

**ESTIMATES HANSARD (RE: LANCE ARMSTRONG)
FRIDAY 8 OCTOBER 2010**

Mr PISONI: I now refer to Budget Paper 4, Volume 4, page 13.2. We have the 2009-10 estimated result for tourism events expenses of \$21.834 million. Can the minister advise whether the Lance Armstrong fee came out of that amount of money?

The Hon. J.R. RAU: We are just trying to identify the paper you are looking at, if you will bear with us a moment.

Mr MARSHALL: Mr Chair, that would be Portfolio Statements, Budget Paper 4, Volume 4, Program 2, on page 13.13.

Mr PISONI: There is an estimated result there of \$17.050 million.

The Hon. J.R. RAU: I see that; so that is the one we are talking about? Your initial question was whether any of that money includes—

Mr PISONI: The fee for Lance Armstrong.

The Hon. J.R. RAU: I am advised that it does.

Mr PISONI: How much was that?

The Hon. J.R. RAU: I am afraid that is not to be disclosed.

Mr PISONI: Is Lance Armstrong coming to the next Tour Down Under?

The Hon. J.R. RAU: I have not been advised one way or the other yet. My understanding is that there have been discussions with Mr Armstrong. Certainly, it would be beneficial for the tour if he did come again, but I have not been advised of any concluded agreement.

Mr PISONI: So you have not been advised either way. Would the budget figure for this year, 2010, include a fee for Lance Armstrong, or would we see an increase in that figure if Lance Armstrong arrived?

The Hon. J.R. RAU: In answer to your first question, I am advised the answer is no. In answer to your second question, it may rise whether Mr Armstrong comes or does not come, so one could not necessarily deduce that the difference between that number and whatever it is next time—

Mr PISONI: Stay with me here, minister. So, did the budgeted figure \$15.055 million for the 2009-10 budget include Lance Armstrong's fee when the budget was presented?

The Hon. J.R. RAU: I am advised that it did not, but again we should not necessarily join the dots.

Mr PISONI: So there we have the Lance Armstrong fee at nearly \$2 million.

The Hon. J.R. RAU: No, I am not saying anything along those lines.

Mr PISONI: Can you then explain the change then between—

The CHAIR: Order! It will be very hard for the minister to explain anything if you keep talking over the top of him.

The Hon. J.R. RAU: One cannot necessarily deduce that the only explanation for a difference between the budgeted figure and the estimated result can be attributed to Mr Armstrong. I also point out that there are very sound commercial reasons, some of which relate to the government but many of which relate not just to Mr Armstrong but to other people, as to why it is not appropriate for specific details of these individual expenditures to be provided.

Mr PISONI: Could I have a breakdown of the difference between the budgeted amount of \$15.055 million and the estimated result of \$17.050 million, which is \$1.995 million. What is the breakdown of the difference and how did it occur?

The Hon. J.R. RAU: I am not able to give a detailed breakdown, and all I am able to say, on advice, is that the estimated difference, because that is what we are talking about here, was due to contributions to staging the Tour Down Under and other expenditures that were paid earlier than anticipated.

Mr PISONI: So, I am not able to get a detailed breakdown of what is an increase in the budget of nearly \$2 million—a more than 10 per cent increase from what was budgeted to what was estimated. We know that this 2010-11 budget has been all about control on expenditure, but you are not able to tell the committee why there is a nearly \$2 million over-budgeted amount for tourism events in the estimated result for the budget this year? You have told me—

The Hon. J.R. RAU: Sorry to interrupt you; I think I did try to tell you that.

Mr PISONI: You did not give me the detail; you said that you cannot give me the detail.

The Hon. J.R. RAU: No, but I have explained in general terms what the issue is.

Mr PISONI: I will come to that. If it is the issue, why can the Victorian government tell us how much it paid Tiger Woods, and the New South Wales and the Australian governments can tell us how much they are paying Oprah, but the South Australian government cannot tell us how much it is paying Lance Armstrong, although I think we have a pretty good idea now.

The Hon. J.R. RAU: The honourable member may have an idea; he might be nowhere near the mark. The explanation for the change in numbers is, I am advised, due to a number of things, including—

Mr PISONI: Well, minister—

The Hon. J.R. RAU: Just let me finish.

Mr PISONI: We are not talking about numbers any more—we are talking about reasons why you cannot disclose the sum paid when, with every other celebrity that comes to assist tourism events around Australia, governments are told of the fee. I am sure the competitive advantage you may use as an excuse would be the same reason that Tiger Woods' or Oprah's fees would need to be excluded.

The Hon. J.R. RAU: I understand entirely the point the member is making, and all I can say to you is that it is inappropriate to disclose the details of agreements made to any of the participating teams or riders on policy grounds, based on the confidentiality arrangements that exist between those participants and the government. If other jurisdictions do not have those arrangements in place, or choose to treat them differently, I guess that is a matter for them.

Mr PISONI: So are those arrangements exclusive to the South Australian government?

The Hon. J.R. RAU: I cannot say. I do not know.

Mr PISONI: You do not feel as minister that you should know whether what you are doing is different to what other states are doing when they hire celebrities to come to tourism events? Surely you want to know what your competitors are doing?

The Hon. J.R. RAU: I have not made it my business to find out exactly how other states or the commonwealth go about involving themselves in these types of arrangements. I think the real question is whether these arrangements are working for South Australia and in particular whether they are working for the tour. The tour is undoubtedly a major success for South Australia and has been functioning very well. Lance Armstrong has been a great asset to the tour, and I think in some respects if there is a commercial in-confidence element to these things, one should look to the results, rather than become too focused on those matters of detail. Perhaps this is a matter that you and I have to agree to disagree on.

Mr PISONI: I do not like to disagree with the minister, but I am afraid I am going to have to.

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

Mr PISONI: So that means that you are not able to answer this next question, I would imagine, which is: can you provide details of how much money went towards appearance fees for professional cyclists participating in the Tour Down Under, excluding Lance Armstrong?

The Hon. J.R. RAU: No, for the same reason.

Mr PISONI: Considering you would have known 12 months out, or six months out, who was coming, did the original budget figure for 2009-10 include those professional cyclists appearing in the Tour Down Under, excluding Lance Armstrong?

The Hon. J.R. RAU: I am advised we do not necessarily know six months out. An example might be the fact that I still do not know whether Lance Armstrong is being involved in the forthcoming tour. So

I think the underlying assumption in the question may not be right. It is probably fair to say that, to the extent that there was clear information about sponsorship of some teams, that would in some way be reflected in those numbers, but I am not able to say to you exactly when and where agreements were struck with other teams or participants back in that time period.

Mr PISONI: We have been running it for 10 years now, so I imagine there would be some contingency. You would have some idea as to what those teams would cost, so the question is, would that budgeted amount have been a fairly accurate figure to include the teams that you are paying to participate in the Tour Down Under, excluding Lance Armstrong?

The Hon. J.R. RAU: I am advised, yes, that would have been an expected cost. Whether that ultimately corresponded to the actual cost is a matter that I cannot say.