting the Lower Lakes also. At this stage, we are continuing to monitor that. We do not believe it will be necessary to purchase water on the temporary market at this stage to supplement the levels in the Lower Lakes to get us through to next winter, but we are monitoring it very closely.

Mr PEDERICK: I refer to Volume V, page 1,490, 'Communication and audit matters—controlled environment'. When will the financial management framework, which was commenced by DWLBC in 2006, be fully developed, documented and implemented? It was noted in the 2006-07 report that audit has been reporting for a number of years that there were many weaknesses in DWLBC's controlled environment, including both transactional and higher level

monitoring controls. The current report also notes that initial implementation time frames had not been met and significant work remains to be done.

The Hon. K.A. MAYWALD: This is an area on which DWLBC has been working with the Auditor-General. DWLBC believes that it will have substantially resolved the issue by 30 June 2008. However, in some programs ongoing improvements to systems will be implemented. Substantially, the issues raised by the Auditor-General should be in place by 30 June.

Mr PEDERICK: I refer to Volume V, page 1,491, 'Financial Management Reporting'. Are monthly financial reports to the committee and detailed explanations of actual to budget variations now regularly available to enable proper governance of the department? If not, when will they be?

The Hon. K.A. MAYWALD: The answer is yes. DWLBC is continuing to enhance this process. Further revisions to the reporting format and content have been effected during the first quarter of 2008-09. Progressive enhancements to both the content and presentation of both high level information (for example, using traffic signal form reports) and provision of detailed information (for example, enhanced fund reporting information) are expected during the course of the year and will be made in consultation with the department's newly constituted finance committee. It is anticipated that the finance committee will initiate further changes to the content and the format of reports to improve their effectiveness. Improvements in the quality of variance explanations will be tied to the revised business processes to be implemented as part of the revised budgetary control framework; and that will also include the clarification of roles and responsibilities and accountability for the completion of relevant processes and revised rules for transfer pricing between divisions.

Mr PEDERICK: I refer to Volume IV, page 1,208, 'Communication of audit matters—rebate schemes'. In relation to dot point 2, have the inconsistencies in the processing of applications and payments for rebates been resolved? Has it resulted in any lost income that was budgeted?

The Hon. K.A. MAYWALD: I do not believe it has resulted in any lost income, but there were some inconsistencies in relation to the rebate scheme earlier on. I am advised that those issues have been resolved.

Mr PEDERICK: I refer to Volume V, page 1,491, 'Corporate governance—risk management'. When will the risk management framework be finalised and endorsed?

The Hon. K.A. MAYWALD: I am advised that the work will be completed by December 2008.

The CHAIR: The time has expired. I now call on the Minister for Environment and Conservation, Minister for Early Childhood Development, Minister for Aboriginal Affairs and Reconciliation and Minister Assisting the Premier in Cabinet Business and Public Sector Management.

Mr WILLIAMS: For the minister's benefit, if he wants to, we can be orderly and start off with environment and heritage and I will ask some questions. I refer to Volume II, page 343, 'Crown Land Perpetual Leases'. The Auditor-General's Report shows that there has been a net revenue gain of \$6 million. Will the minister inform the committee what annual savings are expected to accrue from changes which should deliver administrative savings?

The Hon. J.W. WEATHERILL: As I understand what the member is asking is that, given that a number of leases have been freeholded, that implies there will be less of an administrative burden and therefore there will be some savings. I do not know whether the premise of the question is correct, but we do not have that figure to hand. However, we will undertake that work and respond to that question.

Mr WILLIAMS: Yes, that was the premise behind the question. It is a fair while since the project started and I think it would be relevant if the committee was updated on that. I now refer to page 341. There is a table showing the non-current assets and some comments. It appears that the non-current assets have been declining steadily from \$332 million in value in 2006 to \$303 million at the end of 2008. It is noted in the commentary that land, buildings and improvements in park infrastructure are the main non-current assets. Does the declining asset value indicate a lack of ongoing maintenance keeping such improvements in good order? If not, what is the explanation for the substantial decline in value?

The Hon. J.W. WEATHERILL: I think the effect on the balance sheet really arises out of a network asset review. During the 2007-08 reporting period, the department performed a review of network assets valued at less than \$5,000 to determine whether they had been treated in accordance with accounting policy framework 3. The purpose of the review was to identify assets which had fundamentally different characteristics to the network assets to which they were attached and, when grouped together, did they have a value which represented a significant percentage of the department's total assets? The review identified 6,929 capitalised network assets which did not meet this criteria. As a result, these assets were expensed, with the adjustment being applied retrospectively and according to the accounting standard 108.

Mr WILLIAMS: At page 363, note 24 refers to non-current assets held for sale and states that the government holds 104 parcels of land that are identified as surplus. It appears the total value, from my reading of the document, is \$950,000, which is very close to the value of \$951,000 for last year. My questions are as follows. How many of the 104 represent the same parcels of land that were in this category the year before? What value of properties has been sold in the 2007-08 year? Where do the proceeds from such sales end up (that is, do they end up within the department, or are they returned to consolidated account)?

The Hon. J.W. WEATHERILL: We would have to do the precise exercise, but I think we only sold one property so it is likely that they represent the same sort of cohort. Sadly, the money goes back to consolidated revenue.

Mr WILLIAMS: I refer to page 370. Notes (vii) and (x) talk about 'transfer of revenue (war services)' and 'war services leases amortisation'. Can the minister provide the house with a small explanation of what on earth is going on there?

The Hon. J.W. WEATHERILL: Apparently, as far back as World War I, commonwealth leases were given to servicemen and an income stream that was rent, essentially, was provided to the commonwealth from those leases. We used to collect that on behalf of the commonwealth. I think what we have done in an administrative tidy-up is purchase those leases and, therefore, purchase the income stream. Hence, there have been the corresponding adjustments to our accounts.

Mr WILLIAMS: I now refer to page 372, where board and committee members are listed. The government, as I understand it, has a stated policy of significantly reducing the number of state government boards. There appear to be 13 boards with 83 members, with the number of members growing from 78 in the previous year. Can the minister explain how many boards, if any, have been disbanded within the Department for Environment and Heritage during the term of the current government?

The CHAIR: I do not think that relates to this Auditor-General's Report, except with a long bow. We will see whether the minister can help.

The Hon. J.W. WEATHERILL: I do not have that information with me, but what I can say is there was a very dramatic reduction in the number of boards in the environment and heritage area as a consequence of the NRM process, which collapsed numerous boards into single entities, so there has been a substantial rationalisation within this portfolio. The more recent efforts I will have to take on notice.

Mr WILLIAMS: It is interesting that none of the NRM boards is listed on that page, minister, and I think there are six or eight of those. I refer to page 386 and the EPA. The contributions to Zero Waste grew from \$5.5 million to virtually \$11.5 million, due to a 109 per cent rise in the waste levy rates. Are the financial statements of Zero Waste SA incorporated into the financial statements of the EPA as presented in this document, or are they a separate set of financial statements?

The Hon. J.W. WEATHERILL: As I understand it, while they derive their income from the levy that comes through the EPA, they are not included within the EPA report, they are contained within the environment and heritage consolidated accounts.

Mr WILLIAMS: I understand that there is a statutory obligation for Zero Waste SA to provide an annual report to you by the end of September. Can you tell the house when that might be tabled in the parliament?

The Hon. J.W. WEATHERILL: The usual statutory period is a number of sitting days after it has been delivered, and I will certainly be complying with that.

Mr WILLIAMS: Just on that, and I pray the indulgence of the chair with this question: with regard to Zero Waste and the substantial increase in the dumping licence fees, has the government been apprised of any increase in illegal dumping of waste due to those escalating costs? I ask the question principally because I have noticed a substantial increase in illegal dumping on back roads near to where I live, and particularly in forest reserves.

The CHAIR: Unfortunately, member for MacKillop, craving my indulgence does not make it in order, but I will invite the minister to respond, if he wishes to.

The Hon. J.W. WEATHERILL: I do not have that information; it is not of a financial nature. I do not have advice with me that can assist me in answering that question.

Mr WILLIAMS: This question, I think, is within the bounds of where I am allowed to go. Has any monies, other than those collected from the waste levy, been provided by the government to the waste resources fund operated by Zero Waste, and has there been any offset in decline in government support for the fund as a result of the levy contribution increasing so substantially?

The Hon. J.W. WEATHERILL: I am advised that there are no other sources of revenue that go into that fund, except, perhaps, for the interest that may be generated through the holding of some of those resources.

Mr WILLIAMS: I refer to page 390. At the bottom of that page there is a note referring to financial arrangements. The Auditor-General refers to a memorandum of understanding between the EPA and the Department for Environment and Heritage, noting that there are a number of services provided from the department to the EPA which have not been recognised in the financial statements. Is it possible for the minister to give a brief account of that MOU or, indeed, undertake to provide the opposition with a copy of that MOU?

The Hon. J.W. WEATHERILL: I understand that they are in the nature of corporate services, such as IT and infrastructure. Certainly, we can provide you with a list of those.

Mr WILLIAMS: There is some confusion, at least in my mind, and there has been for some time, over the minister's responsibility for the Department of Water, Land and Biodiversity Conservation. Some areas, I understand, report to the minister for water resources and some report to yourself. I will try to ask questions which I think you have responsibility for, and I am sure I will be told if you do not.

I refer to Volume V of the Auditor-General's Report, page 1,490, 'Control environment'. The Auditor points out that he has raised concerns for at least two years now, and notes the implementation of a financial management framework process, commenced in 2006, is still not complete. Can the minister explain the tardiness in completing this work?

The Hon. J.W. WEATHERILL: I understand that minister Maywald spoke briefly to this matter, but I can supplement that by saying that the financial management improvement project was conceived to run over a number of years; it was never meant to be a short-term project. In order to provide a greater focus for these initiatives, which involved a range of improvements to internal controls and the controlled environment, they were brought together under that project during the second half of 2007-08.

The project coordinates several improvement initiatives, including systems development, redefinition of governance, and a series of business improvement projects and initiatives. It will seek to more effectively integrate a number of these initiatives and thereby maximise their impact and effectiveness. Key outcomes arising from that process during 2007-08 include: better definition of control frameworks; the identification of financial compliance program; and readiness for the operation of new Treasurer's Instruction requirements from July this year. Other outcomes include a major revision of high-level departmental governance committee and reporting and monitoring structures.

These measures are progressive and ongoing and will further strengthen other systems and business process improvements such as the implementation of the new budget management information system planned for 2008-09.

Mr WILLIAMS: You mentioned the budget control system at the end of your answer to that question. I assume that those projects will go to answer the other queries raised, certainly in my mind, by the Auditor-General's comments with regard to grant management and project management.

The Hon. J.W. WEATHERILL: Yes.

Mr WILLIAMS: I refer to page 1,492. The Auditor notes two instances where contracts were entered into without the appropriate authorisation. Can you detail the contracts and any potential risk exposure?

The Hon. J.W. WEATHERILL: One was a fit-out contract for one of the levels within one of the buildings that is occupied by the department. There was an exceedance of the delegation for the relevant officer. There were no other issues except for that. The other was a contract for a consultancy. Once again, there was no issue with the contract for the consultancy, but the delegation was not adequate to have approved that particular contract.

Mr WILLIAMS: The second part of the question is: was there any risk exposure as a result?

The Hon. J.W. WEATHERILL: No.

Mr WILLIAMS: I hope the minister appreciates that, when these things are noted and we read them without any background information, the questions become obvious. I refer to page 1,493 regarding employee benefits and expenses which have increased by \$6 million, and the Auditor-General notes that there was some impact due to enterprise bargaining and some impact due to an increase in department staff establishment. Can the minister inform the house of the total increase in staff numbers in the department which contributed to the \$6 million increase?

The Hon. J.W. WEATHERILL: I do not have the actual figures but most of the increase would have come through the major increases associated with the grant funded programs under with the National Water Initiative, but we can supply you with the numbers.

Mr WILLIAMS: Thank you, minister. If you liaise with the Minister for Water Security, you might only have to supply that information once. On page 1,494 the bar graph shows that the total expenses in 2005 were \$131.7 million, increasing to \$142.3 million in 2008, with the percentage of total expenses attributed to employee benefits rising from 26.5 per cent to 31.9 per cent in that period. Indeed, by my arithmetic, if we discount the \$7.4 million which was expended on water licence purchases, which I assume is not an ongoing cost but rather an ad hoc-type purchase, the employee expenses would come to 33.7 per cent of the department's total expenditure. Is the government not concerned about the inordinate growth in the number of employees within the budget?

The Hon. J.W. WEATHERILL: I am struggling with that question. Which table are you referring to?

Mr WILLIAMS: At the top of the page, the bar graph shows the total expenditure but it is broken up into various areas, and I have simply worked out the employee benefits expenses as a percentage of the total. It has grown substantially, according to my arithmetic, from some 26.5 per cent to 31.9 per cent.

The Hon. J.W. WEATHERILL: I think we get back to the commonwealth grant funding to assist with National Water Initiative matters. I do not think we have any concern that growth in employee expenses is being directed at projects that are highly valuable in the water area. That is where the great bulk of the growth has occurred. The bulk of the growth has not occurred in the administrative grades but rather in that project work which has been funded by the commonwealth.

Mr WILLIAMS: I refer to page 1,495 of the Auditor-General's Report. It is noted that the department holds cash reserves of \$60.4 million at 30 June 2008—a doubling from the \$30.9 million held 12 months earlier—for projects committed to but yet to be progressed or completed. Can the minister provide a list of those projects and an estimated date of completion?

The Hon. J.W. WEATHERILL: We can supply you with details of the projects that are underway, but the essential increase comes from a number of projects, which include projects funded through the Living Murray initiative, which often has interstate contributions. Those contributions obviously are paid over, but not necessarily when the money needs to be expended, so they are held in our cash reserves in that fashion. We will certainly supply the details about the nature of those projects presently underway.

The CHAIR: The member for Morphett.

Dr McFETRIDGE: Thank you, Madam Chair. I think Ms Saunders is in the chamber with the other advisers. I congratulate Ms Saunders on her appointment as the head of the department. Minister, my question refers to Part B, Volume III, No. 9 on page 827. I will roll two bits into one question to save time. The Aboriginal Community Essential Services and Assistance Grant has

been reduced by \$352,000 between 2007-08. Also, the Anangu Pitjantjatjara Operating Grant has been reduced by \$124,000. Can I have some background on what is going on there?

The Hon. J.W. WEATHERILL: We do not have the precise breakdown, but these do fluctuate from year to year. They are largely commonwealth dollars, although I am advised that there are some state dollars in relation to the Aboriginal community assistance grant. So, there will be fluctuations over the course of financial years. I do not have the precise details about what comprises each of the topics of the grants but, if the member wants more detail, we can certainly provide that.

The CHAIR: The advisers on Aboriginal affairs can depart and if the advisers on cabinet business and public sector management can become available. The member for Goyder.

Mr GRIFFITHS: This is a bit of a tricky one. Public sector management is mentioned throughout the Auditor-General's Report quite often, but not as it relates to a specific line, so I hope that the minister is prepared to accept this. I note page 42 of Part C, where it refers to caps being put in place. The caps were actually commenced in 2007-08. I am advised that agency reporting on the caps was reduced from monthly to quarterly. Can the minister give me a reason for that?

The Hon. J.W. WEATHERILL: This matter is squarely within the Treasurer's area. Treasury and Finance manages the cap process. It is a financial management tool. Questions about that matter should be directed to the Treasurer.

The CHAIR: Given that he is next, that is fortunate.

Mr GRIFFITHS: That should help. I have one further question which I hope the minister is able to answer and which relates to public sector management. Is the minister able to confirm when he intends to introduce the public sector management bill?

The Hon. J.W. WEATHERILL: Very soon.

The CHAIR: If everyone is happy for that to be concluded, it will give us a little time for the changeover. We move to the Deputy Premier, Treasurer, Minister for Industry and Trade and Minister for Federal/State Relations.

Mr HAMILTON-SMITH: I start with the issue of FTE caps and refer to Part C, page 42 of the Auditor-General's Report, which makes reference to the reporting of agency FTE caps which commenced in 2007-08. Why was agency reporting of caps reduced from monthly to quarterly, and how is the whole process of managing FTE caps going within government?

The Hon. K.O. FOLEY: I am advised that the departments of health and DFEEST are reporting monthly because we are not satisfied with the quality of their reporting. We are working with them to get better quality reporting. The other agencies are reporting exceptionally well, and we are quite happy for them to report on a quarterly basis. We reward those that perform and we closely monitor those that do not. However, in fairness to those agencies, I am probably giving Health a little more latitude than my Under Treasurer would, but, because of the nature of the employment of such a large number of nurses, doctors and support staff (many of whom are employed on a part-time basis and many of whom are consulting/contracting), it is clearly logistically a very difficult exercise for that department. I am probably less sympathetic towards TAFE, but, again, it has a similar problem. In relation to TAFE, there are a number of colleges and campuses. I guess, if I am in a generous mood, that is probably why those two agencies have been less accurate with their reporting.

Mr HAMILTON-SMITH: I refer to the same page and part of the report. The health department was 925 FTEs over its cap. In addition to the departments that you have mentioned, Transport, Energy and Infrastructure was also over its cap. Is the cap system working? You have made the point that it is complex. What are the weaknesses in the cap management system and what action is the government taking to remedy it so that we know how many public servants we have?

The Hon. K.O. FOLEY: The important point is that once we see agencies go over their cap we seek reasons for it. The additional problem with Health and TAFE is that it is seasonal. In relation to TAFE, it depends on the type of course and the type of work and to get accurate numbers is difficult when it is a seasonal workforce. The same applies to Health. When winter comes there is a heavy spike in admissions to hospitals and Health has to bring in a lot of people. It has been a problem that has bedevilled governments of all persuasions for many years. We have had a lot contrasting numbers on employment. It is good theatre for an opposition—and I do not

blame you for that—but it is a hard task to get exact readings on employment. We are the first government that has attempted to put a more robust system in place, but it is less than perfect.

Mr HAMILTON-SMITH: I refer to page 34, Part C. The bottom half of the page highlights the real terms growth in employee expenses across the period charted. It talks about the FTE numbers and the management of those employee expenses. I have been through the government media releases and added up from the public statements how many extra FTEs are doctors, nurses, teachers and police—which comes to a figure of 4,400. Well over 14,000 extra public servants have been hired. What is the accurate figure for teachers, doctors, nurses and police as distinct from other employees of government? What is the wage cost of these extra non-core public servants in 2008-09?

The Hon. K.O. FOLEY: I do not think you can call public servants non-core public servants. What the leader is suggesting is that if you are not a teacher, police officer, doctor or nurse you are non-core. I think that comment would invite a reaction from the Public Service Association and, indeed, from public servants themselves. We do not go out hiring public servants for the sake of it. We hire public servants because we need them. The fact is that we have doubled the amount of expenditure on core public services. When you do that you need to hire associated employees. I do not think that the opposition leader is suggesting that he would cut 10,000 public servants from the payroll.

Mr HAMILTON-SMITH: I refer to page 34, Part C. The Auditor-General notes that the employee expenses line in the forward estimates does not include all enterprise agreements for renegotiation. Those agreements that were not settled at the time of the Auditor-General's Report—and I note some of them have now been settled—were salaried medical officers, teachers, TAFE lecturers, metal and building trades employees, and Metropolitan Fire Service firefighters. Will you tell us what the estimated total for all negotiations will be to expenses in 2008-09?

The Hon. K.O. FOLEY: I cannot believe that you honestly expect me to answer that. Are you suggesting that I should say how much we think we will end up settling with the teachers? I know the member for Unley wants us to give the teachers 21 per cent. We are still negotiating with the teachers. We are still negotiating with the firefighters and we have other EBs to negotiate. I will not flag publicly or privately what my provisioning is for those wage outcomes. To do so, would be highly irresponsible and unprecedented.

Mr HAMILTON-SMITH: What about the ones you have already agreed—salaried medical officers? Are there any to which you have agreed which you can now reveal?

The Hon. K.O. FOLEY: That will be released in the Mid-Year Budget Review.

Mr HAMILTON-SMITH: Moving to Part C, page 17, the Auditor-General notes that in 2007-08 expenses were up by \$342 million compared to budget, of which \$159 million were employee expenses. How much of that \$159 million was due to unbudgeted extra employees and how much was due to unbudgeted extra wages paid to existing employees?

The Hon. K.O. FOLEY: In between budgets, the government, through the cabinet process and the ERCC (Expenditure Review Committee of Cabinet) authorises expenditure through the course of a given year after a budget has come down. We do not allow and we have proper control mechanisms in place that we do not have unbudgeted expenditure, but every government—and yours was no different—makes decisions through the course of the year to authorise extra expenditure and, largely, that would involve the health area. The member may recall that the health area is just a nonstop demand centre for expenditure, and throughout the course of any given year we authorise more health money in most years, as we do with other projects, and that is where that expenditure has come from. But it is not unbudgeted money: it is money that has been authorised correctly through the cabinet process.

Mr HAMILTON-SMITH: Moving on to the subject of PPPs. I refer to page 37 of Part C. In response to a question asked on 23 September 2008 about the prisoners project funding providers, the Treasurer said that they will be originating the debt from other providers and they will not be carrying the full debt on their balance sheet. These are debt financed projects. Could you provide the committee with some more information about how the super school PPPs will be debt funded? I note your comments this afternoon in question time, but given that one of the outcomes of the financial crisis at the moment is the freezing of funds between lenders, how do you see the PPP super school projects proceeding from here?

The Hon. K.O. FOLEY: I cannot provide that information because we are in the evaluation process of choosing a successful consortia to undertake that project, but clearly one of the things we will be doing in the criteria for choosing them is to ensure they can provide the debt finance, the equity, or what other finance methods they are using. Obviously, we will want to have confirmation that the finance is available, but obviously once those tenders are let, we will give the information about the successful consortia.

Mr HAMILTON-SMITH: I move to the ICT program, page 15 of Part A. In the past, the Auditor-General has recommended that ministers should receive regular status reports on the progress of major ICT projects. How often does the Treasurer receive status reports on the costs of major projects and why does there continue to be blow-outs in several of these projects referred to in this Auditor-General's Report and previous reports?

The Hon. K.O. FOLEY: I am advised that there is an ICT oversight committee that is chaired by Jim Hallion, the chief executive officer of the department of transport. That reports to minister Conlon in his capacity as Minister for Infrastructure and, if and when there are issues that I need to be made aware of, I am made aware of them.

Why do ICT projects run over cost? Crikey, if you could answer that one you would be a bloody hot-shot consultant out there saving people a lot of money. I remember the Y2K issue. I would love to dig up some old Treasury minutes on the Y2K. I wish I could answer why ICT projects seem to go massively over cost. It is a very good question and I wish I could answer it, but that is the ICT world.

Mr HAMILTON-SMITH: By way of a supplementary question to that answer, the Treasurer has informed the house previously of claimed savings from the ICT program—or direct savings. Does the government have a process to measure indirect expenses from this project? For example, the breaking up of the single provider, the EDS contract, has required growth in the number of people to manage those separate projects now within DTEI; and there have been other costs and some of these projects have run over budget. Does the government have a mechanism in place to measure the whole-of-government cost of this new ICT program and compare it to the cost to government when we had a single provider in the form of EDS? Is there some broader device to measure whether or not this is working?

The Hon. K.O. FOLEY: I doubt it, but I can say this: I advise the leader to be very circumspect in how he approaches the value of the EDS contract dating back to 1997. Probably, I am as knowledgeable about that project, if not more knowledgeable, than anyone in the house, because I carried that project from opposition. It was a shocker: there is no question about that. It was an absolute shocker of a contract. There was great merit in the argument at the time, not accepted by the former government, that you really should not put all your eggs in one basket because you are hostage to one provider and have no internal competition; and it really is a flawed model. Tragically for the government of the day, it seemed a good idea at the time, but it proved to be a very unsatisfactory contract.

What we have done is break up the parcels of ICT work and put out a competitive bid. We have a number of providers now with serious internal competition. The competition of the bidding process has given us a good array of providers which has locked in \$30 million a year in savings, and we have apportioned that across agencies. There is a little bit of controversy internally because Treasury had to put down a mandated number as to what the expenses would be in each agency for ICT services and apportion the savings across each agency. But it is a very real saving and we now have a much better quality contract and, if we have employed a few more people or have a few more people overseeing that process than we had with the EDS contract, it is money extremely well spent.

Mr HAMILTON-SMITH: I refer to page 46 of Part C. The Auditor-General refers to WorkCover and notes that he is now the statutory auditor of WorkCover but that at the time of his report WorkCover's full year financial results were not available. According to its annual report, WorkCover's unfunded liability was \$984 million at 30 June 2008 using a discount rate of 6.5 per cent. Given further losses to its invested fund and a deterioration of the discount rate to 4.9 per cent, which was confirmed by the Under Treasurer on 27 October, what is WorkCover's present unfunded liability position at 30 September—at the last measure by Treasury and for the most recent period available?

The Hon. K.O. FOLEY: Treasury does not measure the unfunded liability of a statutory corporation. A statutory corporation reports its unfunded liability according to its accounting

requirements. The corporation reports yearly on its unfunded liability. It provides quarterly reports to the Minister for Industrial Relations and, no doubt, we see those in Treasury. The Under Treasurer sits on the board of WorkCover.

I will make a number of important points about WorkCover. First, a reform of the legislation, as our package, was to actually put the Auditor-General into WorkCover. There has always been a tension between WorkCover and government over who should audit the books. Let us remember that the employer's association—and employers have a particular interest in the function of that organisation, and the board has predominantly been a private sector board—has liked to employ its own auditors. That has now changed. The unfunded liability of WorkCover is being impacted on in exactly the same way as the unfunded superannuation liability of government is being impacted on, and in exactly the same way as the funding of the Motor Accident Commission has been reduced.

We are in the midst of the greatest financial crisis the world has seen since the Great Depression. We have been all through this. We have seen massive wealth destruction in the globe. I think the equity markets were down 20 per cent in October. Since this crash occurred, equity markets are down 40 per cent. We have had massive wealth destruction. WorkCover can only invest its money in investment markets; it has nowhere else to put it. Even putting it in the bank as cash came with a degree of risk.

WorkCover has suffered, as other organisations have suffered, as individual personal wealth has suffered from those that have seen losses on stock markets, and that has affected its unfunded liability. On top of that, you have this issue of a reduction in the discount rate, which increases the unfunded liability. They are measures and outcomes beyond the control of a board or government and they are issues for which we have to accept the reality of the market conditions.

The fundamental issue about WorkCover is the structural integrity of the organisation, in terms of the quality of its management and the legislation from which it operates under as to whether or not that is a sound piece of law that enables the organisation to operate as close to commercially as a government organisation can. On the best advice that we have been given, through the debates in this parliament and the reluctance of the opposition—although finally on board to pass that law—over time that law should see a rebalancing of the organisation and, ultimately, the reduction and elimination of an unfunded liability over a period of time.

Unfortunately for the organisation, and I daresay for all those who have an interest in WorkCover, the financial crisis could not have come at a worse time. For WorkCover, it cannot win either way, but at least now we have a sustainable and good glide path for a return to a very healthy position for WorkCover, and we hope that occurs as quickly as possible.

Mr HAMILTON-SMITH: Getting back to the question: is the Treasurer informed quarterly of the unfunded liability position of WorkCover? If that is so, what was the last quarterly update on that liability position, because it would have been as at the end of September, I imagine. What is the current state of that unfunded liability?

The CHAIR: We are doing this from the Auditor-General's Report, which states that the Auditor-General has not yet commenced auditing WorkCover. I think the question cannot be in order, but I do invite the Treasurer to make a comment.

The Hon. K.O. FOLEY: From recollection, I do not receive a quarterly formal report. The Under Treasurer sits on the board and we talk often about WorkCover. The Under Treasurer will always bring to my attention matters that he feels I need to know about. I have just released the annual report showing the performance of WorkCover.

I can confidently say to you that, between the release of that report and the date in that report to the end of September, or the end of October, or mark-to-market results today, it is worse, because the situation has deteriorated. I do not have a number exactly. It would be of little value, even if we had a number, because those numbers would be jumping and gyrating around the place like nobody's business. I have Andrew Blaskett with me here. Andrew gives me advice on the unfunded liability of our superannuation. Every day is a different story. The markets are just gyrating like anyone's business, and, until we get a more settled scenario, those numbers are not meaningless, but there could be one number today, and it will be a better number tomorrow and a worse number the next day.

Mr HAMILTON-SMITH: Same page reference, page 46 of Part C, that deals with WorkCover liabilities. Can the Treasurer tell us the current state of the government's own WorkCover scheme for its own employees, that was reported publicly at a \$400 million unfunded

liability, quite separate to the WorkCover scheme, because you are self-insured employer? What is the current unfunded liability position of that scheme?

The Hon. K.O. FOLEY: We do not pay ourselves. Simply, we pay these liabilities as and when they fall due. They are not affected by the equity market; it is just a matter of the performance of injury rates in enterprises. But, of course, it will get much better because the new law changes will also apply to public servants.

Mr HAMILTON-SMITH: Page 2 of Part A makes reference to the Motor Accident Commission. The Treasurer told the house on 15 October that the Motor Accident Commission had breached its solvency provisions to a level of 98.4 per cent; that is, the commission's assets are not enough to meet accident claims when they fall due. What action is the Treasurer taking in response to the Auditor-General's finding? How do you intend to fund such claims, and what are you doing to increase the solvency level?

The Hon. K.O. FOLEY: Well, that is a misrepresentation. The suggestion that the Motor Accident Commission cannot meet its commitments to injured motor accident victims and/or property damage is just not true. It is an incredibly solvent enterprise. I wish WorkCover was at 98.5 per cent.

One of the great lessons that I have learnt in this job—and I have learnt a lot—is that, when I came into office because your government did not have a proper eye to properly managing these enterprises and took an easy political option, you did not pass on the increases that were recommended anywhere near the level by the compulsory third party committee that advises governments. So, when I came into office I am not sure what the solvency of that enterprise was, but I knew I had to make it more solvent, and I also agreed that we would increase the solvency ratio to a much higher level. We put a prudential margin in place, and, in the end, through passing on those increases and having a decent prudential margin in there, we got solvency up to in excess of 160 per cent.

There were two years there where a third party committee recommended decreasing premiums. The odd thing is that, in hindsight, I should not have agreed to that; we should have maybe just increased it by inflation to give us a bit more of a buffer. But, I think I am right in saying that the situation there was that I would have had to direct the Motor Accident Commission to not decrease its premiums on the advice given. I took the view politically that we would look a stingy lot if we were directing an entity to lift its prices when the independent authority was saying decrease.

But, we got solvency up to 160 per cent. I would be lying if I did not say it, but there were times when I was scratching my head thinking: why are we being purer than pure and having such an incredibly well funded entity? The reason is that sometimes the world turns in on itself and suddenly the bottom of the crash that we have had has meant that we have run down all that prudential margin and we are about 98 per cent to 100 per cent solvent, and that is why you have prudential margins and higher levels of solvency.

So, quite the opposite to what you are saying, the Motor Accident Commission, through government action and government policy, has supported a very good management team. Under the former general manager, Geoff Vogt, the former board members and, in particular, now under Roger Cook's chairmanship, the board is going very well. I am not recommending we do anything more in terms of the solvency of that entity other than accepting reality, and we will see a return to health in our equity markets and investment markets at some point and that will greatly improve the solvency of the entity.

In fact, the situation has improved a bit. I am advised that, as at 30 June—so, I am not sure what numbers I was referring to before—we were at 101.5 per cent of the required level of sufficient solvency, and we are at 112.8 per cent against the additional solvency target of 160 per cent. As at 30 June 2007, we were 167.3 per cent solvent; at this point in time, we are 112.8 per cent solvent. Whatever number you look at, the entity has sufficient funds in terms of its solvency but, as an entity that trades, it has more than sufficient cash flow to meet its commitments as and when required.

Mr GRIFFITHS: I refer to page 16 of Part A and the RevenueSA taxation revenue management system. The report notes that the original allocation was \$22.6 million towards this project. It has been increased now to near \$46 million. In a question in the house on 16 October, in part of your answer you talked about how the program is intended to bring in an extra \$19 million in revenue, and that was justification for it all. I am interested to find out, though, from what taxation categories you think this revenue leakage comes.

The Hon. K.O. FOLEY: We should all be worried out there now; this is a pretty good system. Yes. Has it cost more? Yes. Why? Because it is IT and I wish it did not. But it does give us a very significant payback—\$19 million a year conservative. It is spread across all tax-paying categories. Under the old system, we would look at Steve Griffiths, for example, and we would see what is your land tax liability, but we could not look at what your payroll tax liability might be if you were in business—in fact, payroll tax or any of the other categories—because it was individually identified.

Under this system, we pull up Steve Griffiths, for example, and we can work out what you should owe us on every tax category for which you, as an enterprise, would be liable. It is much more efficient and transparent. We have much better access to data and we group that data much better which enables the Tax Commissioner and his staff to chase down what has been leakage.

I can take your question a bit further because I have put this to Treasury on a number of occasions. We have and continue to employ more revenue collection officers (taxation officers, compliance officers) and they have a terrific revenue payback—about \$800,000 an officer. I said, 'Let's employ 500 of them!' But there is a point of diminishing return and we have not actually reached diminishing return. I keep getting told that, at some point, there is a diminishing return, but for each and every budget I put pressure on the Under Treasurer and the tax office to see whether or not we should be employing more tax collectors.

I think I have even asked this question: do we ever have an estimate as to what tax the system does not collect that it should collect? The fantastic *Yes, Minister* response is, 'Yes, we have tried to get an estimate, but it is very hard. We have a target of what we think is reasonably achievable, but we will not share it with you.'

Mr GRIFFITHS: Is there a firm date as to when it is intended to implement the system, Treasurer? Is it in 2010-11; is that in place?

The Hon. K.O. FOLEY: We are signing contracts soon, and then work will start on building this thing. We are confident that it will be operational at the earliest opportunity—in the foreseeable future—once we build this machine. The Under Treasurer has also indicated that we indicate what our target is for revenue collection in our portfolio statements. What we do not, of course, have is what we think the extra bit might be out there, but we are working on it as best we can. I was trying to think of the name of that computer in one of those films.

Mr GRIFFITHS: RISTEC.

The Hon. K.O. FOLEY: No. What was the computer in *2001: A Space Odyssey*?

The CHAIR: HAL.

The Hon. K.O. FOLEY: HAL, yes.

Mr HAMILTON-SMITH: I refer to page 42 of Part C, which observes that the data quality provided to agencies, as part of budget monitoring and reporting, was 'consistently rated as medium and low on a high to low scale' by DTF. The Auditor-General has also identified this deficiency in previous years. Can the Treasurer explain what action has been taken over the years to remedy this poor quality of information?

The Hon. K.O. FOLEY: My guess is that he has reported on that in previous years and, I guess if I went looking, there would be a fair number of years when you were in office that the previous Auditor-General probably said much the same thing. We have significantly improved the quality of reporting. The Under Treasurer has written to the chief executive stressing the importance of monthly monitoring, including the requirement to accurately profile the budget, accurately project end-of-year outcomes and provide good quality variation explanations.

Portfolio chief executives within Treasury meet regularly with senior finance officers. We have put a lot of IT improvements in place. We are getting nowhere near a common platform across government. We have common ledger systems and chartered accounts. I think the government accounting branch has asked me, over many budgets, to get some money to improve the quality of IT reporting, and I keep knocking them back.

When we came into office, it was a pretty poor system. I remember that health was only reporting at the end of the year on end-of-year outcomes on health. We have greatly improved the quality of our monitoring. Could it be better? Absolutely—and we will continue to strive to improve it.

Mr GRIFFITHS: I refer to page 5 of Part C, at the top of that page—'Estimated position for 2007-08 and forward years'. The budget presented this year forecasts growth within the South Australian economy at 2.75 per cent. I am aware that the federal government has put out the position that the Reserve Bank has put out. What is the now revised-down figure for South Australia?

The Hon. K.O. FOLEY: Let us remember that the Reserve Bank publishes a growth number that does not take into account what affects an easing or tightening, I guess, of what monetary policy may do to its settings. I am not exactly sure how it comes up with that number, but it comes up with a number minus any adjustment to monetary policy at that point. That is the explanation for the difference between the RBA's number and the Treasury number, I assume. Numbers have been put to me by Treasury; I do not want to raise them publicly until such time as the Mid-Year Budget Review when we can settle on those numbers.

A number of meetings are occurring before then. State Labor treasurers, at least, are meeting on Friday. We have a meeting of the Treasury Ministerial Council and Loan Council late November followed by a COAG on a Saturday, which will be a hoot. We will have a better idea of just what is happening after those meetings in relation to the financial arrangements with the commonwealth, and we will be in a better position to understand where the economy is heading.

Mr GRIFFITHS: I pick up on one point. In his answer, the Treasurer said that Labor treasurers are meeting. Is Troy Buswell part of that discussion?

The Hon. K.O. FOLEY: Troy Buswell is being consulted on it, but Labor treasurers have agreed to meet and have a discussion. Troy is aware of it and is being kept fully briefed on it. I am sure that, when you were in government and given that your party was in national office, you would have talked amongst yourselves about how you wished to deal with something.

Mr GRIFFITHS: Can we go to the area of industry and trade, Madam Chair?

The CHAIR: Yes. Can we change over advisers, please. Thank you for your cooperation, members on my left.

Mr GRIFFITHS: I refer to page 1,291, Part B, Volume V. I am interested in the scope of activities of the Olympic Dam Task Force. Can the minister give me some information on that, please.

The Hon. K.O. FOLEY: The Olympic Dam Task Force is working on in excess of 50 projects right across government. In terms of the approval processes and planning that is required, the necessary decision making for government, assisting BHP in the construction of the EIS documentation and then ultimately the implementation of that EIS, Bruce Carter (Chairman of the Economic Development Board) is chair of that committee. Paul Case, a highly experienced and credentialed senior executive of government, has been given the task of overseeing this process. I recently returned with Paul and Bruce from Escondida where we had a look at what is happening in Chile.

That task force, whilst it is costing us a few million dollars a year, is a very valuable resource. This project will be transformational for this economy. It will be the greatest mining development ever undertaken anywhere in the world. It will result in tens of thousands of jobs, a significant lift in our gross state product, and it will provide for a renaissance in terms of the Upper North, around the cities of Whyalla, Port Augusta and Port Pirie. Roxby Downs itself will double in size.

I had a 1½ hour meeting recently with Marius Kloppers, Graham Hunt and his people and the project is on track. The board will make its final decision. Nothing is 100 per cent in this business, but I am confident and they appear very confident with their progress to date. However, we need to underpin and support that. Ultimately, we may need to alter the indenture. We have not decided exactly the way forward, but there will be a role for this parliament, and we look forward to the whole-hearted support of the opposition.

Mr GRIFFITHS: I refer to page 1,315, Part B, Volume I, the Economic Development Board. It has been a focus for the government to use the skills of those people. I note in the Auditor-General's Report a few resignations and new appointments. What are some of the reasons for the changes that have occurred in the last 12 months?

The Hon. K.O. FOLEY: The chairman, David Simmons, at his request did not want to continue. He had been on the board since day one. David did an outstanding job. Bruce Carter

accepted the government's offer to chair the board. There were a couple of other changes. It has been a very stable board, but we needed to renew the board and bring in some extra skills. Wayne Jackson wished to resign, as did John Bastian and Fiona Roche. They had done a fair stint. We put in new people. Justin Milne is the head of BigPond. Leanna Read is the head of a biotech company. Helen Nugent—who is well known to us all—is one of Australia's top directors. Michael Hickinbotham, Dr Michael Keating and Kevin Osborn are new additions. They are a terrific bunch of business and community people who give the government a tremendous resource. It is a model that any future government should adopt. Should those opposite be successful at the next election, I would advise them strongly to retain the structure we have in place.

Mr GRIFFITHS: I refer to page 1,316, Part B. I am interested in the Export Council and the fact that its role was removed recently. What are the plans in place to replace that body?

The Hon. K.O. FOLEY: We are talking with Business SA about it. The Export Council was a recommendation of the EDB some years ago. It has not worked as well as we would have liked it to work. It has been difficult to get the results out of the board that could have been achieved. We have a lot of advisory boards in government. I think the model we put in place was not the best model, so we are now working with business to come up with a better proposition than that which we have had in the past.

Mr GRIFFITHS: Given the commitment of the state's Strategic Plan to try to triple exports by 2013, a body with that focus is important for the state. Is there a time frame when you anticipate the new export council being established?

The Hon. K.O. FOLEY: The export performance of our companies is not dependent upon what we may or may not get in terms of advice from an export council. The Economic Development Board gives us significant grunt when it comes to advice on business in general. We think Business SA with its strong links to the state's exporters and businesses is better placed to lead the way forward for an export council. We are having those discussions.

As a result of my experience working at Austrade for a while, and, more importantly, working for former ministers—and now as a minister—my view is that big and even medium to larger enterprises do not need a lot of help, if any, from government really. They know how to export to and access the markets. The big commodity companies and the big agricultural enterprises know how to export. Where we can give some value-add as a state is at the small to medium enterprise level, where it is difficult to map or identify the real effect one is having with those companies. We put a lot of effort and resource into that, be it through CITCSA or our own operations and offices overseas. I think to the extent we can we have a good handle on assisting business in our state with export. I think we can do it a little better and, as a result of involving Business SA, we will come up with a good model. I hope to have it sorted out in the near future.

[Sitting extended beyond 18:00 on motion of Hon. J.D. Hill]

Mr HAMILTON-SMITH: I refer to page 810 of Volume III, noting the Auditor-General's observation that expenses for DPC have increased from \$250 million in 2006-07 to just short of \$370 million in 2007-08—a significant increase in employee benefits or numbers, but also in grants and subsidies and in supplies and services. Can the Premier explain in more detail?

The Hon. M.D. RANN: That is a good question, and I can understand how it has caused confusion. We got rid of a number of departments and brought them under DPC. At one stage DAIS, Industrial Relations, SafeWork SA, Aboriginal Affairs, Arts, and Recreation and Sport all came over. Recreation and Sport has now gone out. In an effort to improve efficiency, my department was massively expanded under Warren McCann's leadership, not because we were expanding the department but because we subsumed a whole range of other administrative functions, and therefore it looks as though there has been a big increase in the number of people, but those people were employed anyway and basically changed hats.

For financial accounting and reporting purposes a number of business units were transferred from the Department of Administrative and Information Services to the Department of Premier and Cabinet, effective from 1 January 2007. As a result of this transfer the 2006-07 financial results for the department reflect six months of operating activity for the former DAIS business units. The 2007-08 financial results of the department reflect a full year of operations for these units, so what appears to be a big jump up is just an extra six months of having DAIS incorporated. In from DAIS, to make that clear, SafeWork SA, the Industrial Court, Government

Publishing, State Records, the Office for Recreation and Sport, the Public Sector Workforce Division, Injury Management Services, Placement Services, and minister Wright's office all shifted under DPC, which followed bringing in Arts, Aboriginal Affairs and some other areas also.

Mr HAMILTON-SMITH: On the same reference, given this growth in the size of the Department of Premier and Cabinet, is the Premier completely happy from an audit viewpoint that the structure of departments in relation to the number of ministers and the cross-reference of ministers where you have some departments answering to two or three ministers, is simple and effective or is further simplification and streamlining required?

The Hon. M.D. RANN: From an audit viewpoint they audit departments—whole departments—but from time immemorial and in other states the move, including under the previous government of which the leader was a minister, to the setting up of super departments was to stop the proliferation of administrative units and, rather than having a whole series of different payrolls, IRs and HRs, it was about consolidation. I think it works quite well. I was not briefed by recreation and sport. They briefed their minister. There are some areas where I was jointly briefed because of my role in terms of Social Inclusion. So, whilst the Aboriginal Affairs group reported to Jay Weatherill, because of my interest in Social Inclusion and whole of government matters relating to COAG, they also reported to me, but we have not found a problem with that.

Mr HAMILTON-SMITH: I refer to Part B, Volume III, page 825. I note that 10 people in DPC are paid in excess of \$240,000: four at the level of \$240,000 plus and one at the level of \$289,000. Could you explain to the committee who those 10 appointments are who are paid in excess of \$240,000?

The Hon. M.D. RANN: I can get you a breakdown with the individual names. You could look at a number of very senior people such as the director of the cabinet office and obviously the head of the department, and a number of other areas, including people who have been brought in, but I will get you a specific definitive list so that we can put a name next to each person.

Mr GRIFFITHS: The shadow minister, the member for Heysen, apologises for not being here but a very serious fall on Saturday while bushwalking has made it a little difficult for her to get around. She is the walking wounded at the moment.

The Hon. J.D. Hill interjecting:

Mr GRIFFITHS: Yes, I know that she has been for X-rays. The one question that she did express to me relates to Part B, Volume I, page 70. The Auditor-General commented that the main areas for improvement were the need to develop and enhance policies and procedures and the control framework for the acquisition and loan of artwork. She is particularly concerned about the fact that there must be many art pieces on public display which are owned by private individuals and the need to ensure that an accountability system is in place that will give every guarantee necessary to ensure that those properties will still be able to be identified as being owned privately. Can you provide some information on what is occurring to improve that system?

The Hon. M.D. RANN: I must say there is an outstanding board of the Art Gallery, which is headed by Michael Abbott QC and which has basically a range of business leaders on it. The Art Gallery controls the acquisition of works of art and loans of works of art through a range of procedures and documentation. These procedures have been in operation for many years and all decisions are formally documented through board agendas and minutes. The Art Gallery noted the recommendations of the Auditor-General and will implement recommendations for improved policies and procedures. I understand that the Auditor-General is satisfied with the Art Gallery's response.

Over the years, we have done pretty well. Just to give you an idea, the Art Gallery has over 20 Rodin sculptures. Obviously, there is the Rodin Museum in Paris which has a large number of Rodin sculptures, but there is one in Philadelphia in Pennsylvania which is a separate Rodin Museum and which is separate from the Philadelphia Museum of Art, yet that probably only has a few more Rodins than we have. That was basically the result of an extraordinary loan. It is one of the biggest collections of Rodins in the world, which, I understand, has now become a gift.

Most recently, there had been a loan for some years of a Turner painting. There would be very few Turner paintings in Australia. They are worth many millions of dollars. That Turner painting has been acquired by the Art Gallery and is now worth an enormous amount of money. It is the most valuable artwork in South Australia and one of the most valuable artworks in Australia, so it is an enormous addition to the collection. There has been quite a strong tradition of corporate

philanthropy toward the Art Gallery. As one can probably see by going into the place, various bequests are noted, but also, some of the most significant donors of recent times have had individual rooms named after them

Only a few years ago there was a gift of Tiffany windows, which was an extraordinary gift, and so it goes on. Michael Abbott, who is the chair of the Art Gallery, is one of the major donors to the Art Gallery with collections of Islamic art, Indonesian art and Indian art. We probably now have the biggest collection in Australia. Another board member, Andrew Gwinnett, has made substantial contributions of Japanese art which, again, I think is the biggest collection in Australia. It is terrific that we have a great board which looks after the provenance of the artwork and backs the gallery director, Christopher Menz, and its members also make substantial donations themselves worth many millions of dollars.

The CHAIR: If there is nothing further in the arts area, we will move on to sustainability and climate change.

Mr PEDERICK: I refer to Volume III, page 839. Noting that the Premier's Round Table on Sustainability was dissolved on 30 June 2007, my question is: have the objectives and initiatives of this group been fully adopted and performed by the Premier's Council on Climate Change?

The Hon. M.D. RANN: Much of the work has been subsumed. What the Climate Change Council was doing was particularly specialist. We passed specific legislation through this parliament (the greenhouse gas reduction legislation) with the support of the Leader of the Opposition. The Climate Change Council came out specifically from that, in terms of setting up a council that was required, through our discussions in this place, not only to audit the work in terms of getting out and signing up voluntary agreement with sectors but also to report regularly and look at mitigation and also adaptations. There is a different focus. Our feeling was that the work of the sustainability group was largely covered in other areas, so we wanted to make sure that, rather than being generic, we had a sharper focus on climate change.

Mr PEDERICK: On that same page (page 839), what specific advice has the Premier's council given the government on the attainability of its greenhouse gas emissions targets, namely, limiting the state's greenhouse gas emissions to 101 per cent of 1990 levels during 2008-12 and by 60 per cent by 2020-50?

The Hon. M.D. RANN: I met with the chair, Mr David Klingberg, a former chancellor of the University of South Australia. As you can see, it is an extraordinarily prestigious group of people. They give us advice on a range of strategies by which we can reach those targets. I am happy to come back with some additional information.

There are some areas where we are doing particularly well. As I mentioned recently, at Snowtown we opened the TrustPower wind farm. TrustPower is a New Zealand company based in Tauranga. We opened \$200 to \$300 million worth of wind farm. I think it was about 23 kilometres long, and the next stage will take it to 35 kilometres long. I was able to point out on that day that, with 8 per cent of Australia's population, we have about 58 per cent of the wind power. That is an area in which the strategic plan target and, indeed, the target that we put into legislation that the member refers to, was to reach, as a state, 20 per cent of our power generated and 20 per cent of our power consumed coming from renewables by 2014, and we should reach that target by the end of 2010. So, that is four years ahead of our own target (which many people thought was too ambitious), but it is also 10 years ahead of the Rudd government's target that it has laid down for all of the Australian states—and, of course, we have heard other states whingeing that it is too tough.

I have to say that Mr Klingberg's advice is eminently practical. We have already entered into an agreement with the wine industry. The wine industry's commitment to signing up to the agreement on reducing greenhouse gas emissions is not only good for the environment and South Australia's credentials, but also is incredibly good for its marketing in Europe. Companies such as Tesco's have said to a number of people around the world, 'We like your wine, but we are going to be looking at price, quality and carbon footprint,' and our wine industry is the first in the world to sign up to something like that and, not only is it good for the environment, but it gives us a marketing edge also.

Mr GRIFFITHS: I have a question as an extension of the answer just provided by the Premier. I am particularly interested in the wind farm issue because, in a previous role, I was part of a group that hosted the Premier at Troubridge Point when he opened the wind farm there of 55 turbines. I am interested in whether there is a strategic vision of the state government to

determine the preferred location for these wind farms and whether you are actively working with potential investors to encourage development on those sites; or are you allowing for government investment to come in and create it where it sees an opportunity?

The Hon. M.D. RANN: There is very little government money in this, and people say, 'How come it has happened here?', just as they say, 'How come 85 per cent of the geothermal development is happening in South Australia, when just across the border there is the same geothermal prospectivity?' Dealing with geothermal prospectivity first, it is because we got our planning system right to fast-track geothermal prospectivity, and we changed the rules to make it much easier for those companies to choose South Australia than go elsewhere, even though it was just as hot rocks across the border. If you think of Innamincka, it is next to the Queensland border.

The other thing we had going for us is we were doing indigenous land use agreements, and that was developed by the previous Liberal government, under Trevor Griffin, and then developed by us. It has been very bipartisan, and I think that needs to be acknowledged. Basically, companies have been saying to us, 'You have made it much easier in terms of your exploration rules and regulations, your mining rules and regulations, and your indigenous land use agreements,' rather than having to run the gamut of the courts, as they do elsewhere in Australia.

We have also created planning rules which facilitated wind farm developments and made it much easier and faster. Obviously, the key thing they look at is the wind prospectivity of different areas and, obviously, the areas of high prospectivity include the South-East (in the vicinity of Penola but basically along the Limestone Coast) and also Eyre Peninsula (but then there are the added issues of transmission lines), and also the Mid North. For instance, Mid North, Snowtown and Hallett have been judged to be particularly high in wind prospectivity. In fact, I was talking to people from Suzlon, which is the Indian company, and it seems that the turbines tend to be from either Denmark or from India.

Often that relates to the different circumstances of where they will be positioned; perhaps one turbine is more suited to the Snowtown/Hallett area. I think it comes down to where the high areas of prospectivity are and where there are transmission lines, because there are some very high areas of prospectivity where there are no transmission lines or where they are very substandard.

We have basically been working with the companies, not only to help them find the best place but also to make sure that there are the best connections; dealing with local councils; and other things. I think the reason we are getting 58 per cent of the investment in Australia is because we have basically got it down to pretty much a fine art.

Mr PEDERICK: I refer to Volume III, page 819, Objectives of the Department of the Premier and Cabinet, paragraph 3, which states (in part): 'to develop policies and deliver programs in the areas of...sustainability and climate change'. My question is: what funding has been applied for the administration and related costs of producing these objectives and initiatives?

The Hon. M.D. RANN: In terms of our policy, if I were to give you the figure it could be misleading, so we will get a disaggregation of those figures for you.

Mr GRIFFITHS: I refer to economic development. Premier, I appreciate your willingness to talk in very broad terms about things here. It is not my expectation to ask you a question about dollar figures or numbers or anything when it comes to economic development, but I do want to focus on page 1,301, where it talks about the key objectives of the Department of Trade and Economic Development.

A report was presented to the government in, I believe, June 2008, identifying that within the next 10 years there will be a need to replace, I think, 206,000 workers, who will be retiring, with an opportunity for another 133,000 to find employment in the state through growth opportunities. Can you outline the plans that are being prepared to ensure that this number of people will actually be available?

The Hon. M.D. RANN: That really came out of the Economic Development Board itself. We have some extraordinary people—and we have had some extraordinary people—on the Economic Development Board over the years. It was really Robert de Crespigny and a couple of others who came up with the Plan for Accelerated Exploration (PACE) scheme. I think that probably only about \$30-odd million has been committed to that area, but it has had magnificent bang for buck, including finding minerals all over the place. It was about partnering with exploration companies to get them going, including financial partnering.

Obviously, a subgroup of the EDB looked at defence, and that was spectacularly successful, with air warfare destroyers—\$14 billion worth of defence projects. There are other groups, where we have people such as Leanna Read, who is a leading bioscientist. We also have Michael Keating, who used to be the head of the Department of Prime Minister and Cabinet; a very senior person, having been the head of government departments. Obviously, we have had people such as Carolyn Hewson and others over the years, all with specific expertise. We tend to bring these people together in different groups, whether it is about winning defence or mining contracts. We have also looked at other areas, such as skills. The skills agenda is critically important. We asked Michael Keating to head that up. He worked with both DFEEST and DTED.

I should mention some other people: Bruce Carter, chairman; Michael Hickinbotham; Fiona Roche, who has recently resigned; Kevin Osborne; Helen Nugent; Wayne Jackson formerly; Justin Milne, the head of BigPond; Cheryl Bart; and David Simmons, another former chairman from manufacturing. So, people come in and out with specific expertise.

David Cappo is involved in this, both as chairman of social inclusion and also as a member of the Economic Development Board, because we wanted to make sure that the two were linked together. We are working on how we get a social dividend and a jobs dividend for South Australians, as well as a wealth dividend, out of the mining boom.

Obviously, we have the trade schools for the future, we have the defence skills centre, we have mining skills centres; and, following that Keating report, there has been a bit of a reshuffle of permanent heads. Brian Cunningham, who was the head of DFEEST, has come over to be the head of DTED; and Ray Garrard, who worked very closely with Michael Keating, De Crespigny and others, has gone over to basically run the skills agenda for the government under minister Caica.

What we are doing now is, basically, the hard yards. That means a combination of things, including skilling people up. Next year we raise the school leaving age to 17. People under 17 have to be in training, earning or learning. We have been working with universities. There are record numbers of geology students. We are particularly targeting the international students, so as many as possible stay on, because not only are we going to need to skill up locals and make sure that we maximise the number of contracts for locals, but we are also going to have to supplement that in terms of increased migration.

The most recent migration figures show the highest level of migration since 1972. In a sense, it is a sort of a shandy of measures of which the Economic Development Board has the overview but which Ray Garrard, through his new position, will be driving.

Mr GRIFFITHS: Referring to the Premier's answer just then, my understanding is that only something like 15,000 people are entering the workforce each year within South Australia— younger people coming through. Obviously, therefore, the sums will not add up, so immigration is going to be an important aspect, and you have already answered that as part of it. But, as part of the focus on immigration, are we ensuring that the skills of the people who migrate to South Australia are matched with opportunities; and, importantly, are the people who have language difficulties receiving all the training they need, because surely language problems must be a big hindrance to employment opportunities?

The Hon. M.D. RANN: Obviously, matching is the key point. There are some areas where that is not the key point. We have been recruiting British bobbies, and that is going particularly well. Recently, I was asked to attend a couple of expos and seminars in New Zealand, for obvious reasons.

One of the great things about New Zealand is that Amanda Vanstone—and we are grateful for her and we are grateful for the new government continuing it—changed the migration rules, because we had a need for more people (whereas Sydney was chock-a-block) and for skilled migrants to get into South Australia more easily. Obviously, they have to be matched with employers, and often there is a lot of work being done even by state government departments in doing that, as well as a whole range of employment agencies. One of the reasons we have decided to target New Zealand, amongst a group of countries, is that there is no requirement for any visa; there is a totally free exchange.

They had a big show in an equivalent of the Royal Agricultural Showgrounds in New Zealand, and a whole range of companies, as well as government departments, came over. There were some government departments recruiting for civil engineers, for instance, for the department of infrastructure and transport.

The Department for Families and Communities, for instance, was looking for counsellors and psychologists and I think that, on one day, hundreds of people registered to be involved. Of course, the great thing about across the Tasman is that there are not the language problems and there is also no need for visas. I was able to demonstrate that some New Zealanders do quite well here.

Progress reported; committee to sit again.

At 18:16 the house adjourned until Wednesday 12 November 2008 at 11:00.