HOUSE OF ASSEMBLY

Thursday 26 June 1997

ESTIMATES COMMITTEE B

Chairman:
Mr H. Becker

Members:
Mr R.P. Bass
Mr R.D. Clarke
Mr J. Cummins
Ms A.K. Hurley
Mr M.R. De Laine
Mr D.E. Wade

The Committee met at 11 a.m.

Department for Industrial Affairs, $24 688 000

Witness:

The Hon. D.C. Brown, Minister for Industrial Affairs, Minister for Aboriginal Affairs and Minister for Information and Contract Services.

Departmental Advisers:

Mr M.G. O'Callaghan, Chief Executive Officer, Department for Industrial Affairs.

Mr P. Case, Director, Public Sector, Human Resource Management Division.

Mr B. Apsey, Director, Workplace Client Services Division.

Mr N. Wilson, Director, Workplace Relations Policy Division.

Mr J. Kavanagh, Manager, Corporate Services.

Mr B. Cutts, Manager, Financial Services.

The CHAIRMAN: A relatively informal procedure is traditionally adopted. There is no need to stand to ask or answer questions. The Committee will determine an approximate time for consideration of proposed payments to facilitate the changeover of departmental advisers. Changes to the composition of the Committee will be notified to the Committee as they occur. Members should ensure that they have provided the Chair with a completed request to be discharged form. If the Minister undertakes to supply information at a later date, it must be in a form suitable for insertion in *Hansard* and two copies submitted no later than Friday 11 July to the Clerk of the House of Assembly. I propose to allow the lead speaker for the Opposition and the Minister to make an opening statement, if desired, of about 10 minutes but no longer than 15 minutes.

There will be a flexible approach to giving the call to asking questions based on about three questions per member, alternating sides. Members may also be allowed to ask a brief supplementary question to conclude a line of questioning, but any supplementary questions will be the exception rather than the rule. Subject to the convenience of the Committee, a member who is outside the Committee and who desires to ask a question will be permitted to do so once the line of questioning on an item has been exhausted by the Committee. An indication to the Chair in advance from the member outside the Committee wishing to ask a question is necessary.

Questions must be based on lines of expenditure as revealed in the Estimates of Receipts and Payments Financial Paper No. 2. Reference may be made to other documents, including Program Estimates and Information. Members must identify a page number or the program in the relevant financial papers from which their question is derived. Questions not asked at the end of the day may be placed on the House of Assembly Notice Paper if they are lodged in the normal manner and in a suitable form.

I remind the Minister that there is no formal facility for the tabling of documents before the Committee. However, documents can be supplied to the Chair for distribution to the Committee. Incorporation of material in *Hansard* is permitted on the same basis as applies in the House; that is, it must be purely statistical and limited to one page in length. All questions are to be directed to the Minister, not to the Minister's advisers. The Minister may refer questions to advisers for a response.

I also advise that for the purposes of the Committee there will be some freedom allowed for television coverage by allowing a short period of filming from the northern gallery. I now invite the Minister to make a brief opening statement.

The Hon. Dean Brown: I wish briefly to highlight some of the key initiatives which the Department for Industrial Affairs and the Government are taking and which we see as the main thrust of change over the next 12 months to two or three years.

The first major role of the department is in the area of workplace safety. What we see as a very important task is to ensure that we have a set of occupational health and safety regulations which industry is willing and able to adopt but which, at the same time, will substantially improve workplace safety. The way in which we administer those regulations is very crucial in terms of the end product or achieving a reduction in the number of industrial accidents.

I say that because it is very much a personal objective of mine that we do something about workplace injuries, the level of which has been far too high. There is a personal cost as well as a monetary cost involved. There are a number of initiatives, which I am sure will emerge during questions today, which will highlight the change in the thrust of the department.

The second major area is the fact that Australia is now moving into a phase of enterprise agreements. In South Australia, we have had in place for two years new industrial legislation, which has worked very successfully in respect of enterprise agreements. There has also recently been the introduction of Australian workplace agreements federally. So, the whole climate of industrial relations is changing in the way in which wages and salary packages are negotiated within the workplace. There is a steady move away from industrial awards, and the department is therefore responding to that need to ensure that we have compatibility between State and Federal systems, that at the same time we maintain the independence of the State system, and that we enhance the role played by South Australian-based employers under that system. We have legislation before the Parliament on that matter at present, but I do not believe that the Standing Orders allow debate on that legislation (which is due to be debated in the Parliament next week) here today.

Another key thrust of the department is to adopt the latest in information technology within the department and to look

at how the department communicates with the broader community. In the industrial relations area, there is a lot of information across the department, in terms of occupational health and safety regulations and requirements for licensing, that can be put out there. The department is adopting a number of initiatives in that area, which I am sure will emerge during discussion today.

The fourth key area is how the Government manages its own workplace safety and how it improves its performance under WorkCover. Again, that is of major importance to the Government because of the cost involved and the Government has set out a program to substantially improve performance there. I will take the opportunity this morning to highlight some of those initiatives. I would give one example, because I took out some figures this morning: the number of stress claims within Government since 1992-93 have almost halved. As to the figures of the recent changes, in 1989-90 there were 538 stress claims; in 1990-91, 509; in 1991-92, 550; in 1992-93 they reached a peak of 601; in 1993-94 they dropped to 493; in 1994-95 they dropped further to 365; and in 1995-96 they have dropped further to 322. For the current year it is 322. You can see that we have almost halved the number from 601 to 322 stress cases within Government.

We have also worked hard to reduce the cost: the cost of psychological injuries to public sector employees has dropped from $12.6 million in 1993-94 to $9.8 million in the first 11 months of this financial year. That partly reflects the salaries paid. Although there has been a substantial increases in wages during that period, there has still been a drop in the actual costs. The biggest single cost component of stress cases is still the payment of wages and so we are heading in the right direction. My objective is to take that even further. We can talk about some of those details during questions.

The CHAIRMAN: Does the Deputy Leader wish to make a statement?

Mr CLARKE: Only briefly. It is interesting to note that after two years of enterprise bargaining in South Australia, when the State legislation was amended with effect from 1 August 1994, the overwhelming majority of employees and employers in the private sector and in small business prefer the comfort of the centralised wage-fixing system under awards. If one looks at the figures for enterprise agreements made in this State over the past two years, as I have done regularly, and you extract the agreements made, for example, between at least two dozen lawn bowls associations which employ one person each and over two dozen various Lutheran schools which have made enterprise bargaining agreements and also a number of State Government agencies that have concluded enterprise agreements with their employees, and if you look at the enterprise agreements that have been made purely between employers and employees without any union involvement whatever, the number of employees covered by such agreements is about 1 to 1½ per cent of the State's work force. It shows that overwhelmingly the people of South Australia prefer awards. They understand the awards system; employers find them flexible enough because they have not been exactly banging on the door in droves in their hundreds of thousands to sign up for enterprise agreements.

Under the Standing Orders, I cannot go into it further, but it also puts in perspective the State Government's desire to introduce the harmonisation Bill that will be debated next week, importing sections of the Federal Act dealing with workplace agreements. The State Government has spent literally a fortune in the past three years defending private sector employers in this State as well as themselves from having employees brought in under the Federal jurisdiction. We now have the irony of seeing a State Government that has spent so much money fighting the Federal system now wanting to import Federal AWAs into our State legislation, which would only further undermine the State industrial system.

We also have the extraordinary position where the Minister has said on a number of occasions that he favours the extension of shop trading hours both on Easter Saturday and elsewhere and believes that it is inevitable, yet we will be going to an election in a matter of a few months, if not weeks, and the Government will not have any policy with respect to shop trading hours. The Government will not be telling the people of South Australia its policy before it goes to the polls with respect to any extension of shop trading hours. It is simply, 'Trust us, wait until after the moratorium ends in June 1998 and then we will tell you, the public, after you have voted for us [on the assumption that they win Government] what is our policy with respect to the extension of shop trading hours.' That is an absolute sham and will be seen as such. That concludes my opening remarks.

The CHAIRMAN: I declare the proposed payments open for examination and refer members to pages 41 and 189 to 192 in the Estimates of Receipts and Payments and to pages 255 to 270 in the Program Estimates and Information.

Mr CLARKE: I refer to page 262 of the Program Estimates. Under the heading 'Issues/Trends', I note that the department is to undertake a major review of shop trading hours in 1998. Does the Minister still stand by his public statements that have been made to date that he supports the extension of shop trading hours to include Easter Saturday and that there should be a further extension to shop trading hours beyond that which currently exists?

The Hon. Dean Brown: First, I will correct the opening remarks made by the Deputy Leader of the Opposition. I will deal in more detail with the shopping hours issue in a moment, but I must pick up the point on the AWAs—the Federal Australian Workplace Agreements. Under the legislation the Government is simply bringing in AWAs for unincorporated bodies. There is no attempt to bring AWAs under State legislation as part of the State industrial system. We have our own enterprise agreement system there and that will continue to operate. I correct the quite false impression given by the Deputy Leader of the Opposition.

On shopping hours I also correct the claim he made that immediately after the election the Government will be putting down a position on shopping hours. That is not the Government's position and not what I have said publicly or what the Premier has said publicly. It has been known for three years that when the Parliament last debated the legislation there was absolute agreement—and everyone understood it—that that was the last substantial change in shopping hours for three years so that the industry had certainty. As the Deputy Leader knows, many parties out there constantly like to bargain for a change in the shopping hours position so that it might favour them compared with some of their competitors.

It is a fairly natural thing and has been going on in this State since certainly the 1960s, when perhaps the first major change occurred and Lazy Lamb had the audacity to start selling meat after 5.30 p.m. at O'Halloran Hill because it was in near country South Australia and came outside the shopping hour restrictions. That was the first major change and break that occurred. It has been going on ever since then. It was probably occurring even before then.

The Government has said that whilst the moratorium is on it is inappropriate to be out there proposing any change to shopping hours. We have indicated that when the moratorium is finished there will be a period of public consultation, particularly looking at what the public demand is. At that stage, we will decide what the new shopping hour legislation should be. That is not due to occur until July next year. Therefore, it is absolutely inappropriate well before we get to the end of the moratorium to be speculating what any such survey of public opinion might find. The Government and I have been consistent on that. That applies in terms of other areas as well, including things such as Easter trading.

Mr CLARKE: By way of supplementary question, my question was whether the Minister still adheres to his public statement of only the last few months that he supported the extension of shop trading hours on Easter Saturday and that he was personally supportive of an extension to shop trading hours beyond that which currently exists?

The Hon. Dean Brown: For the last 20-odd years I have taken the view that there will be a gradual relaxation of shopping hours in South Australia, and that has occurred. I think that gradual relaxation of shopping hours will continue to occur. I have been very consistent in that statement. Therefore, I believe that over the next 10 to 15 years there will continue to be changes to shopping hour legislation, and they will continue to be relaxed, if you like, or we will have extended trading based on what is occurring all around Australia. But that does not mean there is any particular position that the Government will adopt at the end of the moratorium.

Mr CLARKE: Turning to page 263 of the Program Estimates, and referring to the performance indicators, under the heading of 'Protection of persons, their rights and property', I note that the number of prosecutions has dropped from 458 in 1992-93 to 41 as at 31 March 1997 and an estimated only 50 for 1997-98. Why since the Liberal Government was elected in 1993 has the number of prosecutions progressively dropped so remarkably, and what is the department's policy with respect to prosecuting those who breach awards?

The Hon. Dean Brown: The Government is trying to become much more proactive in the way it gets out and administers occupational health and safety. We are trying to work with employers so that they understand what the regulations are before they are prosecuted. It is far better to have employers who are complying with the regulations, and I will give more detail on this shortly. The whole thrust has been changing from one of being a police force that investigates after the incident and takes appropriate action to one where we now get out and try to encourage employers to adopt safe working practices. There are some key areas where we have done that.

I stress that, if employers refuse to comply with that, they will be prosecuted. Another thing we have tried to do is speed up the time lag that has occurred. For many years there has been a lag for up to two years before prosecutions take place. We have tried to reduce that very substantially, to where at least 80 per cent of all prosecutions will take place within a space of six months.

Mr CLARKE: I would like to get a handle on what is the Government's policy with respect to its enforcement area. This relates to page 263 of the Program Estimates. We see under the performance indicator 'Prosecutions', third from the bottom in the table, that there were 458 for the 1992-93 financial year with a progressive reduction through to 41 as at 31 March 1997 to 50 this year. I take it that this relates to all prosecutions, involving occupational health and safety ones as well.

The Hon. Dean Brown: Yes.

Mr CLARKE: Following on from that—and I might have more to say about that under WorkCover—one of the reasons in relation to the road safety program has been the fact that the police are out there with their radars and their random breath testing units, and if you are caught breaking the law in those areas there are no ifs, buts or maybes; you pay the penalty, whatever it may be. It seems to me that the drop in the prosecution rate is quite alarming in the sense that, whilst you may have been more proactive with employers, I do not believe you have the staffing power, the numbers, to get out there in the work force sufficiently to cause that number of employers to behave in a responsible manner with respect to occupational health and safety. It seems to me there is a drop off in, if you like, policing award and health and safety breaches.

The Hon. Dean Brown: I think what the member needs to appreciate is that the biggest change that has occurred is the non-prescriptive form now of occupational health and safety regulations. As the honourable member would know, and this process started under the former Government, there was a complete rewrite of occupational health and safety regulations which put them in a much simpler form and, in many cases, a non-prescriptive form. Because of that the number of prosecutions under occupational health and safety has dropped off very dramatically indeed, I understand. That does not mean that workplaces are less safe, because quite clearly the facts are showing just the opposite. The number of WorkCover claims is dropping, and I believe that this is for a number of reasons. One is the non-prescriptive nature of the regulations. Secondly, it is because of the education program of the Government itself and the proactive way we have been out there in some key industries such as the building industry, promoting a change and encouraging employers to actually take it on.

I shall give an example, and it will probably be referred to again later today, under Services SA. We were out there with pre-qualification and saying that, 'If you want to work for the Government as a contractor, you actually have to apply as part of the standard practice within your workplace the occupational health and safety regulations. If you cannot comply with that then you are not even eligible to tender for Government work.' That has a huge impact in terms of changing around the whole focus that occurs and therefore the number of prosecutions, because you have employers out there who will now be insisting, because they want to do Government contracting work, that these occupational health and safety regulations are administered within the company and complied with. They are the reasons why there has suddenly been a drop-off.

If it is any help, the areas that we have been targeting with regard to occupational health and safety are: hotels and restaurants, salvage and recycling, battery manufacturing, iron casting and non-ferrous casting, demolition, the transport of dangerous goods by road, tuna farming, rural safety, audit of registered assessors, the Convention Centre, contract packaging services, fruit product manufacture, dairy products, canvassed products, and the building and transport industries. These are the areas that we have identified as higher risk areas where there have been some problems.

We now look at WorkCover claims and relate those across. A classic example is in the transport industry where

each year there have been claims for WorkCover of about $45 million. We initiated a research program and looked at where those injuries occurred. Basically, there are two areas: first, people trying to put tarps on trucks and falling off the tops of trucks and injuring themselves—unfortunately, there has been a death in such a case; and, secondly, people falling out of cabs or having leg troubles getting into and out of cabs. We have tackled both those areas with the transport industry: it has been a cooperative effort between the Department for Industrial Affairs and the transport industry generally, the Road Transport Association and individual companies. In fact, we are looking at a new mechanism of using levers to bring tarps up over trucks, because the cost of WorkCover claims in that area has been quite high.

Mr CLARKE: With regard to tuna farming, I believe that in the past 12 months or so there have been four deaths of divers and that a number of divers have suffered decompression problems and things of that nature. I know that the DIA has been investigating this area. It would seem from some of the reports I have heard that there is a fair likelihood of negligence as a result of the employer not following proper safety standards. What, if any, action has the department taken to launch prosecutions in those cases where there have been deaths of divers?

The Hon. Dean Brown: There were not four deaths in 1996 but one. There has been one death in 1997 but it was not related to tuna farming, and I think I am right in saying that it was not related to an occupational health and safety incident: in other words, that person was not an employee but died while diving quite separately from his employment.

Mr O'Callaghan: The death was not directly associated with a tuna diving activity.

The Hon. Dean Brown: However, there was one death related to tuna farming in 1996. I introduced a code of practice earlier this year which requires that only trained divers be used in the industry. There is a requirement for three people to be involved: diver one, diver two and diver three. Until September, diver three can be a lesser trained person, but after that time that diver must have passed a competency test carried out by an appropriate instructor.

Recently, there was a case before the courts where a judgment was handed down and a substantial fine imposed on the employer with costs. However, that decision may be appealed, so I do not think we should comment further. I think the total fine and costs was $53 000. I am sorry, that was not related to tuna, it was not another workplace diving accident, but it is a classic case of where someone died as a result of a diving injury and action was taken. I am also told that there is a likelihood of another court action taking place.

Mr CLARKE: My dates were wrong and I want to correct them for the Minister. Since 1994, 20 or more divers at Port Lincoln have sustained decompression illness and, as a consequence, all are permanently unfit to return to diving, yet no employer was prosecuted for those injuries. Since 1994, there have been three deaths from decompression illness in the fishing industry in South Australia.

The Hon. Dean Brown: As I indicated, one prosecution has gone through the courts and the employer has been found guilty; a second one is likely to proceed shortly.

Mr CUMMINS: This question relates to page 265 of the Program Estimates. Will the department review the type of regulatory approach currently enshrined in our South Australian occupational health and safety legislation?

The Hon. Dean Brown: I briefly touched on this earlier, and I would like to enlarge on it. We have taken quite a different approach. Whilst the occupational health and safety regulations have been redrafted, as a department we are also administering them in a different way. We still carry out the inspectorial role but we have also set up a pro-active campaign aimed at trying to educate various industry groups on what constitutes a safe working place and the requirements that exist under the regulations, and to ensure that they are implemented. It is more a non-prescriptive approach which is linked to an employer's general duty of care.

I believe that it is time to look at how occupational health and safety regulations are administered today, because many regulations, even the new ones, are not applicable to a number of workplaces, yet they are requirements. The important thing is to put an obligation on the employers and to inform them that they have a duty of care to provide a safe working place. If they fail to do so, they can be prosecuted. In some cases, occupational health and safety regulations can be prescriptive, but in other cases they can be used as a guide. Pressure must be put on employers to use these regulations as a check list to ensure that they are providing a safe working place.

I have asked both WorkCover and the Department for Industrial Affairs collectively to assess how we can more effectively administer the whole area of occupational health and safety. There is some duplication at present. Currently, the regulations are prepared by WorkCover. Frankly, that should be more a responsibility for the Minister's office, because it involves policy matters, but obviously with advice being taken from both DIA and WorkCover. Some responsibilities are those of WorkCover and other responsibilities belong with the Department for Industrial Affairs. Other aspects within the educational role are carried out by both as well.

We have achieved a far greater level of coordination between the two agencies, but I have asked the CEOs of both organisations to come to me in the next few weeks with a much clearer plan of what the role of each organisation should be and how they should relate to the Minister's office. Our experience in the past year in relation to issues such as tuna diving and opal mining indicates that the Government is committed to ensuring that we do have safer and healthier workplaces. I expect the Department for Industrial Affairs to continue to play a key role in providing advice to Government on the type of regulation which ensures that industry is able to focus on the serious and significant issues that face the State.

Mr CUMMINS: The Minister mentioned what appears to be a reduction program in relation to regulations. Will this be supported by the National Occupational Health and Safety Commission?

The Hon. Dean Brown: This matter has been discussed recently by Ministers at a national level. The Ministers asked for the role of the National Occupational Health and Safety Commission (NOHSC) to be reviewed, and that has occurred. The new Chairman has spoken to each of the States. I believe that the commission's major role should be to stop trying to further change the regulations and to get consolidation and adoption of the existing regulations. There is a significant gap between the regulations that exist and workplace practices. If the gap becomes too wide, the whole system will lose its credibility. I believe that in some areas it is close to doing so. I, myself, put this argument federally, and it has been agreed with by many of the other States.

As a result, there will now be a drive towards national uniformity and an educational program, and also a program

to try to simplify the regulations. My objective is to see the number of regulations reduced by about 25 per cent over the next few years. There is sense behind this because you can have so much paperwork and so many requirements that people, whether they be employers or workers, throw up their hands and say, 'No-one understands this. How can we possibly comply? We will not bother to attempt to comply.'

I want to see far greater relevance within the workplace when it comes to safety. We have instituted an advertising campaign at present to stress this. It is new workers in a workplace during their first 12 months who are most exposed to a WorkCover claim. It is crucial that, from day one when someone steps into a workplace, they be very familiar with safety issues, that they understand the safety policy of the employer, and that the employer makes it very clear that safety is the number one priority within the workplace. That is the only way it will be tackled. It is not new. It has been done by international companies such as Dow Chemical which is now a world model, having been one of the worst companies in the world. It has been done in South Australia with companies such as Sagasco. Within Government itself, we have found that, by putting an emphasis on that, in the past two years we have reduced WorkCover costs by over 30 per cent, which was the target we set. I am amazed at how easily that has been achieved.

Mr CUMMINS: The Minister mentioned the process to be undertaken. What is the role of the Department for Industrial Affairs in this, how does it relate to WorkCover's function, and will it involve any change of staffing?

The Hon. Dean Brown: The department has responsibility for the enforcement of the State's occupational health and safety legislation. It also shares with WorkCover the responsibility for providing advice to the Government in relation to the operation of existing regulations and legislation. It shares with WorkCover the task of promoting and advising industry in relation to safety issues. The department provides support services to the Ministerial Advisory Committee on Occupational Health and Safety. It has also, with my agreement, increased its staffing complement in the area of occupational health and safety by two additional people, to help contribute to the review of occupational health and safety regulation issues. WorkCover and the Department for Industrial Affairs are working very closely to come up with a review of how we should have clearer lines of responsibility and to do it more efficiently—and, I believe, with a far better outcome to industry in this State. The honourable member might be interested to know that we have established in Norwood a major new office, with a whole range of competencies, in the Department for Industrial Affairs.

Mr CUMMINS: I am pleased about that. I refer to page 269 of the Program Estimates. What is this Government doing to reduce the number and cost of compensable injuries in the public sector?

The Hon. Dean Brown: Our objective two years ago was to put an expectation on CEOs that they had to reduce the costs of WorkCover by 30 per cent over a two year period. That has been achieved, and they have done that relatively easily. There are a number of new initiatives which we are now taking. The first is to set new targets, and I believe that it is feasible to achieve a further 30 per cent reduction from where we are today over the next few years—it will be a smaller 30 per cent, in actual numbers. To help achieve that, we have developed a charter for the management of the public sector occupational health, safety and welfare so that the public sector agencies have consistent performance goals and measures. We have also established a public sector occupational health, safety and welfare program advisory panel to help agencies develop an action plan and to advise and report back to Cabinet on the performance against those plans.

We have also built up an expectation from Cabinet that all agencies will achieve the highest level of occupational health and safety performance and the development of increased responsibility for occupational health and safety by the further devolution of claims management, including lump sum payments, away from the Department for Industrial Affairs out to those smaller agencies. This is quite a dramatic change compared to where we have been: up until now, the Department for Industrial Affairs has largely managed WorkCover claims for Government, with the exception of the really big agencies. What we have found is that the CEOs of these smaller agencies were then almost washing their hands of WorkCover claims and, therefore, occupational safety issues, because they were not directly responsible for administering them. Now we are trying to put it back into the agencies themselves. So, one of the key objectives, in terms of performance criteria of the CEOs, will be their performance in the area of WorkCover and occupational health and safety.

As I have said all along, the results are becoming quite dramatic: a 30 per cent drop in costs in two years and potential to go further; the number of stress claims has dropped to almost half of where it was in 1992-93 and the cost has come down from 1993-94 from $12.6 million to $9.8 million so far in the first 11 months of this year. I want to see that continuing, because it makes a great deal of sense, in terms of reducing the personal cost of injury, reducing the financial cost and reducing absenteeism within Government.

Mr CUMMINS: I have a supplementary question in relation to that. Is the DIA monitoring whole-of- Government workers' compensation data?

The Hon. Dean Brown: The DIA does monitor WorkCover claims and, therefore, costs for the whole of Government. It provides information to Cabinet. I table in Cabinet a list of all the Government agencies, the cost of WorkCover claims for each of those agencies and their performance over the last year. We therefore can see whether we are getting the drop we expect. Generally, that has been very much in the right direction. This information is then used by the agencies in reviewing their approach to occupational health and safety management. It is also used by DIA, as it provides training and assistance to agency personnel in areas such as legislative grant change, claims determination and management and the determination of lump sum settlements, and the induction programs and negotiation and training activities in relation to the process, with a two year review process. Over the past year, DIA has funded the upgrading of the existing Figtree system (which is a software data system) to allow for collection and analysis of consistent whole-of- Government data, in terms of industrial safety and WorkCover.

The CHAIRMAN: For the benefit of the Committee, supplementary questions are not to be taken for granted from now on. I read in the instructions that they are the exception, not the rule. That last question was not truly a supplementary question, but I let the member for Norwood get away with it.

Mr CUMMINS: I refer to page 269 of the Program Estimates. What is the Government doing to enhance the performance of Government agencies in relation to the WorkCover performance standards?

The Hon. Dean Brown: The department is developing eight booklets for the management of occupational health and safety. The series includes key preventive topics, including self-audit, management commitment, consultation, hazard management, training, administration and the role of managers and supervisors. All agencies are being provided with consulting advice, including a review of the last WorkCover audit performance, designing best practice, OHS programs, development and monitoring of action plans, audits against legislation and exempt employers' performance standards and hazards management, access to training and resources and general advice on policy development. We are also monitoring agency performance, and I report to Cabinet.

The department is issuing circulars to Chief Executives to keep them up-to-date, in terms of occupational health and safety practice. These circulars include topical issues such as hours of driving—because driving is one of the key areas—electrical, hazardous substances and contractors. We are supplementing the existing occupational health and safety prevention seminar series, which is a program of workshops that has been established to provide assistance for matters which require more detail and advice, and we have established public sector occupational health, safety and welfare grants for projects which identify best practice initiatives in preventing accidents from occurring. Grants have already been awarded to the Police Department and the Adelaide Convention Centre, and further grants are about to be announced.

On the basis of advice provided in the department by a private actuarial firm, outstanding liabilities for workers' compensation at 30 June 1996 have been broken down on an individual agency basis. In accrual terms, the actuary has advised that the total estimated liabilities at 30 June last year was $104 600 000, compared to $110 400 000 on 30 June 1995. So, it has dropped by about $6 million for the last full year.

Mr CLARKE: I refer to page 263 of the Program Estimates where the performance indicators show the number of re-employment cases taken for the nine months ended 31 March as 1 042. Given that the Minister gazetted a change to the qualifications for people to be able to seek unfair dismissal hearings on 29 May this year, what statistics has he with respect to those 1 042 persons? How many of them worked for employers with less than 15 employees and how many had less than 12 months' service with that employer?

The Hon. Dean Brown: I will have to see if we have that sort of information.

Mr CLARKE: This was to bring a jobs led recovery, and I should have thought you would have it at your fingertips.

The Hon. Dean Brown: If we have that sort of information we would certainly bring it to the attention of the Committee by providing it subsequently. I will try to get information as to the number of organisations. As to the number of organisations with 15 employees or less, we have that information in WorkCover.

Mr CLARKE: No—and this is just for your information and is not a question—these are the 1 042 employees who lodged unfair dismissal claims up to 31 March this year and my question is: how many worked for employers with 15 or fewer employees and how many of those 1 042 had less than 12 months' employment with that employer?

The Hon. Dean Brown: The member has enough industrial experience to know that when a case goes before the commission there is no requirement to list the number of employees involved, and so we do not have that sort of information.

Mr CLARKE: So why did you put that gazette in on 29 May?

The Hon. Dean Brown: Because there is strong evidence.

Mr CLARKE: You haven't got any statistics.

The Hon. Dean Brown: That is not correct at all. I am saying, in terms of the actual numbers of cases before the courts, we do not have the information. There is clear evidence—and I can give the member letters that highlight it—that small businesses are reluctant to take on additional employees because of the problems experienced, particularly from the Brereton Federal legislation on unfair dismissals. There is now a significant psychological barrier, particularly for small businesses, to take on additional people and face the risk of finding in the first 12 months that the person is not satisfactory or there has been a downturn in work and they have to lay the person off and they then find an unfair dismissal claim. The Government's policy in relation to the regulation tabled and put into effect is to give small businesses a 12-month period where the new employee is on probation. That is all. Some of the claims made in the past 24 hours by the United Trades and Labor Council are not just correct at all.

Mr CLARKE: Your gazette of 29 May makes it clear: if you work for an employee with 15 or fewer employees and those 15 include casual and part-time employees—depending on the regularity of the work—and you work for less than 12 months, irrespective of your age you do not have legal recourse for an unfair dismissal no matter what the circumstances are. That is the effect of your gazette. The irony of that is that it affects many people, young, middle aged and old, yet apprentices and trainees do not fall within the ambit of your regulation because they are covered by the Training Act, which gives them a right of legal recourse for an unfair dismissal through the VEET Act (I used to know it as the Industrial Commercial and Training Act 1981). On a small work site there can be one apprentice and one office clerk who is not a trainee and they can both be there for less than 12 months. The apprentice, if put off, has a legal right of recourse under the Industrial Commercial and Training Act or whatever succeeded it (I think it is the VEET Act), but the office clerk, who is not a trainee or apprentice and who has been there for less than 12 months but for the same time as the apprentice when put off, has no legal right whatever in terms of unfair dismissal. Where is the justice in that and where, other than the anecdotal evidence of what a boss might have told you at a cocktail party, is the empirical evidence that your regulation of 29 May will lead to a jobs bonanza here in South Australia?

The Hon. Dean Brown: The Deputy Leader fails to appreciate the enormous damage done to jobs throughout Australia by the Brereton legislation on unfair dismissals. The Deputy Leader might like to indicate whether he supported, and continues to support, the Brereton style unfair dismissal law, where a Federal law can override a State law and where, through that, enormous damage has been done around Australia by dissuading, particularly small businesses, to take on additional people because there were so many cases of unfair dismissal that occurred. If there was not even a legitimate case, the person would still go out and bring a case and hope to get some money—in other words, industrial blackmail.

Mr CLARKE: What about the example I just gave?

The CHAIRMAN: Order!

The Hon. Dean Brown: Let me give an example of an employer who came to me and complained bitterly that a young person had been taken on. In their first 12 months of employment they worked in a processing factory where the product was sold both at the front counter and outside through retail outlets. This young person was operating the retail sales at the front desk. The person was interfering and had stolen money and other employees saw this occur. The employer took the young person aside and the person admitted they had been involved in fiddling the till. The employer dismissed the person, who then took an unfair dismissal claim against the employer. The other employees within the workplace were willing to testify on behalf of the employer as to the action the employer had taken in dismissing this person. He went to his lawyer who said, 'Look, we can go into court and fight this case and it could cost you anywhere between $10 000 and $30 000 and you could well win but you will be out of pocket $10 000 to $30 000. Or, you can simply agree to pay up an amount that will prevent the matter going to court and financially you will be better off, even though justice will not have been done.' So, the employer took the advice of the lawyer and paid up $7 000.

Mr CLARKE: That's a nonsense.

The Hon. Dean Brown: It's not nonsense. I know of another employer against whom a claim was made. Because that employer, who owned a fruit packing shed, was outraged by the claim made by the employee, he took the matter to court. The other employees in the workplace backed up the employer, but it cost that employer about $30 000. That employer, because of that experience, has decided to get out of packing, even though he took the matter to court and won the case. As an employer it cost him $30 000 and a great deal of stress during the entire 12 month process. He was not prepared to go through that sort of experience again. They are the sorts of cases that are out there.

When I had a series of sessions with small business people and asked them whether they would list what they saw as the major barriers to taking on more employees—and they were indicating that they had scope to take on, and had work available for, more employees, but they were not prepared to do it—some would say that the costs were high, but the real problem was that the risks were higher still. It is not simply a matter of paying the on-costs, which everybody understands are about 50 per cent, and the Deputy Leader would not dispute that. If you are paying $12 an hour, your on-costs are about another $6 an hour on top of that.

Mr CLARKE: No, no, no.

The Hon. Dean Brown: They are. If the honourable member does not understand that, I suggest that he work in a small business or a business—

Mr CLARKE: I did. I had to run a business with 10 employees.

The Hon. Dean Brown: The Deputy Leader would then understand that companies are paying payroll tax of 6 per cent, superannuation of 6 per cent and WorkCover which, in a manufacturing business, could be 6 to 7 per cent or more. You then have long service leave, annual leave, sick leave and other costs. I have sat down with companies—

Mr CLARKE: It is 15 per cent to 17 per cent.

The Hon. Dean Brown: Come on—I am well past that already. Let us add them up: in fact, it is 7 per cent for WorkCover; 6 per cent for payroll tax (which adds up to 13 per cent); and, another 6 per cent for superannuation. You then have up to 10 days a year sick leave, long service leave, and annual leave, just to start with. Therefore, there are substantial on-costs. Most businesses apply a figure of about 50 per cent for those on-costs.

It is a matter of trying to reduce the risks that sit over and above that. If you have to buy your way out of an unfair dismissal case it is $7 000 to $10 000 as an absolute minimum. On top of that you have other risks such as WorkCover. That is why the Government has put out a program under the youth employment scheme for new employees—people who have been unemployed—to cover the risk of WorkCover for the first 12 months and the ongoing risk of any injury that occurs in that period. It is all about trying to reduce the risk for employers.

Mr CLARKE: I will not pursue the unfair dismissal question any further. The Minister will get it back in spades next week when we debate it, and I will put some real life examples before his eyes in Committee and when we go through the regulations.

In answer in part to what the Minister said about my view of the Brereton legislation, I must say that I share the same view as the President of the Industrial Court and Commission of South Australia, His Honour Judge Jennings, with respect to the amendments made to the Federal Act by the Hon. Mr Brereton, which came into effect in January 1996 and which made the Federal legislation almost identical to the State legislation with respect to unfair dismissals. I am happy to rest my position with that of the President of the Industrial Relations Commission of South Australia as outlined in a public comment discussion paper that he gave to the Industrial Relations Society of South Australia about 12 months ago.

Dealing with page 265 of the Program Estimates, I note that under 'Performance Indicator, OH&S (General) and OH&S (Plant Inspections)', the number of inspections had dropped considerably for 1996-97, as did the estimated figure for 1997-98. I see there a note under paragraph (c) perhaps giving the reasons why this has happened. Will the Minister expand on why there is such a huge reduction in inspections as indicated by that table? Also, will he give the Committee the number of inspectors that the department has for breaches of award inspections and for occupational health and safety inspections? What are the reasons for the drop in the number of inspectors dedicated to looking at award breaches and for undertaking occupational health and safety inspections, and will he say what is the cost of a DIA inspector, including salaries and on-costs. Do they have to be provided with a car, mobile phone and so on?

The Hon. Dean Brown: I will get some details of the costs of an inspector, and we will go through that. I have touched on some of those points already because of the change in the way in which the department operates. In 1996-97 the department reviewed the method of service delivery. In particular, issues related to occupational health and safety were dealt with in a different way. A pilot program was developed which extends over a period of six months ending on 30 June 1997, and involves the establishment of the Industry Services Office at Norwood, which I talked about earlier.

This new approach targeting workplace relations and health and safety services for employers and employees is industry based and aimed at a more proactive educational approach, which will assist specific industries to achieve legislative compliance and improved safety outcomes. At the last stage of the pilot program, present indicators are promising indeed. Future emphasis will be placed on proactive industry-based initiatives. Currently there are 23

different projects, which will include targeting safety audits aimed at identifying the route of deficiencies that exist. This will provide essential information for the development of educational and advisory strategies to improve the overall performance of poorly performing industries.

I have been through some of those industries already. The pressure plant inspection function previously carried out by the Department of Industrial Affairs through pressure plant inspectors is now carried out by private inspectors as a result of the change in the occupational health and safety legislation, and the Boilers and Pressure Vessels Act has also been repealed. The DIA's role in this area is now concentrated on advisory and auditing rather than inspections, as was the case previously.

Also under occupational health and safety regulations, as part of national uniformity, certification for prescribed occupations has increased the demand for assessments of certificates of competency for those occupations not previously assessed. Initially there was a sharp demand for assessments, and the department selected a number of inspectors to assist industry to establish the accredited assessors.

Because we now have competency based training, the number of inspections drops away very dramatically indeed, whereas previously the standards were maintained by not having competent operators but instead going out and trying to carry out a lot of inspections with certain requirements under the regulations. So, you can see there has been quite a dramatic shift.

I will highlight one area. This goes back a few years when I was the Minister responsible: all lifts were maintained by someone who, hopefully, was a competent operator, but a Government inspector had to watch the maintenance of the lift. We changed that to provide for lift inspectors to undergo a competency test, and the four people who used to stand there all the time checking on lift maintenance people then did spot checks. I think the outcome has been very fruitful indeed. There has been no suggestion that standards have dropped at all in that 15 year period. That is now occurring in a number of other areas, such as pressure vessels and pressure plant inspections. So, you can see a change in the way in which the whole system operates by ensuring that people are suitably qualified to start with, the same as occurred in the electrical field with electrical installations.

As to the number of inspectors, there are 35 occupational health and safety inspectors, 19 investigators, four in the mining and petroleum area, two in the mineral fibres area and one in the dangerous substances field. There are two plant inspectors as well, making a total of 63 inspectors.

Mr CLARKE: Looking out for award breaches?

The Hon. Dean Brown: Some of these investigators are multi-skilled people.

Mr CLARKE: Of the total number of inspectors, some do award breach inspections as well as occupational health and safety?

The Hon. Dean Brown: Yes. On top of that, there are support personnel and experts such as hygienists and ergonomists.

Mr WADE: I refer the Minister to page 268 of the Program Estimates with respect to the harmonisation of Commonwealth and State industrial relations. What steps is the South Australian Government taking to harmonise the industrial relations system with that of the other States and the Commonwealth?

The Hon. Dean Brown: There has been an agreement in principle between the State Department of Industrial Affairs and the Federal Department of Industrial Relations to have common shopfront facilities. We are presently negotiating those facilities, which hopefully will be on the ground floor of 44 Pirie Street, the building in which the Department of Industrial Affairs is located. So, we will provide this unique opportunity for someone under a Federal award to come in, thinking they are under a State award, but when they are told they are under a Federal award they will be able to talk immediately to the Federal people. This move is being made around the whole of Australia, and it exhibits a great deal of commonsense. I am delighted that we are part of that thrust.

There is before the Parliament now legislation relating to the harmonisation of legislation. I think this Committee's Standing Orders would prohibit our discussing that, but it makes a great deal of commonsense. The Federal department and the South Australian department are now exploring ways in which the Federal department's service delivery mechanisms can be integrated into the Department of Industrial Affairs' existing regional work in the country. In other words, we would do some of the work for the Federal agency in the country, because we have better exposure in the regional centres of South Australia.

It is expected that these proposals will provide the harmonisation of both awards and industrial agreements, inquiries, compliance, and education advisory services in South Australia so that we get far greater cooperation and consistency between the two systems. It is expected that the shopfront facility will operate from about September this year, with the regional integration coming in over the next few months. That is good, because in regional areas it means that people get a better service than they currently receive, and certainly some of the confusion and frustration that people have had between a Federal and State system will disappear if we have people on the same site administering the State and Federal law. Also, there are independent Federal and State tribunals, and they, too, have been asked to try to achieve a greater compatibility and to share resources.

Mr WADE: Will the State and Commonwealth Industrial Registries be harmonised?

The Hon. Dean Brown: Yes. We are working through that process of trying to achieve harmonisation between the two tribunals and the registries. The Government's objective is to substantially increase the degree of cooperation and to provide a registry facility which does not differentiate as far as the customer is concerned from either a State or Federal provision. In other words, a person will come to the front desk and, regardless of whether they are Federal or State, they will be dealt with by the one person as if there is a continuous flow between the two systems.

These discussions, which do respect the independence of the tribunals, involve reconsidering the staffing and resource requirements in the tribunals and the registry offices, and it is expected that a formal agreement on registry functions will be achieved over the next three months.

Mr WADE: Still on the harmonisation aspect, again being mindful of the Minister's stating that persons could go to one counter in the one building to make an inquiry which can be then diverted to Federal or State, are we also looking at a proposal for perhaps one inquiry service and perhaps one telephone inquiry service as well?

The Hon. Dean Brown: Yes, we are looking at a single inquiry service and a telephone advisory service which will provide information. You would ring a number and whether

a Federal or State award you would get the information that you are after, so there would be compatibility on the Federal and State industrial relations system. The South Australian Department of Industrial Affairs, Industrial Advisory Services, receives about 100 000 telephone calls a year. This service has been substantially reviewed and upgraded. New telecommunications equipment is now being put in place. The intention is that the function will ultimately be located so as to be closely linked with the department's field personnel as well. Industrial Advisory Services is also developing a series of customer satisfaction benchmarks, against which it will assess its performance and monitor the extent to which it is meeting the needs of the clients. Part of the integration of the Federal and State inquiry functions will involve ensuring that the South Australian departmental personnel also understand and meet the Federal department performance standards.

Mr CLARKE: I draw the Minister's attention to pages 259 and 267 of the Program Estimates, dealing with Industrial Policy NEC. At page 259 we see a significant increase in the amount of money allocated to that division and also a significant increase in the number of full-time equivalent employees. Whilst it is partly explained at page 267 at the very bottom that additional funding of some $3 million is payable to WorkCover for the Government's youth employment initiative, there is still an increase of $1.3 million, even taking that into account, over the previous year. I also note that the amount for 1996-97 is almost $700 000 up on what was estimated to have been spent when we were here in this Committee last year. So my question is: why is there this blow out? Excluding the Government's workers compensation contribution, the $3.2 million for the youth employment initiative, why has there been such an increase in expenditure, both for the last 12 months and forecast for the next 12 months, in particular considering the number of new additional FTEs, and can the Minister list the staff involved in the policy NEC and their salaries or remuneration packages?

The Hon. Dean Brown: In 1996-97, the increase of $688 000 mainly reflects the additional expenditures of $510 000 for WorkCover's youth employment strategy; $120 000 for the department's employment initiative; and $122 000 for enterprise agreement promotion and occupational health and safety policy activity. The offsetting expenditure reductions were salary savings of $48 000 and a consultancy grant and other minor savings of $16 000; and also included in the 1996-97 expenditure was a $75 000 grant. The 1997-98 budget variation involves an increase of some $2.8 million, which mainly reflects the additional funding provision of $2.57 million for WorkCover's youth employment strategy; $100 000 for two new occupational health and safety policy officers; $91 000 for enterprise bargaining and incremental increases and general staff vacancy adjustments. In addition, the consultancy grant budget was increased by $15 000, reflecting a return to the original provisions made in 1996-97; and a further net increase of $23 000 was provided in goods and services for accommodation and services expenses. The additional staff reflects a rearrangement within the department, and I mentioned the two additional staff for occupational health and policy matters.

Mr CLARKE: And the last part of my question about listing the salary remuneration packages of each of the staff in that policy division? I am happy for the Minister to take that on notice.

The Hon. Dean Brown: We normally do not list salary packages by employees at that sort of level. Let me look at how we can provide that information so we give you a salary range, or something like that.

Mr CLARKE: Under this line 'Industrial Policy NEC', what has the department paid since the Government came into office in 1993 by way of grants, consultancy fees, or whatever, to employer groups in this State, as compared to grants or consultancies with respect to any trade union or employee association groups, over the last four budgets, including what you are estimating to do for the next 12 months?

The Hon. Dean Brown: Because it involves previous years we will have to get that information.

Mr CLARKE: I understand from what the Minister has indicated that there are a number of expenditure items relating to promoting enterprise bargaining agreements. We have had various song and dance routines over the last couple of years since the Act came into effect on 1 August 1994. Basically, why is the department doing the work of the Chamber of Commerce and Industry, or whatever it calls itself now, in promoting enterprise agreements, assisting employers with enterprise agreements to be made, when surely that is the role of private industry, to become a member of the South Australian Employers Chamber of Commerce and Industry—and I would recommend that they do so, to allow them to do the work for them. Why is it a taxpayer responsibility to fund private companies to encourage them to enter into enterprise bargaining agreements when there is a perfectly good industrial organisation established and dedicated solely to employer interests?

The Hon. Dean Brown: The way in which money is spent in this area as outlined by the Deputy Leader is a misconception of what actually occurs. The Government has a promotional marketing program for enterprise agreements and $92 827 was spent on that. But it is out there for both employers and employees. Let me run through how that money is spent, because I think it highlights the somewhat different fact from the case put forward by the Deputy Leader. For Enterprises '96, which is a competition, $36 900 was spent in that area; Turning Point Program, $10 600, in rounded figures; Enterprise Agreement Newsletters, of which there have been six editions, $40 000; trade shows, $754; publications, $2 728; postal charges, $28 000; and advertising about $800.

As at June of 1997, a total of 557 enterprise agreement applications had been received by the South Australian Industrial Relations Commission since the commencement of the Industrial Relations Act. Also, the total employee coverage for the 512 approved under those agreements as at 3 June this year is 92 525 people. Considering what the honourable member said in his initial comments, that is quite a different figure—92 525 employees under State enterprise agreements. During the 1996-97 financial year, 306 applications were filed, 279 were approved by 3 June, and employee coverage agreements approved (effectively for the first 11 months of this year) were 53 500.

I mentioned the Turning Point program where $10 600 was spent. It comprised enterprise agreement workshops conducted from April to September 1996, and they were very successful. Some 930 participants attended the 49 public workshops which were conducted throughout the regions of South Australia and in the metropolitan area. Seventeen of the workshops were held during the 1996-97 financial year. The total expenditure for the program was $10 600.

Mr BASS: I refer to page 264 of the Program Estimates and Information—the role of the inspectorate. What steps has

the Government taken to improve the delivery of services that are provided by the department to employers and employees?

The Hon. Dean Brown: The department has worked throughout the past year to place an increased emphasis on the provision of information advice whilst still ensuring that appropriate measures are taken to ensure compliance through the enforcement of legislation. The overall number of occupational health and safety inspectors has been retained during the year (and I have given those figures). The capacity of this group to provide an effective service has been enhanced because we have included some of the newer groups such as hygienists, ergonomists and other professional staff, and we have brought these much closer to the inspectors as we develop industry teams that have been trialled through the new Industrial Services Office at Norwood.

Access to this professional resource by inspectors for relevant, timely advice and support is much improved through this group. I visited the group and was most impressed with the way in which it is operating, and I have heard favourable comment from the industry sectors.

The Industry Services Office is focused on three industry sectors—construction, retail/wholesale and transport and community and health. The Industry Services Office was established on a trial basis in January and currently is being evaluated by the department (I mentioned that it was a six month trial). Early indications are that there is a high level of employer and employee endorsement of the concept which has ensured that the department is able to provide a multi-disciplinary approach focusing on what are the real issues in specific industries.

In terms of the ongoing mainstream departmental activities, significant continuing steps have taken place to maintain a training and development program for inspectors. A total of over $250 000 has been expended to provide for targeting to assist the undertaking of special projects which can demonstrate improved occupational health and safety outcomes. The number of generalists as occupational health and safety inspectors will not be reduced in the 1997-98 budget. However, four plant inspector positions, whose occupants have resigned from the department, will not be filled (and I mentioned them earlier) because the regulations have facilitated the provision of plant inspection by the private sector. This option has been taken up enthusiastically by industry.

Minister for Industrial Affairs—Other Payments, $426 000

The CHAIRMAN: I declare the proposed payments open for examination and refer members to pages 42 and 203 of the Estimates of Receipts and Payments.

Mr BASS: I refer to regional inspectorate offices. Will the department be maintaining a regional presence—not only in the city but also in the country?

The Hon. Dean Brown: It will be: we have no intention of reducing the number of regional offices. Outside the metropolitan area these offices are currently located at Mount Gambier, Berri, Port Pirie and Whyalla. In all four of these regions the department has collocated to various degrees with the Office of Consumer and Business Affairs. The department recently reviewed this collocation arrangement and concept with the Office of Consumer and Business Affairs and agreed on a strategy to improve upon it and hence provide better opportunities for customer service and staff development.

Currently there are three metropolitan regional based offices, and above those you have this new Industrial Services Office. Depending on the outcome of the current evaluation, the number of regional offices will be reduced to either one or two, and this will conceivably mean a series of industry specific teams providing information to both the employers and employees. We have tried to bring together bigger groups of employees in the metropolitan area to multiskill them and provide a much more comprehensive team of people who can operate by industry, and when you are operating by industry then you are operating across the whole of the metropolitan area.

Mr BASS: Has the focus on specific industries resulted in a reduced emphasis on prosecution issues?

The Hon. Dean Brown: The department has taken specific steps to ensure that investigation processes have been improved. In the past, prosecutions have been initiated some two years after a serious accident has occurred. From the Government's perspective, this is unacceptable. It represents a miscarriage of justice for the witnesses, the injured workers and the employers. Through its small business customer service charter, the department is committed to initiating prosecutions within six months of an accident occurring in at least 80 per cent of cases.

Building on the significantly enhanced investigation training which has occurred over the past two years in the department, an investigations and prosecutions manual has been developed which will provide inspectors throughout the department with guidelines so as to establish consistency of approach for the first time. Further, the department has clarified the process which led to the prosecution to ensure that there is greater efficiency and effectiveness. These new arrangements ensure that the Crown Solicitor's Office provides early, appropriate and timely legal advice, and the department is responsible for the administrative processes which lead to the prosecution.

The former position of prosecution officer in the department is no longer required because the new approach provides greater clarity, certainty and timeliness by preventing any confusion regarding who is responsible for the various steps in the process. Over the past year, 15 convictions and fines totalling $75 000 have been recorded under the Occupational Health and Safety Act, and this compares with seven convictions and fines totalling $67 000 during the preceding period. That $75 000, however, does not include the prosecution which was handed down just last week and which had a total cost of $53 000. If you want a more up-to-date figure for this year, the figure would be about $130 000 which is a substantial increase on the preceding year.

Mr CLARKE: Under other payments—the Employee Ombudsman, in relation to the Government's decision to make the gazette on 29 May with respect to limiting the rights of certain classes of people to claim unfair dismissal or go before an Unfair Dismissal Tribunal, given the Employee Ombudsman has been established, specifically, to look after the interests of employees—and I appreciate that he has no power and is specifically excluded under the Act from representing employees in unfair dismissal cases—and he has reported on numerous occasions in his annual reports to Parliament that people have approached him on the issue of unfair dismissal, did the Minister seek any advice from the Employee Ombudsman as to the fairness or otherwise of the

regulation, or obtain the Employee Ombudsman's view as to whether or not the regulation of 29 May in all the circumstances was fair and reasonable?

The Hon. Dean Brown: The Employee Ombudsman is not there to dictate—

Mr CLARKE: No, but did you ask him?

The Hon. Dean Brown: No, his role is not to dictate Government policy. It is a matter for the Government of the day.

Mr CLARKE: I asked: did you ask the Employee Ombudsman?

The Hon. Dean Brown: The Employee Ombudsman is there for enterprise agreements. That is his role. The legislation requires it.

Mr CLARKE: You did not ask him.

The Hon. Dean Brown: That is not what I said. I said that his role is on enterprise agreements.

Mr CLARKE: If you asked him, tell me.

The Hon. Dean Brown: The Deputy Leader seems to have trouble with the English language.

Mr CLARKE: No, I understand it only too well. At page 268 of the Program Estimates, under the heading 'Specific Targets/Objectives' it states:

> . . . continued to provide support to the Office of the Crown Solicitor in opposing union applications for federal awards.

I am happy for the question to be taken on notice, but what has been the total cost to the State taxpayer since your Government was elected into office (a) in opposing federal award applications with respect to State sector employees and, (b), all costs associated with supporting private employers in their opposition to any Federal award applications that may have been made over the past 3½ years?

The Hon. Dean Brown: I will get that information for the Deputy Leader. I highlight, however, that the money which is spent in the courts is often more diverse than what the Deputy Leader has outlined here. The honourable member has read out one specific area, but in many cases there is often legal argument about particular matters within those awards and whether or not there is any right through the award for certain conditions to be imposed on the employer. I particularly refer here to the Government as an employer. In a number of cases the Government has taken legal action because it believed that the claim by the unions has been *ultra vires* the power to have those matters included in an industrial award. We will give the total cost, because you cannot differentiate between those two.

Mr CLARKE: What is the total amount spent by your department in the past 12 months with respect to all consultancy fees and advertising costs, including any opinion polling that may have been undertaken at the request of the department on any issue which may have been raised?

The Hon. Dean Brown: The total cost of consultancies as defined by the accounting policy statement No.13 of Government is $21 724 for this past financial year up to the end of May. In addition, $167 892 was paid to Creative Business Management for a tourism and recreation and sports consultancy. This consultancy was funded by the tourism related agencies with only an accounting support function being provided by the Department for Industrial Affairs. You would have to go to tourism to get more information on that. We apparently provided the accounting support for it. But the specific answer is $21 724.

Mr CLARKE: I will have to accept your ruling, Mr Chairman, as to whether this question transgresses Standing Orders. It relates to what the State Government's position is with respect to its own employees regarding workplace agreements. Is it the intention of the State Government to pursue workplace agreements, individual contracts, with its own State public sector employees?

The Hon. Dean Brown: The honourable member was in the Parliament when we debated the Public Sector Management Act, and that Act specifically lays down what constraints there are as far as the Government's employees. I refer the honourable member to that Act. There is nothing before the Parliament to change that Act.

Mr CLARKE: The Federal Act would override the Public Sector Management Act, in terms of the Federal workplace agreement—if you wish to pursue it.

The Hon. Dean Brown: I refer you to the State Act, because I believe that is the Act that applies to the Government employees.

Mr CLARKE: The Public Sector Management Act?

The Hon. Dean Brown: Yes. There are specific requirements there.

Mr CUMMINS: I refer to page 270 of the Program Estimates. What steps is the Department for Industrial Affairs taking to maximise effective use of information technology opportunities?

The Hon. Dean Brown: The department has implemented an intranet for within the agency—as opposed to an internet—which is an internal information communication system, which will be operating by September of this year—in fact, it is operating on a trial basis now. This will provide all employees with opportunities to access relevant legislation, policies and other communications within the agency. In addition, the department is moving towards ensuring that the employees and employers can have ready access to complex industrial relations information and advice through the Internet—and that can be accessed through SA Central. The department's objective is to ensure that businesses can apply and pay for and then be granted licences through the Internet system. I have asked the department to have a significant Internet site up and operating by about September this year, where the public can start to access all of the relevant information you would expect to get on occupational health and safety regulations, information about licensing and other areas like that. We want to ensure that the people of South Australia have easy access to Government information, and we want it to be driven not from a department perspective, but from an inquirer's perspective, so they can come in to the site and ask for whatever information they want.

Mr CUMMINS: Will the department's inspectorate be using information technology-based communication opportunities?

The Hon. Dean Brown: Yes, the inspectors will be. In fact, I have had a kiosk sitting in my reception area for a day or so, and they will be using kiosk-type information. A kiosk is a stand alone computer that the public can access with a touch screen, and through that touch screen they will be able to access information on industrial awards and things like that. Here, we want to be able to advise employees of their rights under the Government's enterprise bargaining legislation, which will allow employees and interested parties to obtain information relevant to safety net and award provisions, which can then be used for informed discussion, in terms of industrial agreements.

As far as the inspectorate is concerned, they will have

access to personalised computers. We are facing the same problems as most Government agencies are around the world; that is, that you have an education role here. These are people who, traditionally, have not sat down and used computers. We are now encouraging them all to have their own personal computer and to access all the information they need on industrial awards and industrial legislation, safety legislation and regulations through that computer. We believe that will lead to better, more accurate and quicker information.

Mr Wade interjecting:

The Hon. Dean Brown: The question was whether all the awards are on computer. The answer is 'No, they are not,' but we are moving towards putting more and more information on computer. It will take some months to do that. But the important thing is that people have the information that they need.

The CHAIRMAN: I draw the attention of members to the clock. Are there any questions to be placed on notice? The practice is to read the questions out so that they are incorporated.

Mr CLARKE: The Minister partly dealt with this in relation to the Government workers' compensation area. Will the Minister list the status of each agency with respect to their achieving level three in their performance standards? My reference is page 269 of the Program Estimates.

The Hon. Dean Brown: We have asked that Government agencies attempt to reach level three by the end of June next year. There will be some that cannot. I am delighted to be able to say that the Department for Industrial Affairs is the first agency to achieve level three. That is quite a coup for the department, because I believe that it has set an example for the rest of Government, in terms of occupational health and safety.

However, you need to appreciate that, in some areas, there are enormous potential costs. Can I give some examples—and this really questions the relevance of some of the occupational health and safety regulations. One is, for instance, safety switches. Any power point that has any movable electrical item in it is required to have a safety switch, under the regulations. The cost of doing that throughout Government is tens of millions of dollars. The Attorney-General raised this matter with me, because it will cost $250 000 to put them into Crown Law alone, and he posed the question: 'When was it that a lawyer in Crown Law was last electrocuted?' Therefore, what is the relevance of spending $250 000 on putting safety switches into the Crown Law office?

I believe that some of those areas need to be questioned and looked at again. But they are requirements to meet level three, and I believe that the honourable member needs to appreciate that these new national codes have come in often without people understanding them fully. In an industrial factory, where you are walking around with extension leads, or on a construction site, where you are walking around with extension leads in wet conditions, I would be the first to argue for them. But in office accommodation, where perhaps the only piece of equipment that is linked up to some of these might be fairly heavy personal computers, it is not really a major issue. I believe that there needs to be a review of some of those regulations. I only raise that because it affects the ability of agencies then to comply with level three, as I understand.

[Sitting suspended from 1.3 to 2 p.m.]

Additional Departmental Advisers:

Mr K. Brown, Chief Executive Officer, WorkCover Corporation.

Mr G. Dayman, Chief Adviser, Policy.

Mr S. Coulter, Manager, Self Insured and Agent Services.

Mr G. Davey, Manager, Corporate Management Services.

The CHAIRMAN: Has the Minister an opening statement?

The Hon. Dean Brown: Mr Keith Brown is the new Chief Executive Officer of WorkCover Corporation. This is the first time he has appeared before the Committee, as he took up his appointment in February. I welcome him to the WorkCover Corporation.

As to my preliminary remarks, I want to stress what has been a significant improvement in the performance of the WorkCover Corporation in the 1996-97 year, the first full year for which benefits have come through from the amendments to the legislation that was passed by the Parliament. Significant reforms to the Act were passed by the Parliament and proclaimed in May 1995.

In addition, 1995-96 saw the outsourcing of WorkCover's claims management function to nine private insurers, who commenced operations on 1 August 1995. They were fairly dramatic changes, and I think the results since then have been quite outstanding. It is a combination of the private claims managers and the amendments to the Act. I cannot give the final financial results for 1996-97 because we are not yet to the end of the year, but I can give results which clearly show the direction in which we are heading for the vast majority of the year.

A preliminary assessment of the scheme's liability has indicated that there has been an improvement in the scheme's funding position due largely to the implementation of the legislative amendments and the higher investment returns. At 31 March 1997 the WorkCover scheme was 76.5 per cent funded, based on an actuarial review for half a year to 31 December 1996. The funding level has gradually improved from 70 per cent in 1994-95, and it is projected that full funding will be achieved by June 2000—three years from now. At that time all the unfunded WorkCover liability will have been eliminated, and I remind the Committee that that unfunded liability was $271 million or $275 million when we came to office.

Throughout this period the board has kept the levy rate constant. Effectively, the actual levy to meet the day-to-day requirements of the scheme has been dropping, but the remainder of the levy has been used to reduce the unfunded liability of debt.

The total estimated number of incurred claims for 1996-97 to the end of April is 28 305, a decrease of 8.9 per cent when compared to the same period for 1995-96. It is estimated that the claim numbers for 1996-97 will be about 34 000 compared to 37 000 for the previous year.

I now refer to key achievements. In 1996-97 WorkCover commenced a campaign targeting occupational health and safety in new employees to reduce the high number of workplace injuries for young workers in particular. As part of its reorganisation, which was started in 1995-96 WorkCover has established a customer information centre to handle the many inquiries from workers and employers about occupational health and safety in general.

The safety bonus scheme continued to be a success in 1996-97, with 269 employers participating in the scheme. There was a major revision of the approach to return to work

rehabilitation, which has commenced and which involves employer and worker representatives and the rehabilitation industry. Regular union-employer stakeholder consultation meetings have continued, and the self managed employers pilot, which involved 20 employers managing their own claims, was implemented.

Claims numbers have been steadily decreasing with a year-on-year reduction, as I said, of 8.9 per cent and a 14 per cent reduction in compensation days lost claims, and that is very substantial indeed—a 14 per cent drop in the one year. A small business forum has been established on occupational health and safety.

We are now in the process of putting down the 1997-98 corporate plan and budget. I will not go into all the details, but there are some key areas where we want to take WorkCover, and I am sure they will come out during the discussions. The first is in the general area of occupational health and safety, the review of the legislative framework and how those regulations are administered. Another is in terms of trying to look at what areas are included in terms of the levy payments.

Another key area is looking at how our scheme compares with other schemes around Australia in terms of benefits and costs, and whether we are paying the benefits or whether the Federal Government is paying the benefits. One area where we are disadvantaged in South Australia is that our workers compensation scheme currently pays costs which virtually in every other State of Australia are paid by the Commonwealth Government.

This means that South Australian employers are paying twice: they are paying once through the general tax system of Australia for the Federal payments which are going to the other States and they are paying again through the levies here on WorkCover. This is a matter that the Parliament must address, because I do not see why our employers in South Australia should be penalised, because it ultimately means costing jobs in South Australia compared to other Australian States.

I draw that to the Committee's attention, just as I will to other areas where I believe there needs to be an assessment or review of the legislation by the Parliament so that we have a more competitive system and a system where the premium ultimately will be dropped, even though I am the first to argue for a satisfactory level of benefits for anyone injured at work. That is all I wish to say, but they are the areas that I hope the Committee will tackle today.

Mr CLARKE: I will be brief. It is interesting to see that our levy rates have been kept around the 2.86 per cent level for the past two years. I remember the hiatus and the doom and gloom that was being predicted when major changes to the WorkCover legislation went through in mid 1995. We were told that the other States were making us so uncompetitive in this area: Victoria, 1.8 per cent; New South Wales, 1.8 per cent; and Queensland, 1.6 per cent. It is interesting historically that we see New South Wales back at around our figure—just under but slightly so. New South Wales is grossly underfunded, and sooner or later it will have to face up to the costs of its scheme within inferior benefits, while its costs remain greater than ours.

Queensland has inferior benefits. Although it has access to common law negligence claims, it has been forced to go up to about 2.5 per cent, and even then I suspect that that is deliberately kept lower than it ought to be in terms of funding the organisation. That has led to cuts in benefits, even in Queensland.

The Hon. Dean Brown: It is 2.2 per cent.

Mr CLARKE: Is it 2.2 per cent? In Victoria it still stays at 1.8 because, as the Minister has pointed out, there is much cost shifting from State to Federal responsibility. In Victoria they simply push people off benefits after six months to a rate equivalent to that of Social Security, without any of the benefits, so people transfer to Social Security benefits to attract the additional benefits that go with them. It is a straight cost sharing exercise. We in the Labor Party do not support that proposition. When in government at a State level we urged our Federal colleagues to take steps against States like Victoria, which simply cut the level of benefits and cost-shifted the responsibility of employers onto the Commonwealth taxpayer. Regrettably, they did not do anything about that, although they talked a bit.

This new Commonwealth Liberal Government ought to take a firm hand with States such as Victoria and insist on a fair level of compensation for their injured workers and insist also that the employers concerned meet those costs rather than the Commonwealth taxpayers' having to do so.

The Minister stated that the current average levy rate of 2.86 per cent will be maintained until full funding is achieved. I note that the March 1997 quarterly review put out by WorkCover shows the average levy remaining the same until the year 2000 to achieve that, and that there will be no Government direction to the board to reduce WorkCover funding below that 2.86 per cent until full funding is achieved.

The Hon. Dean Brown: The Deputy Leader said that I said something which I did not say, although that is not unusual. I did not say that the levy rate would stay at 2.86 per cent until 2000. I said that the portion of the levy to meet current demands was dropping and certainly the extra money that is collected goes towards paying off the unfunded liability. I cannot speak for the board that makes a recommendation to the Government in terms of levy rates for future years, but it is set at this stage at 2.86 per cent.

I make the point that certain items for which that levy is imposed, such as superannuation, should be removed from the allowance. I have made this point to the board. Whilst including the superannuation payments in what is assessed to be included for levy, there is an unfair distortion because when a person is on WorkCover they are not getting any benefits from the superannuation at all. I therefore see no reason to include that in the levy. There are other areas in which the same applies. The important thing is that the actual cost of covering our WorkCover as a percentage levy has been dropping for the past couple of years under the new legislation.

Mr CLARKE: By way of supplementary question, I refer the Minister to page 1.4 of the March 1997 quarterly performance report from WorkCover, which clearly states, unless I misread it:

> . . . the board's decision to maintain the current average non-exempt levy rate of 2.86 per cent until full funding is achieved.

That shows the progression through to 2000. Do I take it that the WorkCover board believes that to achieve full funding within the time frame set out the average levy rate must remain at 2.86 per cent at the very minimum?

The Hon. Dean Brown: If it remained at that rate, by June 2000 the unfunded liability would be removed, and that is what those calculations are done on. Equally, even the present board cannot talk for the board that may be sitting around that table in 12 months' time. They have done some

projections on keeping the levy rate at 2.86 per cent, and that is a fair basis on which to do those projections. However, one cannot then turn around and say that the levy rate will not change from 2.86 per cent over that period. It is a matter of the board's making a decision each year.

Mr CLARKE: My second question relates to the Occupational Health and Safety Division within WorkCover. The Occupational Health and Safety Commission as a separate body was wound up and placed with WorkCover. What is the budget for that division of WorkCover, what is the current number of full-time equivalent employees, and how does it compare funding and employment wise with what applied when the division was first subsumed by WorkCover some two years ago?

The Hon. Dean Brown: The funding proposed for 1997-98 is $3.057 million for occupational health and safety services. The number of staff for 1996-97 was 36.5 full-time equivalents, and for 1997-98 it will be 36.5 full-time equivalents, with a possible .8 temporary position. In addition, there are research and education grants for occupational health and safety and occupational health and safety extension programs worth a further $925 000. When the Occupational Health and Safety Commission was rolled into the WorkCover Corporation, it had a staff of 12 people.

Mr CLARKE: When the legislation was amended to delete journey accidents as a compensable claim, what were the net savings in terms of the cost to the scheme, given that 80 per cent of those claims are to be met by the Motor Accident Commission as third party motor vehicle claims? Employees suffering from mental injury are excluded from section 43 payments, and have been so excluded since the amendments to the Act went through in 1992. If that had been restored, what would be the cost to the scheme?

The Hon. Dean Brown: To suddenly project what would be the cost of something done back in 1992 is extremely difficult indeed.

Mr CLARKE: If it was back today.

The Hon. Dean Brown: Yes, but you are working on projections. You are projecting back to 1992, which is difficult to do. We will attempt to look at that. I will obtain the information on journey accidents, as we do not have it available today.

Mr WADE: I refer to page 269 of the Program Estimates and Information. In his opening statement, the Minister gave a broad brush approach to the current financial position of the WorkCover scheme. What is the current financial position of the scheme with respect to the position that existed two years ago?

The Hon. Dean Brown: When the Government was elected, if I can go back that far, WorkCover's financial position had deteriorated to the extent that, as at June 1995, the scheme was only 70 per cent funded. After we were elected and through to June 1995 there was no change in the legislation of any substance; the major changes came in May 1995. It had unfunded liabilities of $275 million, increasing at a rate of $12 million per month. Under the Labor legislation, the total debt was $275 million increasing by $12 million per month.

After this Government's legislation was proclaimed, that position was substantially turned around to the point where, as at the end of May 1997, WorkCover is now approaching a funding level of 80 per cent (compared with 70 per cent) with an unfunded liability of $160 million (compared with $275 million). That is a very dramatic drop of $115 million during that period. However, now we are reducing the unfunded liability by about $6 million per month. That means we have a turnaround of $18 million per month, from increasing the debt by $12 million to reducing the debt by $6 million. That is a very dramatic improvement. This improvement is expected to continue with the scheme projected to be fully funded within the next three years (by June 2000). Unlike some schemes interstate, our levy rates are not increasing.

Mr WADE: How do current claim numbers compare with our experience of two years ago and, if any trends are emerging, what factors have contributed to those trends?

The Hon. Dean Brown: The trend in claim numbers is downwards, and that is continuing. The number of claims incurred for the nine months to the end of March 1997 was 25 375 (10 per cent lower than for the same period last year). I mentioned a figure of 9.8 per cent earlier, but that was for a slightly different period. It is expected that the total number for 1996-97 will be less than 34 000, compared with 37 000 in the previous year. When added to the 8.1 per cent reduction evident for the same period in the previous year, this shows a very encouraging trend downwards in terms of the number of claims lodged, and clearly justifies the efforts of Government and WorkCover in the proactive stance taken: first, in terms of workplace safety; and, secondly, in terms of a campaign to reduce workplace injuries.

One is to put better safety practices in place. Another is to try to minimise the actual number of injuries with an education program, and the third is to have better management of the system so that, if a person is injured, they get back to work quicker and have more effective treatment. Put together with a reduction this year of about 10 per cent and a reduction in the previous year of 8.1 per cent, that is approximately an 18 per cent reduction in the number of claims—a very significant achievement over that two year period. Very few people understand how dramatic a turnaround has occurred in both the numbers of accidents and the costs.

Mr WADE: The Minister is talking about a downward trend in claim numbers. Are any trends emerging in relation to actual levy collection with respect to income or investment performance?

The Hon. Dean Brown: The levy collection budget for 1996-97 was $283.5 million, and WorkCover is on track to achieve that. Levy rates have been held constant over the past three years and will remain at that level in 1997-98, because they have already been struck for next year. Therefore, the growth in levy income over this period is attributed to employment growth and inflation.

WorkCover figures show a 4.5 per cent increase in wages paid from the 1994-95 financial year to the 1995-96 year—an interesting figure in itself. The 4.5 per cent wage growth shows that employees in this State have done fairly well under this Government, with a further 4.9 per cent growth in the past nine months. Put together, you are looking at a 9.4 per cent growth in wages in South Australia over the past two years.

The investment return for the three years to 31 March 1997—and this has not been audited—was a 9.5 per cent return. That is 6.5 per cent above inflation, a very significant achievement, and it is ahead of the actuarial target of 5 per cent above inflation. The corporation's return on investments remains amongst the best for fund managers with a similar risk return strategy. It is fair to say that, in the light of all that information, the WorkCover Corporation has performed very

well indeed under the new policy direction put down by the Government.

Mr CLARKE: By way of preamble to my next question, which deals with enforcement policies, the Minister has waxed lyrical with respect to the improvements under his Government's administration of WorkCover. If the legislation has changed significantly by taking away the right to claim for journey accidents, imposing on employers the obligation to pay the first two weeks lost wages—not the first week's lost wages for time lost as it was previously—bringing in a much tougher and in many respects unfair application of the second year review under WorkCover, and introducing redemptions which eliminates a number of long-term liabilities, obviously the funding situation of WorkCover will improve.

The Hon. Dean Brown: Do you think the levy rate should be increased?

Mr CLARKE: I am not supporting an increase in levy rates.

The Hon. Dean Brown: That is the reality of what the honourable member has just said.

Mr CLARKE: I draw the Minister's attention to the covering note that was sent out to a number of people, including me, by Mr Brown concerning the March 1997 quarterly report (dated 18 June 1997) with respect to the downward trend in the number of non-exempt employer claim numbers. The reasons cited include:

> . . . the negligible growth being experienced in the South Australian economy, the effectiveness of prevention strategies and the under-reporting of claims.

My question relates to the enforcement policy of WorkCover. WorkCover has a responsibility to monitor the enforcement of the Occupational Health and Safety Act as well as being responsible for the administration of that Act. I have a copy of a memorandum from a Mr Gary McDonald to Mr Barry Apsey of DIA dated 22 May 1997. It enclosed a copy of what was a draft enforcement policy which had been drawn up in 1996 but which had not yet been worked through at the time of Mr McDonald's memorandum to Mr Apsey. There were some features in it which concerned me. Under the heading, 'Principles of Enforcement', the draft document states:

> 6. Deciding what is reasonably practicable to control risks involves the exercise of judgment by duty holders and discretion by enforcers. When duty holders and enforcer cannot reach agreement, final determinations on what is reasonably practicable in particular circumstances are made by the courts. When the law requires that risks should be controlled so far as reasonably practicable enforcement agents considering protective measures taken by duty holders should always take account of cost as well as the degree of risk.

It goes on, at the end of 7.2, as follows:

> In general, risk reducing measures would be weighed against the associated costs. If there is a significant risk the duty holder must take measures unless the cost of taking particular actions is clearly excessive compared with the benefit of the risk reduction.

My concern, Minister, is a very simple one, and I referred to it in relation to earlier estimates of the DIA and the number of prosecutions and breaches and so forth that it was launching. If, for example, as a society we say that the road toll is too high we put on speed limits and enforce them strictly. The same with drink driving. If I am doing 160 km/h down the Stuart Highway and there is no other car in sight but I am clearly exceeding the speed limit, I cannot say to the police officer, 'Look, don't worry about it, I am doing 160 but there is nobody else on the road; don't worry about fining me, just let me off with a warning.' I get a fine. It is as clear and simple as that.

Mr BASS: So you should.

Mr CLARKE: As the member for Florey quite rightly points out, so I should if I happen to be in that position. What concerns me is that if there is a view abroad within the corporation that, 'If there is an accident but the boss did not mean it, we will not worry about our enforcement duties,' then there will be a culture built around that. I believe this happens in a number of employer establishments. They do not necessarily go out and maliciously maim or injure workers, but there are quite simple measures they could undertake to eliminate a lot of the accidents. Some 70 per cent of the claims would be through back injuries, things of this nature, where a bit of forethought would obviate many of those claims. But if there is a feeling abroad amongst the employer community that they will not be hit in the old hip pocket nerve then there will be that type of feeling, 'Well, I won't have to worry about that if the inspector comes around; it is a relatively minor issue, I am not going to be pinged.' However, they account for a vast number of claims that are lodged with WorkCover.

The Hon. Dean Brown: I think the Deputy Leader should go back to what I was talking about this morning. If I went down to Trades Hall I wonder whether I would find that every powerpoint there was covered with a safety switch? If they are not then that would be in breach of the occupational health and safety regulations. The risk of an injury there, based on previous experience—because I presume that no-one has been electrocuted down there—is, effectively, almost zero. That is the type of case that the member is talking about, where some requirements have been put down which, if you were in a factory, you would have to comply with, and should have to comply with. But I believe that in some of the areas some of the regulations have been put down viewing it perhaps from a factory point of view, with little understanding of the implications and little relevance when you get into, say, an office condition, where you have a computer plugged into that powerpoint. But under the regulations that is the requirement.

That is the sort of area that is being talked about. That is the sort of case that I have raised with both the WorkCover Corporation and with DIA. It is not the sort of area that the honourable member is talking about, where, sure, the risk in some areas might be 90 per cent instead of 100 per cent, but that does not mean that there should not be compliance with that. So I think the honourable member is trying to put the wrong interpretation on that statement, at least from my understanding of it. I have not had the privilege of reading the rest of the minute, but I can well imagine that that is the sort of thing that they are talking about. It is one of the examples I have raised. I would ask the honourable member: for example, in not having safety switches on every single powerpoint at Trades Hall is the Trades and Labor Council taking unnecessary risk? Is the honourable member suggesting that they are?

Mr CLARKE: I would not know, I have not inspected it for electrical safety switches. I am not an inspector.

The Hon. Dean Brown: Do you think I should send an inspector down this afternoon to prosecute them for not doing so?

Mr CLARKE: If they are in breach, yes, by all means. But my point, Minister, is this: what is the enforcement policy?

The Hon. Dean Brown: Do you want me to send one down?

Mr CLARKE: By all means, as long as they are a union member. My supplementary question to the Minister is: what is the enforcement policy? As I understand it, there does not seem to be one, because the memorandum from Mr McDonald tends to suggest that they were in the process of drafting one back in 1996 but due to other priorities were not able to get around to concluding it. They are discussing it now with DIA. Where is the enforcement policy and will it be clearly pronounced and shown to the various stakeholders for their input, so that everyone knows what the ground-rules are?

The Hon. Dean Brown: The enforcement policy is that where those regulations clearly have application then they have to be complied with. If employers fail to apply those regulations then action will be taken. There is normally a warning. But if an employer wilfully fails to administer the requirements there is likely to be a prosecution, particularly if, in fact, an injury occurs. Keith, would you like to comment further?

Mr Brown: I do not think I have seen the memo that has been referred to. The context as I understand it is that enforcement is with the Department of Industrial Affairs and it depends on referrals that are made if we come across instances. The context in which I know that the department is considering this is a risk management approach more in terms of the investment of that $3 million-odd in the budget, to focus on high risk areas where we will get the best return in terms of the reduction of risk overall from a health and safety point of view. That is part of the deliberation now not only in terms of internal focus, where we focus and which industries we focus on, but also in terms of the relationship between WorkCover and the Department of Industrial Affairs, the linkages that flow through to the enforcement side.

Mr CLARKE: In relation to risks, and I am pretty sure WorkCover keeps these statistics: what is the number of companies, and in what industries, that account for something like 80 per cent of the lost-time accident compensation claims that are lodged with WorkCover—and the number of individual employers? Compared to the overall number of employers in this State I understand that a relatively small number of employers in certain industries account for the overwhelming bulk of lost-time injuries. What are the actual numbers?

The Hon. Dean Brown: We will try to get that information, but in getting that information I think the honourable member needs to appreciate that it is not quite as simple as that because you might have a smaller employer who for the past 20 years has had no claims and then suddenly might have a serious claim, and for that one year it might be in your 80 per cent but for the previous 20 years it has not been in your 80 per cent. We will try to get those details.

The worst 400 employers in this State account for 60 per cent of the claims. As Keith Brown said, they are the target group. If we successfully target that group we can have quite a dramatic effect in dropping the number of claims. But the only trouble is that that target would move a bit from year to year, and I am sure the honourable member understands that.

Mr CLARKE: That information is sufficient for my purposes.

The Hon. Dean Brown: Right.

Mr BASS: It is now nearly two years since claims managers were introduced. At the Estimates Committee last year it was not a full 12 months, but now there has been quite a substantial period wherein their performance can be assessed. What is the Government's assessment of the performance of claims managers since they were introduced?

The Hon. Dean Brown: Their performance has been quite outstanding, and I would like to go through why. The claims managers' functions went to nine private claims agents. It has been interesting that both employers and employees, from recent surveys, have suggested that the level of claims management has improved dramatically under those claims managers. The Opposition opposed claims managers, and I hope that in light of the facts, and in light of the fact that even longer term injured workers are saying that the claims management has improved dramatically, it will now change its policy and support them.

Mr BASS: Labor listens! It probably will.

The Hon. Dean Brown: It has to do more than listen; it has to change its policy as well. Claims number around 35 000 to 40 000 per year. At some time we will feel some dissatisfaction. Recently I provided to the Parliament some of the results of a survey which showed that, with the private claims managers, injured workers are being paid sooner, getting more and better information about their case—and that has been a matter of some concern in the past—and returning to work faster.

One of the reasons for the drop in the unfunded liability and the better performance of WorkCover has been the performance of these claims managers. I give credit to them because they have developed a specialist service. They are competing against each other and, therefore, they seem to be responsive to what they need to do. However, that does not mean that there is no scope for improvement. I had the opportunity, together with Mr Keith Brown, to meet with them earlier this year and to suggest some areas where they should look at further improving their performance.

I believe that claims managers can be one of those bodies out there looking at workplaces for their clients and suggesting how to make them safer. A good claims manager would be there trying to reduce the number of claims. In return, the employer would appreciate the enormous benefit that this manager has been, and because of their understanding of the WorkCover system and industrial safety they would identify areas where accidents could occur. I believe that the Government's judgment two years ago to introduce private claims managers was the right decision, and now history and the facts have backed that up.

Mr BASS: I understand that the contracts of the claims managers/agents were for three years and will expire at the end of July next year. What is planned for the claims manager process beyond that date?

The Hon. Dean Brown: That is correct; there is a three year contract and it does expire in July next year. The review of the claims management agreement commenced in March 1997 to allow for the board, the Minister, the Parliament and the other regulatory requirements to have a 1 July 1998 start-up for the continuation of the new contract.

The corporation is approaching the new agreement from the following basic principles. The corporation decided not to seek a straight renewal of the existing agreement because of the need to recast the current agreement to allow for a more competitive bidding process rather than fees being shares of a predetermined amount; the need to revise the agreement and recast certain parts of it in the light of experience under the existing agreements; and the desirability of allowing parties which are not currently agents the

opportunity to present their credentials and participate in the competitive bidding process. In the near future the Government will be introducing a regulation to Parliament to continue the arrangement for a further term of at least three years, perhaps longer.

Mr BASS: Has consideration been given to outsourcing to claims agents or other private sector bodies any aspects of the corporation's functions?

The Hon. Dean Brown: Yes. In September 1995 the WorkCover board directed that a review of employer registration and levy collection functions be undertaken in early 1997. In accordance with the board's directions, a discussion paper was prepared and sent to stakeholders and interested parties, including the claims managers or agents. Responses have been sought and the feedback received and collated, and independently examined by Mr Barry Burgan of the South Australian Centre for Economic Studies. The evaluation to date has indicated that the stakeholders are opposed to any change due to the risks to the scheme and it is suggested that if a change is made then demonstrable benefits are to be obtained for the scheme. It is expected that the WorkCover board will make a decision on these matters in July or August this year. One potential area is the private collection of levies.

Mr CLARKE: With regard to the last part of your answer about the potential collection of levies by private insurance agents, in all the collation of information on this subject and the distillation of it to date by officers of WorkCover, has any compelling argument been put forward to the board so far so as to warrant the collection of levies to be removed from one central authority into the hands of however many private agents might take on the job? Is there any empirical evidence that has been presented to date that shows any advantages for the collection of levies by private agents?

The Hon. Dean Brown: I do not think that the board will have that information until it is about to make the final decision and all the information has been brought together. That is a matter that needs to be considered when the final decision is about to be made. I will ask the board, when it is making the final decision, to put out that evidence, as I am sure it will be.

Mr CLARKE: I want to turn to redemption payments. When redemptions under section 42 were first introduced, they were accessed by a wide number of people and the board's policy at that stage was for private agents to negotiate pay-outs up to $50 000. A number of people availed themselves of it. The actuary—because the Opposition was briefed, together with other members of Parliament—had some concerns about that. The WorkCover board policy seems to have changed and now the maximum pay-out that private agents can negotiate is about $25 000 or $30 000. Even though a worker who was injured, say, two years ago or a year ago might have got $50 000, a worker today for the same injury and same period of time off work may be offered $25 000 or $30 000. What is the current policy of the WorkCover board in relation to agreeing to redemption payments to workers, what table or schedule of figures is used for the calculation of redemption payments, and how have those figures been arrived at?

The Hon. Dean Brown: First, the Deputy Leader's information is wrong. The upper limit for redemption by a private claims manager has not been reduced to $25 000. In October 1995 the WorkCover board approved a redemption policy. The key features were that any redemptions over $50 000 had to be approved by WorkCover; any redemptions where the claim was less than two years old had to be approved by WorkCover. Incidentally, I would also say that the Deputy Leader's interpretation of his concern on redemption was wrong, certainly from the briefing I attended, but I will come to that in a moment.

There was significant redemption activity in early 1996. The level of redemptions has declined in early 1997 and is currently close to long-term actuarial projections. WorkCover's actuarial experience in other schemes strongly suggests that the introduction of redemptions or their equivalent may produce a lump sum mentality which may produce negative pressures on the compensation fund, that is, increase in short-term and medium-term claim expenses. Although there is no evidence to suggest this is happening in South Australia, it remains a concern for the long term and is being closely monitored. That is my recollection of what the actuary said at the time in terms of carefully monitoring redemptions. That is a different point from what the Deputy Leader has claimed. This factually reflects what the actuary said.

The actuary's March 1997 report to the WorkCover board showed that redemption activity had resulted in significant savings. However, it suggested that redemption activity could diminish significantly and future redemptions may become more expensive as the profile of eligible claims changes. A joint WorkCover-claims agent working party has examined the existing approach to redemptions and has put suggestions to the WorkCover board's rehabilitation and compensation standing committee. Those suggestions will form the basis of a new draft policy for consultation with stakeholders over the next two months. The draft policy advice will attempt to ensure that redemptions are well targeted and cost effective in the future without being too prescriptive. They also seek to ensure that the workers' interests are protected and a responsible approach to redemption continues. There is no evidence of a change in policy, but some changes have come forward. Apparently, what the honourable member forecast earlier as being now the change is not even proposed.

Mr CLARKE: I have a supplementary question. Minister, if I understood you correctly, you are saying that the WorkCover board has made no change and agents can negotiate redemptions up to $50 000. If that is the case, those agents ought to be reminded of it, as must the stakeholders. I have had constituents come to my office and say, 'The agents have told me this is the maximum,' and I bet every other member around this place would agree that agents have been telling constituents, 'Look, the best we can get for you is around the $25 000 mark, maybe $30 000,' as the member for Elder tends to indicate with me.

The Hon. Dean Brown: When you jump to these conclusions, you must understand what is being said. At times you tend to jump to conclusions when, in fact, what the people are saying is different. They have a limit but there are certain actuarial assessments or calculations done depending on the nature of the claim. It is a bit like a formula. Under that formula, they are saying, 'The maximum we can pay you would be $30 000 under the formula' full stop. That does not say that their limit has now been reduced to $30 000. It is saying that under that formula for that particular injury that is the limit. That is totally different.

Mr CLARKE: What is the formula used by WorkCover because no-one else seems to know?

The Hon. Dean Brown: I will ask Mr Brown to comment on those general actuarial calculations and how they are applied.

Mr Brown: There is no compulsory table for the agents; there is not a specific limit. But we have issued general guidelines based around the actuary's model. In general but not specific terms, the actuarial model is based on factors such as age, entitlements and the actuary's long-term view of the value of particular kinds of injuries in terms of the longer term liability for the scheme. It is very much a top down driven view of the accumulation of those kinds of injuries, their long-term impact on the scheme, drawing it back to guidelines as to the kinds of payments that would make sense for the scheme.

Mr CLARKE: I think I have every member's agreement on this: has the schedule that was used 12 months ago changed? For people with almost identical injuries and all those other factors weighed up, there is less money given today than was handed out 12 months ago. I think the member for Elder would agree with me.

Mr Brown: It is before my time. The guidelines were issued about 12 months ago. There were no guidelines before then so there was great volatility in terms of the agents' assessments of what the redemption payment should be. The guidelines were issued to provide some consistency in the level of redemption depending on the nature of the injury. I am advised that those guidelines were issued about 12 months ago.

Mr CLARKE: Are they a public document that can be distributed so that we can all work it out?

The Hon. Dean Brown: No, that is part of the internal assessment.

Mr CUMMINS: You mentioned the problem of unfunded liability and the WorkCover levy compared with the other States. In view of the comparison with other States' schemes and the current unfunded position of the WorkCover scheme, are any changes being considered?

The Hon. Dean Brown: The Government and WorkCover Corporation are always looking to improve the workers' compensation system. Clearly, we would like to maintain the high level of benefits to injured workers but, at the same time, we want a scheme that is affordable to business in this State and competitive with other States. That is a very difficult balance to achieve. One very effective way to reduce the cost is to reduce the number of injuries, and this has been a major factor as far as WorkCover and DIA are concerned.

However, in relation to the specific elements of the compensation system, we will be looking very closely at the recommendations of the report recently finalised by the heads of workers' compensation authorities, a body comprising the Chief Executive Officers of the 10 workers' compensation schemes which operate around Australia. The report has been considered by the Labor Ministers Council which was held on 29 May. It is to be used as the benchmark for consideration of future changes made in the various jurisdictions.

Progressive adoption of the recommendations contained in the report will lead to greater national consistency in both costs and benefits in the compensation system. The report contained two recommended benefit models, one with a common law component and one without. Whilst I would not support a reopening of the common law debate in this State, clearly, some elements of the report are worthy of further consideration.

Mr WADE: Is any consideration being given to changing the basis of levy payments, such as the exclusion of superannuation payments made by employers from the calculation of levy payments?

The Hon. Dean Brown: As I indicated earlier, I would like to see some changes in this area. The legislation clearly specifies that it is the responsibility of the WorkCover Corporation to determine which payments made to or for the benefit of a worker will be included in the calculation of the levy to be paid by the employer. A list of payments to be included in levy calculations was established when the scheme began in 1987, and very few changes have been made since then. I have made my views known, and I oppose the inclusion in the calculation of the levy payments of superannuation contributions made by an employer to a superannuation fund for the benefit of a worker.

I have asked the board of WorkCover to review this matter. The advice the board at this stage is that a change is not supported, as any narrowing of the base of remuneration that is subject to a levy will mean an increase in the percentage raised or, equally, a reduction in the rate at which you pay the unfunded liability—although I believe that depends very much on the way in which the scheme is administered and what the policy and the legislative framework is. However, I understand that WorkCover is also reviewing the levy structure at a broad level to ensure, as far as practicable, an appropriate allocation of costs to employers, taking into account the bonus penalty scheme and other incentive payments.

I am confident that the board will take a realistic view of this, because I believe that there are matters of what I would call natural justice. If certain items are included on which a levy must be paid, and they have nothing to do with the benefit that the person would receive whilst on compensation, then you are getting a distortion in the system which should not be there, and you are, equally, getting an unfair penalty imposed on those payments. It would be far better to have a more realistic assessment of the scheme based on what the levy should apply to, rather than to include a number of factors like superannuation that, frankly, should never be included. So, I am a strong advocate for at least taking superannuation payments out of, if you like, the basket of goods or moneys on which the levy then has to be paid.

Mr WADE: Earlier, the member for Ross Smith rattled off a list of percentages regarding the interstate WorkCover levies. Whilst I do not doubt the member's figures, does the Minister have more detailed figures as to how we compare with other States, without our relying on the memory of the member for Ross Smith?

The Hon. Dean Brown: Yes, I can give the rates for other States. As indicated earlier, the rate here is 2.86. I thought the member said 2.6 earlier, but he apparently said 2.86. This compares with 1.8 per cent in Victoria, 2.8 per cent in New South Wales, 2.145 per cent in Queensland and 2.67 per cent in Western Australia. Those figures show that South Australia is the most expensive State in the whole of Australia: we have the highest rate of any State.

Mr Clarke interjecting:

The Hon. Dean Brown: We are still higher than New South Wales, and I believe that we have to aim to be below the national average. That is a figure which I put down about three years ago to be below the national average, and we are currently the highest. I believe that, therefore, there is an obligation on the Parliament to look again at the WorkCover legislation and how we can further improve its efficiency, so that we are at least in the bottom half of the Australian States in relation to what levy has to be paid. We cannot continue blindly to sit there at 2.86.

I recently had a report from a company director who sits on a number of national boards and who said to me that he does not know what the real facts are but that the perception around the boardrooms of Australia is that the WorkCover costs and levy rates in South Australia are the highest in Australia. I pointed out to the director the vast improvement in performance that has been achieved recently, but I also stressed that that is the perception around Australia—and, in fact it is a reality, because we are the highest. One cannot continue to allow this State to suffer from being the highest, because the damage that is then done to the State, in terms of our not attracting industry or new job opportunities, is significant. I am determined, as Minister, to set out to make sure that we in fact drive that down.

I know that there are some problems in New South Wales—I do not deny that—and that the realistic levy rate in New South Wales might be up around 3 per cent. I understand that Queensland would be higher than the 2.145 per cent but still below what it is in South Australia at present. I want to ensure that we get that down as quickly as possible. That is why I said earlier in my introductory remarks that I believe it is time that the Parliament, after two years, revisits the legislation, looks at how it is performing compared to the rest of Australia, in terms of levy rates, and makes sure that we have a system which is in the bottom half of Australia. For the sake of jobs—and that is very important—we cannot afford to be the most expensive in Australia, even though there has been a dramatic turnaround. It shows you how the Labor Party, back in the early 1990s (and I know the arguments that went on in the Parliament up until the last election) just put its head in the sand when it came to WorkCover and refused to tackle the real issues involved, and the problems that created for South Australia subsequently—in particular, the blow-out in the debt.

Mr WADE: I have a supplementary question, for clarification. After being the lowest quartile in the country, there was some view that I heard about 12 months ago which worried me a little, namely, that perhaps this State will be looking at the way the national trend is going and try to match it. You seem to be indicating that that is not our view: our view is to remain at the lowest possible quartile towards that national trend. Is that the view that the Government is taking?

The Hon. Dean Brown: Yes. My view is that we are out there competing not just with other States of Australia but internationally and, therefore, we must have a WorkCover system which ideally would match some of the best that we would find anywhere in the world, including costs. We have a balance between the benefits we are paying and giving fair and just compensation compared to the cost of the scheme. I am not suggesting Bangladesh is an alternative that we should be looking at. I suggest that you look at other competing countries against whom you are really competing, and in this respect I am talking about other developed or nearly developed countries.

Anyone who thinks we can sit back and say that WorkCover has reached its ultimate performance and that we are willing to continue with it where it is sitting at the moment is a fool and will be inflicting long-term damage on the number of jobs created in South Australia. My concern is that that is where I perceive the Labor Party to be in this State, and that is not good enough. I am saying that it must be driven down lower. I think that can be done through innovative ways such as better administration and better claims management, and we have done that with private claims managers. That has not had any adverse effect. Indeed, it has had a positive effect on those injured at work.

Mr CLARKE: As a preamble to my next question, I look forward to the Minister's announcing the Government's WorkCover policy before the next election because the only way the Minister will get that WorkCover rate down to the lowest rate or near it in Australia will be by massive slashing of benefits. The first casualties in terms of losing jobs will be many of his colleagues on his side of the House. I look forward to his explaining it in minute detail before the next election.

The Hon. Dean Brown: I must protest because, again, the Deputy Leader has misquoted what I said: the Government's objective is to be in the bottom half of WorkCover premiums in Australia. That is quite different from what he has just indicated—that we are going to slash benefits and drive it down to be the equal of Victoria. That is not what I have said.

Mr CLARKE: We will see.

The Hon. Dean Brown: I saw what you said before the last State election. All your projections were wrong.

Mr CLARKE: I note that concerns are expressed in the WorkCover Quarterly Review, as has been the case in the past, relating to legal costs. The member for Norwood might like to prick his ears up and see whether there is another gravy train to catch. However, in terms of legal costs, I would like to know what legal fees are paid by WorkCover or its agents for legal advisers who represent them in all disputes between the Workers Compensation Appeals Tribunal, either by way of fee per hour or retainer at conciliation conferences, arbitrations, appeals to the Workers Compensation Appeal Tribunal (WCAT), and appeals to the Supreme Court, and the legal firms which are retained by WorkCover or its agents to handle these matters.

This is an issue of justice because the workers who are injured are now finding themselves so impoverished, and the amount of reimbursement they get from WorkCover for their legal costs makes it almost impossible for a person who does not have independent financial means or the support of a trade union—and about 80 per cent of the claimants are not members of a trade union. These persons are unable to defend their claims or pursue their rights because they do not have access to adequate financial reimbursements. This situation has been commented on by members of the Industrial Relations Court in representations to the former Minister for Industrial Affairs, and it is a matter that I have constantly brought back to the parliamentary committee on WorkCover. A report was going to be completed some time in December last year, when it was promised by the previous Minister. Then, a report was going to be reported some time in April and then May this year.

Frankly, when one considers that WorkCover is prepared to pay its lawyers at the going rate, the amount that it is prepared to reimburse injured workers who are in many cases just defending their own rights and who often are supported on appeal (if indeed they do appeal), the amount of reimbursement is just too little and is a gross injustice.

The Hon. Dean Brown: First, the current regulation to costs was put in place at the commencement of the new tribunal in June 1996. The costs payable are equivalent to the amount provided for under the previous regulation which applied to the review process and which still applies in relation to matters under that jurisdiction. Representations were made to the Government late last year for an increase in the amount payable to the tribunal, and the matter has since been raised. The Government has indicated that it would

reconsider the amount payable and that the matter would be discussed at the Parliamentary Committee on Occupational Safety, Rehabilitation and Compensation of which the Deputy Leader is a member.

My office is currently trying to arrange a date for that committee meeting early in July, subject to members' availability. I understand that the matter was also discussed at the Workers Compensation Advisory Committee only yesterday and that those comments will also be taken into account when looking at a review. The matter that the member has raised is well under way in terms of being reviewed, and the member will have a chance to put a point of view in more detail when the parliamentary committee sits next month.

Mr CLARKE: The first of my questions was: what is WorkCover or its agents paying legal representatives for appearances on their behalf at conciliation conferences, arbitration, going before the Full Bench of the Workers Compensation Appeal Tribunal and any appeals to the Supreme Court?

The Hon. Dean Brown: I will need to get that information for the member. I highlight that the conciliation and arbitration process is working very effectively indeed and that that should start to drop some of the legal costs. That is another area that the member should appreciate is a way in which we can achieve even better performance with WorkCover, that is, through the new conciliation and arbitration process. Certainly, from all accounts in the first six months since it has been in operation it has worked very effectively indeed and has had a high level of settlement in the conciliation process. It has had a 96 per cent settlement rate in conciliation. That is outstanding and will drive down legal costs considerably.

Mr CLARKE: The figures I am after are not just the global ones. What do you pay lawyers for going to conciliation conferences? Is it $150 or $200 an hour? Would it cost $3 000 a day for the lawyer to appear before the full tribunal? There is a big difference between what I suspect WorkCover pays those legal representatives and what it reimburses the poor person who has to defend his own rights.

The Hon. Dean Brown: I will have a look at those figures and check to see whether they are within the sort of range that the Law Society would recommend.

Mr CLARKE: It is not a bad union—I would like to be a member of it. On the redemptions paid out so far and with regard to what any forecasts might be, has the board, through the Actuary, been able to ascertain the long-term savings of those redemptions to the overall fund? Simply by paying out X dollars through redemptions has it saved the fund Y dollars in long-term liabilities; and, if so, what are they?

The Hon. Dean Brown: It is difficult to take out that individual figure because that sort of information is not available. The Actuary indicated to me—and I read out earlier what he said in his report—that it had reduced the long-term liability of WorkCover. I refer the Deputy Leader to the statement I made earlier. It is not a quantum. It states:

The Actuary's March 1997 Report to the WorkCover Board showed that redemption activity had resulted in significant savings.

Mr CLARKE: If the Actuary can come to the conclusion that there have been significant savings, he has obviously worked out that it is not two bob, but that a few dollars are involved. What is the amount of money he believes is a significant saving? To come to that conclusion, he must have done some calculations.

The Hon. Dean Brown: We will see whether we can identify that and perhaps contact the Actuary to see whether he can give us a figure. He may not have quantified it himself, and I am not prepared to pay the Actuary thousands of dollars to come up with a figure, as it is unrealistic. We will see whether we can identify it without going to that extent.

Mr BASS: I refer to page 269 of the Program Estimates. Does the Government propose any significant changes in relation to occupational health, safety and welfare legislation or administration of the existing legislation?

The Hon. Dean Brown: My vision for occupational health and safety in South Australia is a State that has a reputation for being a safe workplace where safety requirements and arrangements are generally recognised as adding considerable value to a business. To achieve this I am committed to promoting safer workplaces through a commitment by industry to safer outcomes, with increased responsibility being taken by both the employer and employees. This will allow a reduction in the traditional regulatory approach, which brings with it unnecessary cost implications. This will present a challenge to the rather traditional thinking that more regulations will achieve a safer outcome.

There is a contrary view that a change in behaviour is needed, and this is not necessarily achieved by huge volumes of regulations and the threat of prosecution for non-compliance. Accordingly, a review will be conducted of the legislative framework of occupational health, safety and welfare with a view to focusing on ways to assist industry to comply with those regulations, which we hope will make a real difference when it comes to OHS performance.

Some of the lines of questioning earlier by the Deputy Leader worry me in that there is a perception that the more prosecutions you have the better. I would have thought that the more you can get industry to be pro-active and take full responsibility for itself with the support of workers, the better. One result of that is likely to be a drop in prosecutions.

Mr BASS: What assistance is being provided to employees, employers and the community generally to assist in understanding and complying with the occupational health and safety legislation?

The Hon. Dean Brown: We have a number of programs. The Employer Assistance Program (the EAP), developed during 1996 and evolved from previous programs, is designed to target the poor performers amongst employers—those 400 companies. The Employer Assistance Program concentrates on empowering employers to self-manage hazards by providing consultants. There is the Safety Achiever Bonus Scheme, which is a strategy to encourage larger employers to reduce WorkCover costs and numbers. The scheme includes WorkCover consultants working with the employer to benchmark the employer's occupational health and safety performance. It provides advice in terms of action planning and it is also undertaking a series of evaluation visits and final assessments.

The Safer Industries 2000 Policy provides an integrated focus for the prevention of programs for WorkCover, channelling resources and services in more efficient ways towards improving the safety performance of selected high risk industries. WorkCover is currently implementing a targeted industry sector approach to small business. Ten industry occupation small business sectors have been picked, and I went through those earlier. WorkCover has also invested $160 000 in a comprehensive 'child safety on farm' strategy, which I will launch shortly.

Mr CLARKE: What was the level of fees paid to private insurance agents for 1996-97 and what are the projected payments to them for next year? Can they be split up into fees for handling of the claim service, bonuses for achieving their targets, and any other payment arrangements there may be with those private agents? Secondly, what were the costs of consultancies for the past 12 months, including advertising and any opinion polling that may have been undertaken? Finally, with reference to page 2.2 of the WorkCover quarterly review of March 1997, a number of performance indicators are listed to allow claims managers to show whether they met their benchmarks. What was the overall performance of each agent as per the evaluation agreement entered into between the Government and those claims agents when private claims management came into place?

The CHAIRMAN: There being no further questions, I declare the examinations completed.

Department of State Aboriginal Affairs, $7 944 000

Membership:

Mr Scalzi substituted for Mr Bass.

Departmental Advisers:

Mr D. Rathman, Chief Executive Officer.

Mr R. Starkie, Executive Assistant.

Mr D. Moffatt, Financial Coordinator.

The CHAIRMAN: I declare the proposed payments open for examination, and I refer members to pages 72 and 193 to 194 of the Estimates of Receipts and Payments, and pages 271 to 276 of the Program Estimates and Information. I invite the Minister to make an opening statement.

The Hon. Dean Brown: The thrusts and key objectives of the department over the next 12 months include, first, facilitating a review of the Aboriginal Heritage Act. A draft Act is currently being circulated for consultation. I will discuss that process further. Another key objective is to establish economic enterprises for Aboriginal communities around the State, something which I am very keen to address. For too long we have failed to help Aboriginal communities to create job opportunities and self-sufficiency within their own communities. I would like to see that change. It is one of the key objectives that I have put down for the department and myself.

The third key area is to look at how we do an audit of Aboriginal heritage sites in the State. We are working through that process at present. The fourth key area is to concentrate on lifting the quality of health care and housing for Aboriginal communities in South Australia. Some of those issues come specifically under other Ministers. In fact, this evening, Aboriginal health issues are being debated by Estimates Committee A, where the Minister for Health has direct responsibility. Previously, issues about Aboriginal housing were addressed by the Minister for Housing, so ours is more a watching brief, and a desire to see key objectives put down and a significant improvement achieved in the standards of both health care and housing for Aboriginal communities.

Equally, we take a particular interest in Aboriginal education. I have had recent discussions with the community at Ceduna, for instance, about how we can overcome some of the truancy and educational problems being experienced there and how we can make the curriculum for those Aboriginal schoolchildren much more relevant to their everyday surroundings. In doing so, it will make their schooling much more interesting and reduce substantially the amount of truancy occurring.

While I was at Ceduna, there was a report that approximately 60 students were truanting from school on one occasion. That is an exceptionally high figure, one which obviously is causing a problem in the community and which we need to tackle. They are just some of the key issues that we are combating. We want to put forward strategies to achieve a substantial improvement in performance over the next couple of years.

Ms HURLEY: On three occasions the South Australian Aboriginal Justice Advocacy Committee (AJAC) has lodged funding submissions with the State Government. There has been no response from the Government to any of these submissions. The first was lodged with the Department of State Aboriginal Affairs in May 1996; the second with the Aboriginal Justice Interdepartmental Committee while the then Minister for Aboriginal Affairs (Hon. M.H. Armitage) was present. That committee is convened by the State Department of Aboriginal Affairs. The third was lodged with the Attorney-General's Department in February this year.

Funding for AJAC has been provided by ATSIC through the Department of State Aboriginal Affairs. AJAC works closely with the State Government, and is represented on the Aboriginal Justice Interdepartmental Committee and all its subcommittees. The main function of the Aboriginal Justice Interdepartmental Committee is to coordinate the South Australian Government's implementation of the recommendations of the Royal Commission into Aboriginal Deaths in Custody.

In other States and Territories, AJAC bodies receive State funding, yet the South Australian AJAC is still waiting for a funding commitment from the South Australian Government. What is the reason for the delay in this decision, and will South Australia fund AJAC?

The Hon. Dean Brown: I invite Mr Rathman to comment, principally because, as Minister, I was not involved in any of those matters. I think all the applications were lodged under other Ministers.

Mr Rathman: This project is a Commonwealth funded initiative, and the area of the Royal Commission into Aboriginal Deaths in Custody is one in which we have been working jointly with the Commonwealth. That funding has continued, and we understand that it will continue into the future. There have been discussions about joint funding by each agency of the role and function of the Aboriginal Justice Advocacy Committee, and that matter will be taken up again in the near future.

The current Chair of that organisation has been funded through State funds as a liaison officer for justice issues. He works within the Aboriginal Legal Rights Movement. There has been no impediment to his carrying out the function and role of the Chair in his capacity as a paid officer of that organisation. The funding of AJAC has been a Commonwealth initiative in the past. We understand that that initiative will continue, but there is an intention to take up with the Interdepartmental Committee on Justice the question of whether, in future, each agency will make a contribution to the funding of AJAC.

Ms HURLEY: When is that decision likely to be known?

The Hon. Dean Brown: As I pointed out, this request was made to the Department of Aboriginal Affairs prior to my becoming Minister. The Commonwealth Government has cut back on funding, including through ATSIC, but the State Government is not in a position to pick up those funding obligations. I am not quite sure. I presume in this case that if it has been Commonwealth funded and it is no longer being Commonwealth funded—

Ms HURLEY: Other States fund AJAC in addition to Commonwealth funds, but South Australia has not committed itself so far.

The Hon. Dean Brown: If it was replacement for any cutback in Commonwealth funding, the State Government is not in a position to pick up Commonwealth funds, the requirement to fund for programs stopped or reduced by the Commonwealth. If it is a separate issue then certainly we are happy to look at that issue, as Mr Rathman has said.

Ms HURLEY: Still on the subject of the Royal Commission into Aboriginal Deaths in Custody, there appears to me to be a lack of clear information about the State Government allocation of funds to implement the recommendations. Can the Minister provide information about the exact expenditure of funds in this area, and can he say what consultation occurs with Aboriginal people in relation to expenditure of funds in royal commission funded programs within the South Australian Government?

The Hon. Dean Brown: In fact, most of the funds for that are spent by other agencies and are not under the responsibility of this agency. This agency has more of a watching brief and as Minister I prepare an annual report, and there is in fact a conference in Canberra on Friday next week which I will be attending on Aboriginal deaths in custody and assessing the progress made in each State. We will attempt to obtain that information from the other Government agencies.

Ms HURLEY: Minister, you mentioned the annual report on Aboriginal deaths in custody recommendations. Can you tell me when that will be available this year?

The Hon. Dean Brown: Very shortly. It has just been submitted to me. It came in yesterday and I have not had the opportunity to read it, but it is likely to be submitted within the next couple of weeks.

Ms HURLEY: The Minister mentioned changes to the Aboriginal Heritage Act. What support is DOSSA providing to local heritage committees and what support does DOSSA provide to the State Aboriginal Heritage Committee?

The Hon. Dean Brown: You are asking what specific moneys are being allocated for the 1997-98 year?

Ms HURLEY: For 1996-97 and in 1997-98.

The Hon. Dean Brown: If you look at page 194 of the Estimates of Receipts and Payments you will find under 'Support Funding—Aboriginal Heritage Fund' a figure of $138 000 for 1997-98 and for the previous year it was $138 000 as well.

Ms HURLEY: How is it separated between the local heritage committees and the State Heritage Committee?

The Hon. Dean Brown: As I understand it, out of the $138 000 we pay about $1 000 per committee as a standard payment and then we supplement that as needed from the $138 000, depending on what the projects are.

Mr CUMMINS: I turn to page 53 of the Capital Works Program 1997-98 and refer to the proposed incurred expenditure of $700 000 on Stage 2 of the Head of the Bight project. I have been out there a couple of times myself in the past year or so. Can the Minister provide information on the scope of work carried out in Stage 1, the extent of facilities planned in Stage 2 and can he say what benefits he believes will come from this development?

The Hon. Dean Brown: This is a project which I personally backed very strongly indeed as Premier last year. I met with a delegation from Yalata and committed the Government to putting in a sealed road, car parks and viewing platforms at the Head of the Bight. Earlier this year after the tender bids came in we found that we were about a million dollars short and we had to ask for additional funds. I committed about $1.7 million last year and went back to Cabinet and it enthusiastically endorsed another $1 million, to take the total for Stage 1 to $2.7 million.

Stage 1 comprises the construction of 12 kilometres of all-weather sealed road, and I can assure the honourable member, having driven down that road before, it is a very good standard indeed. It has been sealed and lined and that road is now open and operating. So people who are driving across Australia or who wish to make a special trip have the opportunity to visit the area now on a sealed road from Ceduna. Previous to that it was a dreadful road and particularly if it rained it got pretty boggy and was very rough. For the member's information, the latest is that there were 10 whales out there two days ago, so if he would like to visit I would urge him to do so. In fact, there is a Whale Watch number available at the Whale Centre at Victor Harbor, a very good centre, too, and I urge people who take an interest in these things to ring up and find out how many whales there are around and visit, and that includes visiting Victor Harbor. You may have noticed there was one in Victor Harbor on Sunday at the bluff.

However, coming back to the Head of the Bight, there is also a sealed visitor car park. There is to be a public toilet. There will be a temporary toilet there initially, but funds have been allocated in Stage 1 for permanent toilets. There will be a viewing platform on about the same level as the car park and that is being constructed now, together with walkways to it. After the whale watch season a second viewing platform will be constructed much closer to the cliff face and down somewhat lower than the main viewing platform. There will also be safety barriers, signage and walkways. The Department of State Aboriginal Affairs, in conjunction with the Aboriginal Lands Trust, the Yalata community and the Department of Transport, has been working on this project since the beginning of the year. Although interim arrangements are in place for public access for whale watching, the official opening of the car parks, the platforms and the road takes place on 15 July.

Stage 2 of the development includes an interpretive centre, providing information on whales and sea lions, as well as Aboriginal cultural and heritage issues. The exact format of Stage 2 has not been finalised, but one possibility is that we have a major interpretive centre on the main east-west road, Eyre Highway, where the road to the Head of the Bight leads off. That way, while travelling across Australia, people will be able to stop in order to see something of real interest and then decide whether they wish to make the journey of 12 kilometres to the Head of the Bight. The State Department of Aboriginal Affairs has allocated $700 000 in 1997-98 for Stage 2 and the South Australian Tourism Commission has committed $650 000 forwards that interpretive centre. Collectively that is not enough to do stage two, and we are looking at how we can access further funds. We would need another $1.3 million or so, because we estimate that the cost will be between $2.5 million and $3.5 million; it might be even more than that.

A tourism venture will be established at the head of the Bight and will be managed by the Yalata Aboriginal community in conjunction with the Aboriginal Lands Trust. It is proposed that public access to the new roadway will be limited to daylight hours. A boom gate will be placed at the entrance from Eyre Highway to control and manage access and visitors, and there is likely to be a fee charged for access to the area.

It is clear that the tourism potential for local people and interstate and overseas visitors for whale watching is absolutely enormous. At the launch on 15 July we are looking at attracting a significant number of media, particularly those involved in travel promotion. Some 40 000 people visited the site last year, despite the lousy road. If 40 000 people visited the site last year one can imagine how many more will visit the site once there is proper promotion and a sealed road. I think 100 000 people is a very conservative figure of how many visitors we can expect—probably not this year because we are already part way through the year—in subsequent years.

I understand that you are almost certain to be able to see whales there from about the beginning of June through to mid August on almost any day. In fact, the CEO, David Rathman, has guaranteed that there will be whales there on 15 July: he has put his job on the line.

Mr CUMMINS: I am glad to hear something has been done, because people in the Yalata community have shown their commitment and it will be a great project for them. I refer to page 276 of the Program Estimates and Information. It is stated that a key objective of the Department of State Aboriginal Affairs in 1997-98 will be to promote and implement an integrated economic development strategy for South Australian Aboriginal communities. What steps have been taken by the Government to create employment opportunities to overcome the welfare dependency that seems to hinder people on the lands?

The Hon. Dean Brown: I guess that flows on naturally from what I have been talking about. I see the head of the Bight as being a significant tourism project for the Aboriginal community, where the Yalata community will be there at the interpretive centre talking not only about the Aboriginal cultural and heritage aspects of the region but about the whales. This is combining, if you like, a unique piece of Australia—the whales plus Aboriginal heritage. However, it is ultimately about creating employment opportunities and allowing an Aboriginal community to become more self-sufficient out of that.

I would like to see that replicated throughout the whole of the State. It has been done in the past with some farming communities. I guess Point McLeay and Point Pearce are the two classic ones. Even though Point Pearce got into financial difficulty through the oyster farm, the farming operations—the cropping—have been very successful. Also, I understand that one of the members of the Point McLeay community is a Roseworthy graduate and has been doing an excellent job in lifting its farming operations.

Some attempts in the past have failed: one was the yabby farm in the Riverland and the other was the difficulties at the Point Pearce oyster farm. What both these cases highlight is the need to make sure that a proper business plan is in place beforehand and that appropriate supervision by experienced people of those projects is provided to help get them up and running.

I will touch on some of the projects that are being looked at. There is the head of the Bight. The aquaculture project at Wardang Island and the abalone farm, although the infrastructure is there, have not been successful up to now. The yabby farm at the Gerard community also has not been particularly successful, and we are looking at what we need to do there. There is a youth enterprise development program, where two business skills programs are being trialled at Murray Bridge and Port Augusta. These programs run for 26 weeks and are aimed at providing young Aboriginal people with an introduction to starting and running their own business. If deemed successful, I see that scheme being extended.

Another is the Gerry Mason centre. ATSIC funding has been negotiated and business plans have been developed as part of the process for redeveloping the centre as a cultural interpretive centre. Purpose built viewing, a gallery and a coffee shop are the central theme of the interpretive centre. Other initiatives are being looked at. One is a tourism venture at Maralinga. In fact, on 16 July there is a workshop at Maralinga: people will appreciate that the Maralinga village is there and the Maralinga clean-up is currently going on. Our objective is, after the clean-up of the atomic sites is completed, with the support of the Commonwealth Government, to have Maralinga village used as a tourist centre with the Maralinga Tjarutja people.

Mr Clarke interjecting:

The Hon. Dean Brown: It does not glow at night. In fact, the clean-up has gone very well. There is a possibility of a flower farm at Port Lincoln. I have been very keen to establish self-sufficiency in the AP lands. One initiative I have asked the department to look at is a small scale abattoir or slaughterhouse in the AP lands. It is good cattle rearing country. I find it incredible that all the meat that is eaten on site is brought in from outside, either from Adelaide or Port Augusta. I believe that they ought to have a small scale slaughterhouse there and be able to kill their own beasts and use on-site meat. So we are looking at that. That will involve training people in slaughter and effectively cutting up carcasses and retailing that to the other members of the community.

They are some of the areas that we are looking at. I could go on in terms of other initiatives. The part we want to stress is that this will require making sure that we have got experienced, capable people there who can help manage these projects. The last thing you want to do is simply allow the projects to fall into disrepair and to lose a large amount of money as some have done in the past.

Mr CUMMINS: It is obvious when going to the lands that the Aboriginal people have lost their culture and, to some extent, their identity. I notice in the Program Estimates and Information page 276 that the Department of State Aboriginal Affairs has an objective in 1997-98 to continue to implement a conservation protection strategy for Aboriginal sites and objects in South Australia. Can the Minister advise the level of funding allocated to this strategy and give a brief outline on the objective of the strategy?

The Hon. Dean Brown: An Aboriginal site conservation strategy is in place, and for the coming year $100 000 has been allocated to allow that work to continue. The objective is both to protect existing sites and to help conserve those sites. The site conservation strategy began with a review which highlighted the lack of consistency in earlier recordings of Aboriginal sites. Some of the detail recorded decades ago is now very difficult to locate on modern maps. and this causes inaccuracies in the Land Titles Office and affects the quality of the information that the department has. I might

add, too, that many current landowners would not even know that there might be Aboriginal heritage sites listed on their land. As a result, about 4 000 letters have been sent out to those people notifying them that they have what has been recorded, at least, as an Aboriginal site on their land, and indicating that the Government is doing an assessment of those sites. Some of the data on the cards is, in fact, very good information and up to date; on other sites, the information is quite inadequate and we are trying to upgrade it.

The Aboriginal Heritage Act 1988 does not require the owner or lessee of a property to be advised when an Aboriginal site is recorded or registered. Hence, many of the landowners are unaware that such a site exists, and that causes some anxiety—unless they purchased the property in the last decade and have therefore been advised of all encumbrances.

The new Aboriginal Heritage Bill is looking at how we might rectify some of these problems. The current strategy is to check the location and condition of each site currently listed on the register of Aboriginal sites and objects. Only sites which are recorded on the register by professional people (mostly with little or no consultation with the Aboriginal people) are being visited. No sites with associated confidential material or mythology as recorded by Aboriginal people are being visited. The process is being fully explained to the Chair of the State Aboriginal Heritage Committee.

Some inaccuracies on the locations of the registered sites, both in the register of Aboriginal sites and objects and the land titles information, can then be corrected once the survey is finished. That covers the key points that we are trying to achieve, but I think it is very important work. I know that some people were concerned when they received the letter and wondered what it was all about, and I think it is very important that there be a process of information and full consultation with the current landowners.

Ms HURLEY: I refer to page 276 of the Program Estimates. The Minister for Correctional Services in an answer to a question earlier referred to an interjurisdictional community corrections workshop in Alice Springs in July 1996. This workshop resulted in a change of direction in the way community-based correctional services are operated in the Pitjantjatjara lands.

One of the changes, according to the Minister for Correctional Services, was the involvement of local Aboriginal communities in the management of local offenders by means of specific partnership agreements. This has also resulted in a rearrangement of Correctional Services staff at the Marla office. The Aboriginal liaison officer, who had been providing interpreter services at Marla for the Pitjantjatjara lands, has not had her contract renewed, and professional support services to the courts is now provided by Mrs Valma Anu, a trained social worker who works from Whyalla and who, I am told, does not speak Pitjantjatjara. The probation and parole officer has been replaced by an untrained, non-Aboriginal person.

I have been contacted by several people from the area who are very concerned about the abrupt changes made, they say, without consultation. The concern is at the standard of pre-sentencing reports which, they say, have deteriorated since the changes. There have been delays in sentencing and there is concern that the result will be inappropriate custodial sentences or longer sentences than appropriate. This seems to go against the intent of the Aboriginal deaths in custody report.

Will the Minister release a copy of the papers for the workshop held in Alice Springs in July 1996, and will he say what specific partnership agreements have been entered into with the Aboriginal communities of the area?

The Hon. Dean Brown: I think the matter that the honourable member has raised is one for the Minister for Correctional Services. I was not Minister of Aboriginal Affairs at that time. I have asked the Director whether he attended and he indicated that he did not. He is not sure whether anyone attended from the department. I think the honourable member should take up this matter with the Department for Correctional Services, which is the agency involved. I think this is also partly a matter that the honourable member has raised previously in a letter to me. I have responded to her and indicated that she should take up the matter with the Minister for Correctional Services.

Ms HURLEY: I have a supplementary question. I do not believe that I have had any response from the Minister and I believe that it is a matter in which the Minister should be interested, given the series of complaints from Aboriginal communities in the area and the potential to cause non-custodial sentences to be imposed when they are not required. I refer to page 276 of the Program Estimates where it is stated:

> . . . the continuing over-representation of Aboriginal people in all phases of the justice system remains a priority issue.

Further, under 'Specific Targets/objectives' for 1996-97 it states:

> Monitor and evaluate the implementation of the Royal Commission into Aboriginal Deaths in Custody in conjunction with State agencies and the Aboriginal community.

The Minister himself has said that he has a watching brief. I think that this is a particularly important issue in which the Department of State Aboriginal Affairs should involve itself, given that I have spoken with Aboriginal people in the community who say they have not been consulted about these changes and do not believe that they will serve the interests of the community.

The Hon. Dean Brown: Are you talking about the changes to Correctional Services offices?

Ms HURLEY: Not only to the offices, but also to the way in which Aboriginal people have access to assistance in preparing pre-sentencing reports, managing the administration of the community service orders and, generally, in dealing with the courts. I understand that earlier this year—I have not confirmed this—the courts went up into that area and could not do anything significant because no interpreter was present.

The Hon. Dean Brown: First, I assure the honourable member that I have taken a personal interest in this matter. I had a discussion with the Minister for Correctional Services some months ago after the honourable member first raised this matter with me. First, I made some inquiries. I had just come back from the AP lands when I spoke to the honourable member. In fact, I had met two of the Correctional Services officers who were specifically designated to work with the Aboriginal communities.

Ms HURLEY: Did they speak Pitjantjatjara?

The Hon. Dean Brown: I think so, yes. I cannot absolutely vouch for that, but I think they did. One of them came from a community up that way.

Ms HURLEY: Was that Mona Tur?

The Hon. Dean Brown: No, it was not. I then took up the matter of the changes with the Minister. The Minister was not

aware of changes being made—if indeed any were made. The honourable member telephoned me and said that she was concerned about some changes. I took it up with the Minister. The Minister, at that stage, was not aware of changes—if there were any changes—being made, and has gone off to investigate and follow the matter through. Apparently, a letter has been prepared. I am sorry if it has not reached the honourable member, but she will receive it very shortly.

So, I am aware of the matters and have taken an interest. However, in terms of the minutes of the meeting in Alice Springs last year, I again stress that this is a matter which the honourable member should take up with the Minister for Correctional Services, as it is fair to say that no-one from DOSAA attended that conference. We therefore do not have a copy of the minutes: that is the point I am making.

Ms HURLEY: Are you aware of any specific partnership agreements that have been entered into with the Aboriginal communities in that area? It was stated by the Minister for Correctional Services that specific partnership agreements had been entered into.

Mr Rathman: In addition to the Minister's response, I inform the honourable member that I am due to have a meeting with the Chief Executive Officer of Correctional Services and his northern regional office staff and the Director responsible for Aboriginal programs as a follow-up to the issues related to that program which is operating out of Marla, and I believe that there will be further clarification of the issue raised by the honourable member.

The Hon. Dean Brown: The Consultants Planning Advisory Service has undertaken an evaluation of the Aboriginal Visitors Scheme. It is proposing four possible models for future management of this scheme—and I will not go into the details of that. The consultants convened a meeting of key police officers on 20 March and held a workshop, following an extension of the contract and the injection of additional funding, with the key stakeholders on 16 May. The workshop raised a number of issues and the final report went to the steering committee on 30 May.

The Director has said that he will take up these matters with Correctional Services and follow them through. I assure the honourable member that I have spoken to the Minister on this matter, and she has assured me that she is following it through.

Ms HURLEY: In relation to the Aboriginal police cell visitors scheme, can I clarify whether the problems that are being addressed will include staffing, payment to volunteers and issues concerning the definition of 'employment' in relation to the visitors who will work in the scheme?

The Hon. Dean Brown: I will take those points on notice and ask the Director to take those up with Correctional Services and the Police Force. I am aware of a number of problems—including community service orders—that exist, and we are trying to ensure that some of those problems are addressed. In fact, a new appointee of the Department for Correctional Services is looking at how to tackle some of those problems and he had a number of suggestions when I had this discussion with him at Marla.

Ms HURLEY: Returning to the Aboriginal heritage issues, I am told that DOSAA states it has maintained an updated Aboriginal sites register. Has that process included the deregistration of any sites?

The Hon. Dean Brown: I want to correct the tense you used—you said that it has done this. I stress the fact that it is in the process of doing it. The review of the accuracy of the location data has been completed on the site records. A total of 3 714 site cards were checked for the accuracy of the data; and 1 200 site cards had insufficient data to verify the accuracy of the location. Sites within the Pitjantjatjara lands were not checked for accuracy, although a cursory inspection of the site records indicates that the information, in most instances, is not sufficient to provide an accurate location. In many instances, this was because no locational map of the site was provided, or the location map merely pinpointed the location, without any verification that that was the actual location.

In the areas of the State where good mapping is available—that is, one in 2 500 or one in 10 000—and distances from the site to features that appear on the maps were taken, the verification process has been very easy. Even in other areas of the State, where the quality of the mapping is not as good as provided measurements from nearby features, the locations could be identified with some accuracy. I suppose now, with satellite positioning—which I presume they are using—that will change quite dramatically, where you can stand there, push a button and get within about a square metre.

The major problem is those sites in rural and pastoral country where maps are poor and sites are located at some distance from features marked on the maps, where it is impossible accurately to measure the distances using tape measures. Even using surveying equipment has some problems, in that the features noted on the maps may be inaccurately plotted on the map. Although GSP (global satellite positioning) systems are readily available, the accuracy of the information varies from 200 metres to 30 metres, depending on the length of time spent at site. I believe that GSP is now much more accurate than that, and that you can get down to within a couple of metres.

Recently, a differential GSP has become available, where data is received from a satellite in a fixed position and the data received from the navigational satellites is recalculated to provide extremely accurate locational maps—depending on the model used, 3 to 5 metres accuracy, which is the sort of point I was making.

Another major problem with the existing data base will be corrected as part of the Site Conservation Strategy Stage II, in that many sites do not have dimensions of size and therefore appear only as points on the data base. This has resulted in sites being re-recorded years later at a slightly new location, with a new name and registered as new sites.

One factor that is quite obvious when checking the site data is the extreme variability and the quality of the information. The best documented sites in the system are those done by officers working in the heritage teams; the next level is those done by amateurs who have an interest in Aboriginal heritage; and the poorest documentation is by professional archaeologists undertaking cultural heritage surveys for other agencies. The Site Conservation Strategy Stage II will hopefully provide updated and accurate data on the registered sites, although locational data on sites in areas of the State where quality of mapping is poor will still be a problem, unless access to the State's art technology is provided by the department.

For the 1 500-odd site reports awaiting processing, a number of procedures are being adopted. I will not go through those procedures. However, I believe that at least gives you some outline of the sort of work that is being done and the quality of the data, which varies quite considerably.

Mr WADE: I refer to page 276 of the Program Estimates—the Aboriginal Heritage Bill and consultation

thereon. With the development of the draft Bill, will the Minister advise whether community consultation has commenced; and, if so, will he provide the Committee with a brief overview of the scope of that consultation and the time frames involved?

The Hon. Dean Brown: The process of consultation has commenced. When Cabinet agreed to the release of the draft Bill it was to enable extensive consultation with the Aboriginal community and stakeholders. In view of the diversity of Aboriginal community organisations, Aboriginal people, and stakeholders with a vested interest or commercial or legislative need, it is planned to take a proactive stance in holding consultations throughout the State. I have given to Parliament a list of locations where those consultations will take place. It is proposed to hold meetings in regional centres, including: Andamooka, Berri, Broken Hill, Ceduna, Coober Pedy, Davenport, Finke, Hawker, Marree, Murray Bridge, Oodnadatta, Point Pearce, Port Augusta, Port Lincoln and Whyalla. The AP Executive has been invited to be involved in detailed consultations. The Point Pearce community and representatives from the Yorke Peninsula Council have planned consultations on 2 July, the Department of Mines and Energy will be briefed on 14 July and the MFP on 21 July. It is hoped that all community consultations will be finished by 30 August. There will then be a redraft of the Bill based on the information that has been fed in and further Cabinet consideration.

My hope is that all the consultation will finish by the end of September, and that some time in 1998 a new Bill will pass through the Parliament. That is a long timeframe—we are talking of another 12 months at least—but I think it will take that. In fact, I have been asked by Aboriginal communities to ensure adequate consultation. It is not as though there is no legislation already in place, but it can be improved and we want to achieve that and make it much more workable. One of the objectives is to try to make the assessment of Aboriginal heritage items part of any development approval process. Up until now that has not been the case. Incidentally, I think the honourable member has already been briefed on the Bill as have the Australian Democrats. If any other member of Parliament would like to have a briefing they are most welcome.

Mr WADE: I am getting the briefing now and I will continue with it. The Commonwealth is also proposing to overhaul the Aboriginal and Torres Strait Islander Heritage Protection Act. Will the Minister provide the Committee with information on the main thrust of the Commonwealth's decision to amend that Act and any impact that will have on our Act?

The Hon. Dean Brown: The honourable member is quite correct. In December 1996, Senator John Heron, the Commonwealth Minister for Aboriginal and Torres Strait Islander Affairs, announced that he would overhaul what they call the Aboriginal and Torres Strait Islander Heritage Protection Act. He said that the overhaul was designed to prevent another Hindmarsh Island saga. He advised that consultation will begin immediately with State and Territory Governments. In fact, he has written to me as part of that. Consultation is also occurring with indigenous groups and other interested parties. Under the changes, the Commonwealth Act will be retained as an Act of last resort to apply where State and Territory schemes do not exist. In this way we will overcome the ridiculous duplication we have had in the past. The trouble has been that we have a State Act and a Commonwealth Act which incorporate quite different processes but which cover exactly the same activities.

As a result, we had what occurred with Hindmarsh Island where there was an assessment of the Aboriginal heritage issues by the State Government. It started with the previous Labor Government, it was further reassessed by the Liberal Government, both Labor and Liberal Governments at a State level authorised the development to go ahead, and then, under the Commonwealth Act (legislated by a Labor Government) they tried to stop it by taking it through the whole process yet again. That was a farce. It is time that we make sure that there is no duplication between the Commonwealth and the State. State law should apply, and Commonwealth law should apply only where a suitable State law does not apply. That is the principal thrust of what the Commonwealth is trying to achieve. I have undertaken to work with the Commonwealth Government, and Senator Heron in particular, to help bring that about. We will make ongoing submissions to the Commonwealth Government as part of the review of the Commonwealth Act.

Mr SCALZI: As we know, the Council for Aboriginal Conciliation was established on the unanimous vote of the Australian Parliament in 1991. The council is responsible for promoting the process for reconciliation, encouraging, understanding and shaping a better relationship based on respect for indigenous and non-indigenous Australians. Our nation's commitment to achieve reconciliation has been made for the year 2000, the Centenary of the Australian Federation. One of the broad objectives of the State Department of Aboriginal Affairs is indicated on page 276 of the Program Estimates, as follows:

> . . . to promote equality of opportunity by working to eliminate barriers such as discrimination and prejudice.

Will the Minister provide information on the support given to the reconciliation process, including the national forum recently held in Melbourne?

The Hon. Dean Brown: The Council for Reconciliation here in South Australia established a number of reconciliation regional meetings, which were held at: Murray Bridge, Port Lincoln, Adelaide, and Port Augusta. The Department of Aboriginal Affairs sponsored and coordinated a regional meeting at Port Augusta on 19 March which was attended by about 220 people. It was an outstanding success. The member for Norwood attended the meeting in Adelaide, as did the member for Hartley, and it is fair to say that it was a very constructive meeting, as I understand were the others. I have received reports from people who attended the Port Lincoln and Murray Bridge meetings, and again I think they accomplished a great deal. The meeting at Port Lincoln was held in a climate of some controversy because of recent statements by the Mayor of Port Lincoln, but even the Mayor has somewhat seen the light and acknowledged the constructive objectives of the reconciliation meetings.

Those meetings have been very effective and were a prelude to the Australian Reconciliation Convention held during the last week of May, which was the first week when this Parliament sat. I was unable to attend because of the parliamentary sitting; however, members will recall that on the Tuesday of the convention our Parliament passed what I thought was a very significant motion calling for Aboriginal reconciliation and apologising for the stolen generation.

Our Parliament set a precedent and an example for the rest of Australia—the motion being passed by both Houses of the State Parliament with bipartisan support—and that, in itself,

has been a significant step in indicating the sort of attitude that we want to prevail here in South Australia. It is interesting to see, because I understand that support for the Pauline Hanson One Nation Party is probably lowest in South Australia than in any of the States of Australia, which reflects the leadership given by this Parliament last year on matters of reconciliation and multiculturalism and, more recently, the attitude it has taken towards apologising as a Parliament for acts that took place many years ago when many children were taken from their home under practices of the day which were seen as an attempt to be beneficial but which, by today's standards, would be regarded as quite inappropriate.

The reconciliation process is one of the sorts of activities we have been holding. There was the reconciliation meeting at the former site of Colebrook Home, which I also attended—it was a very moving affair. As a result of all that, significant headway has been made in South Australia during the first six months of this year. I would like to see that process continue. There will be ongoing support by the department towards the continuation of that process.

A delegation of officers from the department attended the Australian Reconciliation Convention. The most important thing to come out of all of this is a clear commitment by the people of South Australia to ensure that there is reconciliation. We have started this year very effectively towards achieving that.

Mr SCALZI: There was also the peaceful demonstration celebrating our diversity, with much reference to the indigenous people. It is good to see that South Australia is ahead of the rest of the nation.

The Hon. Dean Brown: Whilst a few hundred people may have attended Pauline Hanson's meeting, about 10 000 attended the silent march in the streets of Adelaide in support of reconciliation and a multicultural Australia. That is a very significant statement indeed.

Ms HURLEY: I refer to the Program Estimates, page 276. It was reported in the 1995-96 annual report of the Department of Correctional Services that it had conducted a detailed review of its operations in connection with recommendations of the Royal Commission into Aboriginal Deaths in Custody. The review reportedly found that, overall, the department was implementing the recommendations but not in full and not with the same degree of commitment across the board. The main areas of outstanding obligation were: staff development and training; recruitment and employment of Aboriginal staff; screening of hanging points in cells; the provision of prisoner health services; and flow-ons from interagency collaboration. What action has the Government taken to address these issues?

Mr Rathman: The department, in collaboration with agencies such as the courts and Correctional Services, has been investigating non-custodial options for Aboriginal people. A number of investigations are under way to find ways to reduce the likelihood of Aboriginal people coming into custody. The question of the performance of each agency will be reported upon in the annual report.

The South Australian annual report on the Royal Commission into Aboriginal Deaths in Custody has focused primarily on finding ways to examine the performance of agencies rather than say whether they have completed the recommendation. We are trying to move towards a more qualitative assessment of performance. That study by Correctional Services will be reported upon in the annual report.

We are mainly concerned to ensure that Aboriginal people do not come into custody in the first place and that, if they do, there are means for them to find ways of getting out of the system. We recommend a process where a register of non-custodial options be kept by the courts. The courts have requested that we do that.

The department has been looking at the option of a community healing centre, similar to a model used in Alberta, Canada. We are working with the various agency groups and the Aboriginal Sobriety Group to move that along as a process for options. On the juvenile side, there has been the Wardang Island project for alternative programs. Four participants were put through a program on Wardang Island where they became involved in work programs. Education and literacy were the focus of the activities.

The question of whether people come into the system and how long they stay in it is something about which we are concerned as a department. The area in which we are working has a high number of remandees and we are working with the Courts Authority, the Judiciary and a number of agencies involved to try to address that. The report from Correctional Services will be dealt with through the Interdepartmental Committee on Justice, of which AJAC is a member, and through the annual report process.

Ms HURLEY: There is a view that, of late, there has been a general lack of consultation with the Aboriginal Legal Rights movement on a number of matters, including land and heritage issues. Conversely, there has been little input from DOSAA in relation to legal rights for Aboriginal people in South Australia. Does the Minister agree with that perception, and will any steps be taken to redress it?

The Hon. Dean Brown: Is the honourable member talking about native title claims?

Ms HURLEY: Native title claims and other land and heritage issues.

The Hon. Dean Brown: Native title issues are entirely with Crown Law and not with DOSAA. The Aboriginal Legal Rights Movement is the potential respondent on behalf of individual claimants for native title. That is a legal matter. It has been agreed, and a channel has been set up for that process. It is a process between Crown Law and the Aboriginal Legal Rights Movement. I am on a ministerial committee in respect of that issue with the Attorney-General, who has prime responsibility. I understand that reasonable consultation appears to be taking place. I am not aware of the day-to-day consultation as that matter does not come under the committee's responsibilities, but there have been ongoing discussions. The Government has been involved in looking at setting up the potential for an agreement with some of the parties involved, which will turn many of the native title claim matters into specific issues to be covered under an agreement. I understand that consultation is going on with a range of parties, including the Aboriginal Legal Rights Movement. The honourable member should address that issue to the Attorney-General, and we will certainly refer to him the fact that you have raised the issue.

Heritage items generally are taken up with the appropriate heritage committee. That is the most appropriate form of consultation. There is a whole series of heritage committees around the State. One of the problems has been that some of those committees have broken into other heritage committees as well, and it makes it extremely difficult. One of the issues I would like to tackle in the Act when it is amended is that we have greater certainty as to who should be consulted as part of consulting with those heritage committees, and what is the composition of the committees. At present there is a great deal of uncertainty at times.

Ms HURLEY: Was ALRM consulted about the draft Aboriginal Heritage Bill?

The Hon. Dean Brown: Certainly it has the opportunity to be involved in the consultations. Any group has that chance, and it is there until the end of September.

Ms HURLEY: But it was not involved in the drawing up of the Bill?

The Hon. Dean Brown: The drawing up of the draft Bill was a process that went on for almost 2½ years. I can recall the first meeting we had with the then Minister for Aboriginal Affairs, in about September 1994. A large number of parties were brought together for a two day meeting of Aboriginal representatives. Mr Rathman says that the Aboriginal Legal Rights Movement was in attendance at the meeting. At the end of the meeting, it met with me as Premier and the Minister and discussed the general findings. That covered a whole range of issues in terms of the operation of Aboriginal heritage in this State, including the legislation.

As a result of that meeting, in late 1995 it was decided to have a bigger workshop, held over three days, where people were brought in from all over the State from various heritage committees. I think the Aboriginal Legal Rights Movement was in attendance. I attended the closing session of that with the Minister. For about two hours we sat around when various people put forward the conclusions and other points of view raised as part of that conference. Out of that, during 1996, the Bill was drafted. Now there is a chance for it to go back into the community. So yes, the Aboriginal Legal Rights Movement has been part of that broader consultation in preparing the Bill and continues to be in now seeking further public consultation.

Mr CLARKE: I was recently at Marree Primary School and speaking with some of the teachers there who indicated there was a problem from time to time with interdepartmental brawls between DOSAA and DECS over the question of their school toilet cisterns not working and who was going to pay for it—should it be DOSAA or DECS. All the school wants is the toilet cisterns fixed and the interdepartmental book-keeping can take place away from their concerns. Their concern is simply getting the toilets fixed. Could the Minister have a look at that issue and any similar such disputes arising in other areas at other schools where there are predominantly Aboriginal students?

The Hon. Dean Brown: There is no argument or dispute at all as to who is responsible. Any expenditure for minor works in a school is a DECS responsibility. There is no dispute on that whatsoever. A meeting about property management was held on 14 February this year. It is referred to in the quarterly report, when David Moffatt, Grant McLean and Gerry Deggar held a meeting with DECS to promote the role of DOSAA in regards to project and asset management of DECS facilities located on Aboriginal communities.

Because of the high cost of mobilising service personnel to these remote areas, we believe that savings can be made if all State Government agencies focus work through a single agency. DOSAA is well placed for this work as it already has a major role in remote communities with essential services programs. The objective of this meeting was to offer DECS an asset management service for schools located on or near Aboriginal communities in South Australia. DOSAA offered this on a fee for service basis and quite clearly the funding would be provided by DECS.

So, there is no dispute about that whatever. DECS's understanding of this matter is confirmed by the fact that it is providing funds to DOSAA for the routine maintenance of the diesel generators at Mintabie and Murputja school. The work is undertaken in conjunction with the routine servicing of generators from other communities in the north-west of the State. DOSAA has already undertaken several minor works projects for DECS during 1996-97 on a fee for service basis. Two of these projects have been at Marree Aboriginal school for a new reception counter and for maintenance and upgrade work on the swimming pool. DOSAA has not received any request for maintenance or upgrading of the toilets at the Marree school from either the school or the property management branch of the Department of Education and Children's Services. I just wonder where—

Mr CLARKE: It may have been pre-dated.

The Hon. Dean Brown: They are saying they have not had any requests for upgrading of the toilets.

Mr CLARKE: I will go back to the community.

The Hon. Dean Brown: If the honourable member has a problem—

Mr CLARKE: No, it was an issue raised with me by the Principal of the school. I just thought I would raise it while I was here. They have since fixed the cisterns and so on, but it was at the time there was a breakdown.

The Hon. Dean Brown: When were you up there?

Mr CLARKE: At the end of April this year. I do not know when the breakdown took place.

The Hon. Dean Brown: I was up there and met various representatives of the Aboriginal communities in mid April. They did not raise it with me then, although I did not visit the school. I can assure the honourable member that there is no argument about who pays. If it is a school facility, DECS pays.

I do not know whether the honourable member is aware of the very strong capability that DOSAA has in terms of maintenance of capital facilities within DOSAA. That is recognised by all the communities and therefore an excellent way of using those resources in Aboriginal communities where they are doing other work adjacent to the schools.

When I was up at Marla, I met people from within DOSAA who are doing that work. It was an excellent chance to understand what they are doing. The other group I have to acknowledge and praise is the work of AP Services in the AP Lands. They have set up a special services group and they do most of the maintenance of the facilities. They have put people in there with competency in this area, and the quality and cost of the work has improved considerably. I was very impressed. I met the people involved in the AP Services and quite clearly a lot of the mistakes of the past, and some of the rip-offs of the past, are now being reduced—and there have been rip-offs where people have contracted to do certain work and, because they were not being supervised by professionals with experience in construction, they were not delivering the quality of work they should have. Now they will not get away with it.

Mr SCALZI: I refer to the three Aboriginal landholding authorities created under various State Acts, namely, Anangu Pitjantjatjara (AP) Inc, Maralinga Tjarutja (MT) Inc and the Aboriginal Lands Trust. The office of AP is located in the AP lands in the Far North-West, MT operates from Ceduna and the ALT operates from Adelaide. Page 194 of the Estimates of Receipts and Payments indicates that funding support for the three land holding authorities—ALT, AP and MT—amounts to $609 000. Can the Minister provide information on the support provided by the Department of State Aboriginal Affairs in improving coordination and the overall management of the authorities?

The Hon. Dean Brown: As the member for Hartley has indicated, there are three very important landholding authorities in South Australia, the Anangu Pitjantjatjara Council, the Maralinga Tjarutja Council and the Aboriginal Lands Trust. They hold quarterly meetings and, in fact, I attended their last quarterly meeting in May and had an opportunity to spend the time with those three landholding bodies. My concern is that we actually increase the representation for those landholding bodies in some key areas, and I have taken this up with the Minister for Housing, because they are not represented at all on the Aboriginal Housing Committee. I think it is appropriate that they should be, because, after all, many of the houses built are on their lands.

They have put a request to me that they would like to have an office established in the city, in conjunction perhaps with DOSSA or the Aboriginal Lands Trust, where these three large landholding bodies can have their own office and therefore more closely relate to both DOSSA and other Government committees. I agree with that. After all, they are holding on behalf of representatives more than 20 per cent of South Australia. I think it will be a very positive move indeed if we can achieve a separate office for them, with some sort of secretarial assistance, and allow them to have a greater say in relation to what is done in relation to landholding matters. So, the Government and I as Minister are working very closely with them to try to achieve that.

Mr SCALZI: As outlined in the program description on page 276 of the Program Estimates and Information, the Department of State Aboriginal Affairs has an important role in promoting healthy living environments in Aboriginal communities by provision and maintenance of essential services infrastructure in the areas of water, sewerage and power. It is understood that recently there have been significant improvements to the remote areas power supplies. Minister, can you outline the scope of these electrical services and the benefits to the Aboriginal communities?

The Hon. Dean Brown: The Department of State Aboriginal Affairs, in conjunction with ATSIC, recently completed the construction of a 40 kilometre overhead electrical distribution line from the Ernabella Aboriginal community to the Yunyarinyi Aboriginal community on Aboriginal Pitjantjatjara lands, which will be maintained by the State. It is a significant distribution facility in that part of the State, of some 40 kilometres. Stage 2 of the project provided for the connection of eight smaller communities located in close proximity to the Ernabella power mini-grid, with six others planned for future connection. The total ATSIC Commonwealth funding allocation for the project was $1.2 million.

The construction of powerlines between communities is relatively new to the area and has become an acceptable concept to the AP people. Powerlines running beyond the community boundaries were originally introduced by the program to electrify the water supply bore pumps; in other words, what you have is a community and invariably you have bores around that community. Until now they have been dependent on wind or in some in cases solar power, which were unpredictable in their supply, and this will give them far greater capacity to pump. Significant savings to the DOSSA essential services funding and resultant redirection of monies will benefit other Aboriginal programs. These savings will reduce maintenance costs, create fuel efficiencies and improve operational strategies associated with essential services offices. ATSIC will benefit in the long term from a reduced capital funding requirement for power generation equipment upgrade and replacement and will benefit indirectly through the redistribution of State maintenance funds.

Many power grids will allow the introduction of a 'green grid inverter' principle, to augment power supplies with alternative energy sources; in other words, solar energy if possible. Unlike many stand-alone remote power supply systems, this system will utilise all of the alternative energy available from the export of power to the line grid and allow equipment to be strategically located.

Mr Rathman: We are trying to increase the number of powerlines between these communities, such as Pipalyatjara to Kalka; Amata to Tupul; Ernabella to Umuwa via Turkey Bore, and Tjutjunpiri and Balfours Well. So we are trying to connect a major grid around the communities.

The Hon. Dean Brown: The other point I would like to draw to the attention of the Committee is that in the last year ATSIC gave some funds for water to be supplied west of Ceduna to the Koonibba community through a State Government allocation of $2.5 million, I think it was. We have therefore pooled all those monies and now as a result of that there is a pipeline going west of Ceduna, after it had been requested for the past 40 years. It will go to Denial Bay, to Koonibba and on to Knobs Hill. I understand that it could well run past Knobs Hill almost out as far as Penong. But certainly from Knobs Hill, which is certainly the highest point for many miles around, we will be able to reticulate water from the tank out there to just about all of the surrounding properties, including Penong.

This is a classic case again where State Government funds have been combined with ATSIC funds to benefit the Aboriginal communities, as well as the broader community. That one in particular I know the member for Eyre and Speaker of the House is very thrilled about because it has been promised on many occasions. I gave the commitment before the election that we would start, and we will not only have started in this term but we will have finished that supply in this term. The pipeline is very close to being completed. There is another powerline that Mr Rathman would like to provide information to the Committee on as well.

Mr Rathman: Another major project which will go out to tender is the construction of the power line from Leigh Creek to Nepabunna to supply mains power to Nepabunna, which has been on a generator for some years now. That will increase the power supply to that area, something for which that community has been waiting for many years.

The Hon. Dean Brown: And you will find that it is environmentally friendly compared to a diesel generator.

The CHAIRMAN: There being no further questions, I declare the examination of the vote completed.

Department for State Government Services,
$24 985 000
Minister for Information and Contract Services—Other Payments, $1 500 000

Departmental Advisers:

Ms A. Howe, Chief Executive Officer.
Mr A. Secker, Executive Director, Business Review Unit.
Mr B. Miller, Director, Resource Management.
Mr B. Griffin, Director, Real Estate Management.
Ms M. Marsland, Director, Building Management.

The CHAIRMAN: I declare the proposed payments open for examination and refer to members to pages 75 and 198 to 202, and pages 43 and 204, of the Estimates of Receipts and Payments and pages 291 to 310 of the Program Estimates and Information.

The Hon. Dean Brown: Services SA is undergoing some fairly significant changes, and I will draw members' attention to the extent of those changes. The first concerns the area of procurement. The Government is a huge procurer of services and goods in this State, involving $3.5 billion. The Supply Board comes under Services SA, yet many of the procurements within Government are not under the responsibility of the Supply Board.

One of the issues that we have looked at and challenged is the point of having a Supply Board if it does not really cover the majority of purchases, try to act as a coordinator or set a policy standard across Government. We have brought in a major new approach and strategy for upgrading procurement across Government —which Cabinet has now endorsed—and Services SA through the Supply Board is the body directing and coordinating that.

Another is looking at some of the services provided by Services SA and questioning whether it is the appropriate body to be providing those services and whether it cannot be done outside. One is printing. The traditional printing days are finished. I think everyone understands that. More and more printing is being done on location with computers, high powered photocopiers and fast photocopiers. The idea of and need for a centralised printing service by Government are rapidly fading away. So, the Government has put out a request for the sale of SPRINT, which is the non-parliamentary printing service provided by Government. The printing service provided by the Government for the Parliament is in the Riverside Building, and that is still being maintained, owned and operated by the Government.

Another major change is the Central Linen Service. For many years, the Central Linen Service has done laundry work for not only the Health Commission but also other Government services. Again, that service can be contracted outside much more efficiently, so the Government is looking at selling Central Linen Service. There has been full consultation with the employees involved and they have been part of the process. I think it is fair to say that they are very familiar with the steps we are going through.

The Government is involved in the sale of a number of Government owned buildings. We are involved in taking over the sale process for those buildings, particularly now that the Asset Management Task Force has been terminated. In the future, buildings owned by the Government as assets will be sold through Services SA. Another major new thrust to the department is in the area of selling our heritage and other building services into South-East Asia, an area that is showing a great deal of promise indeed. Another is to achieve greater coordination of the construction industry within the State. I initiated the Construction Industry Conference in about 1981 as the coordinating body for all the construction industry. We had a major revamp of the Construction Industry Conference only two weeks ago. It has now been established as two bodies, the Construction Industry Forum and the Construction Industry Advisory Council, and I can talk about those matters.

The other major area in which the Government is involved through Services SA is the management of vehicles. As members would be aware, we have leased out those vehicles, and we now lease the vehicles rather than own them. It means we had about $100 million to put towards reducing the debt level in the State. We are looking at how we improve the management and maintenance of that fleet, which has been downsized fairly considerably. It is about 25 per cent less than it was when we came into government, which means that we have reduced the number of vehicles by about 2 500. I am talking about the light fleet, not the heavy trucks and earthmoving equipment, and so on, owned by the Department of Transport. There has been a substantial reduction in size in there, and we believe we can achieve further efficiencies.

The other leading factor, and one about which I am personally passionate, is improving the maintenance of our Government assets. Too often it has relied on break-down maintenance. We wait until the roofs are leaking and the paint has fallen off and then we repair it at a much greater cost than if we had had routine sound management throughout.

The other key factor is a proper asset register of State Government assets and to ensure that built into that register is information about the maintenance. We are in the process of going through the contracting out of maintenance of Government assets and minor works in the metropolitan area. We will still maintain a capability within the Government. Adelaide has been divided into four regions, one of which will be done by the Government and the other three by private contract. Based on the experience that has been achieved in Western Australia where this has worked very effectively, we should achieve both better management and significant cost savings through this process.

As a department, Services SA is undergoing a great number of challenges at present. Anne Howe commented to me that there has been a real effort to focus on what Services SA does, its true role, and the sorts of reforms it should do to save considerable money for Government. If we achieve a 3 per cent saving on procurement across Government, we save Government $72 million a year. That is huge, but I believe we can do better than that. Our initial target is $72 million savings, and Cabinet has agreed that we can put that money back into the agencies, agencies will be able spend more money on other things, in particular delivering services to the community.

Of all the agencies, which in many ways are traditionally unexciting (as is Services SA), suddenly we have probably as much reform as any going on in a Government agency. Out of that, I think there will be considerable benefit and a very positive end result for the construction industry of South Australia.

Mr CLARKE: I must say that I agree with the Minister concerning the significant changes that have been occurring to Services SA. I am amazed that you have been able to rustle up as many advisers as you have this afternoon from Services SA. At the rate of departures that have taken place over the past 2½ years, this time next year there will not be anyone here!

The Hon. Dean Brown: No, they are smiling and they are looking youthful.

Mr CLARKE: My first question relates to this whole-of-Government approach to purchasing. I cite an example relating to milk deliveries—and this is one of the problems in having a whole-of-Government approach in areas remote from Adelaide. At about the end of April or the beginning of May I visited the Hawker Hospital. That hospital was quite happy with its arrangements with Golden North, which delivered milk twice a week during the day, when there were staff there able to receive it. The whole-of-Government contract said that they had to take it out through Dairy Vale,

which could deliver only once a week at 2 a.m., which posed significant problems for that hospital in terms of arranging for someone to collect the milk and put it away. There are no storage facilities in Hawker other than an unrefrigerated shed, which obviously is not acceptable. It took the hospital about four months to get an exemption from having to comply with the whole-of-Government request. In relation to computers, this hospital informed me that, with respect to down time and repairs required to the computers, as a result of the EDS contract, it now had to use Adelaide and not Port Augusta, as it did previously, for repair work.

The Hon. Dean Brown: It is not an EDS contract.

Mr CLARKE: Whatever the contract happens to be, the hospital is now required to use Adelaide to repair its computers rather than—as was the case previously—going to its local supplier in Port Augusta or having that company come up and do the work, which it found cheaper and more accessible. Suggestions were even made that, with respect to meat purchases, the hospital could not use the local Hawker butcher but would have to buy through the central agency—and that, of course, takes money out of the local community. I cite the Hawker Hospital as an example, but I have found this in other areas as well.

This whole-of-Government purchasing policy may be a great idea, it may be saving money in metropolitan Adelaide but, in remote areas commonsense ought to apply, particularly if it means keeping local money and jobs in local areas. I appreciate that exemptions may be allowed, but there ought to be a speedier way in which exemptions can be granted, because some cases are just so self-evident that it should not take four months to get an exemption.

The Hon. Dean Brown: The honourable member raises a valid point. However, I want to be quite clear that what has occurred at the Hawker Hospital has not been because of a whole-of-Government purchase policy. That has been the trouble. These decisions were made last year by the Health Commission when the contracts were signed. The very thing that we have done under this policy is to apply across the whole of Government the flexibility and commonsense which we felt did not exist. So, these changes in procurement in terms of a much broader policy across all Government agencies have started to reverse the things to which the honourable member refers.

I cite an example. The Health Commission started to move towards purchasing policies for all of its hospital units. I believe that is the policy to which the honourable member refers. It was not part of this current review. This current review is doing just the opposite. It is putting down a regional purchase policy so that hospitals, schools and such places, where appropriate, can purchase locally. For instance, since I have been Minister, in respect of minor works and maintenance, one of the first decisions I put to Cabinet was to ensure that the policy applied only to the metropolitan area and that in the country they could buy those services locally.

Whereas originally that policy was moving towards applying to the whole State, I stepped in, took it back to Cabinet and had it changed so that it applied only to the Adelaide metropolitan area. Paint and building supplies and things like that now can be bought where they are most appropriate, probably from the local community, quickly, efficiently and with existing employment opportunities within the local district. The same situation exists here.

We are developing a policy to promote regional development for rural South Australia. Part of that policy will be to say, where it can be justified—particularly in respect of perishable products such as bread, milk, meat, fruit and vegetables and in some other areas—that these should be purchased locally. We are trying to cut across some of these whole-of-State purchases that some departments have adopted and to apply that flexibility. That is part of this process of trying to ensure that we adopt a broader approach in terms of the impact on the community.

Mr CLARKE: I think the Minister has answered another of my questions. The Marree Primary School raised with me concerns about having to get three quotes to repair something. The number of tradespersons you find in Marree are somewhat limited. At one stage, DECS was prepared to pay a tradesperson 50¢ a kilometre to travel from Port Augusta to do something at Marree, even though there was one person at Marree who could have done the job. Do I take it that what you have just explained overcomes that type of bureaucratic hurdy-gurdy?

The Hon. Dean Brown: If I can be frank, the approach to Government purchases has been very traditional, it has been very much in a straitjacket, and new technologies have not been adopted. The average cost of a purchase within Government is about $50. We go through a million purchases a year where the value of the purchase is less than $500. So, $50 per purchase is a very high percentage. The whole thrust of this is to say that we need more experienced people to direct purchases for Government. They need to make commonsense judgments. Sure, we want scrutiny and accountability at the end of the day, but there is no point in buying something that will cost $100 and having processing costs of $50.

We want people with authority to make those decisions and to make judgments about where to buy things and at the best price in terms of both the quality of the purchase and commonsense and flexibility. I believe that we will see a dramatic change come out of this. As we move more and more towards electronic procurement, I believe it will be found that efficiencies will be improved. Government currently only pays by cheque. There is very little electronic transfer or use of credit cards or purchase cards. What is the norm in business should start to be applied by Government.

This policy is just developing. I took it to Cabinet only six weeks ago. It has been before Cabinet twice. We have refined the broad principle and set some clear objectives. We have agreed to electronic tendering, and we are moving now towards electronic purchasing. There will be a lot of changes in this area. I agree with the honourable member that commonsense has not always applied in the past. I hope there will be a big dose of commonsense, particularly in regional parts of Australia, in the future.

Mr CLARKE: My second question relates to what I hope is an area in Services SA which will not be touched or privatised and that is the Asbestos Monitoring Unit, because it is the only independent asbestos monitoring unit that we have in this State. It is extremely important in terms particularly of the removal of asbestos from Government buildings such as schools. I will not dwell on it, but there was quite a public furore concerning the removal of asbestos at Hillcrest Primary School where there was inadequate supervision. There are a number of other Government buildings as well where unless the inspectors are there to make sure that the contractors removed the asbestos in accordance with the appropriate safety standards, we will go down a very slippery and unhealthy path on the part of a number of people. Does the Minister have any plans at all in terms of outsourcing or

privatising the Asbestos Monitoring Unit; what is its current staffing level; and is there a proposal to increase that number?

The Hon. Dean Brown: First, we have specifically excluded the Asbestos Unit from the contracting out provisions. I have the same concerns as the honourable member. I have also fought for and succeeded in retaining the asbestos work within the unit so far as the Government is concerned, and I have achieved funding for it of $750 000 for this year. There are some within Government—not at ministerial level but within agencies—who say that this should be dealt with as part of a routine departmental budget and that, if asbestos is in a building owned by an agency, they should pay for it as part of their ongoing program.

My concern is that they will not give priority to removing asbestos and that they will spend the money in areas other than asbestos removal. I have maintained the funding at $750 000 specifically to remove asbestos. That should overcome the concerns of the Deputy Leader. However, we are reviewing the procedures, because I found several cases last year where procedures were not complied with. The honourable member and some of his colleagues know of cases where that occurred. Smithfield school was one, and I have written to parents and acknowledged that last year the appropriate procedures were not applied.

Where a school is burnt or where major renovations are about to occur the first thing they will do is refer to the asbestos register within Services SA and immediately find out whether or not there is known asbestos on site and, if there is, take appropriate procedures. That covers the main point. As to the number of people involved, currently 30 people are involved in asbestos removal, 13 in the unit itself.

Mr CLARKE: I thank the Minister for his answer, his assurance that the unit will stay with Services SA, and his comments on schools. There was an incident concerning Mimili in the Aboriginal lands where asbestos clad classrooms were put on that property, but that is a matter subject to—

The Hon. Dean Brown: To be fair, there was not a breakdown of procedure; in fact, it was just the opposite: there has been extensive consultation with the Mimili community and ongoing consultation respecting their wishes.

Mr CLARKE: I was not having a go at the Minister: it was simply an issue with DECS at that time and it did not involve the Minister's department. As to the facilities management contract which the Minister has spoken about, I refer to the lift maintenance section in Services SA. I am concerned with the way the contract is being divided up so that Services SA keeps a portion in the metropolitan area and then it goes out to tender to the three regions. Services SA now does regular building maintenance inspections. If it cannot fix something itself, it calls on one of a host of subcontractors to do the work for the department, and they get paid.

If this work is taken over—they are large contracts and only companies such as Serco, Transfield (picking names out of the air) or others could win them—there is then the potential to squeeze out small business people a good part of whose business consists of the work they get from Services SA to look after a school. I refer to refrigeration mechanics and the like. Has an analysis been done of the impact such a contract will have on the host of small subcontractors who feed off the department now if a larger contractor gets the business? While some of the small subcontractors might still get business from a regional contractor, if the regional contractor does the work cheaper than Services SA, it will pass on the decreased income down the line, and these people will either take less income or cut corners in terms of their services. That is a concern.

As to lift maintenance services in Services SA, the former Minister directed Services SA against bidding in the private sector, although competitors could bid against it in respect of Government buildings. The lift maintenance service is trying to be more efficient by going out to get the work not only in Government buildings but in the private sector, but the private sector has it all one way: the Government cannot bid against the private sector, but the private sector can have the private sector entirely to itself and bid for Government work. With only about three elevator manufacturers in Australia, it is a bit of a cabal. In terms of ongoing maintenance costs, if you do not have an independent competitor like the State Government's maintenance service section you could find maintenance costs in Government buildings skyrocketing unless that service is kept viable.

The Hon. Dean Brown: First, in terms of the maintenance contracts, the work will be supervised by those companies but they will subcontract the work out. We expect about the same amount of work to go out to the subcontractors as currently goes out to those companies. That should not be a concern. That work will still go down to the subcontractors. In terms of the companies that will win the contracts, it is a minority, but there are a number of potential interstate companies that might be interested in these contracts. Therefore, I have requested, as part of the conditions of the assessment, that a presence in South Australia (head office, management training, etc.) be part of the assessment of those tenders.

If a company is an Adelaide-based company with its full management structure here and staff being trained in this State, it will have an advantage over an interstate or international company. That covers your concern. Lift maintenance is part of the maintenance contract, and that will be wound up. That unit has been located within Government, but we think it will be more appropriately covered by outside subcontractors, and it will be done in that way.

Mr CLARKE: I note that the Government has a 'no forced retrenchment' policy but, as I understand it, this big contract that is being entered into affects about 260 or 270 employees. They will have a choice of redeployment or taking a TSVP. If the Government is keeping only a quarter of the work that it once did, and with governments shrinking overall, the opportunity for these tradespeople to be placed within Government is almost impossible. What is the Government saying to these contractors who will take over the work? Will it at least get them to look at these people as potential employees with conditions no less favourable than those which they previously enjoyed?

The Hon. Dean Brown: We have put in place a program to answer that question. The honourable member is correct, we have a 'no retrenchment' policy and we will be offering TSVPs, but it is more constructive and creative than that. I will ask Mr Secker to give details.

[Sitting suspended from 6 to 7.30 p.m.]

Membership:

Mr Foley substituted for Mr Clarke.

The CHAIRMAN: Mr Secker was to answer the question asked by the Deputy Leader.

Mr Secker: The question relates to the way in which employees of Services SA who are made surplus through the contracting out of minor works will be treated as part of this process. About 225 employees are involved. There are other employees in building maintenance services as well, but they cover asbestos management and other areas that we talked about before. We would expect that out of this process about 160 of those people would no longer be required in the remaining part of the BMS structure and, in accordance with normal Government policy, four options are available to those people.

First, they could apply for a position in the new BMS and a quarter or third of them will be in that category. Of the remainder, their choice is either to accept a targeted voluntary separation package in accordance with the normal rules, go onto redeployment, or take up employment with one of the other contractors (which is the area in which we have more opportunity than in some other cases). We are confident that in this process we will be able to structure the contracts in such a way that the skills and expertise of those employees will be in real demand from those contractors.

The people in Building Maintenance Services have a great deal of knowledge of the assets under consideration. That knowledge is something which the contractors will find invaluable. It means that, as we are trying to move away from the breakdown maintenance mentality into a preventative maintenance mentality, the knowledge of the assets will be crucial. A number of people in BMS who have that knowledge will be in demand from the new contractors. Experience in the Western Australian model over the last year or so, which the Minister mentioned earlier, has confirmed that a large number of those employees have been offered positions.

While the normal rules will apply in relation to how those surplus employees are treated, we would certainly be trying as hard as we can through the department to broker arrangements with the contractors under which they would be offered employment. In the end it is their choice whether they take that employment, but we hope to create the opportunities for that employment.

With those employees we are doing that in a number of ways. We have put in place a comprehensive employee support program over the past three or four months. That includes helping those people with interview skills, helping them write resumes to present to a potential employer, helping them with financial analysis of their future so that they can take appropriate options, and helping them with personal counselling and extending that counselling to members of their family. Though those measures we hope we can make this as open and informative a process as possible and allow those employees the full range of options while encouraging them to remain open to offers of employment from the new contractors.

Mr CUMMINS: I refer to page 302 of the Program Estimates, the line 'Building Management Services/Specific targets', where it states:

> Support agencies to implement their asset management strategy in accordance with Government policy within the strategic asset management framework.

What have been the achievements of the first year and how will they be furthered in the second year of programs?

The Hon. Dean Brown: Awareness of the principles and practices of asset management has been greatly increased across the budget sector agencies. That has probably been the most significant factor of all, in other words, making them aware of the importance of preventative maintenance rather than breakdown maintenance. In particular, over the past year Services SA has embarked on specific asset management programs with DECS, DETAFE, the Police Department, the Courts Administration Authority, the Department of Correctional Services, the Department of Arts and Cultural Development, the Department of Environment and Natural Resources, and SARDI.

In some cases these are focused on specific management assets and in other cases on portfolio-wide programs. The opportunity of funding asset management activity through direct appropriation, rather than as an adjunct to the established capital works program, has enabled agencies to put a far greater emphasis on their strategic planning and, as a result of that, on better maintenance and better minor capital works.

The asset management program or strategy will also enhance, through the proposed facilities management contracts covering the three areas of Adelaide and currently out there to tender, about which we have talked, and enable targeted collection of data on historical maintenance and asset condition by contractors and to then plan a preventative rather than breakdown maintenance program.

Andrew has talked about some of the importance of that, but the reality is that until now Government has worked on a breakdown maintenance basis. In other words, if the pipes leak you do something about it. If the paint is off the woodwork you do something about it. It is much cheaper to move in and do something before the paint comes off the woodwork. If you wait until the paint is off the woodwork you have to replace the woodwork as well as the paint. Portfolio-wide strategies have been a focus with the Police Department and the Department of Education and Children's Services. In the case of the Police Department, a program of condition audits over the past 12 months has facilitated the introduction of these management plans to ensure that statutory obligations are met as well as occupational health and safety requirements.

No-one has yet done an audit in the schools of the State to work out the cost to bring schools up to meet occupational health and safety requirements. We suspect that the figure is around $70 million, perhaps as high as $100 million, but no-one can put a definitive figure on it. Equally, in most other Government agencies no-one can tell us what would be the requirements to meet occupational health and safety. So, the Government is sitting there with a huge latent capital cost to meet standards that we expect the private sector to meet. It is about time the Government understood the requirements that have been imposed on the private sector and adopted the same standards for itself.

Earlier I touched on the issue of safety switches. Just installing safety switches within schools—

Mr Foley interjecting:

The Hon. DEAN BROWN: Whoever won the contract. It would cost about $17 million on the most conservative figure. It may be considerably greater than that. Members should feel chastened by the fact that for many years Labor Governments have allowed the standard of maintenance in our schools and other areas to completely run down.

Ms HURLEY: Some are still pretty run down.

The Hon. Dean Brown: They are. But for the first year, the current year and this proposed year, the capital works budget of the Education Department has exceeded $100 million, compared with $70 million a year under the Labor Government.

Ms Hurley interjecting:

The Hon. Dean Brown: It has been about $100 million or over that. We have also allocated $3 million for specialist painting of school buildings (a one-off special), partly to use some of the surplus capacity within Services SA but partly because we believe there is a backlog of painting and, if it is not caught up with fairly quickly, the costs to the Government of replacing timbers will be far greater. Besides, I believe the attitude of students going to school reflects to a large extent the state of their buildings. If they are run down, have graffiti on them and look deplorable, children will tend to deal with them in that state as against their attitude if they have a fresh coat of paint.

I recall that when I first visited the Willunga Primary School 4½ years ago, quite frankly, the school looked a disgrace and as if no-one cared for it. It has since been painted and now the school itself is taking a real pride in what has been done, together with the recladding of some of the old wooden buildings. That is basically the thrust of what we are trying to achieve. I could go on for sometime but I will not.

I stress that Services SA's work in management planning and consulting was recognised last year through its success in achieving the MIRCE award for asset management excellence. That is in the inaugural Australian Asset Management awards. That recognises the fact that we have changed our attitude in this area. Even the asset register of Government had been allowed to run down. This was an initiative I put in place back in 1981-82. When I became Minister I found that much of that work just had not been maintained or completed. How can you possibly maintain an asset management maintenance program when you do not even know what assets you have? They are just some of the things being done.

We now have a building and land asset management system which is in operation. Certainly I expect that that will have significant benefit. It covers 13 000 buildings on more than 4 000 sites with a replacement value of about $3.3 billion.

Mr CUMMINS: I refer again to the heading, 'Building Management Services' and to asset management under 'Specific Targets/Objectives' on page 302. Will the Minister further outline how the asset management initiatives are linked with the Government's capital program?

The Hon. Dean Brown: Prior to the 1992-93 financial year, funding was appropriated to Services SA for capital works on behalf of agencies. The coordination development of those programs, forecasting and budget adjustments were managed entirely centrally through Services SA. Whilst direct appropriation to agencies has made client agencies more accountable for the delivery of their programs, it has also resulted in less capacity to effectively coordinate and make adjustments to that overall program.

The primary responsibility for developing capital works programs now resides with the individual agencies, and Services SA has only partial involvement in the preparation of the capital works program. Agencies have progressively taken over the responsibility for the financial management of their assets. However, we are wanting to make sure that we put in place at the same time minimum standards of maintenance and care of those assets. The project initiation process for capital works, which was developed by the Department of Treasury and Finance in conjunction with Services SA and published last year, is a component of strategic asset management. The project initiation process concentrates on the planning of services and the procurement of assets required for the delivery of those assets.

Services SA will further contribute to the development of the forward capital works program by working with agencies and formulating their programs and, in particular, in the assessment of achievable program outcomes and budget forecasts. The role of Services SA now is very much one of coordination of risk management, of trying to maintain minimum standards for the various Government agencies, but like in so many other areas of Government—and we talked about it earlier today with WorkCover—we are putting more and more responsibility onto the CEO of those various agencies to look after their assets and be aware of what programs are needed to maintain them.

As part of this, we are also adopting accrual accounting, and through accrual accounting for the first time we will have a realistic assessment of how those agencies are being managed. If they let their assets run down, they will find the value of the agency and its assets will run down with it. It will be recorded from one year to the next, and you will be able to judge that performance.

Mr CUMMINS: Still dealing with asset management on page 302, and prequalification in particular, I note that in the 1997-98 'Specific Targets/Objectives', it is intended to implement a system of prequalification of industry contractors and consultants. Can the Minister advise on how this will impact on the asset management project initiatives that he has outlined, and what will be the benefit of such a process?

The Hon. Dean Brown: I see this as one of the most exciting initiatives the department is taking. Up until now, the Government would put out a tender. Any company or contractor could submit a tender, and we would go out and, invariably starting with the lowest price, look at giving the tender to that lowest price but, at the same time, trying to make some judgment as to the capability of that company to perform the work.

Under this initiative, with prequalification for both contractors and consultants, we actually require them to meet more than minimum standards in a whole range of areas. They have to show their management competency, financial viability, quality assurance programs and occupational health and safety standards. Once we have done that, we know that whoever we get to do the work will meet a relatively high standard for the completion of that work. This way, we believe we will sort out the poorer companies from the better ones and only the better companies will be tendering. That will allow us more and more to rely on the most competitive price rather than trying to make judgments on the companies after they have submitted their price.

It has been interesting because my initial reaction was that companies would object to this. What I found in fact was the credible companies have been out there pushing this system. The Master Builders Association, to its credit, has also pushed this very strongly. In doing so, it is now getting the building industry to work with the Department of Industrial Affairs to adopt occupational health and safety standards within the industry. So what you will find out of this is a quantum leap in the quality of the work done for Government agencies. There will be uniformity there.

A lot of good work is already done for Government—do not get me wrong—but I believe there are some bad cases at present, and this will reduce the number of bad cases of work done for Government. It applies only to jobs of $150 000 or more. That is the cut-off limit that we have brought in. I know that companies are now asking why it will not apply below that. Ultimately our objective is to have prequalification as an alternative to building licensing, so

builders will have a choice. If they want to get a licence and do private work, that is fine. If they want to do Government work, they will do prequalification instead and not worry about a builder's licence. With prequalification, the quality will be such that we will have private interests asking if they can access our prequalification standards as well.

Ms HURLEY: I refer to page 306 of the Program Estimates and the future sale of the Print Procurement Branch. Can the Minister say whether he agrees that the current print procurement requirements reduce the administrative costs of Government agencies for printing, effectively use the Government's purchasing power to reduce costs to the taxpayer, and ensure that contracts are awarded on high standards of merit and probity and, if so, what is the rationale for the closure of the Print Procurement Branch?

The Hon. Dean Brown: There is one person here who knows this area better than most and that is the former Government Printer, Andrew Secker.

Mr Secker: The Print Procurement Branch is part of the State Print organisation and as such relies to a great extent on the administrative support of that section. When the decision was made that the commercial part of State Print would be subject to a sale, a process which is in train at the moment, there really was not the support left for the print procurement area. I think that print procurement, which is when we buy printing on behalf of an agency and we organise on behalf of the agency which body in the private sector will carry out that printing, can create benefits for that organisation, and it can reduce costs, because printing is a specialist field. Printing is not just one field. There are probably over 20 different types of printing and you need to know that business in order to get the best arrangement for that printing.

However, if the remainder of State Print is not going to be there, the view was that it was not feasible to maintain print procurement by itself in its current form. We have had discussions with the people in the Print Procurement Section and have said that the best approach would be to go to those agencies which now use the Print Procurement Section, those agencies which do a lot of printing now and could benefit from that service, and make arrangements with those agencies to offer the services of those people directly into those agencies. This is very consistent with what we talked about before the break, about the procurement reforms, which are based on building up the expertise in the agencies themselves rather than having some centralised buying authority.

So, consistent with that approach, if the State Print business is sold and closes later this year, or whenever, we would be aiming to treat print buying, or print procurement, as another type of procurement of goods and services which can be included in that wider policy which the Minister talked about earlier and build up the expertise within those agencies to do that in the best way for those agencies. As part of that we will have those people who are in the Print Procurement Section now who could be made available to those agencies. That is the line that we offered to pursue with the people in the Print Procurement Section and that is the approach we would take closer to the time when the Print Procurement Section might have to close down as an entity in its own right. But that is several months away at the moment. However, the people in that section are aware that that is the approach that we intend to take.

Ms HURLEY: As someone who used to be involved in print procuring myself when I worked at Amdel Limited, I know that printing is a very specialised area and that you need to keep fairly constant contact with the industry, to find out who is still in it, for a start, let alone the different sorts or specialised printing that are available and what the cheapest cost is. I think it is difficult to believe that all the different Government agencies will be available to develop that expertise within their own agency if they do not do a lot of printing. If that is the case we will probably find that there will be inefficient use of printing by several, perhaps many, agencies throughout the Public Service. Can the Minister clarify how the members of the current Print Procurement Branch are going to spread themselves out amongst the many Government agencies that would use print?

Mr Secker: The view that we have is that first of all we have to understand that the current Print Procurement Branch handles only a very small proportion of the total amount of printing organised through Government. I do not know that any definitive study has been done but it is probably no more than 10 per cent of all Government printing, and I am talking about offset complicated printing where expertise is needed. Already probably 90 per cent of that printing is being handled without the use of the Print Procurement Branch, which means that most of that is being done by a few agencies which have a large amount of printing. For example, the Tourism Commission does a lot of printing. That is just one that comes to mind.

Certainly, there are small agencies who at the moment use those services, but our view is that we need as part of the current general procurement reforms to be liaising with those agencies, find out what their needs are and, as a result of that, put in place whatever needs to be there. It may well be, for example, that you get a number of agencies sharing the resources of a larger agency which has built up expertise in those areas. There is no reason why those cross-agency arrangements cannot be encouraged. But as the Minister said earlier, it is early stages with that procurement review. We need to have that contact with the agencies, work out what those needs are and then fill those needs in direct consultation with those agencies.

Ms HURLEY: If I can clarify that: if the review finds that there is still a need for a Print Procurement Branch, is that an option?

Mr Secker: I guess it will depend first of all on the preference of the people in that branch. There may well be some of them who do not want to stay in Government, and we will have to handle that, but for those who want to stay within Government I would have thought it would be wasteful if they were not applied to that specialist area. If they are there and want to be there I am sure that they will be able to be applied to that work.

Ms HURLEY: Can the Minister itemise, by agency, all spending within his portfolios over 1996-97 on consultants, polling, public relations and advertising?

The Hon. Dean Brown: Members need to appreciate that, in terms of consultancies, here is an agency where the level of consultancy is very high indeed, because you are using engineers, quantity surveyors, architects, and other professionals such as that. I think we will have to get you that figure, because there is a large number of them. With virtually every building job that is done there is some component of consulting in it. We will get you that information. As to polling, in the past six months I know of no polling done.

Ms HURLEY: Public relations?

The Hon. Dean Brown: The department does not do much in the way of public relations. A McGregor survey was done for the construction industry. There was no polling as

such. It was research. We have formed a construction Industry Advisory Council, which I talked about earlier, and that is developing a strategy for the construction industry. There is also a construction industry forum which deals with day-to-day industries for the whole of the construction industry. The Industry Advisory Council has a role of developing long-term strategies for the development of the construction industry, and they used McGregor Marketing to go out and do some work on what is the perception of the construction industry from its end users, from the public and so on. Those results were presented in very general terms at the Construction Industry Advisory Council about a week ago.

Ms HURLEY: How much did that cost?

The Hon. Dean Brown: I will get that information for the member.

Ms HURLEY: And advertising?

The Hon. Dean Brown: The advertising is principally for tenders and a range of areas like that.

Mr WADE: Again, my question relates to the construction industry and page 299 of the Program Estimates. Reflecting on the Minister's opening comments regarding the restructuring of the Construction Industry Advisory Council, my question is: as the construction industry is a significant source of employment to this State and a major component of the State's economy, could the Minister outline what actions have been taken to date to restructure the CIAC and what role it is to play in the development of the construction industry?

The Hon. Dean Brown: It is a very timely question because we held the first conference on Tuesday of last week. The former Construction Industry Advisory Committee now forms two bodies. The Construction Industry Forum is chaired by Peter Koukourou with an executive. That forum brings together a large number of different interest groups, including specialist subcontract groups, individual contractors, Government agencies and consulting groups. I think there were 96 people at the conference representing the broad interests of the construction industry, and it is dealing with a range of relevant issues. Those issues include training for the construction industry, and one needs to appreciate that we are looking at construction in the broadest sphere, including civil construction, which would also involve earthmoving; putting in a submission as part of the Construction Industry Levy Training Board review; looking at how to achieve greater coordination in the construction industry; monitoring the economic development of the industry; and how to get into export markets. The Government is helping them, particularly in the heritage area, but they see scope to expand considerably in the export area through South-East Asia.

They are looking at how to use information technology to enhance the industry. We will consult with them, for instance, on electronic tendering. We are looking at developing a Web site for them so that we can put out information about the State's contractors, subcontractors and various associations representing the subcontractors; provide details about the level and capability of technology in the industry; and use it not only as a marketing tool throughout South-East Asia but also a means for someone here who might want to get construction work—simple steps as to how to go about that. We are listing the consultants, architects, engineers, quantity surveyors and others. That covers the sort of day-to-day tactical issues in the industry.

The other body is the Construction Industry Advisory Council, which is chaired by Campbell Mackie. The purpose of that body is to generate a long-term strategy for developing the industry. An executive is developing this strategy, and McGregor Marketing research was done specifically for that industry so that they could see what the perception was for the industry in order to tackle some of those issues. The construction industry in South Australia employs 37 600 people. That is a big industry, and bears comparison with the car industry, which employs 15 000 people.

Incidentally, one area on which I did not touch was the adoption of better occupational health and safety standards for the forum. Another is the adoption of a national code of practice for the construction industry which the Ministers will discuss at next month's ministerial conference. That is basically the role of the CIAC, which is the strategic body, and the forum, which is dealing with the day-to-day issues and acting, if you like, as not only a lobby to Government but also a coordinating body for Government.

Mr WADE: You mentioned the industry code of practice. Could you advise further on its current status and how you see it fitting with the recent announcements by the Commonwealth Industrial Relations Minister, Peter Reith, on an industrial relations code of practice for the construction industry?

The Hon. Dean Brown: In South Australia, we have been largely ahead of the rest of Australia because the Construction Industry Advisory Council developed a code of practice for the construction industry about two years ago. I think New South Wales has now developed a code, and the industry Ministers meeting last month looked at the industrial relations aspects, including things such as ensuring that in a uniform way we handle award payments, over-award payments, rights of association (in other words, there can be no compulsory ticket before entering a site), occupational health and safety requirements, and so on.

The construction industry Ministers at their meeting next month in Perth will look at what has been developed by the industry Ministers and deal with the construction industry side of this and, hopefully, we will then have a national code of practice that will apply, at least, to Government construction sites. The objective is to get private industry to adopt that as well. In other words, all the bad practices of the construction industry of the past—and they have had some bad practices, as royal commissions and others have found—will be largely overcome.

Mr WADE: While on the same line, Government is a major client of the building and construction industry. With the diversity of Government agencies, what are you doing to minimise the impact of the different ways that agencies are dealing with the industry?

The Hon. Dean Brown: Again, this is partly the role of the Construction Industry Forum. We are trying to achieve a degree of uniformity in the way in which Government agencies do their tendering. Ideally, it would be nice to have one electronic tendering process for the whole of Government and, eventually, to allow electronic submission of bids for tendering. We want to ensure that we have an even flow of work in terms of tendering and that two or three major Government agencies are not closing major bids on the one day, effectively competing against each other.

Within Government, there are a number of ways to look at this. We have what we call the Infrastructure Agencies Forum, which comprises all agencies which are heavily involved in construction: SA Water, ETSA, the Housing Trust, the South Australian Health Commission, the Ports Corporation, the Department of Transport and Services SA.

Through that forum, I see us linking into the Construction Industry Forum. In November 1995, the forum developed the implementation guidelines for the Code of Practice for the South Australian building and construction industry, and in conjunction with the advisory council and the Construction Industry Forum it will review the existing code guidelines in a whole range of areas, including upskilling and labour requirements within the industry.

Mr SCALZI: I refer to page 306—'Supply and Procurement Services'. I note that one of the 1997-98 specific targets/objectives is to implement aspects of the whole-of-Government procurement review. What action is the Government taking on the review, which found that savings estimated at $72 million a year could be made from improving Government purchasing practices?

The Hon. Dean Brown: We have taken an approach to ensure that we have better skills in procurement throughout Government, and there are some key areas where we want to see those skills applied. Some 70 Government and 30 supplier organisations have provided data as part of the review which was initiated at the end of 1996.

The review found that Government purchasing practices were overly bureaucratic and paper driven—I mentioned earlier that, basically, all payment is by cheque and there is no electronic transfer of funds; that within the public sector there is a critical lack of skills and expertise in procurement, particularly at the strategic level; that, invariably, procurement is pushed down and handled as no more than a routine function; that there is the potential for information technology to vastly improve the process and to speed it up and reduce costs; that effective supplier management strategies have not been implemented to achieve value for money outcomes—the Deputy Leader of the Opposition raised areas in terms of regional procurement, etc. where that has been the case; and that there is no coherent policy and accountability framework for the purchase of both goods and services across Government.

This is a major area of reform, one of the biggest areas of reform for the whole of Government. I mentioned earlier that Government procurement is about $3.3 billion each year. It has been tried in places such as Victoria, Western Australia and the United Kingdom with very positive savings. We need to bring in new expertise, to use the Supply Board as a greater coordinating body to set policy frameworks for Government and then to drive the reform of Government in the procurement area right through the other agencies. Cabinet has agreed that any savings will go back to those agencies.

A task force has been set up with a very tight time frame. We expect the first electronic tendering to occur by about September, and we expect within 12 months—certainly by the end of next year—to have the opportunity to bid electronically. I would expect that by the end of next year we will have quite significant procurement through a Government network (probably an Internet-based system) whereby the Government is able to buy a lot of its materials through an Internet-based catalogue system that will have uniformity. We believe that will give greater opportunity for the buyers within Government to choose what they want and, at the same time, for us to be much more competitive in pricing.

Mr SCALZI: I again refer to the topic of electronic commerce for procurement (page 306). I note in the 1996-97 Specific Targets/Objectives that Services SA participated in an electronic commerce implementation. How does the Government propose to approach the introduction of electronic commerce for procurement?

The Hon. Dean Brown: This subject has been discussed nationally during the Ministers' conference. A special group of Ministers has been formed (I am the Minister representing South Australia) to look at a national tendering system. One particular system that is up and operating at present in terms of tendering is Transigo. This system has been adopted by Telstra, but that is only one option that is being looked at: we are looking at others as well.

The second key area is generally electronic procurement, which really involves putting in place a system which can be used by all Government agencies. We want to be able to put all of the data from the tendering process out there and ultimately have the opportunity to order electronically, indicate supply electronically, and pay electronically. One only has to look at the electronic procurement that an organisation like Coles-Myer has in place. I had some experience of dealing with that some years ago as a supplier in private industry. I believe that any large procurer now uses that not only for procurement but also as part of their stock holding practice. The efficiencies that can be achieved in this area are enormous. I have not gone into too much detail, but that is certainly the thrust of what we are trying to achieve.

Mr SCALZI: I have a supplementary question. The Minister mentioned that he is the Minister responsible for South Australia at the conference. How is South Australia placed in relation to the other States as far as this electronic procurement is concerned?

The Hon. Dean Brown: In the construction industry, the Federal Government has Transigo, which is the Telstra product. I guess we are out there at the forefront of it, but I believe we ought to be out there further than we are at present. That is something we are driving very hard, indeed, and it is one of the initiatives I have taken on in the past few months. It is part of developing our ESB across the whole of Government, because that is where huge savings and efficiencies can be made.

Mr SCALZI: On page 304, it is stated that one of the objectives is to reduce the number and cost of vehicle accidents. It refers to fleet management. Will the Minister give an indication of the current cost of accidents and what causes them?

The Hon. Dean Brown: In 1993, the Government light motor vehicle fleet consisted of 10 000 vehicles. That has now been reduced by 25 per cent to 7 500. I believe we found the 350 missing vehicles that the Treasurer talked about some years ago. With 7 500 vehicles, it is still a massive operation. We have a problem with the number of motor vehicle accidents. Fleet SA's policy is to require all damage to be reported, however minor.

In the 1996 calendar year, there were 2 162 reported incidents. Of these, 1 115 (70 per cent) were the result of driver incidents, including 519 while drivers were reversing, and 700 were attributed to inattentive driving. The remaining 647 (30 per cent) were the result of theft, vandalism or the like. The total direct cost of repairs as a result of these incidents was $1.82 million. A further $459 000 was paid to third parties for their repairs, where obviously the fault lay with the Government drivers, and $26 000 to insurance companies under a knock-for-knock arrangement, bringing the total cost to $2.3 million. This equates to an average of $1 066 per incident. While Fleet SA recovered some of this amount through knock-to-knock arrangements for payments by third parties involved in the incidents, those recoveries amounted to only $133 000. It is a small part only of the

$2.3 million. The net cost to Government is still about $2.2 million, over $1 000 per incident.

As a result, the Government has decided to undertake a training and education program for Government drivers. We want to reduce the accident rate on the roads as well as the accident rate for Government vehicles. The program will incorporate safe driving techniques and raise driver awareness through examining vehicle control on operation and the road rules. The skills gained from these programs will not only save the taxpayer money for repair costs for Government vehicles involved in accidents but will also lower the cost of insurance premiums and save human injury.

Three driver training programs will be conducted by South Australian companies, and they will be available to Government agencies. The programs will be aimed specifically to meet the requirements of agencies. The instructor driver training program at the Transport Training Centre will focus on driver safety. The program called 'Drive to Live Australian' is a specialist driver training program for couriers and country drivers. The third program involves four wheel drive training by Adventure Four Wheel Drive.

Certain agencies probably need this training more than most. I have looked at the statistics with concern and I have raised this matter with one or two agencies. The worst agencies in terms of numbers of accidents or incidents for the number of vehicles involved—this is not based on the number of kilometres but on the number of incidents per vehicle held in agencies—are, first, WorkCover; secondly, the Courts Administration Authority, which includes judges;, thirdly, the EDA; and, fourthly, FACS. We will ask those agencies to undertake appropriate training for their drivers in order to reduce the cost of accidents.

Mr FOLEY: WorkCover is not covered for people travelling from home to work?

The Hon. Dean Brown: No. I have already raised with the CEO of WorkCover that it has the worst record, followed closely by the Courts Administration Authority. They are the four worst agencies.

Mr FOLEY: Where are the ministerial drivers?

The Hon. Dean Brown: Ministerial drivers are not listed specifically as an agency. Interestingly, the accident rate for ministerial cars is very low. It shows that if drivers are trained the accident rate is low. In the past five years, there has been one minor incident in respect of my ministerial car, which was parked. The driver of a private vehicle slightly damaged it while trying to park. This shows the value of having good drivers who are properly trained, which is why we are committed to making sure that we train these people suitably. That answers that specific question.

Mr SCALZI: In respect of Fleet SA's management costs, how do current costs compare with previous years and similar fleets in the private sector?

The Hon. Dean Brown: I gave some figures for the number of incidents that occurred. In 1995-96 there were 2 236 reported instances compared with 2 162 in the calendar year 1996—that is a slight reduction. More significantly, the next direct cost to Government in 1995-96 was almost $2.6 million, which is certainly above the $2.2 million for the 1996 year. It appears that reversing and other inattentive practices by drivers of vehicles are still the major contributors to accidents. Further, 57 per cent of incidents in 1995-96 and 56 per cent in 1996 were caused either by reversing—how they can have so many accidents reversing makes me wonder whether Government drivers drive around backwards—or inattentive practices. They are the two worst areas.

It is difficult to get information to compare private vehicles. However, an article in the *Sunday Mail* of 27 April 1997 reporting on a survey of 42 private sector fleets showed that an average of 34 per cent of the vehicles were involved in incidents during the previous year. For the Government the average is lower at 32 per cent. The average private sector repair cost was $2 270 compared with the Government average cost of about $1 000. It would appear that we are probably better than private sector fleets, but I believe that can be substantially improved. Average repair costs are not really comparable. With Government vehicles our fleet tends to be newer than most private fleets, which may be a factor in why costs are lower.

The CHAIRMAN: The Economic and Finance Committee is most interested in those figures.

The Hon. Dean Brown: Of all members of Parliament who write to me regularly questioning the use of Government vehicles, the Chairman of this Committee sends more than all other members of Parliament collectively, and I presume the Chairman appreciates the time and effort that goes into responding to his requests.

The CHAIRMAN: I do. There being no further questions, I declare the examination of the vote completed.

Department of Information Technology Services, $15 988 000.

Departmental Advisers:

Mr P. Bridge, Acting Chief Executive Officer, Department of Information Technology Services.

Mr D. Patriarca, General Manager, Service Management.

Mr P. Sansome, Business Manager.

Mr T. Pettitt, Coordinator.

The CHAIRMAN: I declare the proposed payments open for examination and refer members to pages 45 and 195 to 197 in the Estimates of Receipts and Payments and pages 277 to 290 in the Program Estimates and Information. Does the Minister propose to make a brief statement?

The Hon. Dean Brown: I will keep my comments brief as we are running behind schedule. This agency is appearing for the first time as the Department of Information and Technology Services (DITS). It is an agency responsible for looking at information technology across the whole of Government and telecommunications and linking those two technologies together for the betterment of and improved efficiency in communications with Government to the broader community, to make sure that we are efficiently processing the transfer of information and data within Government, that we have electronic procurement, documentation and messaging and ensure that we use Government work as far as possible to help grow the information technology industry in South Australia.

The department in particular, having now consolidated the implementation of the EDS contract, is now very much focused on how to use a number of the key foundations that it has put in place. There is the whole-of-Government approach on data processing; what we have done in terms of standardising on Microsoft and various software packages across Government for financial packages, word processing packages and human resource management packages; and

using that and the spatial project to achieve a substantial limit in productivity within Government itself.

Because of the unique steps we have taken, we have put better building blocks in place than has any other Government, certainly in Australia. The Singaporean Government—one of the leading Governments in the world in this area—acknowledges that in many areas we are certainly ahead of the rest of the pack, ahead of other Governments around the world, and in a better position in many ways to use these emerging technologies, particularly because of our whole-of-Government approach. They are the key features of what we are about.

There are also some subsidiary issues. We have the Ngapartji Cooperative Multimedia Centre of which the Government is a shareholder: it is not a Government organisation as such, but the Government, along with many private organisations, is a shareholder. There is the Playford Computing Centre and a number of other programs that spin off from this and other work done by the Department of Information Technology Services.

The opportunities are enormous in this area. The interesting thing is that the technology is changing so quickly that you really have to reassess your decisions every 18 months in terms of the directions in which you are heading because the changes require it. Over the 18 month period new technologies apply that did not apply before. The Internet is a classic example. I have already mentioned some of the specialist areas, which I will not go back over, but electronic tendering and procurement we have discussed in detail already. I will leave it at that.

The CHAIRMAN: Does the member for Hart wish to make an opening statement?

Mr FOLEY: Just a couple of brief comments. I suppose that it is a back-handed compliment to the Opposition that, after 3½ years in Government (this being the third Estimates Committee in which the Minister's department is before us), this department is scheduled at such a late hour, well after the television, radio and other journalists have gone to bed. It is a back-handed compliment to the Opposition and not inconsistent with the water contract, which was also put on at a late hour at night to ensure no media coverage. I would have thought that, given that the EDS contract together with the water contract are held by yourself and the now Premier, and given that these were great moments for this Government, that you would have been happy to use an earlier time slot in this forum to tell us how great an advantage this contract is. It is a back-handed compliment and I suppose—

The Hon. Dean Brown: Well, why didn't you ask for it? All you had to do was ask for it. We submitted a program to you and invited your comments. The Labor Party agreed to it.

Mr FOLEY: The same process happened with water and we said—

The Hon. Dean Brown: No, let's be frank about this. You were asked the order. It was sent down and you agreed to the program that we put to you.

Mr CUMMINS: Lost round one.

Mr FOLEY: But I have not lost the premiership.

The CHAIRMAN: Order! We do not want it to develop into a personal debate. I understand that there was an agreement between the Minister and the Leader.

Mr FOLEY: I am just making a point. The Government has the numbers.

The CHAIRMAN: Fair enough, but do not dwell on it, please.

Mr Cummins interjecting:

The CHAIRMAN: Order! Have you finished the statement?

Mr FOLEY: No. I had not, actually, but I did not think my statement could be censored. I cannot see why what I am saying is so aggravating to the Government. As I said, it was a back-handed compliment to the Opposition that we have put some pressure on this issue. With respect to the panel contract for PCs, can the Minister explain the exact nature of that contract and the price at which the Government has contracted to buy those personal computers?

The Hon. Dean Brown: I am not sure whether we have the details of the actual prices, but under the old Office of Information Technology, which was under the then Treasurer, a decision was made in 1995 to come up with a short list of companies, a panel if you like, so we had some consistency of equipment we were buying in Government. Up until then, agencies had all been making their own decisions, and even within the one agency, each section and virtually each individual was making an independent decision, and there was a complete mishmash of machines across Government with no consistency. It was like buying every conceivable model of different brands of motor vehicles. There was no advantage, because it led to increased costs in servicing and incompatibility.

Having taken the decision to basically run an IBM compatible system across Government—there were exceptions where agencies were allowed to still operate an Apple system—the Government decided to go out and use that as the means of trying to buy a more consistent product at a better price. So, there was a public tendering, and out of that public tendering five companies were put onto a panel.

Mr FOLEY: For how long is that contract, and at what unit price approximately?

The Hon. Dean Brown: It was a two year contract, I think, and it started to apply from sometime in 1996. The price varied because there was still some flexibility about what you could get, but I will try to get some details on that.

Mr FOLEY: I raise that because, although I do not know the model number, I bought one for my office that cost approximately $3 000. An article that appeared in the *Financial Review* caught my attention a few weeks ago. It states, in part:

> The price of a typical PC is set to fall by a third next month, as Australia's $3.3 billion a year personal computer industry targets a new market segment. Manufacturers are preparing for massive price competition with the introduction of brand name personal computers for $2 000 or less. Compaq computer, Packard Bell and others are likely to announce the first of cut price brand name machines next month. They are aiming for a sweet spot of $1 500 a box.

The reason I highlight that is that, whilst I can understand that in some areas of Government purchasing panel contracts are of advantage, in an area where there is dynamic technological advancement and a significant reduction in price often occurring, locking ourselves into two or three year contracts may in fact be a very costly exercise.

The Hon. Dean Brown: That has not occurred. Under the contract, the price and the configuration of the computers, because of the changing technology as well, are reviewed every three months. So, the fears that the honourable member has just highlighted do not exist, because there is this constant review based on what the market is producing, and agencies understand it. I have spoken time after time about falling prices. That is the reason for the EDS contract. There is a market reset mechanism price. We drove for that very hard

indeed and got a higher level of frequency of that than any other similar sort of contract. The same applies with this contract.

So, we have not locked ourselves in for a two year period at the fixed price. I would agree with the honourable member; we would be fools if we did, but we have not, and we have also allowed for a change in technology.

Mr FOLEY: I refer to page 196 of the Estimates of Receipts and Payments. Can the Minister explain why the whole-of-Government contract receipts, that is, the money paid by agencies to the Government for EDS services, actually blew out in 1996-97 by nearly $5 million and the allocation for next year is another $1.8 million higher still? All these increases are above the rate of inflation while the deal was supposed to save us money.

The Hon. Dean Brown: If the honourable member is talking about the whole-of-Government contract receipts, in 1996-97 it was $77.1 million, and in 1997-98 it is $78.9 million. I suspect that the honourable member is sitting there saying that that is the EDS contract. In fact it is not. It is a whole myriad of contracts, some of which are coming increasingly on stream. It includes the EDS contract, the telecommunications contract, and the Microsoft licence contract as well. So, there is a whole basket of different goods and services there. That would increase because, more and more, Government agencies are coming onto those contracts.

If we take the telecommunications contract alone, which is being phased in at present, as more and more Government agencies come under that contract rather than paying the accounts themselves, you would expect that line to increase. The inference from what the honourable member said was that these things are blowing out rather than saving costs. It is just the opposite. The clear estimate with the EDS contract—and I will not go back over all this detail because it has been given to the select committee and the honourable member has had access to all the select committee hearings—is that it has saved $9 million in its first year compared to the benchmark year where it was done by the Government prior to that.

Mr CUMMINS: I refer to the electronic services program on page 288 of Program Estimates. What has the Government done to promote the use of the Internet?

The Hon. Dean Brown: Almost two years ago we saw the opportunity to set up a specialist IT network for Government. That is basically what others were doing. The Singaporean Government had already followed a similar path, and other Governments around the world were starting to look at it.

In 1995 we had an explosion in the use of Internet, and the Internet was then seen as an option that was substantially cheaper, perhaps as much as one tenth of the cost of trying to set up your own Government network. We have refocused our electronic services business away from a dedicated specialist computer network system, which was a stand-alone system, and have now moved to incorporate using the Internet which is much cheaper and much more universal. We have taken about 15 areas where we are putting projects out there, some of them are Government projects, some are private projects, where through DITS we have provided seed money to put these services out on the Internet as the first part of our electronic services business. It has been very successful indeed.

The first one was Bass on-line which allowed you to book tickets to go to theatres etc throughout South Australia and even pay for those tickets through the Internet. I have launched a number of other projects already. There is the Wine of Australia Internet site, where I got the South Australian Wine and Brandy Industry Association to develop a very substantial web site for all wine and wine details in Australia; it includes wine tourism. You can actually order wine and you can get information about something like 770 different wineries or 44 different wine districts. It is the wine web site for the whole of Australia. It is accessed under SA Central, and it is the definitive information source now on Australian wine, and that is going to grow and develop. The private wineries can come in and add material about their winery on that as well, and that will be a great initiative.

Last week I launched a program for the South-East Institute of TAFE, where a number of their training courses have now been put out on to a web site. That includes actually training people how to use the Internet. It is a very basic practical training course for anyone between the age of 5 and 85. A couple of the other projects are as follows. The South Australian Health Commission is putting information out there on the *South Australian Health Atlas*. There is the cancer support site, and an STD education and hospital familiarisation program for parents and children. ETSA has a program out there on a web site, which gives people information about the energy efficiencies of home appliances. If they want to buy a refrigerator or a stove or a clothes drier, or something like that, they can look at the different models and look at the efficiency of them on a web site.

The EDA has information out there on small business, and also the competitive position of South Australia. The South Australian Theatre Company is developing some information on theatre sites within the State. The Adelaide Symphony Orchestra is developing a site which will allow people to find out details about the performances by the orchestra and then actually book for the performances. The Tourism Commission is putting an on-line booking system and financial transaction system in place as well as a customer tracking and profiling system.

The Department of Primary Industries is well advanced in putting material on-line for the purchasing of books, magazines and other resources, and you can trade using credit cards. Through the Local Government Association, we are developing something in terms of a registration data bank on dog registration and you can actually pay for your dog registration electronically with your credit card. In the Fleurieu region we are using it to develop a unique package developed by Stephen Alexander to allow curriculum and information about schools to be put out there on the Internet for the local parents. It started at Victor Harbor Primary School but now all the other schools in the Fleurieu region have become part of it, and we will have this unique community access to information about school available 24 hours a day to parents and students, including information back into the library of the schools. The Adelaide Festival Centre Trust also has a booking system.

They are just some of the projects that are out there. The electronic services business of Government is well and truly out there. There is a range of other activities now, and we are encouraging South Australian companies. I mentioned earlier that the construction industry is about to develop a web site for the whole of the construction industry, and we want that to be a definitive statement concerning all the information you would want on the construction industry. So, we are rapidly putting these together and the work is being done by local companies. The entry point for all of this is through SA Central. So it is a very exciting initiative indeed.

I might add, having been to Malaysia and to Singapore recently, I was surprised to find that we are not that far behind Singapore, and Singapore first started down this path in the early 1980s, and we have caught up enormously. In fact, they were very impressed with our SA Central, because it is the only single entry point for all information, Government and private sector, on South Australia, and they are now looking at following suit.

Mr CUMMINS: The member for Hart attempted to ask questions on the EDS contract and failed, so I thought I might do it for him, Minister. Referring to Program Estimates and Information page 288, could the Minister detail some of the details of the EDS contract to date?

The Hon. Dean Brown: First, there are 72 Government agencies under the contract. There are savings of at least $100 million over a nine year period for a constant amount of work. It is interesting to see the extent now to which other governments around the world have sat up and taken note. We were the first Government in the world to take a whole-of-Government approach in terms of outsourcing data processing. The Taiwanese Government has decided to follow suit and the Taiwanese Government recently had a delegation of 20 people out here, including their head of Treasury and the head of the public sector and the Minister for Science and Technology, and I understand that they are heading down this path very quickly. In fact, they have invited the South Australian Government to act as their consultants in that path.

The Federal Government is doing likewise. The Federal Government model will be slightly different. They will probably break it up into two or three contracts and make sure that the platforms that they sit on have interchange of information across them. But the benefits that come out of having a whole-of-Government approach, like any company would have, where all the data processing across the whole of the company is done as one are absolutely enormous. Kinetic in the United States of America is already out there with its RFP doing exactly the same as we have done, and a number of other States in the United States of America are heading down exactly the same path. It is clear that they have seen what we have done and recognised also the enormous benefits and are now heading down a similar path.

In terms of some of the other benefits, we have a company, EDS, established here, which otherwise would not be. The previous Government tried for seven years to get it here—or tried to get their own act together to try to get something going.

Mr Foley interjecting:

The Hon. Dean Brown: Perhaps you should not have listened to their advice because, clearly, you had plenty of tries. They had plenty of tries. They put in Information Utility No. 1, Information Utility No. 2 and Southern Systems. You had three tries at it, and failed in all three tries. So obviously you did not listen to them, because you decided to try and went ahead anyway.

Mr Foley interjecting:

The Hon. Dean Brown: Well, you went ahead and did it; you tried to form an information utility. You failed in the process, but obviously you rejected the advice you received. More importantly, you have EDS in this State employing about 600 people, and planning to go to 680 people by the end of the year. Only 200 of those are former Government employees; the rest are principally young and middle-aged people who have jobs in South Australia. We see that growing and developing all the time.

The Asia-Pacific Resource Centre of EDS is based here, and that includes the Asia-Pacific Education Centre, where about 1 800 employees of EDS in the Asia-Pacific region have been trained. You have the Asia-Pacific Systems Engineering Centre of EDS in Waymouth Street, and both the Information Processing Centre and the Information Management Centre of EDS at Glenside. They are just some of the examples of what has been done.

This State now has an IT industry that is recognised throughout the South East Asian area as being an industry of substantial size and growing very quickly. It is no accident that organisations such as Morgan and Banks and Drake have said that information technology is the fastest growing industry sector in this State and that on the latest survey they class us as the fastest growing industry sector of any of the Australian States.

Mr CUMMINS: You have been successful in obtaining a whole-of-Government contract with EDS. In view of the comments of the member for Hart, is there any evidence that the previous Government attempted to negotiate and obtain a contract with EDS?

The Hon. Dean Brown: Shortly after coming to government we found a number of interesting things: we ascertained that the previous Government had been unsuccessfully negotiating with EDS on and off for about seven years; and we found out from Government files that the member for Hart had been involved in some of those unsuccessful negotiations.

Mr Foley interjecting:

The Hon. Dean Brown: I am saying with a number of the negotiations. The former Government was negotiating with several companies: IBM was one of them and EDS was another. As Leader of the Opposition, I remember meeting with a delegation of a collection of the companies in 1993, and they were literally pulling out their hair in absolute despair. They had tried to negotiate with the Labor Government, which had tried to negotiate with them, and they had got nowhere after seven years.

Ms HURLEY: The Government was too tough!

The Hon. Dean Brown: No, the fact is that the former Government tried to put up to Cabinet a memorandum of understanding, and that got knocked off. It was really the pits to think that after seven years it could not even sign a memorandum of understanding, let alone get into contract negotiations. However, that era has well and truly passed and we are getting on with the real job of creating an IT industry.

Mr Foley interjecting:

The Hon. Dean Brown: Well, that took about one hour in seven years!

Mr FOLEY: As I have said to you often, I should have thought that there was some superficial interest in the IBM proposal for whole of Government, but many advisers in Government did not share that view, and how right they were at the end of the day.

I refer to page 280 of the Program Estimates and the line that deals with the development of a world competitive IT industry. What are the benefits to South Australia of the move of the economic development side of the EDS contract from your Department of Information Services to the EDA? Why has the Government chosen to take that section of the contract away from your control and give it to the Premier's EDA?

The Hon. Dean Brown: The member for Hart claimed that part of the contract had moved across to EDA, but that is not correct. The line which the honourable member has highlighted is the interest payment on the Playford Comput-

ing Centre, which still sits with me and is dealt with separately later. I understand that the line about which the honourable member is talking—the $98 000—concerns funds which were allocated for 1996-97 and which have been picked up under the Playford Computing Centre.

Mr FOLEY: To which line is the Minister referring?

The Hon. Dean Brown: 'Facilitate the development of world competitive and export oriented information industries in South Australia.' That specifically relates to moneys allocated to the Playford Computing Centre, and that area is still with DITS and comes under my control.

Mr FOLEY: I have a supplementary question. The point I am making is that—

The Hon. Dean Brown: The assertion is wrong.

Mr FOLEY: No, it is not. The EDA is now managing the economic development side of the EDS contract. Is that correct or not?

The Hon. Dean Brown: The overall EDS contract lies with DITS. Certain aspects in terms of encouraging the development of jobs are with EDA, but the contract itself is fully administered by Dennis Patriarca. The whole contract is administered by Dennis Patriarca.

Mr FOLEY: I have a supplementary question. I am at a loss to understand why the new Premier, John Olsen, has chosen to take from the Minister's control the important element of the economic development initiative which, prior to the change, was a ministerial responsibility. It was clearly all under the one agency. He has now taken that and given it to the EDA, and I am at a loss to understand why.

The Hon. Dean Brown: To what is the honourable member referring?

Mr FOLEY: The economic development initiatives required under the contract have now gone to the EDA.

The Hon. Dean Brown: That is not correct at all.

Mr FOLEY: So, nothing has gone to the EDA.

The Hon. Dean Brown: The EDA is part of the monitoring, is it not?

Mr Patriarca: In relation to the EDS contract, the Department of Information Technology Services has total responsibility for the monitoring and performance of the industry development obligations under the EDS contract in terms of managing our strategic supplier relationship.

Mr FOLEY: I draw your attention to an article that appeared in *The Weekend Australian* of 3 and 4 May headlined, 'PS [Public Service] warns reputation of computer giant at risk'. The article states:

> The Chief Executive of the Department of Information and Technology Services, Mr Ray Dundon, told *The Weekend Australian* that when contacted by potential EDS clients, the department had said that the contract price performance was good, but that the service had been poor. 'We had to say that because it's a reality,' he said. 'Agencies were saying EDS just wasn't delivering and you can't make excuses for that and we have pointed that out to EDS. It took us a long while to get through to the company that their credibility was at stake here.'

That is a damning commentary on the performance of the EDS contract from no person other than the Chief Executive of the Minister's department.

The Hon. Dean Brown: I am glad that the honourable member has raised that article. No-one who was honest or had one shred of honesty could have raised that article without also raising the letter to the editor written by exactly the same Chief Executive Officer pointing out that what he had said had been taken entirely out of context.

Mr FOLEY: How do you take that out of context?

The Hon. Dean Brown: He was misquoted. If the member for Hart had one shred of integrity, he would have equally quoted what was in the letter to the editor—

Mr FOLEY: I have not seen the letter.

The Hon. Dean Brown:—by the same Chief Executive Officer.

Mr FOLEY: Is that after you kicked his backside and suggested that he write a letter?

The Hon. Dean Brown: No fear. I did not speak to him. He was furious about the way the article had been distorted in terms of what he said and he telephoned me. What amazes me here, and I think, Mr Chairman, the Committee members should know that I have offered a full briefing to the member for Hart on the EDS contract, and the CEO of the department has offered a full briefing to the member for Hart on the contract. The member for Hart has decided not to accept the facts. He does not wish to be briefed. Instead, he has said that he does not wish to be briefed by either me or the agency. He wishes to remain ignorant and to ask the sort of questions he has asked tonight in full ignorance. He talks about wasting time, but every question he has asked until now has been wrong. If he had only bothered to accept the offer of a briefing, he could have been corrected on some of these things before he came in here and made his bold speeches.

I suggest that the member for Hart not only pick up the details of the evidence presented to the select committee but also read the letter to the editor because that clearly covers that point. What he was referring to was the changed requests which represent somewhere between 2.5 per cent and 5 per cent of the value and scope of the contract. Because during the period of negotiation of the contract there had been a stall put on changes within Government—when negotiating a contract you do not want to change the scope of what you are putting into the contract; there had been a build-up of changed requests that had deliberately not been processed or had been stopped—EDS was initially slow in handling that build-up of changed requests when the contract was put into operation.

That was drawn to the company's attention, and it has now put in place processes which Ray Dundon in his letter to the editor said were quite satisfactory. All that he was dealing with was the changed request. Someone has suggested that I table that letter. I will get a copy so that the letter from the CEO is formally recorded in *Hansard* as part of the reply. I think it is appropriate that that be done.

Mr FOLEY: You cannot do that.

The Hon. Dean Brown: I have not got a copy of it here but I will get a copy and include it in the reply because it more than adequately answers that very point and gives the facts. The point is that his reference was only to change requests.

The CHAIRMAN: If the Minister forwards a copy of that letter to the Committee it will have to be done as a supplementary question on notice following the question from the member for Hart. We will take it as part of your answer to the member for Hart.

Mr FOLEY: Thank you, Sir, and I must say that old Deano still has a bit of punch left in him—he is coming back.

An honourable member interjecting:

Mr FOLEY: That is a terrible indictment of your current Premier, when he says he does not have much competition. I don't mind, I am not as good as the honourable member, I know that.

Mr Cummins interjecting:

Mr FOLEY: I can only aspire to be as clever as the member for Norwood. He is the only bloke who backed the Dean Brown faction on the eve of the change.

I understand that Mr Dundon would say that he was misquoted. I believe that is a standard line, in terms of whenever someone wakes up in the morning and reads that what they have said has actually been published.

The Hon. Dean Brown: Just look at the evidence which he gave to the select committee before that article was even printed, which more than adequately covered it.

Mr FOLEY: To me, those words look to be awfully in black and white. I cannot see how you can be misquoted when you say things like, 'We really had to say that, because it is a reality', and 'Agencies were saying EDS just weren't delivering, and you can't make excuses for that.' I do not know how that can be taken out of context.

The Hon. Dean Brown: Is the member for Hart saying that neither he, nor any of the Ministers he has worked for, has ever been misquoted by the media?

Mr FOLEY: I am not saying that at all. You are saying that.

The Hon. Dean Brown: No, I am asking the question, because you are saying that in this case it is impossible for him to have been misquoted.

Mr FOLEY: I just cannot see how those words can be taken out of context.

The Hon. Dean Brown: I can recall numerous occasions when the member for Hart and the Ministers he worked for claimed that they had been misquoted in the press.

Mr FOLEY: Anyway, I will move on. I have another quote I would like to read. I do not know whether the Minister can recall some comments—and I would be interested to hear his reaction to those comments—of the now senior adviser to the now Premier, Alex Kennedy, on the EDS contract. I will quote some of Miss Kennedy's comments about the EDS contract:

> We also know that the promised EDS miracle for the city's IT industry hasn't eventuated either.

Miss Kennedy continues:

> There is concern in the IT sector that, rather than broaden the industry as promised, EDS being in town narrows [those] options. It locks a few chosen companies into pricing structures they have worries about and locks the rest of the industry, which previously did Government work, out in the cold.

Miss Kennedy goes on to say:

> Add all these worries to the fact that the Premier [the Minister] was less than frank in Parliament about who did and who didn't carry out due diligence on the [EDS] contract.

They are pretty damning comments from the person who is now the Premier's senior adviser. What reaction does the Minister have to those comments?

The Hon. Dean Brown: She was wrong—full stop. She was wrong.

Mr FOLEY: So the senior adviser to the now Premier was wrong?

The Hon. Dean Brown: She was wrong.

Mr WADE: Keeping to the EDS theme, will the Minister outline what employment growth has been delivered to this State by the EDS contract?

The Hon. Dean Brown: In terms of what employment growth has occurred (a) in EDS and (b) in the industry in general, the Government carried out a survey of the industry late last year which showed that there are 10 700 people employed in specialist information technology companies in South Australia. This means that this industry is now starting to approach about two-thirds of the size of the motor industry of this State. I stress that that does not include IT specialists who might be doing other core work in companies; we are talking about specialist IT companies. There are about 760 or 770 companies, about 71 per cent of which are South Australian owned. The majority of these companies tend to be smaller companies, with a smaller number of employees.

There are a number of larger companies:EDS being the classic example and Motorola being another example of a company that employs a large number of people and is still growing. Motorola is now employing about 185 people; at the beginning of the year it was employing 130. Its projections are to grow to somewhere between 500 and 1 000 by the year 2000. The next addition to the Motorola building is currently under construction. Gary Tooker, the Chair of the board of Motorola, was here recently, and he pointed out that this centre is now recognised as one of the best software centres in the world—probably approaching the best—and that will be known shortly when the results of a global software development quality standard assessment of all major centres is carried out and the results are produced. They expect the centre in South Australia to come out very close to the top, if not at the top.

The other point which comes through this survey, is that during the past two years 2 400 additional jobs have been created in the IT industry. That is a fantastic growth. It means that the industry has grown from about 8 300 to 10 700 in a two year period. There would be no other industry sector that has grown to that extent in this State. All the projections are that that growth rate will be maintained or increased. We are expecting the work force in IT to grow generally by about 10 to 15 per cent a year. The main limiting factor will be the availability of suitably trained people, particularly those with tertiary qualifications and, for some companies such as Motorola, post-graduate qualifications. But for every one of those people employed, you invariably employ a further eight or 10 people lower down in the organisation.

It is an industry that most people have underestimated as to the growth demand. The United States is regarded as somewhat of a more mature market than here and they are talking about significant shortages of people in terms of developing software systems and information technology systems, etc. It highlights the sort of judgment we made several years ago that that is a growth industry—it is the fastest growing manufacturing industry in the world today. The figures that struck me some years ago were that a third of the economic growth rate of America, which has been one of the most successful developed countries in the world, has been generated by IT, and 50 per cent of all capital expenditure in America has been generated by IT. That is where people have underestimated the importance of this industry. They now view the fastest growing market in the world as the Asian market.

Mr WADE: I thank the Minister. I must admit that I did not recall the Minister giving that response before but I will check to see whether the member for Hart or I was correct. I was curious about the flow-on effect that the EDS contract will have for the local IT industry. I seek more detail on what that flow-on effect is and will be.

The Hon. Dean Brown: One of the important parts of the program is what they call the Channels to Asia program. Under that EDS is required to help companies who have software products here move into the export market with those products. EDS had its Asia-Pacific managers down here earlier this year for a week long conference and introduced

those companies to those managers. They have their joint venture organisation Lucky Gold Star out of Korea here. Lucky Gold Star is an enormous company in electronics and is six times bigger than BHP in turnover as a company and EDS is a joint partner with it in data processing. It was here and looked at the facilities. We have now had the opportunity to join with EDS in putting forward submissions in a number of areas, for instance, EDS has put forward the Courts Administration data or information system to the Malaysian Government and, I think, to two or three other Governments as well, as the best system to use in that area. I know the Malaysian Government is looking at it. They are just some of the sorts of programs.

Mr FOLEY: Who gets the money from that? EDS or us?

The Hon. Dean Brown: We get some and they get some. We get it for our side of any intellectual property that goes in and they get it for the part of the work that they do. Also, I think a third company is also involved. Further, EDS is required to put in $2 million a year to the Playford Computing Centre. Six companies have been closely involved in the Channels to Asia program so far. Interestingly, I sat down with a group of local companies recently and asked them for their assessment of where they perceived the industry here was heading, the impact of the EDS contract and so on. Those companies said the advantage out of the EDS contract was that it took the focus away from just a small local market into an Asian market and that ultimately it was crucial in terms of their surviving as software development companies. So, they saw enormous opportunity to continue to grow that focus into Asia.

Mr Patriarca: There are a couple of other things in terms of opportunities. There is the data centre processing that EDS has brought to Adelaide, with the subsequent employment related to General Motors-Holden's, and for some of their other customers. In terms of facilities that they establish to support Asia-Pacific, they are obviously bringing export work into South Australia to support that region through their systems engineering and professional support, which is worth noting.

Mr WADE: I refer to the Program Estimates, page 284. There has been a significant media coverage on the future economic growth of South Australia and the use of the information technology industry to underpin that growth. Will the Minister outline the vision for the growth of the information technology industry in South Australia?

The Hon. Dean Brown: In July 1994 we put down the IT 2000 Vision. In some ways the vision was very simple in its objectives, but everyone recognises that, because of its simplicity and its clear focus, it has set where we should concentrate.

Mr Foley interjecting:

The Hon. Dean Brown: Almost everyone, except the member for Hart. People of some note, such as Lou Gersner of IBM, Ed McCracken of Silicon Graphics and Les Aberthoyle of EDS have all made individual and separate comments to the media, quite apart from any comment to me, about our IT 2000 Vision, saying that it probably has the clearest focus of any they have seen put down by a Government. I have more regard for their views on this matter than those of the member for Hart.

It said that we should strife to have an internationally recognised centre of excellence in at least five niche areas in the information technology industry area. It states that we should have a key software services centre for the Asia-Pacific region. We should be a pacesetter for the whole-of-Government approach for IT for the public sector and be an early example for an information and powered society. Those four points were put down in July 1994.

We certainly have been a pacesetter in whole of Government IT and that is recognised by everyone, not just in the EDS processing area but the Microsoft area. I understand that we are probably the first in that area in mandating things like Microsoft and other software packages across the whole of Government and in our spatial program. In terms of an information and powered society, with such centres as Ngapartji and our electronic services business and the areas we are putting out there we are again seen as a leader in many of these areas.

Other Governments are doing similar things, particularly in Website development. Some of their products are better than some of our presentations. I want to get better presentations from our Government departments and agencies in terms of the quality of work they have put onto the Website. Our spatial information system is seen as the first integrated spatial information system that has been developed in the world. We have made a huge step on a per capita basis in both education with DECStech and HealthInfo and people often do not recognise how much has been committed to that and what is being developed and how it is world-class.

So, if you look at those four areas, you will see that we are certainly specialising in five niche areas with things like health, spatials and some of the other areas; EDS has set up the software services centre; we have done a whole-of-Government approach on IT in a range of five or six areas; and we are certainly making sure we are an information empowered society. I believe that we must increase the momentum there much further. As I said, we are putting 15 web sites down now as examples. I want to see much more come out of private industry and other Government agencies.

Compared to where we were with the Singaporean Government, which is regarded as the sort of benchmark you would find around the world, we are not that far behind even Singapore, although I stress again that I think in some areas we could lift substantially the quality and detail of what we are presenting.

Mr FOLEY: The Minister mentioned earlier that I refused a briefing from Mr Dundon. What the Minister did not say was that Mr Dundon on that issue chose to brief Adelaide's media before offering a briefing on that issue to the shadow Minister responsible for it. I can say to the Minister that, if any of his Chief Executive Officers hold the media in a higher priority for a briefing than the shadow Minister, I will continue to refuse briefings.

The Hon. Dean Brown: That is incorrect.

Mr FOLEY: It is not incorrect, because he was calling media into his office for one to one briefings before he had the courtesy of extending an offer to me. Quite frankly, if that is the way it is to be played, that is fine.

The Hon. Dean Brown: I will ask Mr Dundon, but in fact I believe that Mr Dundon briefed the honourable member on certain aspects of the EDS contract last year.

Mr FOLEY: He had provided me with briefings on a couple of occasions, but on this issue—

The Hon. Dean Brown: Well, there you are.

Mr FOLEY: What do you mean, 'There you are'? This was the issue of the information provided to me as the shadow Minister and the select committee on the agency costs. He chose to brief the media on the agency cost issue before he chose to brief the Opposition, and I will not play second fiddle to the media if that is where your priorities lie.

I understand that, according to the Treasurer, you have not as yet signed the contract with Hansen Yuncken for the EDS building on North Terrace. Is that correct?

The Hon. Dean Brown: What line are we referring to, Mr Chairman? There is no line here that relates to that building.

Mr FOLEY: The Minister is responsible for the EDS building, I understand.

The Hon. Dean Brown: We have passed that line. First, the negotiation for the contract with Hansen Yuncken is with Treasury, and that line has been passed.

Mr FOLEY: So you are not going to answer questions on the EDS building on North Terrace? Is that what you are saying? You are choosing not to answer those questions?

The Hon. Dean Brown: It is not a matter of refusing to answer it. I stress the fact that the contract with Hansen Yuncken is being negotiated by Treasury. If any agency is involved in any way in that, it is Services SA, not DITS, and we have finished the Services SA line.

The CHAIRMAN: I remind the member for Hart of point 8 in the preamble at the commencement of each Estimates Committee: questions must be based on lines of expenditure as revealed in the Estimates of Receipts and Payments, printed paper 2. Reference may be made to other documents including Program Estimates and Information. Members must identify a page number or the program in the relevant financial papers from which the question is derived. I am sorry; there is nothing.

Mr FOLEY: I can refer to page 196 of the Estimates of Receipts and Payments, 'Program 2—Provision of Information Technology Services'. The point I make is that the Minister is a spokesman on this issue in the media. I would at least hope he would be the Minister responsible for that building in the Estimates Committee. If he chooses to duck that, that is fine but I am asking the question.

The Hon. Dean Brown: It is not a matter of ducking anything. The facts are that the negotiation of the contract between Hansen Yuncken and the State Government is being done by Treasury and the technical information on the building is being handled by Services SA.

Mr FOLEY: So you are not the Minister responsible for that building. That is not what we were told in an earlier Estimates Committee. We were told that you are the Minister responsible.

The Hon. Dean Brown: The ultimate contract will be with Services SA. Once the contract is completed it will be a lease administered by Services SA; but the contract itself has been negotiated by Treasury.

Mr FOLEY: That is extraordinary. We were told that you were the Minister responsible and to ask questions in this Committee.

The Hon. Dean Brown: And I think the Department of Premier and Cabinet has a representative in that negotiating team as well.

Mr FOLEY: So you are no longer in the loop in terms of negotiating that building?

The Hon. Dean Brown: I was involved as Premier, but I have never been involved in the negotiations as Minister for Information and Contract Services.

Mr FOLEY: Why has the now Premier always referred comments to you for a response?

The Hon. Dean Brown: I cannot comment on that; I am not quite sure what you are referring to.

Mr FOLEY: The Premier, as you know, has referred media to you when asking questions about the EDS building.

The Hon. Dean Brown: I stress the fact that the negotiation of that is being carried out by Treasury in conjunction with the Department of Premier and Cabinet, and then the contract for that lease will be managed by Services SA.

Mr FOLEY: I note the Minister's explanation for the rise in IT costs for the 34 agencies and the consequent need for Treasury to supplement their IT costs to the tune of $13.14 million, in the letter you wrote to me on 23 June. Will the Minister list those agencies and tell us how much each agency received in supplementation? I acknowledge that you may well want to take that on notice, but I would like to have a look at the Treasury supplementation for each agency compared to what information was provided to the select committee.

The Hon. Dean Brown: I would suggest, because the select committee has spent hours and hours on this very subject, that the honourable member refer to the detail of the evidence given to the select committee, because that is very lengthy indeed and certainly it is far fuller than any explanation I could give here.

Mr FOLEY: That is not answering the question. The information provided to the parliamentary select committee, subsequently provided to me, of which Mr Dundon chose to brief the media on before me, indicated that of the 34 agencies there was a blow-out of $13.14 million.

The Hon. Dean Brown: There has been no blow-out.

Mr FOLEY: Well, your reaction was that there was no blow-out because Treasury would be supplementing each of the agencies for those costs. I would like to see, agency by agency, what the Treasury supplement was so that I can reconcile that against the increased cost of each of those agencies. Can you provide that to me, and I understand perhaps at a later date?

The Hon. Dean Brown: First, let me explain, because obviously the honourable member obviously has not read the evidence given to the select committee.

Mr FOLEY: I was not on the select committee.

The Hon. Dean Brown: The honourable member chooses to go out and constantly make statements. He has been offered a briefing by me; he has been offered a briefing by the CEO of DITS; and he has had the opportunity to read the evidence of the select committee—but he refuses to look at any of that fact at all, but still goes out and makes these bold assertions publicly, and especially to the media, and just obviously does not even start to understand or, perhaps more importantly still, deliberately decides to distort the truth in this matter. The facts are as follows.

Whilst I have the attentive ear of the honourable member I will highlight the facts for him. For the vast majority of agencies, the costs that they incurred previously covered what you would call the recurrent costs. It is a bit like running a car: it is the cost you pay for petrol, oil and, in some cases, service (but in some cases they did not include that cost). They did not include capital costs, depreciation, fleet management costs and things such as that because Treasury picked up those costs through the capital budget. Treasury also paid additional amounts to Southern Systems over and above what was paid out to agencies. So there were two additional payments that Treasury had to make: one was to agencies through the capital accounts and—

Mr FOLEY: That's it. Give me that information.

The Hon. Dean Brown: It has already been tabled in the select committee.

Mr FOLEY: What? The Treasury supplement?

The Hon. Dean Brown: The total cost.

Mr FOLEY: But not the Treasury supplement.

The Hon. Dean Brown: I will come to that. The Treasury supplement is $13.149 million for the 34 agencies that received supplementation. If you take the whole-of-Government cost before the data processing was handed to EDS compared to where it is now, the total saving over the life of the contract (because the cost is decreasing in real terms over the life of the contract) over the nine years amounts to $100 million. In the first year, the saving was $9 million under the EDS contract compared to what it was for the whole-of-Government cost before EDS took it over. There is an ongoing saving on top of that through economies of scale, consolidation—

Mr FOLEY: So you are refusing to give me that information, department by department.

The Hon. Dean Brown: Very detailed tables were given to the select committee. I refer the honourable member to that information. I will have a look at the information and try to pick out some of it.

Mr CUMMINS: Let him do his own work!

The Hon. Dean Brown: Because the honourable member does not wish to receive a briefing, I am willing to go back and try to find some of the information that was given to the select committee and bring it to the attention of the honourable member.

The CHAIRMAN: Evidence given to some select committees is not necessarily made public.

The Hon. Dean Brown: This has been.

The CHAIRMAN: Could you please check that, Minister?

The Hon. Dean Brown: These were public hearings. I refer the honourable member to the letter I sent to him on Monday 23 June. On Monday, I hand-delivered to him a letter which sets out the savings that were achieved.

Mr FOLEY: I wanted it agency by agency. Will the Minister itemise, agency by agency, all spending in respect of the department for 1996-97 on consultants, public relations polling, surveys and advertising?

The Hon. Dean Brown: It is a standard question that has been asked previously: I said that I would get that information.

The CHAIRMAN: There being no further questions, I declare the examination of the vote completed. I lay before the Committee a draft report.

Mr CUMMINS: I move:

That the draft report be the report of the Committee.

Motion carried.

At 10 p.m. the Committee concluded.