

HOUSE OF ASSEMBLY

Thursday 2 October 1980

ESTIMATES COMMITTEE A

Legislative Council, \$240 000

Chairman:

Mr. G. M. Gunn

Members:

Mr. E. S. Ashenden
 Mr. J. C. Bannon
 Mr. H. Becker
 Mr. G. J. Crafter
 Mr. R. E. Glazbrook
 Mr. T. M. McRae
 Mr. J. W. Olsen
 Mr. J. P. Trainer

Witness:

The Hon. D. O. Tonkin, Premier and Treasurer.

Departmental Advisers:

Mr. J. N. Holland, Director Administration, Premier's Department.

Mr. E. E. Kageler, Chief Administrative Officer, Premier's Department.

The CHAIRMAN: I have examined the minutes of Wednesday 1 October 1980 that have been circulated and, unless there is an objection, I intend to sign them as a correct record. There being no objection, I will sign them.

There are 16 votes listed for today in five hours. Does the Committee wish to apportion any time to any vote?

Mr. BANNON: No. I suggest that as a rough guideline we could probably deal with the Legislature and the Premier's Department over about half of the allocated time of five hours, and the Treasury Department in the remaining half. Of course, there are separate votes within these areas, but that could be a rough guide. I would not expect us to get to the Treasury vote before 2 o'clock at the earliest.

The CHAIRMAN: The Committee resolved last evening to seek the concurrence of the Speaker to consider the proposed expenditure of the Electoral Department of \$446 000. The Speaker's concurrence was received and that particular matter was considered and dealt with last evening.

Mr. BECKER: On a point of order, Mr. Chairman. Before we start proceedings this morning, could I have clarification on one point? Will the Committee be able to ask the public servants assisting the Premier questions through him, and will the public servants be allowed to reply? I think this would assist the Committee greatly. Up to now in Committee A, all questions have gone through the Minister and the replies have come back through the Minister. I think it would assist us if we were able to obtain answers directly from the public servants. I understood this was how we would operate, and that was the reason for the guidelines brought in some weeks ago.

The CHAIRMAN: I have to point out to the honourable member that all questions are directed to the Chair and the Chair in turn directs them to the Minister responsible. It is entirely a matter for the Minister appearing before the Committee to determine whether he will answer the question himself or allow one of his officers to answer it.

The Hon. D. O. Tonkin: I would like to make clear that, as far as I am concerned, where matters of fact are being

questioned I will be perfectly happy to ask the officers to answer directly to the Committee. Where matters of policy are concerned, obviously that is my job. Where possible, questions of fact can be answered, if I do not have the details immediately at my fingertips, by my officers.

Mr. BANNON: I am glad the member for Hanson raised that issue. That is precisely why I was attempting to attract your call, Mr. Chairman, so that we could get that procedure clear. I think it relevant in the context of this morning's Committee hearings that I am incorrectly reported in this morning's press as saying that I believe the Committees are a failure or should be abandoned. I cannot quote the precise *Hansard* record, as I have not looked at it, but the thrust of my remarks yesterday was that, if the Committees continue on the way they are going, obviously we are wasting our time. However, I was optimistic that there could be some improvement in the attitude and approach of the Government to the Committees. One of the matters I highlighted specifically was that, with the one exception of the Deputy Premier, no Minister has been prepared to allow any of the public servant witnesses accompanying him (and they are recorded as witnesses in *Hansard*) to address the Committee.

We accept that questions should be directed to the Minister, but this situation, where there is a whispered consultation between the public servant and the Minister, and then the information is conveyed to the Committee in the form in which the Minister chooses to convey it, often on purely factual matters, simply defeats the purposes of having those public servants present. We would be far better to be back in the situation in which they are passing notes from the advisers' box. I welcome the Premier's statement that he will honour, as I believe, the understanding on this and allow his public servants to speak. I hope that this practice will be followed by all the other Ministers in subsequent hearings because, to date, of those four Ministers who have appeared only one has permitted his public servants to speak.

The CHAIRMAN: I have given the Leader some latitude in explaining the situation, but I must remind the Committee that this decision is entirely in the hands of the Minister at the table.

There being no questions on this vote, I declare its examination concluded.

House of Assembly, \$544 000

Chairman:

Mr. G. M. Gunn

Members:

Mr. E. S. Ashenden
 Mr. J. C. Bannon
 Mr. H. Becker
 Mr. G. J. Crafter
 Mr. R. E. Glazbrook
 Mr. T. M. McRae
 Mr. J. W. Olsen
 Mr. J. P. Trainer

Witness:

The Hon. D. O. Tonkin, Premier and Treasurer.

Departmental Advisers:

Mr. J. N. Holland, Director Administration, Premier's Department.

Mr. E. E. Kageler, Chief Administrative Officer, Premier's Department.

Mr. BECKER: The Clerk of the House of Assembly (also the Clerk of Parliaments) receives a salary of \$33 110. Can the Premier indicate how that salary relates to similar salaries in other Parliaments? Is there a factor built in there as far as the Clerk of the Parliaments is concerned? There must be some basis of calculating that salary because it does have some bearing on other officers employed by the Parliament. The Parliament is now becoming more specialised with fully established committees. I refer to the Public Accounts Committee; perhaps at some time in the future the position, particularly of the Secretary of that committee, should be upgraded. It seems very difficult to be able to relate salaries to responsibility, for instance, in the case of the Secretary of the Public Accounts Committee and the Secretary of the Public Works Committee. I wonder what the formula is, as it may help to clarify the situation.

The Hon. D. O. Tonkin: I cannot give any detailed comparison of the rate of pay in other Parliaments. I understand that it is comparable. There is at the present time some discussion whether or not the position of Clerk of Parliaments should be continued and, if so, whether the Clerk of the Upper House or of the Lower House should hold that position. Mr. Ivor Ball was Clerk of Parliaments and Mr. Dodd was Clerk of Parliaments, but since that time I think there is some doubt as to who occupies that position and, indeed, whether or not it is an honorary title.

Regarding the salary level, I am sure that it is relatable to the salaries of the Clerks in other Parliaments. I can get the actual detailed comparisons for the honourable member if he would like them.

Mr. BECKER: If the Premier would not mind, I would like them. The Clerk of the Legislative Council receives the same salary. I think that the responsibility and the involvement in the administration on this side seem to be far greater than in the operation of Parliament House.

The Hon. D. O. Tonkin: It is not a question of the work load. I would not presume to comment on the operations of either Chamber or the table staff. I know that they have given us extremely good service, for which we are grateful. If the honourable member is suggesting that, because there are only half the number of members in the Upper House, the salary for the Clerk of the Legislative Council should perhaps be half that of the Clerk of the House of Assembly, I do not think that would meet with much approval. I do not think that there is much difference between the responsibilities involved. If there were any bias, one way or the other, towards one House or the other, it would inevitably raise questions as to which House takes precedence over the other. I would like to believe that they are equal.

Mr. BECKER: That is what I am getting at. As I see it, the operations of the House of Assembly are far greater than those of the Legislative Council, merely because of the numbers of staff employed in the House of Assembly. Can the Premier tell the Committee the breakdown of the staff in both Houses? It seems to me that the Clerk of the House of Assembly has a far greater responsibility in management than does the Clerk of the Legislative Council, yet both salaries are the same.

The Hon. D. O. Tonkin: The honourable member probably realises that any move to differentiate between the salaries of the Clerks requires an amendment to the Constitution, because the Constitution Act itself sets down that the salaries of members and officers in both Houses shall be equal. Unless we want to change the Constitution, I think that that is the way it has to stay.

Mr. BECKER: It is something at which we may have to look.

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

Parliamentary Library, \$182 000

Chairman:

Mr. G. M. Gunn

Members:

Mr. E. S. Ashenden

Mr. J. C. Bannon

Mr. H. Becker

Mr. G. J. Crafter

Mr. R. E. Glazbrook

Mr. T. M. McRae

Mr. J. W. Olsen

Mr. J. P. Trainer

Witness:

The Hon. D. O. Tonkin, Premier and Treasurer.

Departmental Advisers:

Mr. J. N. Holland, Director Administration, Premier's Department.

Mr. E. E. Kageler, Chief Administrative Officer, Premier's Department.

Mr. BANNON: I raise a question that is something of a perennial—the level of salary paid to the Parliamentary Librarian. This matter has been raised on a number of occasions. In last year's Estimates debate, I made submissions to the Premier on the matter and, in the course of his reply, he commended what he described as the superb work done by the Parliamentary Librarian and the library staff—something in which we concur—and said that he would look carefully at the level of salary paid to the Librarian and the classifications to which he should be related. Has that been done, and is that reflected in the proposal for this year?

The Hon. D. O. Tonkin: I am unable to give the Committee the exact details of the increase in the salary level of the Parliamentary Librarian. As members may not realise, these present votes are very much in the hands of the officers of the House, and not of my advisers who are present. I do not have that information directly available, but I can obtain it for the Leader.

The CHAIRMAN: If the Leader were to contact the Speaker, the information he seeks would be readily available.

The Hon. D. O. Tonkin: The matter was taken up and, I understand, with some effect.

Mr. BANNON: You cannot say what basis has been established?

The Hon. D. O. Tonkin: No.

The CHAIRMAN: During the time the Speaker was overseas, the matter was brought to my attention, and I think that a decision was made to reclassify the Librarian's salary, but I cannot give the honourable member any further information. I suggest that he discuss this matter with the Speaker, who will have the information.

Mr. BANNON: It would be helpful if the Premier had someone who could assist him with these matters when we are discussing the Legislature lines. I assumed that Mr. Holland and Mr. Kageler did have some information on it, but apparently they have not, and it makes the examination a little difficult.

The Hon. D. O. Tonkin: The administration of the House generally is very much in the hands of the President

and the Speaker, and they are, of necessity and very properly, given full jurisdiction over those matters. It really would involve someone from the staff of the Parliament.

Mr. BANNON: I would have thought that that was appropriate. Is there any reason why we have not got someone from the staff of the Parliament?

The Hon. D. O. Tonkin: I suspect because they are tied up in another capacity in this Committee.

Mr. BANNON: Certainly, the Upper House Clerks are not tied up, and Mr. Mitchell has a general overseeing duty and is not required.

The Hon. D. O. Tonkin: I think that is in the hands of the Chairman. I am perfectly happy with that.

The CHAIRMAN: Is the Leader requesting that the Clerk be invited to join the Premier?

Mr. BANNON: I think that would be useful. I do not know how many questions members have on these lines, but certainly it would be easier to get the information we are seeking.

The CHAIRMAN: It is really the prerogative of the Premier to determine who he has advising him on these occasions.

The Hon. D. O. Tonkin: I will be entirely happy, Mr. Chairman.

The CHAIRMAN: Are there any other questions in relation to the Legislature?

Mr. BANNON: Yes, there are a couple.

The CHAIRMAN: I am not sure of the procedure, but perhaps if it is in order I would be prepared to invite the Clerk, if he would consider it appropriate, to join the Premier.

Mr. BECKER: I would like it to be the Clerk and the Accountant.

The CHAIRMAN: The Clerk is the chief administrative officer. I would like him to take a seat.

(Mr. G. D. Mitchell, Clerk, House of Assembly, took a seat at the table.)

Mr. BANNON: Mr. Chairman, both you in this Committee and the Chairman in the other Committee constantly emphasise the prerogative of the Minister in relation to who may be advisers and how they may be advised. I realise that that is the strict letter of the Estimates Committees Sessional Orders, but I believe it highlights the problems we have been having over the past two days in making these Committees work. If the advisers the Minister chooses are inappropriate or do not have any special knowledge, what is the point of having the advisers? I do not think it is a matter of prerogative, I think it is a matter of the Minister's having with him accompanying officers who know the details so that our questions can be answered, but we are constantly being frustrated because that has not been done.

The CHAIRMAN: The overall responsibility for each vote is in the hands of the Minister, and it is entirely for the Minister to determine who advises him. The Leader's request has been acceded to, so I invite further questions in relation to the vote currently before the Committee.

The Hon. D. O. Tonkin: The Clerk has informed me that he is able to give some detail on the Parliamentary Librarian's salary, which was a matter of concern to the Leader, if he would like that information.

Mr. BANNON: Yes; thank you.

Mr. Mitchell: The nexus for the new salary for the Librarian has been established with the Clerk Assistant of both Houses, and the salary payable was increased by \$3 043 per annum as a result of the review.

Mr. BECKER: Does that relate to an equivalent within the Public Service—an EO3 level, or something of that sort?

Mr. Mitchell: I think it is an AO4 level.

Mr. BANNON: What we are saying is that the Parliamentary Librarian and presumably the structure of his staff have now been related to the Parliamentary officers' salary structure rather than to librarian grades as such. If that is so, does the Premier or Clerk envisage problems in terms of recruiting adequately trained or qualified persons to those positions?

The Hon. D. O. Tonkin: I do not think there is any question of there being any difficulty. The situation is far better now than it was this time last year, I think with everyone's general approval. I would think that the opportunities for recruitment are even better than they were previously.

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

Joint House Committee, \$208 000

Chairman:

Mr. G. M. Gunn

Members:

Mr. E. S. Ashenden
Mr. J. C. Bannon
Mr. H. Becker
Mr. G. J. Crafter
Mr. R. E. Glazbrook
Mr. T. M. McRae
Mr. J. W. Olsen
Mr. J. P. Trainer

Witness:

The Hon. D. O. Tonkin, Premier and Treasurer.

Departmental Adviser:

Mr. G. D. Mitchell, Clerk, House of Assembly.

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

Parliamentary Standing Committee on Public Works,
\$42 000.

Chairman:

Mr. G. M. Gunn

Members:

Mr. E. S. Ashenden
Mr. J. C. Bannon
Mr. H. Becker
Mr. G. J. Crafter
Mr. R. E. Glazbrook
Mr. T. M. McRae
Mr. J. W. Olsen
Mr. J. P. Trainer

Witness:

The Hon. D. O. Tonkin, Premier and Treasurer.

Departmental Adviser:

Mr. G. D. Mitchell, Clerk, House of Assembly.

Mr. BANNON: The allocation provided here would reflect the expected level of activity by the Parliamentary Standing Committee on Public Works which appears to involve some slight reduction on its considerations of last financial year. Can the Premier indicate what sort of programme of work, what sort of projects, the Committee will be required to look at in the course of 1980-81?

The Hon. D. O. Tonkin: No more than the usual. The programme which has been put forward as a matter of policy is that Loan funds will be put out very much as was stated earlier in the second reading of the Bills. Money will be put out very much in immediate projects, relatively small projects, in refurbishing projects—in other words, employment-creating jobs which must be done. I can envisage no reduction in the amount of activity of the Public Works Standing Committee in relation to those projects which properly should come before it. Whether or not as a policy matter the capital works go out to tender (and that is certainly the Government's policy) makes no difference at all to the question of the Public Works Standing Committee's statutory responsibility to examine all such projects, and there is no question at all that the new school programme and Engineering and Water Supply sewerage programme will be reduced in any way. I cannot give any obvious break-down of what the committee is likely to be considering in the immediate future other than that which has appeared in the document.

Mr. BANNON: I draw the Premier's attention to the Contingencies item where an amount identical to that budgeted for 1979-80 has been provided, yet there was a reasonably significant over-expenditure of that Contingencies amount. Is that a figure that is simply plucked from the air? Why is it anticipated, with inflation and other matters and the same level of activity by the committee, that in fact less money will be spent this year?

The Hon. D. O. Tonkin: The figure is consistent with last year's figure. If anything, I think, it demonstrates quite clearly some of the disadvantages of line budgeting. That is something that we have, and it has not been possible, as members will know, to go through these documents in detail and put in adjustments for every line. It has not been done in the past, and it has not been possible this year. With the introduction of programme budgeting, I very much hope that it will not be necessary in the future.

It is very likely that, with increased costs, that \$6 000 will be exceeded, but by how much, or whether it will be, I am not in a position to tell at this stage. Certainly, if it is exceeded, sums will be made available, but I would think that is a figure that has been taken out of the line budgeting area. I repeat that I think this is one of the disadvantages of the line budgeting system that we must overcome with the introduction, gradually, of programme and performance budgeting techniques.

Mr. BANNON: Some attempt has been made in this programme document to analyse programmes of departments' purposes, functions, etc., perhaps not to the extent that, or as satisfactorily as, one's first impression of the document suggests. None of the Legislature areas is included in that document. Is it intended in future that the Legislature be similarly analysed, or was it decided, as a matter of policy, that the Legislature would not be subject to that sort of scrutiny?

The Hon. D. O. Tonkin: What happens to the Legislature is entirely in the hands of the Parliament and the presiding officers, but certainly I would hope that the same format would be available. There is no reason why that should not be the case. I would take issue moderately from the Leader. I personally believe that the Treasury officers who were responsible for drawing up this

provisional document (and it is a provisional document only) have done a very fine job in the time that has been available to them. If the Leader's remarks were meant constructively, as I am sure they were, I would agree with him that there is room for improvement, but that improvement will come with time. I am sure that we would all recognise the amount of work that has gone into the preparation of this document in what is, after all, the breaking of new ground.

Mr. BECKER: I believe that a large percentage of the increase for administration expenses, minor equipment and sundries for the Public Works Committee is due to the fact that the committee was required to move its offices to the railway station building. The Public Accounts Committee was required to move from its offices in the basement to I.M.F.C. House. Because of the unsatisfactory accommodation at the railway station building, the Public Works Committee took over the offices previously used by the Public Accounts Committee (but I do not worry about that). The Public Works Committee has very lavish furniture compared to the Public Accounts Committee, but I do not worry about that either. Also, I believe that each committee member is supplied with a small briefcase.

The CHAIRMAN: Order! I point out to the member for Hanson that we are not discussing the Public Accounts Committee; I will allow the honourable member to continue as long as he links his remarks to the line.

Mr. BECKER: I am trying to establish priorities. While it is interesting to see details relating to the Public Works Committee, I intend to ask questions about the Public Accounts Committee expenses, because that committee will not get off the hook. Does the Premier have a break-down of the expenses of the Public Accounts Committee? Do the expenses relate to furniture, briefcases for members, or travelling expenses?

The Hon. D. O. Tonkin: We have no break-down such as the honourable member has requested. I point out that under the application of full programme budgeting, that information would be available, but, obviously, at this stage it is not available. I am grateful to the member for pointing out the probable reason for the increase in the sum expended last year, but I will certainly not enter into any invidious comparisons regarding the accommodation, furnishings and equipment enjoyed by various committees of this Parliament.

The CHAIRMAN: That would be out of order, Mr. Premier.

Mr. BECKER: I am not comparing one committee with another, but I believe very sincerely that members of Parliament as well as public servants should be accountable, and I would appreciate a break-down of those expenses. I intend to ask a question in regard to the operating costs of the Public Accounts Committee, because I do not know what they are. I would like to know, because I believe that I am as accountable as is anyone else. Members of Parliament should ask questions of this kind, because, if we criticise the Public Service, we must be put under the same spotlight.

The Hon. D. O. Tonkin: With some diffidence, I refer the honourable member to the Annual Report of the Public Accounts Committee, and I suggest that the figures he requires in regard to the cost of operating that committee could properly be found in that report.

Mr. BECKER: The Public Accounts Committee does not operate a budget.

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

Parliamentary Committee on Land Settlement, \$5 000

Chairman:

Mr. G. M. Gunn

Members:

Mr. E. S. Ashenden
Mr. J. C. Bannon
Mr. H. Becker
Mr. G. J. Crafter
Mr. R. E. Glazbrook
Mr. T. M. McRae
Mr. J. W. Olsen
Mr. J. P. Trainer

Witness:

The Hon. D. O. Tonkin, Premier and Treasurer.

Departmental Adviser:

Mr. G. D. Mitchell, Clerk, House of Assembly.

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

Legislature, Miscellaneous, \$1 774 000

Chairman:

Mr. G. M. Gunn

Members:

Mr. E. S. Ashenden
Mr. J. C. Bannon
Mr. H. Becker
Mr. G. J. Crafter
Mr. R. E. Glazbrook
Mr. T. M. McRae
Mr. J. W. Olsen
Mr. J. P. Trainer

Witness:

The Hon. D. O. Tonkin, Premier and Treasurer.

Departmental Adviser:

Mr. G. D. Mitchell, Clerk, House of Assembly.

Mr. BECKER: I would like to ask a question about insurance premiums for members of Parliament. For nine years I have been asking this question and I have not been successful. I wonder whether consideration has been given to reviewing the amount of \$40 000 insurance coverage for members of Parliament? I know that private enterprise organisations would not cover their executives for such a low sum. The last time I raised this question with Premier Dunstan I said that I believed the coverage should be \$100 000, but he scoffed at that. I still sincerely believe the coverage should be at least \$100 000 and not \$40 000.

The Hon. D. O. Tonkin: I am only too well aware of the value members of Parliament place on themselves, and I think the honourable member may well have a point there. I will investigate that possibility.

Mr. BECKER: I refer now to the provision for "Travelling expenses of members and ex-members of the Legislature and relatives". I refer to an article which appeared in the *Advertiser* attributed to the member for

Mitcham which, among other things, accused former members of using this House as a club. Those who heap that type of criticism on members of Parliament should bear in mind that members of their own Party use the privileges as much as anyone else, and I refer here to a person standing for the Senate—

The CHAIRMAN: I think the honourable member is starting to get a little wide of the mark in his comments. The honourable member should really have raised that point when the Committee was dealing with the Joint House Committee.

Mr. BECKER: Payments last year totalled \$96 968 and the provision is for \$103 000. Has there been any significant increase in members availing themselves of travelling expenses, particularly ex-members, or has the increase occurred because of inflation and increases in the costs of travel?

The Hon. D. O. Tonkin: It would be quite easy to determine that trend by looking at past Treasury papers and documents. I think it is purely and simply an allowance for inflation which has been built in and which is very proper, considering the way in which fares are increasing. I suggest that, by comparing the documents of the past three or four years, we could determine the position.

Mr. BECKER: I wanted to know whether it was based on inflation. I wondered whether there was any validity in the criticism made by the member for Mitcham of members or ex-members using privileges or opportunities that are available to them.

The Hon. D. O. Tonkin: I am quite sure there has not been any increase in the use of travelling allowances or other privileges. I think those privileges have always been used properly and with restraint. There will always be criticism in the public mind. I find it rather odd, however, that on occasions criticism comes from someone who is himself in possession of those privileges and makes no bones about using certain of them.

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

State Governor's Establishment, \$259 000

Chairman:

Mr. G. M. Gunn

Members:

Mr. E. S. Ashenden
Mr. J. C. Bannon
Mr. H. Becker
Mr. G. J. Crafter
Mr. R. E. Glazbrook
Mr. T. M. McRae
Mr. J. W. Olsen
Mr. J. P. Trainer

Witness:

The Hon. D. O. Tonkin, Minister of State Development.

Departmental Advisers:

Mr. J. N. Holland, Director, Administration, Premier's Department.

Mr. E. E. Kageler, Chief Administration Officer, Premier's Department.

Mr. BANNON: I notice there is a reduction in the provision for "Aides-de-Camp, Clerical, Domestic and General Staff". As the amount proposed is less than the rate of inflation, is there an actual reduction in staff numbers?

The Hon. D. O. Tonkin: There has been an effective saving of staff. A saving of about \$5 000 arises from one staff member transferring to part-time employment.

Mr. BANNON: What was the nature of that person's duties?

The Hon. D. O. Tonkin: I am not certain, but I think she is the chief clerk of the establishment.

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

Premier's, \$4 311 000

Chairman:

Mr. G. M. Gunn

Members:

Mr. E. S. Ashenden
Mr. J. C. Bannon
Mr. H. Becker
Mr. G. J. Crafter
Mr. R. E. Glazbrook
Mr. T. M. McRae
Mr. J. W. Olsen
Mr. J. P. Trainer

Witness:

The Hon. D. O. Tonkin, Premier and Treasurer.

Departmental Advisers:

Mr. J. N. Holland, Director, Administration, Premier's Department.

Mr. E. E. Kageler, Chief Administration Officer, Premier's Department.

Mr. BANNON: Cross-references may be necessary throughout the questioning on the administration section. I take it that we are dealing with the whole group of functions under this provision for the Premier's Department.

The CHAIRMAN: There is the Premier's Department and a separate consideration for the Department of the Public Service Board. Anything under the Premier's vote can be discussed.

The Hon. D. O. Tonkin: It may be more appropriate that some matters come under the Public Service Board in relation to staffing and others could be better dealt with here. I am entirely happy about that.

Mr. BANNON: Is Mr. Holland now acting Director-General.

The Hon. D. O. Tonkin: He is the Director of Administration. At this stage, he is acting as Director-General in the duties he is performing.

Mr. BANNON: Is Mr. Holland being paid accordingly at the level of Director-General?

The Hon. D. O. Tonkin: He is receiving an allowance of half the difference because of the statutory responsibility he now has.

Mr. BANNON: When is it expected that Mr. Graham Inns, the Director-General as nominated, will be completing his duties with Samcor?

The Hon. D. O. Tonkin: That is something I am not

certain about and cannot definitely answer at this stage. Mr. Inns presented to me shortly before I left for overseas a preliminary report on his studies on Samcor, and portion of the suggestions he is making as to its restructuring and hopefully putting it back on to a less calamitous financial footing. There is still quite obviously a great deal to be done. The original estimate was that this would not be achievable before the end of this year. I have seen no reason to revise that estimate, and it may take even longer, may be two or three months or more into 1981.

Thus, I am not able to give any specific answer to that question at this stage, other than to say that Mr. Inns is making progress in the most important task that he has been given, and we expect to get further details from him probably within about a month.

Mr. BANNON: Granting the general importance of the task on which Mr. Inns is engaged, could the Premier be more specific about why his Director-General, that is, the head of his actual department (and I would suggest the most senior public servant within the Government), would be transferred to do this particular job at Samcor?

The Hon. D. O. Tonkin: Very easily, Mr. Chairman. Mr. Inns has for some time been Chairman of the Samcor Board.

Mr. BANNON: For how long?

The Hon. D. O. Tonkin: He has been a member of the board for seven years, and he has been Chairman since 1 July.

Mr. BANNON: Has he been made Chairman as part of this transfer, or is the Premier suggesting that he was Chairman before?

The Hon. D. O. Tonkin: Sorry, he was Deputy Chairman before, and he has become Chairman as part of the task that he has undertaken.

Mr. BANNON: Will he resume his duties as active head of the Premier's Department on completion of his task at Samcor?

The Hon. D. O. Tonkin: As acting head of the Premier's Department?

Mr. BANNON: As Director-General.

The Hon. D. O. Tonkin: That is a matter for discussion between Mr. Inns and me. Mr. Inns has indicated to me by letter (and mutual discussion has followed) that, with the running down in size of the Premier's Department, he may be looking for other opportunities in the Public Service if they appear. At this stage we have taken no further action, but the Chairman of the Public Service Board is aware of that request from Mr. Inns.

Mr. BANNON: If the department is running down, as the Premier describes (and I suspect that that is belied by the Estimates that we have before us; on the contrary, I would suggest that, with the addition particularly of the State development function and its upgrading, the department is, in fact, returning to a higher level of activity than it had under Premier Corcoran, at least), could the Premier advise whether the position of Director-General will be reclassified accordingly?

The Hon. D. O. Tonkin: That has not been discussed. There is no question of the department's reaching the size that it was previously, and a number of facts have already been taken into account. The Publicity and Design Service is running down, and the Research and Policy Division has been replaced by research staff. These matters are all significantly reducing the size of the department and I think that, if the Leader looks at the manpower resources which we have in the supplementary documents (the yellow book), it becomes clear as a trend which comes through, even although those figures which are given, it must be understood, are an average over the 12-month period.

Mr. BANNON: The summary page reveals a manpower increase of two.

The Hon. D. O. Tonkin: That is right, but I think that includes the State Development Branch in there, and that is 19. That is a branch only at this stage, although its activities will remain very much directed on an independent basis.

Mr. BANNON: Could the Premier clarify that? Does the Director of the State Development Branch in fact report directly to the Premier and by-pass the Director-General?

The Hon. D. O. Tonkin: Yes.

Mr. BANNON: So the Director-General has no function in relation to the State Development Branch.

The Hon. D. O. Tonkin: No. Nominally, up until now the Director-General has had that overview, that is, in the order of seniority within the department, but it is proposed that the Director of State Development will be directly responsible to the Premier.

Mr. BANNON: What about the function of the Director-General of the Premier's Department as Chief Adviser to the Premier—is it anticipated that role will continue?

The Hon. D. O. Tonkin: There will be ultimately a Director or Director-General of the Premier's Department.

Mr. BANNON: There is at the moment, of course.

The Hon. D. O. Tonkin: Yes, but there still will be. Whether or not the Premier's Department will remain as the Premier's Department is a matter also of some consideration at the present time, although it is not an urgent matter. However, there is a good case to be made out for the possible transfer of the Premier's Department, or change of name, to more accurately define its function in line with the procedure of many other Governments, to the Department of Premier and Cabinet, because the department very much, as it services Cabinet at present, is taking on a greater role, from the point of view of research staff, and so on, in that area.

Mr. BANNON: So the Premier is foreshadowing that in place of the existing Premier's Department there will be a number of separate departments?

The Hon. D. O. Tonkin: That may be under consideration. It is an option which is open to us, yes.

Mr. BANNON: How does the Premier resolve the apparent inconsistency between his frequent comments that the number of departments should be reduced and that there should be far greater co-ordination?

The Hon. D. O. Tonkin: There is no inconsistency. Unfortunately, in previous Administrations there have been just as many departments or more but they have been grouped under one heading. Just because we give a little more autonomy to the departments which we have, it seems to me that that is no inconsistency at all.

Mr. BANNON: The Premier should know, as a matter of fact, that the number of departments, particularly following the Corbett report into public administration, were being progressively reduced. Now he is foreshadowing to us that, in addition to the one or two extra departments created by his Ministerial rearrangements on coming to office, there will be a further break-up of the Premier's Department, with separate Directors-General having separate functions.

The Hon. D. O. Tonkin: No. That was a line that the Leader sadly strayed on while he was talking in the second reading debate. I would have thought perhaps he might have learnt from that when he said there would be a Director-General of deregulation and a Deputy Director-General, and went down through an entire department. In actual fact, as he would know, it is proposed to appoint two officers to deal with deregulation in a deregulation

unit. There is no question of going into the same sort of structures which built up over the last nine years in this State, with Directors-General all over the place and with supportive staffs. The units which are being formed, whether they be called sections, branches, or whatever, will be autonomous and efficient, and they will not be over-staffed by administrative officers. They will be doing an effective job, and I think there is no question at all of going into large administrative empire-building.

Mr. BANNON: So the separate function of the State development, a branch which the Premier foreshadows will become a department, will not be headed—

The Hon. D. O. Tonkin: I have not said it will become a department. I have simply said that it will report directly to me.

Mr. BANNON: Will the head of that branch, the Director, be of the Director-General level in terms of salary and status?

The Hon. D. O. Tonkin: That is the very point that I am making. The salary and status of any officer, regardless of which branch and so on it is, will be directly related to the responsibilities which he has.

Mr. BANNON: Regarding the current Director-General, why has Mr. Inns's substantive office been moved from the Premier's Department on the eleventh floor of the State Administration Centre to the Grenfell Tower, and is this a temporary move?

The Hon. D. O. Tonkin: I am not able to say whether it is a temporary move at all, because it will depend entirely on what his future is and what the future position is that he may elect to take. The move has been made initially to make him independent of the duties of the Premier's Department, so that he can give his full time and attention to the matters which are currently giving him a great deal of challenge. The difficulties that appear in any such situation, in which somebody charged with those duties is sitting in the middle of a department where matters can frequently come to his notice and where his attention can be diverted, was one reason. The other, of course, was that Samcor is the responsibility of the Minister of Agriculture (who, I may say, asked for Mr. Inns's appointment to this specific task), and we thought it was better that he have closer access to that Minister.

The office itself, which is on the 11th floor, as the Leader knows, was formerly occupied by Ministers. I think that, in Mr. Hall's day, it was occupied by Mr. DeGaris. It was occupied by Ministers Assisting the Premier while Mr. Dunstan was Premier. It is classified as a Ministerial office, and investigations are currently being conducted on whether the Deputy Premier or another Minister should move up and occupy that office so as to have closer access to the Cabinet room for discussions and consultations.

Mr. BANNON: I understand that that office was renovated considerably, in order to provide for the Director-General, in the past two years.

The Hon. D. O. Tonkin: I am afraid that I have no knowledge of that. It was before the change of Government. It would have been Mr. Corcoran's Government that was responsible for that.

Mr. McRAE: Can the Premier explain, looking under the line "Administrative, Project and Clerical Staff", bearing in mind the summary on page 10 of the yellow book that shows the manpower up two in total, the reduction from \$979 493 to \$568 098?

The Hon. D. O. Tonkin: The savings in 1979-80 were effected following the disbandment of the Policy Division as a separate entity in September 1979 and the restructuring of the Publicity and Design Services Branch in March 1980, amounting to about \$245 000. There was,

inevitably, that national wage increase which always comes along, and the effect of that was about \$70 000. Offset against those savings was the establishment of the State Development Office, to which we have already referred, and the Research Branch. The cost of the Inter-Government Relations Branch, which was formerly a section of the General Policy Division and which, I believe, is a most important section in its own right in our dealings with the Federal Government, particularly, has now been shown under a separate head.

The 1980-81 figure reflects, really, the reduction of costs for the restructured Publicity Section, which is shown under a separate heading—"Publicity Section, Director and Support Staff" on page 14. It is reduced by the actual costs of the Policy Division between July and September 1979. Again, those savings have been offset by a full year's impact of the national wage increases.

Mr. McRAE: I thank the Premier for his explanation, but I am still a little confused. Is the Premier saying, in effect, that the total manpower at the Premier's Department has remained at about the same level, but that one section has been removed and replaced by another—the emphasis has changed?

The Hon. D. O. Tonkin: That is right, if we look at support services, because many people come under the Premier's Department who, as the honourable member would know, do not really bear directly on anything other than administration, appeals, the magistracy, and support services. These are all areas in which support services have been dropped from 71 down to the 67 proposed. There has not been a big change. If the point that the honourable member is trying to make is that there had already been a reduction in progress, I would agree, but we are continuing that and reducing it still more. There are some areas in which we cannot reduce. The overall effect of the support services has been a reduction of four at this stage.

Mr. McRAE: I understand that. Is the Premier indicating that there may be some further reduction inside his department?

The Hon. D. O. Tonkin: I cannot say that for sure; it depends on the load. It is possible, but certainly there has already been a considerable cut-back. There was a time when the Premier's Department, for one reason or another, some two or three years ago, had a staff level at about 208, but that number has been considerably reduced. We will keep running as efficient an organisation as we can. The Deregulation Unit will put on an extra two people; they will be all that is necessary, and the unit will have a significant effect in getting rid of outdated regulations and legislation, thus resulting in a considerable saving right down. While the Premier's Department and the Public Service Board, for instance, and, indeed, the Treasury, are three areas where staff cannot be cut to any great extent, because of the work being done on tightening up accounting, programme and performance budgeting, manpower budgeting, and auditing, where these matters really centre on those two departments (the Treasury and the Public Service Board), it is not easy at this stage, where there is increased activity within the departments aimed at reduction and savings, to cut down on the number of staff in those areas.

Mr. BANNON: Did I understand the Premier to say that the Deregulation Unit would comprise two persons?

The Hon. D. O. Tonkin: It is proposed at this stage that two people will comprise that unit. They will be under the general direction of the senior officer in the Research Division at this stage. Again, we are moving steadily toward breaking new ground and, at present, it is impossible to judge exactly what will be the savings from that Deregulation Unit. We believe that savings will come

in manpower and expenditure, and those savings can be passed on.

Mr. BANNON: At what level of appointment would those two persons be?

The Hon. D. O. Tonkin: I think that one has been, or is about to be, appointed at the AO1 level.

Mr. BANNON: Through the normal Public Service procedures? An office has been created, and applications have been called?

The Hon. D. O. Tonkin: One has certainly been filled from within the Public Service.

Mr. BANNON: The report on which this action was based was tabled in the Parliament on 18 September.

The Hon. D. O. Tonkin: Yes.

Mr. BANNON: Action has been taken already to fill an office?

The Hon. D. O. Tonkin: Yes.

Mr. BANNON: I do not think that that was made clear in the Premier's statement.

The Hon. D. O. Tonkin: At which time? If the honourable member is talking about the original report, it was done by an officer who was seconded to us.

Mr. BANNON: I am talking about the position which you say has been created and filled.

The Hon. D. O. Tonkin: That has been a secondment, initially.

Mr. BANNON: It has not been called in the normal way? It has been a temporary appointment position?

The Hon. D. O. Tonkin: It has been a temporary appointment.

Mr. BANNON: The report actually recommended four positions, namely, a Director, at the E04 level, two research officers at a fairly high level, and secretarial assistance of one. I understand that the Government is not proceeding with a unit of that nature?

The Hon. D. O. Tonkin: No. I made that clear before this morning. We do not intend to go along that path at this stage. It is very much as the Leader has pointed out. The report has been in for only a matter of weeks. It is one to which the Government attaches great importance, and certainly much more work needs to be done on the details. The position that has been suggested is one of senior research officer at this level, namely, A01.

It will depend very much on the work of that officer and subsequent officers as to exactly what final forms it takes, but the Government is determined to keep the working branch down to two at this stage. It may increase in number as time goes on, but it is believed that two people would be adequate to take the necessary action.

Mr. BANNON: How does this branch relate to the role of the Cabinet Secretariat and its actions as a central co-ordination of the implementation of the Government's policy and programme, and, processing that, the Research Branch, which undertakes specific studies of Government initiatives and legislative action arising out of them?

The Hon. D. O. Tonkin: The Research Branch is not in any way related to the old Policy Division of the Premier's Department, and there is not the same direct link that the Leader has read into it. The Research Branch will very much have the running of the Deregulation Unit. It is its task to make recommendations on a variety of projects approved for research. One of these is the Deregulation Unit. There will be very close co-operation between the officers of that section advising Cabinet, because it seems to the Government very clear, following the report of the Deregulation Committee, that there will need to be a great deal of work done, not only at Cabinet level and in the drafting of legislation but also at Parliamentary level, because it will be very much an inter-relationship between all of those officers concerned and Cabinet and

Parliament.

Mr. BANNON: Will the unit provide a source of independent comment on significant new proposals for Acts, regulations, and amendments to regulations on behalf of the Premier or Ministers?

The Hon. D. O. Tonkin: That was the function of the previous Policy Division, which had all sorts of nicknames that I will not go into here. I think the Leader is well aware of some of the things it was called. It is not expected that it will be making a detailed examination of Cabinet submissions, and so on.

Mr. BANNON: To that extent, the report's recommendations have been rejected by the Government?

The Hon. D. O. Tonkin: If I can finish, if the Leader will be patient, it will not be making specific recommendations or assessments of recommendations which have been put up to Cabinet in Cabinet submissions, but it will be asked by Cabinet to examine the effects on regulations and the sort of negative or stifling effect of additional regulations which might be proposed. That specifically will be commented on, and not the nature of the proposal itself. It will be apparent to people that it is possible to achieve a certain end, whatever it is, in two ways as a general rule: one is by hedging the legislation around with detailed regulation, and the other is by making it clear in the legislation what the spirit of the legislation is without resorting to regulation. If there is a way of achieving an end with a minimum of regulation, that will be the Deregulation Unit's job to advise.

Mr. BECKER: Combining the two lines in relation to the Agent-General's establishment in London, the payments for the last financial year were \$373 000, and the proposal this year is for \$550 200, representing about a 50 per cent increase. In the Estimates of Resource Allocation, at page 21, there is a reference to the Agent-General in London, as follows:

The Agent-General in London represents the State Government. The function of this office is to promote the products of South Australian enterprise and obtain new investment for South Australia.

Can the Premier say what has been achieved by the Agent-General in London in the past three years, what new investments have been obtained for South Australia, and what is being done to promote the State?

The Hon. D. O. Tonkin: The Agent-General in London has had an extraordinarily difficult task to perform over the past few years, and that is one of which I have been well aware following detailed discussions with the recently returned Agent-General, not only since his return and his debriefing, but indeed while he was in office in the past 12 months. The general effectiveness of the Agent-General in London, and indeed of any other representative of South Australia, will be very much related to South Australian Government policy and South Australian Government attitudes to investment and industrial development. There has been a general downturn in the level of industrial development, a reluctance on the part of companies interstate as well as overseas (which is his particular interest) to come to South Australia to invest in the face of the policies of the previous Administration. There was no doubt that what investment there was was occurring in States where there were not the same disincentives to investment and development.

The Agent-General has had an extremely difficult task to perform in trying to arouse interest in South Australia and at the same time give prominence to the policies of the Government that he represented (and, I think, represented very well), which in fact actively discouraged private enterprise. We hope that the situation will now change. When I was in the United Kingdom earlier this

year, I spoke to the Birmingham Chamber of Commerce, the London Chamber of Commerce, the Australian and European Businessmen's Association, and a number of other smaller bodies, and the response to the election of the present Government was very good indeed, because it is a Government which emphasises the private enterprise ethic. That is the sort of environment in which private enterprise will show an interest. I believe that the Agent-General, following the 12-month consolidation period where our policies are becoming more widely known, will find a great deal more interest being expressed; indeed, that was the experience of the Agent-General in the last few months of his term of office.

One of the increases we have had to consider has been an enormous increase in the amount of rent for the premises in London. It has gone up, I think, from \$46 000 to \$122 000 a year. One of the reasons for that was the extraordinarily satisfactory lease arrangement made some 21 years ago at a fixed figure, and the person who signed that agreement could have had no idea of the inflation which was likely to occur. We have had remarkably cheap premises in latter years. Unfortunately, the lease is up for renegotiation, and we have renegotiated it at the higher figure.

The alternatives open to the Government at the time were to take accommodation which did not have a shop front, which did not have direct access to the Strand or to any major thoroughfare, which would have been at the top of the stairs on the second or third floor in a building in a side street, well away from the centre of activity. It was the Government's considered opinion that, if it were to take that option, which still would have been more expensive, it would not have the full impact available with the present position of the Agent-General's Office. I have made it clear to the staff of the Agent-General's Office and to Mr. Rundle, the incoming Agent-General, that this is very much now a matter for assessment. We have created the right sort of policy climate and development climate, and he has now a job to do (I believe that he will do it very well indeed) of attracting further interest, not only from the United Kingdom but also from Europe. There is an upturn in the amount of interest being shown, particularly from West Germany, at present.

On the whole question of representation, the Prime Minister announced recently that there is to be an Australia Centre in New York, and that a building now under construction will be taken and that its name will be the Australia Centre. As well as the Consulate General and the Trade Commissioner, there will be accommodation in the Australia Centre for the States, not on a separate basis where they have to meet all the costs but on a shared facility basis. That seems to me to make a great deal of common sense. We are waiting for some costings to see exactly what sort of sum will be involved. I may say that in Tokyo (and this does come under the line, because we are referring to the Agent-General and the sort of representation we want in a global sense) the investigations that we have conducted show that, if we were to do what Queensland and New South Wales have done, the very least it would cost us would be \$1 200 000 to set up an office, with a recurrent expenditure of not much less than \$1 000 000 a year. That really puts the amount that we are voting for the Agent-General's Office in London into some sort of perspective, and one wonders whether or not the outlay would be justified. I am of the view at this stage that it is not justified.

However, there is a possibility that the Australian Government may well adopt the same sort of approach to the Tokyo representation at some time in the future. If that occurs so that space is made available with shared

facilities, then that may be the best way of solving that problem, too. However, at the present time the representation that we have in Tokyo, in Singapore, in Manila and in Hong Kong, which is done on a relatively informal basis, has been quite adequate and is working extremely well, and I am reluctant to commit more funds unless it can be done in such a way that the funds are not excessively increased and the representation can be seen to be rather more effective.

Mr. BECKER: I have always felt that we should have used the establishment of our banks in London. The Savings Bank has an establishment in London, I believe, and I wonder whether the Agent-General could operate through or in conjunction with the Savings Bank of South Australia London branch, and whether that might not be a more economical way of handling it.

The Hon. D. O. Tonkin: One of the ways in which we have been able to reduce the operating costs of the Agent-General's Office to almost, but not exactly, a bare minimum, so that we can concentrate on trade and development, has been by way of the rather reluctant decision that was made to reduce certain services to visitors from South Australia. Of course, it is important that people visiting London can see that the State has an office there and a representation, but we do not propose to act as a forwarding address any longer (and these are small matters) or as an agent for the payment of superannuation payments, or what have you. These functions are now being arranged through banks and the suggestion that the honourable member has made in relation to the Savings Bank, now that there is a branch in London, is being followed through and we certainly will be using Savings Bank facilities more than has been done in the past.

Mr. BECKER: Are any staff savings expected to be made as a result of the reorganisation of the Agent-General's Office in London?

The Hon. D. O. Tonkin: Yes, there has been a staff reduction from 17 to 15, and two have been transferred from the Department of Trade and Industry. They were officers of the Department of Trade and Industry and have now been transferred to State Development and therefore they now show on this manpower chart.

Mr. BANNON: How does the Premier reconcile the fact that the Government intends to spend \$591 000 on the Agent-General in England, maintaining a staff establishment of 15, two of whom had been added to the staff as a result of this transfer into State Development of the two officers, with the fact that \$17 000 is provided for Far East Asia and Pacific representation? It seems quite an extraordinary disproportion, particularly in view of the Premier's statements about the interest in South Australia in Japan and South Korea and in various other sections of South-East Asia, and his visits to that area, two of which have been accomplished in the short time that he has been in office. Can he explain the extraordinary disproportion in relation to our trade representation of \$591 000 to maintain the establishment in England and the amount of \$17 000 devoted to representation in Asia and the United States?

The Hon. D. O. Tonkin: I cannot see any difficulty in that. I am sorry if the Leader sees some difficulties, but I remind him that the Agent-General's office has been established for many years and the costs are on-going because of the establishment of that office. I am certainly not going to close down or run down that office while there is a prospect that it can do some good. Also, as I have explained in some detail, were we to put a similar office in Tokyo it would cost in excess of \$2 300 000 in the first year.

Mr. BANNON: The costs are that much higher in Asia?

The Hon. D. O. Tonkin: Indeed, and this is one of the great difficulties that the Government faces. I must confess that I am amazed (and I will not express it as more than as amazement) that the Government of Queensland feels that it is able to spend far more than that on the establishment that it has recently set up there. I am of the opinion that far more good can be done by keeping our representation there through the good offices of Elders GM, at present, with an officer who is responsible for the South Australian Government's interests and having periodic visits from officers of Government or Ministers to Japan to deal with specific projects as they arise, and indeed, to maintain close contact. That would give a far better result perhaps than having the massive facilities that others have there now. Certainly this Government cannot afford them at this stage.

I point out that the Queensland Government has a major coal export to Japan, and it may well be that in time when our exports to Japan and our joint ventures generate a comparable income then we certainly could consider something similar. I agree with the Leader that there certainly is a big difference between the figures of \$591 000 and \$17 000, but I just make the point that it is the nature of the operation which has been established in Britain for many years and, if we were to try to do anything similar in Tokyo or the Philippines, the discrepancy would be equally as great.

Mr. BANNON: I am not suggesting that we attempt to match Queensland or any other State. I am interested in the effective use of moneys allocated for our overseas promotion and representation. I am surprised that the Premier resorts to the argument that the Agent-General's Office has been there for a long time and that that means the Government cannot do anything about it. I thought the Premier prided himself on the fact that his Government was going to apply rigorous tests of economic efficiency and evaluation to all functions of the Government, that there were to be no sacred cows or sinecures, and I would think the Agent-General's Office in London would be one of the first targets of a reforming Government in terms of value for money and expenditure.

Indeed, the former Administration was reviewing that whole operation and, in fact, it announced that by means of savings applied from the scaling down of the Agent-General's Office in London it would be possible to operate a small-scale regional representation office in Hong Kong. That is something that has been discussed in this place and in public earlier this year. The Premier's view is that Tokyo is more appropriate than Hong Kong, but the facts are that there is no evidence, in the face of a massive escalation in costs of the Agent-General's Office arising in large part out of the increase in rent we are being forced to pay, of a substantial reorganisation or economic assessment of the value of the office.

On the contrary, Mr. Scriven, the former Agent-General, has returned. I am not quite sure what current duties he is performing or precisely what his role will be in the future in terms of Government service. Someone outside the Public Service, an Adelaide businessman, Mr. Rundle, has been appointed to this post, to preside over this \$500 000 establishment 12 000 miles away without any attempt by the Government to assess economic factors or trade potential. I have copies of piles of statements made by the Premier about Japanese and Asian interests in South Australia; the way ahead for our trade and industrial development seems to lie there. Yet, this very expensive presence is being maintained apparently without any far-reaching assessment or plans to alter the total imbalance of the State's resources being directed to overseas promotion.

One rather has the feeling that this office of Agent-General is being used, as perhaps it has been used in the past, as a very convenient place to shunt someone so that he can have a fairly pleasurable stint overseas, in a large establishment, with semi-ambassadorial status, and so that the Premier or anyone visiting that area can enjoy the organisations and hospitality of the Agent-General's Office, when in fact that office should be promoting the State and the State's interests. We have never said that there should be no presence in London or Europe, but perhaps these days West Germany may be a more appropriate site for such an office.

Certainly, if there are more than one or two representatives, one could see immediately the possibilities of opening a number of small-scale offices in key areas. Admittedly, that would cut down the value of the post in terms of a semi-ambassadorial resting ground or rewards for service and it would certainly cut down its value for touring politicians and public servants from South Australia, but surely all of the Government's rhetoric has been directed to just this sort of expenditure, suggesting it is time that it was stopped. But here, the Premier is blithely telling us that it is business as usual.

The complement is not to be reduced, and I notice in an earlier press statement the Premier said the aim was to ultimately reduce the staff complement from 15 to 13 by natural attrition. It was shown as an average of 13 in the last financial year in the yellow book, with an increase of two with the transfer of officers from State Development. There is no indication that a substantial review of our representation in Britain will take place or of how our representation in Europe can be more effective or, even more importantly, what representation we will have in Asia or America, and in what scale. We really deserve more from the Premier than the bland generalisations he has given us to date.

The Hon. D. O. Tonkin: I am disappointed that the Leader should seek to make politics out of this matter; he is not making a great deal of sense, but is being critical of the existence of the Agent-General's Office and he would have, I have no doubt, been equally or more critical had there been any move to close the office. I am sure that the reaction from the people of South Australia would have been quite marked. The Leader asks why we are not applying rigorous tests to the project. How on earth can we apply rigorous tests, which are, in fact, now being applied, if we close down the office?

There is no way in which we can risk the reputation of the State by closing the Agent-General's Office without that investigation, and the investigation is going on, so the Leader is trying to have it both ways. I also take very strong exception to the suggestion that we have in some way broken with tradition by appointing someone from outside the Public Service to this position, and I make the point that the great majority of those people who have been appointed as Agents-General in London have come from outside the Public Service.

Mr. BANNON: Retiring politicians, mainly.

The Hon. D. O. Tonkin: Not necessarily. I believe that the Leader would do well to do some research on this subject. What he has said is a vast reflection on the competence, character and, in fact, general standing of past incumbents of that office, who, in my view, have given distinguished service to this State.

It would be impossible to reduce the size of the representation of the Agent-General's Office in London and, indeed, irresponsible, without our giving the whole operation a chance to be assessed, as the Leader has suggested. I have already considered representation in other countries: we have appointed a South Australian

representative in Manila without diplomatic status (something which is unique about the Agent-General's Office); and we have representation in Hong Kong, Tokyo, and Singapore.

The point is that, until we can, in some way, ascertain how to get the best value for money in establishing new offices, I am not prepared to commit us to anything more than a very close relationship between officers of various departments and Ministers, if necessary, in regard to projects that are on-going. I am sure the Leader did not really mean to reflect on previous Agents-General; I am sure that what he said was said without thought, but I will certainly not close the Agent-General's Office until there has been a thorough examination of what can be done under optimum and ideal conditions.

Mr. OLSEN: I refer to the State Development Branch. Does the increased allocation of about \$63 000 for 1980-81 reflect an expansion of the department and the staffing of the department, or does it reflect a transfer of the operations of the department from the trade and industry area; if so, what is the significance of that; and what projects and specific direction will the Government undertake in regard to this department now that it comes under the senior portfolio?

The Hon. D. O. Tonkin: State Development costs are not easily comparable, because they apply to only part of the year. The Director of State Development was appointed in December 1979; a steno-secretary was also appointed then. This department is remarkably small, but it is a very important department and, in order to avoid any misunderstanding, I indicate that it is not a department but a section, for the Leader's benefit. At present, the section has a Director, an administrative officer, and two other officers, as well as a stenographer who has been seconded.

The whole object of the section is to act as a point of first contact for inquiries from interstate and overseas. People who may have an interest in developing some aspect involving mines and energy will contact the section and, following ventilation of those prospects, the Director will refer them to the Director of Mines and Energy. Perhaps a wood chip project may be involved, in which case contact is made at the formal point of contact and, following investigations, when, perhaps, *bona fides* have been established and credits checked, etc., and when we know that the inquiry is quite serious, that inquiry is referred to the appropriate department, in this case the Woods and Forests Department. It may well be that the project that comes forward would require more than that; it may be a question of co-operation between various departments. Again, it is the job of the Director of State Development to co-ordinate all of the approaches to the various departments concerned. We tend to forget that, because we know what departments there are, people from interstate or overseas do not know of the various departments.

[Sitting suspended from 12.30 to 2 p.m.]

The CHAIRMAN: Are there any further questions relating to the Premier's Department?

Mr. GLAZBROOK: Will the opinions of the Deregulation Unit be available to the Joint Committee on Subordinate Legislation if that Committee sought evidence from it in relation to cases it was considering?

The Hon. D. O. Tonkin: I think that would be at the discretion of the committee itself, but certainly, if it is possible to give evidence to the committee of a purely advisory nature, I do not see any reason why that should not happen if the committee so wishes.

Mr. GLAZBROOK: Has the role of the Agent-General in London changed, and what, if any, new emphasis will be placed on the position?

The Hon. D. O. Tonkin: The role basically is one of investment, looking for financial participation in the development of South Australia, obviously with special emphasis on the United Kingdom and Europe. It has changed quite considerably, as I think I outlined earlier. The emphasis is now very much on developing the environment which is being created here. The other thing is that while, it used to be (this was evidenced by the interest shown by the Birmingham Chamber of Commerce), traditionally the United Kingdom where we sought our investment and so on, that interest has been rekindled, but the emphasis is now moving to other European countries, and West Germany is obviously one of those particularly concerned. Yes, it has changed significantly in emphasis. It is no longer simply a link with the United Kingdom which it once was in a diplomatic way, although we still do have some limited diplomatic rights there. It is very much an investment and trade-seeking operation, and it is one which, I believe, we cannot do without. The only thing we have to assess, as we are going to do with everything else, is a cost benefit analysis of the operation after a year or two.

Mr. CRAFT: In answer to a question this morning from the Leader of the Opposition, the Premier said that the Deregulation Unit would be situated in the Research Division of the department and that an officer had already been seconded to commence work in that unit. Could the Premier tell the Committee the name of that officer and whence that person has come?

The Hon. D. O. Tonkin: He is Mr. Reynolds. He has come from the Health Commission, we think, but we are not sure.

Mr. CRAFT: On page 14 of the yellow booklet I noticed, and the Premier told the Committee this morning, that the old Policy Division was phased out in September last year, and that the Research Division has been operating for a period of nine months and has expended a sum of \$68 000. In the proposed expenditure for 1980-81, an amount of \$169 000 is provided, although I note that the same number of staff has been allocated to that function. Can the Premier explain that difference and say whether the Deregulation Unit has already been taken into account in that expenditure?

The Hon. D. O. Tonkin: Yes, I think the Deregulation Unit is included in that, but I cannot give details of the increased allocation. I do know that it is proposed, were necessary, to seek outside consultancy help, and while I do not have these exact details I can get them for the honourable member. As far as I know, that could probably be the reason for the increased provision for consultancy fees.

Mr. CRAFT: In fact, there has been a reduction in the six persons who operated in the Research Division in the nine months ended 30 June 1980 and two new positions will be created to bring up the total complement to six? Also, a figure of nearly \$100 000 will be provided for, perhaps, consultancies?

The Hon. D. O. Tonkin: Consultancies and special investigations, yes.

Mr. BANNON: I would like to ask the Premier about the role of the State Development Department and how this role relates to that of the Department of Trade and Industry. In a situation where the Government is trying to rationalise and ensure efficiency and co-ordination, we find that under these lines there is provision for an expanding area of Government activity, known as the State Development Office, which the Premier has

described as a branch and has foreshadowed that even its upgrading into, effectively, separate departmental status. The Director reports directly to the Premier and is not subject to the Director-General of the department in any way. It has project and research officers.

Its objectives are described at page 21 of the programme book as being concerned to ensure that the highest priority is given to economic development opportunities, and it continues:

It is directed towards the attraction of enterprises to South Australia and the expansion of existing enterprises in this State. It seeks to ensure that any relevant Government service assists and supports these enterprises whether by providing land, power, factories, advice or incentives.

If we turn to page 173 of the programme book we find the Department of Trade and Industry, which has a Director-General. Until Mr. Davies announced his retirement, it had a Director-General of Promotions. It has a very large staff, and it has a number of divisions, which have as their object, in broad terms, the following:

Promoting and fostering industrial growth and diversification to achieve the highest possible sustainable level of employment; to help new industry by determining and applying measures to encourage industrial growth; to help maintain existing industries by introducing measures which support their growth and development.

I refer back again to the State Development Office, which is attracting enterprises to South Australia and expanding existing enterprises. On page 173 the functions of this Trade and Industry Department and defined as follows:

To identify, attract and establish new viable industries; maintain and develop the existing industries of the State; locate and where possible develop viable markets for South Australian products; advise the Government on the economic environment and appropriate alternative actions necessary to promote industrial development within the State.

Those functions are almost precisely, even to the wording, identical to those of the State Development Office and, if one looks over into the programmes and divisions of the Trade and Industry Department, one finds that, in the new industry development section reported at page 180, its components include the promotion of South Australia, through special publications; formulating strategies to attract investors or industries, and even trade and industrial representation.

We spent quite a bit of time this morning talking about the Agent-General and our presence overseas. Under the Minister for Trade and Industry (another Minister, not the Premier), we have a division concerned with the provision of trade and industrial representatives in Hong Kong, Tokyo, and Singapore, on a part-time basis, and the provision of funds to maintain a departmental officer in Sydney to attract new industries to this State. Ever since this department was announced, it has been extremely difficult to understand what is the relationship between the two departments or branches and why it is necessary to duplicate functions in this way, and, indeed, what long-term plans the Government has to try somehow to rationalise the situation.

It was said at the time Mr. Tiddy's appointment was first announced that his role would very much be one of "loner" and co-ordinator, with direct links to the Premier and the ability to get out and about in business. But since then we have seen him, in effect, perform the role that in part Mr. Davies performed and in part Mr. Bakewell performed, and that position in Trade and Industry is now vacant. It is being held in acting capacity by Mr. Bowes, the Industrial Relations permanent head. So, there is an apparent contradiction and duplication of departmental

activity in this area. I think that we are owed by the Premier a full explanation of this matter.

The Hon. D. O. Tonkin: The apparent difficulty in understanding seems to be only in the Leader's mind. The contradiction seems to be those he has managed to bring up himself.

Mr. BANNON: What is the evidence that it is only in my mind?

The CHAIRMAN: Order! The honourable Leader will cease interjecting. The Premier is answering the comments and questions that the Leader posed. I intend to allow him to complete his reply, and the Leader will have ample opportunity to ask further questions.

The Hon. D. O. Tonkin: A similar question has been raised by the Leader and various other Opposition members on a number of occasions. The approach which has been adopted by this Government has been explained clearly. As the Leader would well recognise, there are various companies, overseas firms and Governments which, when expressing an interest in taking part in the development of South Australia, do so with a view to dealing through the Government, and certainly through the head of the Government, as the first point of contact. That has been well recognised in the past: it was recognised by Mr. Corcoran when Premier, by Mr. Dunstan when Premier, and by Sir Thomas Playford when Premier. Indeed, in those days the Premier frequently acted as his own Director of State Development. There is no conflict or duplication; it is the corporate approach which is necessary.

We have a small group of people who are there to receive approaches from other companies interstate or overseas, and to listen to their approaches and queries and put them in touch with the working departments which, as the Leader has properly said, is the Department of Trade and Industry, or perhaps the Department of Mines and Energy, or perhaps the Woods and Forests Department. That is the object of that approach. It is only a small group. It has another function, too: it is looking at the long-term requirements of the State of South Australia and, if I can just use a hypothetical example, it is of little value, for instance, if South Australia were in a position where it was approached as the potential site for an aluminium smelter, something which would take an extraordinary amount of power that was beyond our capability to provide at present. It would then be in order for that Department of State Development to do some research work on the sources of power, whether or not there is enough power, and what steps should be taken to develop that power. That initial study having been done, it would be handed over to the Department of Mines and Energy, and, in this case, to the Electricity Trust. I cannot see that there is any duplication, contradiction or problem at all.

Perhaps the Leader has been misled by some of the drafting in the yellow book and, if that is so, I apologise. I am sure that he will understand that the officers who have prepared this book have been working under great pressure to prepare it. That, certainly, is the situation: the Department of State Development acts as a corporate representative for all departments. Once we get down to the detailed planning, it is a receptive department: it receives queries and suggestions, and follows them through. Once it has received confirmation of interest, or once it can establish further interest between companies, it passes this information to the working departments of trade and industry, or whatever the other one is. There is no contradiction, although it appears that there could be in the document.

Mr. BANNON: The Premier has thrown some doubt on

the status of this document in what he has said. He is indicating that it is the work of officers and therefore is not necessarily endorsed by the Government; it is not a statement of Government objectives. We need not pursue that.

The Hon. D. O. Tonkin: I think we probably should pursue it if the Leader persists in making such a statement.

Mr. BANNON: I am saying—

The CHAIRMAN: Order!

The Hon. D. O. Tonkin: It has been made quite clear and was made clear by the Acting Premier in the House that the document was prepared as a guide. It is not part of the proceedings of the House, but is presented to honourable members so that they can have a far better insight into the affairs of Treasury and the various departments, and indeed so that they can get information which they have never had before. It does not pretend at this stage to be a document of the House, nor does it pretend to be absolutely accurate in its final form; it is as close as can be got. I pay a great tribute to the officers who prepared it, under extraordinary difficulties. If I point out that there may be some small errors of wording in it, I am sure the Leader would not want to take them to task for that.

Mr. BANNON: I would not, but the Premier was going much further and suggesting that the apparent contradictions in objectives and functions which seem to be almost identical are the result of wording adopted by officers who do not understand the basis of the distinction he has attempted to explain. I suggest that the Premier is taking refuge behind that rather than tackling directly the problem of duplication of function. He referred to a major role of the State Development Office being to look at long-term trends and long-term strategies. How does he reconcile that with a division which contains 14 staff members and which is allocated \$454 000 in this financial year, in the Department of Trade and Industry known as Future Industry Assessment, the components of which are to look, among other things, at economic development advice, provision of advice to the Government which will assist in the formulation of policies facilitating the development of future industries in South Australia, broad issues, such as decentralisation, urban employment, and so on, forecasting, examining, and documenting the opportunities available, location, industry type, demand, markets, industrial research relating to the provision of resources, research into such issues, and economic analysis? All of this and the name of the division, Future Industry Assessment, deal with those long-term forecasting and analysis matters that the Premier has referred to.

I do not think it is sufficient for the Premier to say that, because the Premier is looked to as having to have some role in economic development, he can have a few assistants on the side and another fully-fledged department performs these functions. I would like him to explain why this is efficient good government, and to explain clearly why there is no duplication between the functions of Mr. Tiddy and his staff and the vacant position from which Mr. Bakewell has been removed in Trade and Industry, and the functions those departments and divisions perform. Why is he not suggesting that the two should be amalgamated under one Minister, or under the Premier himself, if it is a matter of that sort of priority (and I suggest it is), so that they can work efficiently together as a coherent division instead of duplicating their functions, as is apparent from the programme document and quite apparent from the lines?

The Hon. D. O. Tonkin: The Leader politics too much. He has been on this tack before. It has not been worn before, and it will not be worn this time. I have not sought

refuge behind the officers who prepared this document. They have done a good job, the best job they could.

Mr. BANNON: It was the Premier who threw doubt on the description of the two departments and said that it misled us.

The Hon. D. O. Tonkin: It was the Leader of the Opposition who quoted at length from the document under both headings.

Mr. BANNON: That is right.

The Hon. D. O. Tonkin: He cannot have it both ways. As I have explained—and I suggest that the Leader look at the transcript of what I said before, because obviously he did not listen, or perhaps it did not suit him to listen—there is a difference between the two projects. We do not have a Department of Economic Development. That was in the old days, under a previous Government. We have the Department of State Development, a small group of four people at present, and it will stay small. It performs a most valuable function as a point of first contact.

The Leader referred to the study of future needs; I thought it was fair to put that in. If a company comes in and makes it known that it is looking for more electricity because, perhaps, it intends to put in an aluminium smelter, then it is up to the Department of State Development to take that request on board and then get the necessary information from the working departments, the functions of which the Leader has outlined quite clearly by reading from the documents. I can see no contradiction or duplication whatever.

I shall take this opportunity, for which I am grateful to the Leader, to say that the work being done presently by the present Director of State Development is widely applauded throughout Australia and overseas, and I believe he has been one of the most successful appointments by the Government in that role.

Mr. BANNON: By saying that, of course, the Premier skates over the action taken by his Government in transferring a very senior public servant connected with economic development in this State, Mr. Bakewell, out of that area completely. So one would hope that other officers are indeed filling a useful role. However, I do not want to push that issue, as that has already been canvassed.

The Hon. D. O. Tonkin: I believe that that is an allegation that must be answered. It is quite apparent that for some reason best known to himself (perhaps it is not his idea), the Leader is trying to impute that the Government's motives were not the correct motives in the case of the appointment of Mr. Bakewell, a well respected officer, to the position of Ombudsman of this State. I have dealt with this matter publicly before and I shall deal with it again now. To impute or to suggest that Mr. Bakewell is not capable of performing that job with perfect distinction is absolutely ridiculous, and I resent the suggestion which has been put forward by the Leader, namely, that in some way the appointment to the position of Ombudsman of this State is a downgrading. I do not agree; I think it is an upgrading and I think it is a very suitable position for a man who has demonstrated quite clearly his ability in many spheres, particularly in the Public Service.

Mr. BANNON: The Premier does himself no credit in responding in that way. The facts are quite clear that Mr. Bakewell was head of the Economic Development Department and subsequently head of the Department of Trade and Industry. He has left that position; he has been removed from that position. He was also a member of a number of boards such as the S.G.I.C. board and various bank boards, and this made him a key figure of liaison between those boards and the State Government. He has

been removed from those boards. Mr. Bakewell was Chairman of the steering committee of the Redcliff development through its life, and just at the crucial time when negotiations were reaching a head he was removed from the position of chairmanship there.

Finally, let me say this. On the international level I think the Government has probably somewhat damaged itself by also ensuring that, by removing Mr. Bakewell from all these other positions, it has made it necessary for him to resign and leave the Commonwealth secretariat on economic development in which he played a major economic role, and indeed, which kept the name of South Australia very much to the fore in major business circles overseas. Having said all that, I think it must be clear that I have a complete respect for Mr. Bakewell's abilities, and I am quite sure that he will fill the office of Ombudsman with great distinction and ability. By the sort of answers he has given, the Premier cannot attempt to twist or impute that. The facts are that Mr. Bakewell is Ombudsman and that he will be a good Ombudsman but that is not where he should be. He has been removed by the Government from all those key areas because the Government chose not to use his services, and the Premier will not directly face up to that fact.

The Hon. D. O. Tonkin: That is the Leader of the Opposition's opinion, and I suppose he is entitled to it. May I just remind him also that Mr. Bakewell was a Commissioner of the Public Service Board and he was Director-General of the Premier's Department before he held the other positions that the Leader has outlined. It is totally improper for the Ombudsman to hold positions on boards.

We have already, on a number of occasions, recognised the contribution that Mr. Bakewell has made as a member of various boards. If the Leader chooses to regard this as a wilful removal of Mr. Bakewell, I can only say that he will have to live with it. I can also say that he is not correct, and I hope that he can justify what he has to say.

Mr. BANNON: Does the Premier assure us that, in the life of his Government, the separate Department of Trade and Industry will continue in operation and that the separate State Development Office in the Premier's Department will continue in operation with the functions and purposes as described, possibly in an upgraded form?

The Hon. D. O. Tonkin: I have no present plans for any change, but I am certainly not able to look into the future as the Leader seems to be able to do.

Mr. CRAFT: In the yellow book (page 21), it is stated that the objects of the State Development Division are directed towards the expansion of existing enterprises in this State; I assume that small businesses, including shops, are included.

The Hon. D. O. Tonkin: That is probably not fully accurate in as much as it omits to emphasise the fact that the expansion will occur by our attracting new enterprises from outside to build up. For instance, if I can quote the General Motors plastics development, this project could be seen as an expansion of the existing automobile industry, but it is the sort of development that could perhaps have been attracted by an inquiry through State Development. Small business is very much the province of a particular section of the Department of Trade and Industry.

Mr. CRAFT: It is also stated in the yellow book that the State Development Division seeks to ensure that any relevant Government service assists and supports these enterprises by providing certain things. Does that role include general supervision over Government departments' services to the small business sector that provide some of the services that are essential to the larger

commercial components?

The Hon. D. O. Tonkin: Again, this is the responsibility of, particularly, the small business section of the Department of Trade and Industry. The role of the Director of State Development applies when there is need to co-ordinate the activities of certain departments. In bigger projects, if there is a need to oversee the marketing of, say, mines and energy for the provision of power and of the E. & W.S. for the provision of water and if any problem is involved, the Director of State Development acts as a conduit to transmit those problems to the direct authority, and to ensure that the problem is understood and that co-operation is forthcoming. Obviously, small business is of great concern to the Government, but it is not the primary role of State Development to look after small business—this is the role of the small business section of the Department of Trade and Industry.

If a new small business was to come in (and I suppose one could describe the Grundfos pump factory, which will employ only a small number of people initially, in that context), the director of State Development would initiate an inquiry, but the matter would almost immediately be referred to the Department of Trade and Industry, which would get down to the nuts and bolts, and the incentives that are appropriate.

Mr. CRAFTER: I would not have thought it would be so easy to separate the small business sector from the larger operation, because, when large industry is attracted to this State, it has a resultant effect on small business, and when we lose industry there is a similar effect. If the State Development Office does not supervise what happens to small business in the community, there will be a detrimental effect on the overall State economy. I am particularly concerned that the Small Business Advisory Unit of the Department of Trade and Industry was voted \$118 000 as reimbursement to consultants; in fact, it spent \$19 706.

A provision of \$50 000 is made for this financial year. This substantial departure away from assistance to the small business community should be of some concern to the State Development Office.

The Hon. D. O. Tonkin: The small business section of the community is very much the concern of this Government. I have a great deal of confidence in the Small Business Unit of the Department of Trade and Industry. I understand that there is a move to upgrade the activities of the Small Business Unit itself and to provide more help. I think the honourable member is worrying unnecessarily about the adverse economic effects if the Department of State Development does not look after things. In actual fact, when large industries are brought into South Australia, the effect, of course, is usually to set up a number of smaller component industries which build up in their way as an integral part of the entire enterprise. Inasmuch as that would happen, obviously it would be of concern to the State Development Department.

The Department of Trade and Industry is very much a working department, the one that puts all of this together. The Director of State Development enjoys the very best relationships with all of the other departments with which he comes into contact from time to time, and there is nothing but the greatest co-operation. I can give the honourable member a reassurance that there will be no problem at all as far as the economic well-being of industry is concerned.

Mr. BANNON: In relation to the Publicity Section, I understand that, following the dissolution of the Publicity and Design Service, the work that was done by that service is now being done by the private sector. Could the Premier provide details of the amount of work and the value of the

work that is to be contracted out to the private sector that formerly would have been handled through the P.D.S.?

The Hon. D. O. Tonkin: No, I cannot give the honourable member the exact details of that. There was an annual net cost of about \$570 000 in maintaining Publicity and Design Services. I think 23 people were involved at that stage, and the Government has decided to contract work to the private sector as far as possible. I cannot give the break-down of that, but if the Leader would like I will obtain some details of the work let out so far.

Mr. BANNON: The Government has discontinued the publication of the extremely high quality and quite successful *Vantage* magazine, which was costing about \$70 000 a year. I notice that there is a line "State Promotion Publication", which will cost \$80 000 for this year. Can the Premier give details of that and its purposes?

The Hon. D. O. Tonkin: Yes. The value of *Vantage* is very much a matter of opinion, and in the Government's opinion it was not suitable for the promotion of the State when compared with other alternatives that were available. There has now been prepared, and I believe it is almost ready for release, a book which will be a promotional vehicle for the State. It will stand as a separate publication and not be a regular periodical. It is very much a prestige publication aimed at selling South Australia as a potential market for interstate and overseas investment. It has summaries of the State's potential mineral wealth and its other natural resources. It is lavishly illustrated with high quality photographs, and many of the State's leading photographers have been involved in providing photographs for it, setting out not only the industrial activity and the mineral potential of the State but also the lifestyle of its people and the various tourist attractions which it has. Indeed, it should be a very worthy publication to place alongside those which have been produced for some years now by some of the other States. Indeed, I am biased enough and parochial enough to believe that it is better than those put out by the other States, and we will see how it stands up.

I think about 20 000 copies will be printed, and they will be distributed free of charge to visitors to Australia from large companies, travel agents and tourist agencies, and they will also be distributed widely overseas. When one attends a Ministers' conference interstate, the host Government usually produces a package of goods to sell the State. Whether it be a Ministers' conference or a conference of tourist agents, it does not matter: it has been extremely frustrating to see the high quality of the promotional material which has been available. I think now we are taking steps to overcome that.

Mr. BANNON: Can the Premier tell us how many copies were printed of the *Vantage* magazine, which was published quarterly?

The Hon. D. O. Tonkin: No, I cannot.

Mr. BANNON: Could you obtain that information?

The Hon. D. O. Tonkin: We could get that for you, certainly. I think there is a basic and fundamental difference, in as much as this publication will be pretty well up to date and last for two or three years as a promotional exercise, whereas the *Vantage* magazine, excellent though it may have been, was very much limited in its application.

Mr. BANNON: I would have thought that, if there was plenty of development going on in the State, it would become updated sooner than two years, but that sounds a reasonable timescale. What projects are the Research branch staff involved in at present, in specific terms or of a general nature?

The Hon. D. O. Tonkin: I will deal only with the major projects, and there have been many of them. I have a list

here. Would the Leader like me to go through it?

Mr. BANNON: Yes.

The Hon. D. O. Tonkin: There has been a review of the Residential Tenancies Act; the provision of helicopter rescue services for South Australia; a review of statutory authorities (a preliminary study); programme and performance budgeting (which has taken a great deal of time); the financial agreement in relation to the Land Commission; the Monarto Development Commission, preliminary work done for negotiations with the Commonwealth which have now been successfully concluded; a review of stream six courses in the Department of Further Education; the economic research for the State Development Council; a study and assessment of the Royal Commission into the Non-medical Use of Drugs; similarly, the Royal Commission on Human Relationships; papers on housing finance; development of regional economic models; support services for the South Australian Development Inquiry; domestic air fares inquiry submission; a report on deregulation, of which members will be aware; a report on statutory authorities' borrowing programme; a review of the Second-hand Motor Vehicles Act; a working party associated with the Moore's precinct; an international airport; grants for various conferences; monitoring of development trends; economic impact of changes in State Government expenditure; economic impact of I.A.C. recommendations on textile, clothing and footwear industries, and I think also on the citrus industry; a review of Government services to industry; utilisation of capital facilities in colleges of further education; studies into the possible setting up of a foreign language centre; and film festival finances. There are a number of other smaller projects, but those are the major ones which have occupied its attention within the last 12 months.

Mr. BANNON: According to the manpower book there are six full-time staff engaged on those projects. How does the Premier see the nature of that range of activity as being different from the activities engaged in by the disbanded Policy Division of the Premier's Department?

The Hon. D. O. Tonkin: The Policy Division as it was disbanded was much larger. It took various submissions to Cabinet as Government policies, and did very detailed research on them for consideration of the Cabinet when considering the matters that were put before it. There were other studies, of course, which were done in much the same way. The essential difference between this and the other group was the size and the fact that the studies which are done bear not on Cabinet submissions so much as on general development of the policies of the Government and the impact of those policies on the people of South Australia.

Mr. McRAE: I take it, from what the Premier has said, that the Research Branch is not engaged in political work in the sense of partisan political work?

The Hon. D. O. Tonkin: Not that I am aware of.

Mr. McRAE: Can the Premier tell the Committee what are the duties of a Mr. Robert Nicholls, an officer of the Premier's Department Research Branch?

The Hon. D. O. Tonkin: Yes. He is Chief Research Officer at the level of AO4.

Mr. McRAE: Is the Premier aware that Mr. Robert Nicholls has been engaged during working hours in political activities in connection with his campaign as a Liberal candidate for Unley?

The Hon. D. O. Tonkin: No, I am not, and I would appreciate details to substantiate that remark. I would like a great deal more detail than the member for Playford has obviously given at present.

Mr. CRAFTER: I understood the Premier to say earlier

that the staff complement of the Research Division in fact was four persons, and that an additional two persons, one of whom was—

The Hon. D. O. Tonkin: I am sorry, six.

Mr. CRAFTER: I think I asked whether the complement of six included the two persons working in the Deregulation Unit. My earlier question was whether the amount of \$169 000 referred to on page 14 takes into account the Deregulation Unit, and I think the Premier agreed that it did. Therefore, is the staff complement in the Research Unit six or eight?

The Hon. D. O. Tonkin: No. Obviously I was in too much of a hurry to answer. It is six currently with the appointment of an additional one, it now becomes seven, and ultimately eight.

Mr. CRAFTER: If the work of the Research Unit is not of a political nature, and obviously as a detailed advisory service to the Cabinet in particular, and as those reports are of grave concern to the Parliament and to the community, would the Premier consider making those reports public after they have been considered by Cabinet?

The Hon. D. O. Tonkin: Some of those reports (for instance, the deregulation report) have been made public, and I think with great effect. Some reports will become public in the course of events as changes are made to legislation. Other reports very much apply to departmental activities, and I believe they are better not made public. I think the Government has the view that where public interest is involved, such as in the deregulation report, they will be made available.

Mr. BANNON: Does the Government intend to change the role and title of the Women's Adviser to that of Adviser in Equal Opportunities and, if so, why?

The Hon. D. O. Tonkin: Not at this stage, no. In fact, the whole question of equal opportunities has been ventilated quite vigorously recently. I am not entirely happy with the title Women's Adviser. It has been a matter of continuous and rather prolonged discussion between the Women's Adviser and myself. Unfortunately, we have not yet come up with a more descriptive or less patronising name, because I suspect that the name Women's Adviser, by the very fact that it is Women's Adviser, is in itself slightly discriminatory. I am sure that we will come to some conclusion on that ultimately. There are no plans to change the situation at present.

Mr. TRAINER: The overseas visit of the Premier involved an expenditure of about \$31 000. As I understand it, the Deputy Premier will expend \$25 000 on a world trip. Can the Premier explain the discrepancy between those two figures and list for us which officers were involved?

The CHAIRMAN: I have previously ruled that it is not appropriate for members to ask questions of Ministers about other Ministers of other departments. In this case I will allow the Premier, as head of Government, to reply, but I would point out to honourable members that I do not intend to allow this matter to continue.

The Hon. D. O. Tonkin: Yes, I can certainly give details to the honourable member of the visit that I made between 6 April and 28 April. The actual figure for the air fares was \$17 636; insurance, \$471; various gifts, \$392, being gifts to the Prime Ministers of Japan and South Korea from the State of South Australia; accommodation, meals and so on, \$12 368; making a total of \$30 867. The amount was, I think, pretty much a reflection of the costs which now apply overseas, particularly in Tokyo, which are extraordinarily high.

Mr. BANNON: I understand that the Premier's expenses in Tokyo were to be paid by the Japanese Government. How is this cost affected by that section of

his visit?

The Hon. D. O. Tonkin: The costs which were met by courtesy of the Japanese Government were accommodation for the Director-General and myself and not for the other officers. They included five days of the official duration of the visit.

Mr. TRAINER: Under the line "Publicity Section" is a reference to photographic library purchases, \$20 000. To what does that sum refer?

The Hon. D. O. Tonkin: I shall have to refer that to my officers. It is an offset, as I gather, which was followed on the recommendation of the Publicity Branch. No photographer is now employed on the staff, and funds have therefore been made available to build up the library of films of prints, black and white and colour, in order to use them for publicity material publicising South Australia in creation of the book that we talked about beforehand, the promotional book, and those purchases, of course, have been made from various photographers in South Australia.

Mr. BECKER: The information I seek relates to interest. In the Auditor-General's Report for the year ended 30 June 1980, there is a line, after we add up the expenses of the Premier's Department, "excess of payments over receipts", \$4 128 000, to which is to be added other payments on behalf of the department—interest, \$185 595.

That is an increase of \$48 651 (that is on page 133 on the Auditor-General's Report). Why is the Premier's Department charged interest (it is not an income-earning department) and where do we find that in the Estimates? I have looked at the yellow book and, whilst I see the odd line every so often interest \$1 000 here and \$10 000 there, I cannot find any other explanation.

The Hon. D. O. Tonkin: At page 10, the yellow book, under the heading "Accommodation", states:

Instead, the Premier's Department contributes annually on a *pro rata* basis, to a State Loan Programme Sinking Fund. For exclusive use of two floors of the 17-storey State Administration Centre, the Premier's Department is debited with a proportionate share of all interest and sinking fund charges associated with the construction and maintenance of the building.

From memory, the cost of that building was \$9 000 000, so I believe that to be a proportionate allocation of interest in respect of those funds.

Mr. BECKER: Does the Premier think that, at this stage, we ought to have a look at these charges that are obviously put into the various departments? Last evening, I referred to the Electoral Department, which paid interest of \$1 600, an increase of \$600. Unfortunately, the officers present could not give me any explanation. It seems to me that some accounting system is used by the Treasury, or whichever body is involved, and they are confusing or misleading book entries. Is it really necessary to charge the Premier's Department because, after all, the State pays for it, whether it is from Loan moneys or revenue? Should we continue to compound these figures and calculate them? Would it not be better to make one charge *holus bolus*, and omit these small sums from the financial statements?

The Hon. D. O. Tonkin: In normal circumstances, I would agree with the honourable member that we should be able to come to some sort of round figure for it; that is, if we were continuing with line budgeting. I agree with him about the deficiencies of line budgeting. The inclusion of these figures, in this case, as an apportioned charge raised by the Public Buildings Department for accreditation, is not telling us much; it is just a figure at the bottom of a balance sheet. I am grateful to him for raising this matter.

It highlights again the need to get a balance sheet for each programme, to define the programme that each department or section of department has to see what is involved in putting that programme into effect. Then, we need a balance sheet for that particular programme. Until we get a balance sheet that takes into account rental, electricity and telephone charges apportioned to that part of the department involved in doing a job or undertaking a programme, there is no way in which the Parliament will ever ascertain how much that programme is costing the taxpayer. This really epitomises the value of programme performance budgeting.

If we can identify those programmes and get a balance sheet for each programme, those balance sheets together will form a balance sheet for the entire department; then the sorts of figure to which the honourable member has referred will be automatically there. We have attempted to make some sort of a stab at this (and not a bad stab) at apportioning the amount of rent plus interest, etc. Probably the best example on a small scale is the sheet on Ayers House. We are trying to get down in a regular yearly form the actual cost of each programme. When we have that cost, Parliament will be able to say, "That is what it is costing. Is the programme being implemented in the most efficient way? Can it be implemented with savings, or, indeed, is it worth having at all because of the actual cost?" Unfortunately, there has grown up a tendency (and this is no-one's fault, in particular; it is a fault of the system) to ignore interest charges and sinking fund charges, etc., and say, "They have to be paid, anyway; therefore, you do not have to relate those to the cost of the project," where that is not true and the reverse is the case. Normally, if we were to stay with line budgeting, I would agree with the honourable member. We might just as well pull it out and put it in one lump sum. With programme performance budgeting, with which we are making great strides, I believe that those figures will become obvious and freely available, and will not require any additional effort. They will provide that additional information as a matter of course.

Mr. CRAFTER: With respect to the Women's Advisory Unit, there is a substantial cut in real terms in the provision for the work of that unit. Can the Premier explain where cuts will be made, and the difference between \$111 000, which appears on page 14 of the yellow document, and \$153 000, which appears on page 14 of the Estimates?

The Hon. D. O. Tonkin: The matter has to be put down to a variation in the preparation of the documents. Perhaps the officers might be able to explain. Whilst we would like the yellow book to be absolutely accurate, it has not always been so. The Women's Advisory Unit figure is, so far as I know, the result of a transfer. First, the full effect of the national wage increase has been to increase the sum available, but it has been offset by a reorganisation of the number of full-time and part-time employees, and that has resulted in greater efficiencies without reducing the service available.

Mr. CRAFTER: What is the explanation with respect to the discrepancy between the two documents?

Mr. Kageler: There is no discrepancy. You took the figure from page 14, where we have isolated the functions of the advisory unit, as distinct from the switchboard, whereas in the line Estimates they are combined.

Mr. CRAFTER: When you add the two together on page 14 they come to \$186 000, whereas in the other case they come to \$153 000.

Mr. Kageler: The honourable member must refer to pages 19 and 20, because the figures on page 14 do not include contingencies and cross charges. The figures on

pages 19 and 20 include the cross charges from the Public Buildings Department and operating and contingency costs, whereas there are no Public Buildings Department cross charges in the line Estimates.

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

Premier, Minister of State Development and Minister of Ethnic Affairs, Miscellaneous, \$1 057 000

Chairman:
Mr. G. M. Gunn

Members:
Mr. E. S. Ashenden
Mr. J. C. Bannon
Mr. H. Becker
Mr. G. J. Crafter
Mr. R. E. Glazbrook
Mr. T. M. McRae
Mr. J. W. Olsen
Mr. J. P. Trainer

Witness:
The Hon. D. O. Tonkin, Premier, Minister of State Development and Minister of Ethnic Affairs.

Departmental Advisers:
Mr. J. N. Holland, Director, Administration, Premier's Department.
Mr. E. E. Kageler, Chief Administration Officer, Premier's Department.

The Hon. D. O. Tonkin: I point out, Mr. Chairman, that we have not yet dealt with the Department of the Public Service Board, but it would be appropriate, while the officers are here, to deal with "Miscellaneous" at this stage.

Mr. McRAE: I think the Opposition would agree that proceeding with "Miscellaneous" is more appropriate, then going back to the Public Service Board.

The CHAIRMAN: Very well.

Mr. McRAE: One important matter that I would like to raise is small in money terms, and I refer to the allocation of \$5 000 for expenses in connection with Aboriginal land rights. The Premier will recall that, when he first proposed the system in which we are engaged at the moment, it was in a speech in 1978, and it was something that found favour with me and others. When he proposed it formally last year, I publicly congratulated him on it. However, one alarming fact, to the Opposition, arises in this area under the system with which we are working. In Estimates Committee B on Tuesday evening, under the heading of "Mining" (and I am not entering into the mining area), there was considerable questioning as to the progress of the agreement with the Pitjantjatjara people and other Aboriginal people. The Deputy Premier was questioned in some considerable detail by my Leader as to the progress of those discussions, and in fact that is recorded on page 47 of the *Hansard* pull, where the following exchange occurred:

Mr. Bannon: In April the Premier announced quite boldly that agreement was now imminent. It is now many months since then. Can the Minister say when he expects that agreement to be reached?

The Hon. E. R. Goldsworthy: I think we will be able to announce agreement in the near future. I cannot be more

precise than that.

Mr. Bannon: Will legislation be introduced in this session?

The Hon. E. R. Goldsworthy: I am optimistic that legislation will be introduced in this session but, until we have reached final agreement, the last "t" is crossed, the last "i" is dotted and we have argued about detail, I am not prepared to be more specific than that. The fact is (and I think the negotiators on both sides will acknowledge this) that a great deal of effort has gone in by the Government and the Pitjantjatjara people. I think everyone is optimistic that agreement will be reached in the near future and that legislation will be introduced in the current session.

The CHAIRMAN: I think the honourable member is engaging in repetition and perhaps the Premier could answer his question.

Mr. McRAE: I have not yet reached the question; I am giving the background. That was said on Tuesday evening. Reading a report in this morning's *Advertiser* (and the Premier will be in a position to indicate whether this report is correct, or he can ascertain this later), it is reported that agreement has been reached on a new Pitjantjatjara Land Rights Bill which will allow mineral exploration in South Australia's remote North-West. The report states:

Government Ministers and officers finalised the agreement with the Pitjantjatjara Council at a meeting in Adelaide on Tuesday. The Pitjantjatjara and Yankuntjatjara will get inalienable freehold land rights to more than 100 000 square kilometres. This will be announced this afternoon by the Premier, Mr. Tonkin, who will give details at a joint South Australian Government-Pitjantjatjara Council press conference.

What the Opposition find alarming about this state of affairs is this: in the spirit of the investigations in which we are involved, we have always understood from the Premier that there would be full and frank disclosure by Ministers. If it is true that an agreement had been reached in relation to this vital matter on Tuesday, and that these questions were asked on Tuesday evening, without any knowledge of that agreement, the Opposition finds it quite alarming that, for the second time this week, we have had to wait until we read a newspaper report. It appears that Parliament is being placed second to newspapers.

The Hon. D. O. Tonkin: I am pleased that the honourable member has brought this up.

Mr. McRAE: I am pleased that the Premier adopts that view. The same thing occurred in Estimates Committee A on Wednesday when, after I had questioned the Attorney-General at great length about certain court developments, it was not until Wednesday afternoon, in a report in the *News*, that the truth of the matter became apparent to the Committee.

The CHAIRMAN: Order! I hope the honourable member is not implying that the Attorney-General was not being truthful.

Mr. McRAE: No, I am not implying that.

Mr. BECKER: Innuendo.

Mr. McRAE: Not even by innuendo; I am being quite frank about the whole matter. The Opposition has been criticised in newspaper reports and by some members of the Government for indulging in what has been considered to be politicking. The point I make is that the Opposition is not adopting that view, but it must be anticipated that the Opposition will be less than happy if Parliament apparently is to be treated in such a way that it receives the news second and the newspapers receive it first. Can the Premier comment on the whole question, particularly relating to the Pitjantjatjara situation?

The Hon. D. O. Tonkin: I am quite certain, in view of the assurances given by the Leader of the Opposition in the past about agreement's being reached between the

Government and the Pitjantjatjara people, that the Opposition will support the Bill.

Mr. BANNON: That is not mentioned.

The Hon. D. O. Tonkin: I am certain that, after taking that view, everyone and all the people of South Australia will be pleased indeed to know that at lunchtime today, together with Mr. Pantju Thompson, I signed the agreement incorporating the draft Bill, which will be presented to this Parliament.

Mr. BANNON: When was that?

The Hon. D. O. Tonkin: At lunchtime today. The agreement has been reached after long and protracted discussion, certainly much longer than either the Pitjantjatjara representatives or the Government expected. It seemed that, no sooner had one difficulty been ironed out, than another arose. It has been a great credit to the patience, goodwill, and general desire of all parties to reach agreement and understanding that we have been able to reach this position today.

The sum involved in the question asked by the member for Playford is only part of the sum that will be necessary to allow for air fares and other incidentals in connection with the numerous consultations that have taken place. I am sure that he will not be surprised to learn that probably there will now be a considerable increase in that sum that was not shown at the time the documents were prepared.

As to the release of the information that an agreement had been reached, an agreement certainly had not been reached, as I understand it, on Tuesday. I think it was reached almost in its entirety, but not in the absolute final details, and we have learnt that it is necessary to get that absolute agreement. By yesterday, I believe that the details had been almost completely finalised, although even today one or two matters had to be arranged. The release of the story in the morning press was in no way the result of any action by the Government.

The first action that the Government has taken has been to have its meeting today with the Pitjantjarjara people, as planned, the results of which have been made public—that agreement has been reached. The details will be presented to Parliament in the proper way by Ministerial statement, and I hope that there is every chance that the second reading explanation of the Bill will speak for itself when it comes into the House. Let me give the member for Playford the assurance that it was certainly not the Government which was responsible for the publication of the story before an official conference. I believe that today's events are a milestone in relationships between Governments and Aboriginal people, and I believe they will be long remembered as such.

Mr. McRAE: I think to some degree the Premier has misunderstood the thrust of the point I was making. Of course the Opposition would accept that the sum of \$5 000 is a token figure, and, if it cost 10 times that much to get a realistic agreement between the parties in this type of matter, then we would have no criticism, provided that the Bill was in line with general discussions which I believe my Leader has had with the Government. That poses no problem. What concerns us very much is the situation where once again, if we felt that the Deputy Premier on that night was in a position where he simply could have said, "Well, look, agreement is in the last stages of taking place, and I would suggest to members that because of confidentiality or because of other matters I feel that perhaps the matter should not be pursued at this point", that would have been a happier situation than, as my Leader properly points out, the Opposition being forced into the fencing match with the Deputy Premier, trying to elicit information that he already has. That is the real complaint that we have.

The Hon. D. O. Tonkin: I accept that; I know nothing of what happened on Tuesday, of course. But I would just point out to the honourable member, and I am sure he will understand the situation, that, very early in the negotiations which took place between the Pitjantjatjara people and the Government, agreement was reached that neither side would make statements or seek publicity as the negotiations proceeded, and we have felt on a number of occasions that we were close to an agreement only to find that other difficulties had arisen. I think it was perhaps from an excess of caution that the Minister would have been reluctant to commit the Government or the Pitjantjatjara people to a final agreement. We have done everything we can to honour that undertaking not to seek publicity until that agreement has been reached, and it has now been reached.

Mr. McRAE: Is the Premier assuring the Committee that the *Advertiser* is incorrect in saying that Government Ministers and officers finalised the agreement, that is, the Pitjantjatjara Land Rights Bill, at a meeting in Adelaide on Tuesday of this week?

The Hon. D. O. Tonkin: I do not know when a meeting was held. I do know that finality was not reached until yesterday. As I have already said, there were one or two details that were still being considered by the Government this morning—very minor matters, but nevertheless there. I am not certain of the drift of the honourable member's questioning.

Mr. McRAE: All I am saying is this: the Opposition has been somewhat annoyed on a couple of occasions when Ministers could quite simply have cut our discussion short by being quite open and frank by saying, for instance, in the case of the law courts, "There are five options that we are thinking about, but we are not committed to any of them as yet." That could have saved a three-quarter hour debate. Similarly with the land rights situation, if agreement had been reached on Tuesday, the Minister could have said so. If discussions were still continuing, I am sure that, if the Minister had approached the Leader and said that discussions were going on but that they were at a very delicate pitch, the matter may not have been raised at all. That is the point I am making in the spirit of these discussions.

The Hon. D. O. Tonkin: I have nothing to add.

Mr. BECKER: I refer to the line "Boards and Committees—Fees and Expenses—Air Pollution Board", for which \$1 000 is provided. Incidentally, a similar amount was not spent last year. Has that board been appointed yet?

The Hon. D. O. Tonkin: I understand that there is a board, and my information is that no sittings of the board have been held in 1979-80. The 1980-81 provision is for sitting fees.

Mr. BECKER: When was the board appointed, and who is on the board?

The Hon. D. O. Tonkin: I cannot give any information on that; perhaps I can find it out for the honourable member. Basically, it is an appeal board, and I take it that there have not been any appeals and therefore there has been no need to sit. However, I shall obtain details of the membership of the board for the honourable member.

Mr. BECKER: I understand that the Government's policy now is that public servants sitting on boards and committees will no longer be paid.

The Hon. D. O. Tonkin: The policy outlined when the decision was made last month is that in future any appointments made of public servants from now on to boards or committees will not carry remuneration if meetings of that committee or board are held during working hours.

Mr. McRAE: I refer to the provision for "Builders' Appellate and Disciplinary Tribunal". My request is in the nature of a plea to the Premier. For a long time I have been concerned with the state of the legislation and the general powers of this tribunal. On numerous occasions, constituents have told me of the difficulties they have had. I am not casting aspersions, on the personnel of the Builders' Appellate and Disciplinary Tribunal, but I ask whether the Premier will have an inquiry into the need for improvements to the legislation on which the tribunal is founded.

The Hon. D. O. Tonkin: Yes, I would be happy to do that.

Mr. CRAFTER: I refer to the amount of money not spent by the State Disaster Committee last year. An amount of \$40 000 was voted in 1979-80, and \$6 944 was actually spent. Obviously there were some proposals that were not carried out.

The Hon. D. O. Tonkin: I think the matter is one of timing, as the honourable member will appreciate. There is a provision for a proposed emergency operation centre at North Adelaide, which was halted because there were aspects of the siting and structure of that centre which in the Government's view did not fit in with the site. Indeed, the site was at the rear of the Archer Street police station, and the Government could not really envisage anything more inappropriate than a Demac building parked next door to what is one of the most beautiful pieces of colonial architecture that we have in North Adelaide. Also, there is the other consideration that such a centre is not necessarily considered to be the best form of State disaster centre in the future. It may well be that a different type of site involving decentralisation should be considered, on the one hand, or possibly it could be sited in the basement of a large city building because of the protection that that gives or, on the other hand, there are other options open, and it may be that one of those options could be accepted when the matter is dealt with. The Government hopes to introduce a State Disaster Bill in the relatively near future, the printing of the plan to proceed and to limit the information to the printed. In other words, a great deal of information will be necessary, but if we can limit that information to essentials, even then we are looking at about \$7 000.

Funds will be needed for the country director (\$2 000), for printing of the plan (\$7 000), and for the provision of telex and other things. It is basically a question of time. Money has been budgeted for and it will be available; it is a question of when we can find the best solution to the problem.

Mr. CRAFTER: To whom was the donation of \$20 000 for the "It's Our State Mate" campaign paid? Has the Premier, or have his officers, carried out any evaluation of the effectiveness of that campaign?

The Hon. D. O. Tonkin: The money was paid to the committee formed by the electronic media in South Australia. That donation of \$20 000 matches similar donations made by a number of other companies and enterprises in South Australia. I am sorry that I am not able to say at this stage how many companies were involved, but quite a number were involved (in excess of 30 companies, I believe), and they donated a similar sum. The exercise was promoted originally by members of the electronic media and members of advertising agencies and public relations firms as a corporate and combined effort to promote South Australia and pride in South Australia and, as such, it was the Government's view that those efforts should be supported. I believe that the campaign is to enter a new phase in the near future, following an evaluation of the campaign by those responsible for it.

One of my officers is a member of the committee that plans the campaign, but the running of the campaign is entirely in the hands of the electronic media.

Mr. CRAFTER: Who is that officer?

The Hon. D. O. Tonkin: My press officer, Mr. Stone. He was called in, as representatives of other firms have been called in.

Mr. TRAINER: Why was there a 50 per cent increase in the amount proposed this year in comparison with expenditure last year for the Government Royal Show pavilion?

The Hon. D. O. Tonkin: I would imagine that this was because of increased costs. The 1979-80 costs were less than anticipated, and in 1980-81 the restructuring of the publicity section resulted in the letting out to the private sector of the work done in the audio-visual department in regard to the presentation. In actual fact, the increase represents part of the sum paid out in regard to private contractual arrangements for work previously done under the total heading of "Publicity and Design Services".

Mr. BECKER: I notice that \$700 000 is proposed for the production of films by the South Australian Film Corporation. The excellent quality of these productions has been noted from time to time and one would assume that the corporation should be showing a reasonably good profit or good earnings. I am very disturbed that, again, the Auditor-General points out that the liabilities of the corporation exceeded the assets quite substantially. Does the Government intend to ensure that the corporation is put into funds by making another special grant so that the corporation will no longer appear, in the balance-sheets and reports, as insolvent?

The Hon. D. O. Tonkin: There is a world of difference between making a grant and making a book entry, and the same could be said of a number of statutory authorities. I refer to Samcor as an example, whereby, by making the appropriate grant and reducing the interest burden, it would be possible to turn a loss situation into an apparent profit situation, with the Government picking up the interest bill on the way. We are not very attracted to that proposition, as a matter of policy, but the matter will have to be discussed in regard to a number of statutory authorities over the next year or two. In fact, that study is being undertaken.

The only thing I would like to say about the Film Corporation at this stage is that, with the remarkable success of *Breaker Morant*, I believe that the corporation will be able to start to deal with some of its problems. Of course, that film is not a film for Government departments, but I take this opportunity to point out that the corporation has been successful in this regard.

Mr. BECKER: I am pleased that the corporation was successful, because we have heard glowing reports about other films it has made that were supposed to have won awards in Cannes and places like that, but we never see the results on the balance-sheet or in the profit and loss statement, and, if we do, it is not significant. I wonder what benefit the corporation gets from these films. Does the corporation lease the films for next to nothing, or does the distributor make the money, as usual, with the corporation receiving very little but practice?

The Hon. D. O. Tonkin: South Australia receives an undoubted reputation for fine film-making, a reputation that I believe the honourable member is correct in saying has been bought at some expense, but, nevertheless, a reputation that is well merited and one of which we can be quite proud. The test of any film is the box office receipts, and the receipts of *Breaker Morant*—

Mr. BANNON: That is a very shallow statement—that the test of any film is the box office receipts.

The Hon. D. O. Tonkin: I wish the Leader would not interrupt. The test of any film (and this is an Estimates Committee, which is concerned with finances) is the box office receipts, and I am told that the box office receipts of *Breaker Morant* are doing better than any other production of the South Australian Film Corporation. The ultimate outcome depends on for how long the film continues to be shown. We are dealing purely and simply with cold, hard cash facts.

There is to be a London premiere on 22 October, which will be a charity command performance for Prince Charles, as I understand, and we are looking forward to the successful launching of the film into London and the United Kingdom. I understand that later there will be a further premiere for New York and that contracts have already been signed for the exhibition of that film. The film has been remarkably successful and a great credit to all those involved. Unfortunately, speaking financially, we cannot guarantee that every production will have the same success and, inevitably, attempts will be made to match that production. Public opinion and judgments as to the excellence of the efforts are not always the same as those that apply to *Breaker Morant*.

Mr. CRAFTER: Will the Minister give consideration to having discussions with the Returned Services League and the Adelaide City Council in regard to placing Harry Morant's name on the War Memorial on North Terrace? I intend to write to the Premier in the next few weeks, giving him some historical factual detail in regard to this matter, and I believe that a good case can be made for this to be done.

The Hon. D. O. Tonkin: I am grateful to the honourable member, and I will be more than receptive to such a suggestion.

The CHAIRMAN: I declare the examination of this vote completed.

Public Service Board, \$3 896 000.

Chairman:

Mr. G. M. Gunn

Members:

Mr. E. S. Ashenden
 Mr. J. C. Bannon
 Mr. H. Becker
 Mr. G. J. Crafter
 Mr. R. E. Glazbrook
 Mr. T. M. McRae
 Mr. J. W. Olsen
 Mr. J. P. Trainer

Witness:

The Hon. D. O. Tonkin, Premier and Treasurer.

Departmental Advisers:

Mr. D. Mercer, Chairman, Public Service Board.
 Mr. H. Bachmann, Assistant Commissioner, Public Service Board.
 Mr. D. Mitchell, Assistant Commissioner, Public Service Board.
 Mr. D. Huxley, Accountant, Public Service Board.

The Hon. D. O. Tonkin: I have had prepared a list of explanatory notes similar to those which are normally provided to Ministers in the general committee stage and

they could be made available to members of the Committee if it would help facilitate matters.

Mr. BANNON: In the life of the previous Government there was a major review of the Public Service Act which arose out of a number of reports and inquiries, the most notable of which was the Corbett inquiry to which reference has already been made. Work on planning and drafting that Act was well advanced. Obviously, there were some matters of policy which a new Government would be required to look at, but much of the Act was devoted to administrative improvements and specific alterations to the Act. I wonder whether the Premier could report progress.

The Hon. D. O. Tonkin: There have been a number of versions of that report, as I understand it. The most recent version, which is with the Public Service Board, was prepared for the former Premier. There has been no further action taken at this stage but I will be asking the Chairman of the Public Service Board to bring an updated report to the Government for consideration.

Mr. BANNON: Is it expected that legislation will be introduced in this session of Parliament?

The Hon. D. O. Tonkin: I think that is most unlikely.

Mr. BANNON: Does the Premier anticipate bringing in extensive legislation in the life of the Parliament itself?

The Hon. D. O. Tonkin: Again, I cannot give any undertaking one way or the other on this until we see what the final report shows. It is apparent that there is a need for change and therefore a need for legislation, but to what extent, whether it will be wide-ranging legislation or relatively minor legislation, I am not able to say.

Mr. BANNON: How long will it be before that report can be presented?

The Hon. D. O. Tonkin: I would think we cannot expect it before six months.

Mr. BANNON: Will it be made public?

The Hon. D. O. Tonkin: Again, that is a matter which will be determined when the final report is seen. The previous reports which have been prepared have not been made public.

Mr. BANNON: Will employee associations be able to view and comment on it?

The Hon. D. O. Tonkin: I think that will depend entirely on what the Government proposes to do with the report. Obviously, consultation is the key word as far as the employees of the Public Service and associated public sector departments are concerned and the Government has that as a policy.

Mr. BANNON: I refer now to a matter of function and public administration, similar to that which we were exploring in relation to the apparent duplication between the State Development and the Trade and Industry functions of Government. This is in relation to the Government's proposed Deregulation Unit and the report and action that the Government is taking following it. I refer to pages 40 and 41 of the yellow book on which are set out the objectives and functions of the Department of the Public Service Board. Among those functions is the monitoring and reviewing of the adequacy of management systems and performance in Public Service departments. Of course, one could also read into reviews, reviewing and determining recommended administrative arrangements and structures, the maintenance of personnel, staff development, classification policies and guidelines to enable effective and equitable management of public servants, as all being bound up in this whole question of administrative efficiency, which leads back to the Acts and regulations under which the Public Service operates.

Over recent years the Public Service Board, which I think it is fair to say in earlier years was very much an

employing, personnel and industrial authority for the Government, has expanded its functions into areas of policy in terms of administrative arrangements, staff development and staff training policies (quite extensive programmes and efforts have been put into that), and evaluation. The introduction of manpower budgeting, for instance, was an innovation which was managed and supervised by the board and which is still within its purview. It is a vital piece of the data in evaluating the effectiveness of public administration. Taking into account this expanded role of the board, and the fact that this has become a key part of its function, why is it that the Government has decided that this Deregulation Unit and its tasks, which equate so much to this function of the board, should be set up separately and within the Premier's Department?

Before the Premier answers (perhaps he might even get his officers to comment), I remind the Premier that I did ask questions concerning aspects of the Deregulation Unit, which I suggested were similar to that of a co-ordinated policy division in the Premier's Department, and the Premier assured me that that aspect of the report was not one that had been adopted and that the Deregulation Unit would be somewhat more narrowly confined. The report and the responsibilities proposed for this unit make it fairly clear that the sorts of thing it is doing are those which, in looking at efficiency and effectiveness of Government executive programmes and departmental operations, would lie within the expertise of the board itself. It could be further argued that the board, as a semi-independent body not connected with any particular department, is perhaps best placed to carry out this sort of function. I would appreciate the Premier's views on this.

The Hon. D. O. Tonkin: I think the best way of approaching the question raised by the Leader is to explain that when we came to office we found that there was in progress a number of studies of projects initiated by individual public servants and individual departments. One, for instance, was the Government accounting system which was the subject of what has been popularly called the blue book and on which work had been done in the Treasury for some considerable time now in order to improve accounting throughout the entire department. Another was internal audit, which was the subject of a report to me by the Chairman of the Public Service Board in consultation with the Auditor-General.

Another was manpower auditing, and the evaluation of manpower needs and functions against performance. Of course, it ultimately came up with programme performance budgeting which envisages that all these matters should be taken into account in an overall assessment of Government efficiency. The work that the Public Service Board does, once again, is devoted particularly to the efficient functioning of its own departments. It does not have the same sort of concern for statutory authorities, nor does it have the same sort of application when it comes to deregulation, or the effect of Government regulation on, for instance, small businesses. It is more concerned, as I understand it, with the regions which bind public servants and affect their employment. So, again, there really is no duplication involved.

We believe that the Deregulation Unit has a prime responsibility to simplify legislation and reduce the cost of Government legislation and unnecessary regulation to private individuals or private organisations. So that, primarily, is the work of a Deregulation Unit. The excellent work which is done by the Public Service Board in relation to deregulation and the assessment of efficiency and so on will, of course, continue.

Mr. BANNON: Can the Premier clarify where the responsibility lies for assessing the efficiency and effectiveness of a Public Service department?

The Hon. D. O. Tonkin: In the ultimate it would be part of programme and performance budgeting because, once again, just as we are looking at the financial side of having an overall balance sheet for each programme, so we will also be looking at manpower budgets to see whether or not a programme could be performed more efficiently by fewer people, and whether in fact a programme is not being achieved satisfactorily and there might be a need for more staff. That is bound up with this entire question of the assessment of performance and the undertaking of programmes. This is work which the Public Service Board will, of course, continue to do. In the draft documents, we have put in our manpower assessments, and they will form part of the normal documents, I hope, from next year, if we can achieve that. So that it is the sort of work that the Public Service Board will do (and do, I am quite sure, most effectively), but the Deregulation Unit will apply to regulations which impinge on the private sector and on individuals.

Mr. BANNON: I now understand that distinction between the effect on Government on the private sector and Government efficiency internally, but I do not think the Premier has yet answered my question. If programme and performance budgets are drawn up, they are drawn up by departments with the assistance of appropriate Treasury, board and other officers. They include detailed cost assessment and manpower assessment. At some stage, of course, a value judgment must be made on that budget, whether or not the objectives are being achieved, and whether or not the function has value for Government or public administration. My question is: whose responsibility is it to assess those programme and performance budgets and make those decisions whether a department is indeed efficient and effective?

The Hon. D. O. Tonkin: It is a question again of a power which will be, I understand, split between the Public Service Board and the Treasury as a joint approach to this whole package of programme performance budgeting. It is totally impossible to separate manpower auditing and manpower budgeting from financial budgeting. It is all part of the same thing. I think advertisements were placed last Saturday relating to the provision of internal auditors within departments. I think we are going to do that on a scale basis and introduce them gradually one department at a time.

Part of the job of the internal auditor will, of course, be to monitor the financial aspects of each department but will also be looking very much at the manpower involved in the running of a department as an integral part of the overall assessment. Once those audits and assessments are made it will very much be up to the permanent head of each department and the Minister himself, and ultimately the responsibility will come back to Cabinet and the Government. It may very well be, as the Leader will see, that an assessment of one Government of what is an efficient programme and of what the cost of that programme should be will differ very markedly from another Government's assessment of it. Ultimately it comes back to policy, and the policy and performance will be judged ultimately by the electors.

Mr. BANNON: The objectives of the board are to advise the Government on appropriate administrative and organisational arrangements to achieve an efficient and effective Public Service, but that efficient and effective running must be within the policies and priorities of the Government of the day. I think that is understood.

The Hon. D. O. Tonkin: Whatever the policies are,

obviously the Public Service Board has a responsibility which it discharges very well.

Mr. BANNON: The Premier has indicated that an assessment of the programme and performance budgeting, indeed its compilation, requires input really from two directions—the Treasury's financial input and the Public Service Board's manpower and organisational input. What machinery is being devised whereby those two key Government departments, one being a Government department and the other being a commission run by a Commissioner and Assistant Commissioners, may jointly look at these programme performance budgets?

The Hon. D. O. Tonkin: The Treasury has its financial responsibility, and the Public Service Board has the responsibility for manpower. When it comes to the preparation of the Budget, for instance, there is an effort where each organisation, whether it be Treasury or Public Service Board, makes its assessment. This is the reason for the setting up of our co-ordinating committee to take into account the work which is being done at present on Government accounting of programme performance budgeting, manpower auditing, internal auditing and so on. We are at present breaking new ground, as we are today. However, co-operation between the Public Service Board, the Treasury and the Government in recommending the most appropriate administrative and organisational managements is still going on and will not be impaired in any way by the introduction of programme performance budgeting.

Mr. BANNON: I take it then that there is no formal machinery established to bring those two—

The Hon. D. O. Tonkin: There has not been a need for any formal machinery at this stage. I have no doubt we will learn from experience. We must make sure we do not learn the hard way. At present, I think there has been the very greatest co-operation between the Public Service Board and the Treasury.

Mr. OLSEN: In the explanatory notes given to us by the Public Service Board, under the heading "Contingencies" there is provision for 1980-81 for \$10 000 for the establishment of a northern regional office. Where will that office be established; when will it be established; and what is the purpose of establishing a regional office?

Mr. Mercer: The new regional office is to be established in Whyalla. It is the second regional office to be established, the first being at Mount Gambier. The officer who was at Mount Gambier, having gained the experience of regional co-ordination work there, will be the person to develop the office in Whyalla. The question of the selection of the office was put to the Government, and Whyalla was selected on that basis. What the person does in a region is to have delegated powers from the Public Service Board in matters of local recruitment, and things of that kind. He co-ordinates the activity of all departments to overcome duplication and avoidance of shortage of support staff, and liaises between the various departments so that, for example, if there is a transport shortage in one department, and if transport is flexible in another department, he brings to pass a more effective arrangement. He also arranges for the flexibility of office accommodation. If an office is open and another one is left empty because the young lady at the counter is not there, he orchestrates and organises matters of that kind. He conducts surveys and relates like activities between departments in the one area: for example, motor vehicle maintenance. In general, he tries to bring about a more effective and co-ordinated approach. Generally, that is the pattern.

The Hon. D. O. Tonkin: The reason for the establishment of the office at Whyalla, which is not in

accord with the CURB recommendations, was very much a matter of consideration of population centre. Obviously, Whyalla, as a population centre, is a more sensible place to put the northern office.

Mr. McRAE: One controversial item that preceded these Estimates Committees was the circulation of certain guidelines for public servants appearing before special committees of the Parliament. Are these guidelines still in effect, or has some other procedure been substituted or proposed?

The Hon. D. O. Tonkin: A committee has been set up. I have not caught up with the details of it since my return, but I understand that it was to comprise members of this Chamber (on both sides), the Public Service Board and the Public Service Association. I do not know how far that has gone. At present, I think that we are operating on common sense.

Mr. McRAE: I am not privy to the full membership of the committee. The Premier referred to four parties, namely, the association, the board, presumably a Government member, and an Opposition member. Who would be Chairman?

The Hon. D. O. Tonkin: I am not entirely in a position to say. There was a suggestion that an independent Chairman be appointed, but how far that has gone I do not know.

Mr. McRAE: Is the Premier able to take advice from his officers as to who the independent Chairman is?

The Hon. D. O. Tonkin: I am sure that we can find out.

Mr. McRAE: Is the Premier prepared to do that now?

The Hon. D. O. Tonkin: I understand that it was deferred pending my return. The suggestion has been made that there will be a suitable independent person, and I have had a brief discussion with the Leader of the Opposition about this matter. I think that I am waiting to hear from him.

Mr. BANNON: I have had a formal letter from the Acting Premier. I received it yesterday, I think, and I will be responding to it.

Mr. McRAE: In the context of manpower control, which has been the predominant theme over the past year or so, can the Premier's officers at some stage supply a list, as at the end of the 1979-80 financial year, of the numbers of persons in the service of the Government as at that date? I am excluding instrumentalities such as ETSA from it, but I am looking for information not just on persons employed under the Public Service Board but also on teachers, police officers, blue-collar workers, contract employees, and nurses.

The Hon. D. O. Tonkin: I can foresee some difficulty in a list of that nature. I will defer to my adviser.

Mr. Mercer: The Public Service List is required to be published every two years by Statute. It is currently with the Government Printer. It is not available, as he is printing the election rolls. In addition, there will be attached to the annual report of the board this year a complete dissection, not only of people in the service but of all people in Crown employment, numbering about 80 000, where the board has been conducting a survey of that kind on behalf of the Government at its request for the past 15 months for the last financial year spread. That is also with the Government Printer and is delayed because of the election rolls. It should be produced in the next few weeks.

Mr. McRAE: Looking at the green book, in which the organisation structure of the board is set out, I have recognised most of the break-downs. Under the heading "Consulting and Client Services Division", I notice a subheading "Financial consulting". Could the Premier or his advisers tell me to what that refers?

Mr. Mercer: About three years ago, as a result of

criticism by the Auditor-General at that time of the inadequacy of advice of development of people in financial matters and financial expertise and quality, a unit was set up, which sat between the board and the Treasury, called a Financial Consulting Unit. It is not a consulting unit in the sense of a private enterprise consultant who assists on doing a particular project. What it does is initiate within departments better ways of getting things done, developing and pioneering new systems that other departments can emulate, or developing courses for the upgrading and quality of people engaged in that particular expertise.

It sits in the consulting unit, because that happens to be in the organisation part of the board. This group takes those small components generally of that kind. The others are self-contained, rather specialised professional activities.

Mr. McRAE: Under that general heading again appears a subheading "Equal opportunities". Could that be explained to us?

Mr. Mercer: The Equal Opportunity Unit has been established for about three years. It has a staff of five people. Earlier, it concentrated on matters which related as a first part of the total picture on ethnic difficulties and on women's affairs. In the past 12 months it has widened markedly into areas involving Aborigines, handicapped and other equal opportunity matters. It operates with an advisory panel to the board that is representative in nature. It comprises a diverse group of people from many areas such as union organisations and people who are of ethnic and/or handicapped, and formulates programmes for the board as a whole to develop. This small group develops and implements those programmes in the service as a whole. The details of those programmes are in the annual report.

Mr. McRAE: Under the Industrial Relations Division there is a subheading "Classification Consulting Unit." I assume that this is some sort of expert consulting unit in case of doubt as to where a person should be classified under an award or other instrument. Could we have clarification of that?

Mr. Bachmann: This unit is engaged on developing criteria by which classifications may be set. It is being done specifically in the clerical and administrative area at this time to enable a more objective judgment to be made to give appropriate classifications within an award structure.

Mr. TRAINER: For payments to consultants for services, \$110 000 was voted last year, but only \$50 820 was paid. What consultancy projects were scrubbed to reduce the amount to that extent?

The Hon. D. O. Tonkin: We have a complete breakdown of the provision as allocated, which was \$110 000. It is as follows: A.D.P. developmental courses, \$10 000; financial management courses, \$19 000; aptitude test development review, \$2 000; information systems grants, management and computer consultants, \$10 000; occupational psychology courses and seminars, \$2 000; management education and executive management course, \$5 500; classification consulting unit, Hay & Associates, \$5 000; administration, specialist consultants, \$2 000; and specialist consultants on equal opportunity, \$3 000. An additional provision was made of \$51 500 at that stage. The actual payments were: establishment control system review, \$5 900, and departmental services review, \$7 000. On a part-time employment survey of Aborigines, policy for equal opportunity, \$5 000; ethnic survey, \$4 000; railways signals inquiry and S.T.A. catering review, \$10 900; management and computer consultants, \$3 600; executive development programme, \$3 297 (less than was envisaged); P.A. Consulting Service for courses for

departmental services, \$4 700; other consultants, \$6 000. Obviously, there was not the additional provision to consultants, and the \$51 000 was not called upon. It was basically a contingency provision which was not used. That is the difference.

Mr. TRAINER: I notice that \$5 000 was voted for the purchase of motor vehicles, but only \$11 was spent. What sort of a car would you get for \$11?

The Hon. D. O. Tonkin: The \$11 was for a faulty mud flap.

Mr. CRAFTY: Under the Public Service Act, there is a requirement that the Public Service list, or the stud book, as it is called, shall be delivered to the Governor prior to 30 June. Was it delivered to the Governor and, if not, what was the reason?

Mr. Mercer: That was the document to which I referred earlier. It is with the Government Printer. It is held up because of the election and the printing of the rolls.

Mr. CRAFTY: Was it delivered, as required by the Act, to the Governor prior to 30 June?

Mr. Mercer: It has not been delivered. It is now with the Government Printer being printed.

Mr. CRAFTY: Could I be informed of the number of disclosures made to the board pursuant to sections 120 and 121 of the Act, disclosures of public servants declared bankrupt or public servants with conflicts of interest in relation to contracts in which the Government was a party?

The Hon. D. O. Tonkin: This information is rather detailed, and the Chairman has undertaken to obtain it for the honourable member.

Mr. CRAFTY: Has the Public Service Board itself or has it assisted other departments to take advantage of the various Commonwealth Government youth employment incentives available for young people, particularly those in line with the functions referred to of the Public Service Board to provide special programmes for the advancement of employment opportunities of disadvantaged groups? Is assistance given to Government departments to employ people with the incentives provided by the Commonwealth, and have any Government departments done so?

The Hon. D. O. Tonkin: We are very conscious of the need, particularly in the forthcoming year, the Year of the Disabled, to make it possible for disabled people to gain access not only to Parliament House but to Government offices, not only as members of the public but as employees. An officer—I believe he is a paraplegic—has been appointed to look after these matters, so we are doing everything possible to increase opportunities in the Public Service for disabled people.

Mr. Mercer: The programme referred to is the SYETP scheme. From July 1979 to June 1980, 49 people benefited under that programme. Apart from that scheme, there are schemes for Aboriginal people and for handicapped people. The handicapped programme we are only just developing. Last year we took advantage of the Aboriginal programme, and we hope this year to take more advantage.

Mr. CRAFTY: Can the Premier give details of the number of young people—school-leavers, graduates, and other young people—seeking employment in the State public sector in the last 12 months?

The Hon. D. O. Tonkin: Although the Government has applied a policy of no retrenchments and no appointments, it will become necessary in the relatively near future to begin to recruit young people for the Public Service on a limited basis. The Government has adopted in principle the basis that there should be applications called from young school-leavers, and that a limited number of those people will be appointed to the various

departments of the Public Service so that there may be a continuity in spite of the tight manpower policy that we have adopted. If we do not take that action, we could find ourselves ultimately with a major gap in continuity, and we believe that this action is justified and, indeed, essential for the future wellbeing of the Public Service. I do not know how accurate these figures are, and they are only to June 1980, but many applications have been received by way of general applications from graduates as well as school-leavers, and these have been broken down. The total for school-leavers is 3 080.

Mr. CRAFTER: Has the board any programmes to alleviate alcoholism and drug-taking among public servants, and what is the expenditure in that area?

Mr. Mercer: Until recently, we have been relying on the Health Commission because that part of the Health Commission was then part of the Public Service. The Health Commission has become autonomous in its own way. I have only now on my table developed documents to develop a programme of the kind you are referring to. I spoke recently to the Secretary of the Public Service Association because I needed to relate with that association the development of this programme. At the moment he is on leave and I am going on leave shortly, but when we both get back we are going to explore the possibility of mounting a development programme of this kind. The expenditure for this year will be in our report but it is minimal and will not be identified specifically.

Treasury, \$4 126 000.

Chairman:

Mr. G. M. Gunn

Members:

Mr. E. S. Ashenden
Mr. J. C. Bannon
Mr. H. Becker
Mr. G. J. Crafter
Mr. R. E. Glazbrook
Mr. T. M. McRae
Mr. J. W. Olsen
Mr. K. H. Plunkett

Witness:

The Hon. D. O. Tonkin, Premier and Treasurer.

Departmental Advisers:

Mr. R. D. Barnes, Under-Treasurer.
Mr. J. R. Wright, Acting Treasury Accountant.

Mr. BANNON: First, I want to deal with the question of the State Superannuation Office. Provision is made here for fees for members and a Senior Administrative Officer, Accounting and Clerical Staff. However, I would like to ask about the investment policy of the State Superannuation Fund. What is that policy at present, where is investment being directed, and what sort of return is it yielding?

The Hon. D. O. Tonkin: The investment policy quite simply is to get the maximum possible return for funds in the safest possible way. Mr. Weiss, the Public Actuary, is the Chairman of the Superannuation Investment Fund, and the decisions taken are primarily the responsibility of the members of the trust.

Mr. BANNON: Where is that investment being directed?

The Hon. D. O. Tonkin: I am informed that it is a

mixture of property, semi-government bonds and housing finance, so that it is very much in gilt-edged investment.

Mr. BANNON: Perhaps it would be easier if Mr. Barnes addressed the Committee directly. What sort of mix is there? The thrust of my question would be clear, of course. In recent months the fund has made large purchases of property in the city area. Moore's building was one case. That is a sound investment because the Government instructed that it be made and ensured that it was made on pretty good terms. However, there have been reports, for instance, of the acquisition of the old Mail Exchange in Grenfell Street, and it was revealed through questioning in the House a couple weeks ago that the trust fund was the undisclosed purchaser of Malltown. So those facts, coupled with reports on the progress of investments such as the North Adelaide Village, mean that it would be very useful for this Committee to have an idea of the investment mix, the amount that is going into the property component, and what sort of return is expected from that rather more risky investment, as opposed to the traditional Government bonds area.

Mr. Barnes: The Chairman of the Superannuation Investment Trust is Mr. Weiss, the Public Actuary, who happens to be interstate at a conference this week. I was the Chairman of the trust some months ago, so I know something of the general policy of the trust and I do not think it has changed recently. Broadly, it is, as the Premier described a moment ago, to attract the maximum return for members whose funds the trust is investing, because they are members' funds, not Government funds, but the investment is in ways in which the return is commensurate with security.

The trust has been conscious of Government policy in making its investments, and that is not to say that it acts in ways directed by the Government. However, if, in the past (and I believe that this is still the current policy), the trust sees an investment prospect which gives a good return, which is secure and which happens to fall in with Government policy (and at the time it might be, say, support of the building and construction industry), then the trust would take that into account. The mix is changing over time with a greater emphasis on investment in property. Some of the characteristics of that investment in recent times have been an assurance of a favourable return over a very long period. This is attractive to the fund because its liabilities are over a very long period.

I do not have before me any specific figures to say that X percentage is in semi-government securities and Y percentage is in housing, but I have cited the three main elements. Semi-government investments involve bodies like E.T.S.A., the Housing Trust and local bodies, but the mix is changing with a greater emphasis towards property, in which the prospects of long-term satisfactory return match the trust's liabilities.

Mr. BANNON: I hope I am not taken as being critical of the trust's expanding its investment portfolio; in fact, the Government of which I was a member put a Bill through Parliament to change the Act to allow more flexibility. Certainly, I understand the point that is being made about long-term investments, where there is some guaranteed return over a long period, which makes what would superficially seem a more speculative investment a very sound investment. A good example would be the new Public Buildings Department building, which obviously, as an occupied Government building, is the sort of thing in which the trust could quite properly invest.

The fact of the trust's investing in Moore's building is again something that, in principle, I would not object to. I believe that that project is totally misconceived, but that is another argument that does not relate to the trust's

financial efficacy and I have no criticism about that aspect. I am concerned about what appears to be more speculative ventures into areas such as Malltown, which are not in relation to a Government department or instrumentality with long-term guarantees of tenancy. It is hard to see that being directed specifically to a Government's policy of encouraging building and construction, because, while refurbishing money and so on is involved in such a purchase, nonetheless it is a development investment for which there seem to be no specific plans. Nothing specific has been said about the nature of the development at the Mail Exchange. I understand that Mr. Joe Emmanuel has formulated plans in regard to Malltown, but I would be interested to know what sort of long-term returns the fund sees as coming from that sort of investment.

The Hon. D. O. Tonkin: Neither I nor the Under Treasurer can give a specific answer at this stage, but I will certainly contact the Chairman of the trust and ask him to make the information available.

Mr. BANNON: I understand that Moore's building is to be renovated at Government expense not at the expense of the fund; is that correct? I believe that the fund will provide the shell and the Government will spend money on the internal structure.

The Hon. D. O. Tonkin: As I recall, I think that is the arrangement.

Mr. BANNON: If the proposal to establish a tunnel under Gouger Street goes ahead, would the cost be borne by the fund?

The Hon. D. O. Tonkin: I am afraid that I cannot give any answer to that.

Mr. BANNON: Could you provide information?

The Hon. D. O. Tonkin: That matter should more properly be raised with the Public Buildings Department or the Attorney-General, but I can obtain the information.

Mr. BANNON: I am afraid the Attorney was less than forthcoming when we questioned him about this matter yesterday.

Mr. BECKER: Is the Treasurer satisfied with the level of return received on investments? I understand the fund owns a shopping centre at Glenelg (the Bay Junction Shopping Centre) and a shopping centre at North Adelaide. The Glenelg shopping centre contains a number of vacant shops and there is a considerable turnover of lessees. I wonder whether the fund is receiving returns on the capital that has been anticipated in the market, or does the fund look toward purchasing properties from a long-term capital gains point of view. I wonder whether the policy of going into this sort of purchase is wise.

The Hon. D. O. Tonkin: I think there must be a balance at all times between long-term appreciation and relatively short-term income return, but the Under Treasurer could probably give a more detailed answer.

Mr. Barnes: I would agree with what the Premier has said. Again, long-term yield is involved and, whether investments be made in property, such as shopping centres or Moore's building, or whether they be in shares or equities, as is permitted by the Act, there are likely to be fluctuations over a long period so that at points along the way one could well raise the question whether it is a good investment, given the market on that day.

As the Premier said, the important point is the long-term objective, and those fluctuations around the trend are not important, provided the assessment of the long-term future is soundly based. I also point out that the trust does not go into these ventures without taking expert advice, and it has as its regular consultants a group of the most reputable consultants in this general area of development and leasing, etc.

Mr. BECKER: The Auditor-General's Report (page

337) shows the accumulated fund account and indicates that the State Government commitment was \$26 870 333, which is increasing significantly as more and more public servants qualify for retirement. Has a calculation been done of how much the Government owes the fund? The Government does not make a contribution at the same time as the Public Service so, theoretically, the Government owes the fund a certain sum and makes payments to link up with those who retire.

The Hon. D. O. Tonkin: This matter has been of some concern over the years in regard to exactly how much is the Government's liability in times to come, not only now. Some rather hair-raising assessments have been given from time to time. When we first took office, one of the first things that I did was to ask for an assessment to be made.

Indeed, as a result of that a detailed evaluation is now being done (in fact, I think it is well on the way) by the Public Actuary to determine exactly what the liability of the Government is going to be; what its assets are worth and what the projected worth of those assets will be, and so on. That information we hope will be available within a matter of weeks. When it does come forward, I shall be quite happy to undertake to present to the House a summary of the situation.

Mr. BANNON: I understand there is a statutory requirement that the fund be actuarially investigated every three years, and that occurs this year. Is that what the Premier is talking about?

The Hon. D. O. Tonkin: Yes, but this is more than just the ordinary actuarial evaluation. It is an evaluation not only of the present situation, which is the statutory requirement, but an assessment of what is likely to be the situation projected into the future as well. I think that is what the member for Hanson was really concerned with.

Mr. BECKER: I just want to know whether the State owes the fund \$200 000 000 or \$180 000 000, or whatever it is.

The Hon. D. O. Tonkin: There will be a sum of interest in that.

The ACTING CHAIRMAN: For the State Taxation Office, there is a provision of \$584 000. Are there any questions relating to this?

Mr. BANNON: The problem of tax avoidance is something which is extremely prominent federally, and I think it has generally been assumed that State taxes are of such a nature that schemes of arrangement and avoidance procedures are rather difficult to accomplish. We are in a situation where succession duties are being abolished, and an example has been cited where schemes could be devised. There is the major area of stamp duty, and perhaps one or two other areas of State taxation are involved. Is there any evidence of tax avoidance, what form does it take, what is the estimated cost involved, and what action is proposed to prevent it?

The Hon. D. O. Tonkin: This matter has been the subject of some growing concern over the last few years. The Commissioner has expressed to succeeding Treasurers, I understand, extreme concern at the fact that this is increasing in incidence, whereas a few years ago there was never any suggestion of any form of tax avoidance—it was almost unknown. It is now becoming a major concern. The whole situation has been the subject of inquiries from time to time, not only in relation to stamp duty, which I think is the particular one at present, and from time to time legislation has been brought in to tighten up areas where tax avoidance is occurring. Certainly, a similar tightening up procedure is likely to be considered in the near future. I think the overall situation requires a rewriting, perhaps, of the Stamp Duty Act in its entirety, to make sure that all

the loopholes are covered. At the present time it seems to me that many of the stamp duty provisions are rather like an overpatched inner tube: a lot of patching up has to be done. I think a lot of advantage could be obtained from rewriting the Act itself. That is now contemplated. I cannot give any indication of how much is involved, I am afraid.

Mr. BANNON: The Premier suggests that he cannot give an indication of how much is involved. Are there known schemes of legal arrangement in operation at present?

The Hon. D. O. Tonkin: Every time one becomes apparent, the Commissioner very promptly calls the Government's attention to it, and steps are taken to stop up the gap. One such arrangement has been suggested just recently, and steps are being taken to overcome it.

Mr. BANNON: May we expect some legislation in this regard in this session?

The Hon. D. O. Tonkin: Yes.

Mr. BECKER: One matter that has concerned me for some time has been stamp duty payable on motor vehicle purchases. I understand that if one buys a motor vehicle one is required to pay stamp duty on the recommended retail price of that motor vehicle, even though one could do a deal with a dealer and save a considerable amount of money. I think that is unfair. I know it worries the motor vehicle trade. I wonder whether the Government is prepared to reconsider this policy?

The Hon. D. O. Tonkin: I am not sure whether the honourable member should declare an interest as a potential purchaser, or whether other people should declare an interest as potential sellers. It is a difficult problem, and I think the honourable member has highlighted the very fact that, as a person might be prepared to do a deal with a dealer and thus pay less stamp duty, that might be an incentive for some unscrupulous people to say that a deal had been made and to come to an agreement with the dealer and thus avoid stamp duty. Unfortunately, that has not been unknown, and because of it we have had to settle on the retail price of the vehicle, so that there is no argument. The whole question of stamp duty on the purchase of new motor vehicles concerns the Government considerably. We were very critical before, and we would like to see it changed.

However, I must emphasise that at the present time the Government has no such proposals before it, or plans to reduce stamp duty on the purchase of new vehicles. We have made considerable State taxation concessions in the last 12 months, and these are as far as we can go at this stage. Until we see what the effect of those concessions is likely to be on the general Budget, we do not contemplate any other major changes. However, I believe that stamp duty on new motor vehicles could be looked at some time.

Mr. BECKER: My question relates to the Treasury department in general. In the 10½ years I have been in the House, various Premiers and Treasurers have paid tributes to the officers in the Treasury for their advice and guidance to the Governments of the day. The question I want to ask relates to payments that are mentioned on page 4 of the Estimates of Expenditure, where there is a summary of the amounts in the Budget and two lines "Allowance for increased wage and salary rates, \$79 000 000" and "Allowances for increased prices, \$8 000 000". I take it I am at liberty to discuss those amounts under "Treasury" as advice given by Treasury to the Government.

The Hon. D. O. Tonkin: I would say that, since that money is at the present time residing in Treasury, there is every reason to discuss it now.

Mr. BECKER: Does the \$79 000 000 represent the

estimated cost of increases in salary and wage rates during 1980-81, and, if it does, what is the basis of the calculation, and does this also mean that the proposed payments for salaries and wages are estimated by the various departments and based on rates applicable at 30 June 1980? What do those amounts represent?

The Hon. D. O. Tonkin: It is a fairly complex problem. The provision for 1980-81 is for the estimated cost of increases which have occurred since 1 July 1980 or which are expected to occur during the financial year. Those expected increases apply to salary and wage rates (\$79 000 000) and to the prices of goods and services (\$8 000 000). The determination of the allowances is of necessity purely and simply an estimate, but it is an estimate which is based on probabilities and known trends and occurrences during the preceding year or so.

Regarding the salary and wage allowance, two parts are involved: the first is for national wage increases over which, of course, we have no control, and that is the major part of it (\$60 000 000). There are other wage increases based on work value studies, and so on: we have put aside \$19 000 000. The \$60 000 000 (the national wage increases) is based on a known national wage increase of 4.2 per cent, which operated from the middle of July 1980. The assumption is that a further increase of, say, a like figure (4.2 per cent) is likely after six months, that is, from 1 January 1981. We take a wage base of \$960 000 000 as at 30 June 1980 wage rates for all departments and those statutory authorities financed from the Revenue Budget (S.T.A., Health Commission, Childhood Services Council, and that sort of thing). As for the \$16 000 000, the Public Service Board had before it, at 1 July 1980, 45 claims seeking increases which could have cost \$31 000 000 in 1980-81. We have allowed, in fact, \$19 000 000 for this component on the basis that the Government employee representatives and wage-fixing authorities will adopt a responsible approach to those claims. All claims that are made will not, in fact, in 1980-81, and, of those that do, some, if not all, will operate just for the balance of that year. Therefore, we feel that putting aside \$19 000 000 out of the possible \$31 000 000 is probably quite sufficient to cover the likely increases that will occur. It does not necessarily mean that they will occur, but it is probable that they will.

Claims with respect to police, Government hospital nurses and public servants have already been settled, and the cost in 1980-81 of those claims is about \$15 000 000. That represents \$16 000 000 in a full year. They have in fact been financed from the round sum allowance. The prices for goods and services on average in 1980-81 will, it is assumed, be above the cost of the same goods and services for last year by about 8 per cent. Working on a base of \$260 000 000, the increased cost will be about \$20 000 000. About \$12 000 000 of that increase has been built into the allocation provided in the Estimates already. So, there has been an increase in money terms in the Estimates as they have been presented. We have allowed \$12 000 000 in the Estimates themselves. A balance of \$8 000 000 is provided in that round sum allowance, and therefore makes up the \$20 000 000, which would be about an 8 per cent increase. I think the main thing is that those sums are available and they must be regarded very carefully indeed when looking at the overall percentage increase in sums that are available for departments.

Mr. BECKER: If I heard you correctly, the wage and salary component of the Budget is \$960 000 000 as at 30 June 1980, and we add the \$79 000 000, which means that the wages and salaries bill in the State could exceed \$1 billion.

The Hon. D. O. Tonkin: Yes, indeed.

Mr. BECKER: That would be about two-thirds of the total Budget. Could the Premier tell me what basis was used for the 1979-80 Estimates of wages and salaries, when the provision was \$56 000 000, and what were the actual salary and wage rates for that period?

The Hon. D. O. Tonkin: Perhaps the Under Treasurer could come back to that level.

Mr. Barnes: There is an obvious relationship which looks wrong and which has been picked up. The reason for that relatively low figure of \$56 000 000 in 1979-80 was that the national wage increase mid-year actually operated from June—that is, when you came to 30 June and the Estimates were prepared, the national wage decision had been given, it was effective, and it was in there. Therefore, it did not have to be allowed in the lump sum allowances. This year, 1980-81, it was not effective in June but became effective in July, so it was not in the departmental figures. It had to be included in the lump sum allowances; hence that appears high in relation to last year.

Mr. BECKER: Have you any idea what the actual salary and wage rate or increased amount was for 1979-80?

Mr. Barnes: No.

Mr. BECKER: In calculating the amounts for salaries and wages and estimates of increases, what factor is included for growth in staffing levels, and particularly reclassifications?

The Hon. D. O. Tonkin: At the present time the policy of the Government holds new employment right down. Reclassification is something on which departments have been asked to rise to the challenge, and I believe have risen very well, because where reclassification was involved and additional funds have to be found, departments are asked as far as possible to make those funds available from their existing provisions. That is not always possible but it has, in fact, proved to be remarkably successful.

Mr. BECKER: There are two areas of concern to me: one was the Public Accounts Committee report on the Engineering and Water Supply Department, where we saw a winding down of construction activities (that has been going on for about 2½ to three years), yet there were an additional 10 engineers appointed there at a high classification level. What concerns me is that, whilst staff numbers are frozen within Government departments, and there is a significant drop in weekly paid employees, reclassifications could be coming in on higher levels which are hard to pick up. In other words, we are not getting any real savings out of the overall salaries and wages bill.

The Hon. D. O. Tonkin: This was a matter of concern to the Government. It was a matter which Cabinet considered and, indeed, for quite a long time Cabinet has been examining all such proposals. However, it is impossible to do it with a reclassification list as it comes in from time to time. All departments, and Ministers in particular, are well aware of that difficulty and are keeping a very close eye on it.

Mr. BECKER: In relation to the \$8 000 000, how much is for an increase in fuel costs for liquid fuel, gas and electricity?

The Hon. D. O. Tonkin: That has been built into the base allowance of 8 per cent, on average, increase in prices. It may well be that the increase in fuel prices which is likely to occur over the next 12 months will be far in excess of that. That, however, has been taken into account in arriving at the figure of 8 per cent. I think we will be very lucky if we continue on that round sum figure—if that round sum figure is accurate.

Mr. BECKER: Would this be a basis for the Premiers to go back to the Federal Government to negotiate additional income?

The Hon. D. O. Tonkin: I wish it were. I would certainly like to think it would be taken into account but, as honourable members know, the current financial agreement with the Commonwealth expires at the end of this financial year and the entire situation will have to be renegotiated. Already, two Premier's conferences have been called outside the normal Premier's conference time to consider the approach which should be taken to the Federal Government on this matter. It is a matter which causes all Premiers, regardless of political affiliations, great concern, and our officers are working on proposals which have, in fact, in some detail already been put to the Prime Minister.

Mr. CRAFTER: The Treasurer said that he was aware of a number of tax-avoidance schemes operating in South Australia. Will he consider in future naming those schemes, and telling the persons who intend to use such a scheme that the legislation he proposes to introduce will be retrospective so that they can be avoided from a date near to this?

The Hon. D. O. Tonkin: I do not intend at this stage to give details of what is happening. I accept that legislation to correct the situation will be introduced speedily. I have no love of retrospective legislation; nevertheless, if there looks like being any prolonged delay, that might have to be the course of action taken.

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

Treasurer, Miscellaneous, \$41 907 000

Chairman:

Mr. G. M. Gunn

Members:

Mr. E. S. Ashenden
Mr. J. C. Bannon
Mr. H. Becker
Mr. G. J. Crafter
Mr. R. E. Glazbrook
Mr. T. M. McRae
Mr. J. W. Olsen
Mr. K. H. Plunkett

Witness:

The Hon. D. O. Tonkin, Premier and Treasurer.

Departmental Advisers:

Mr. R. D. Barnes, Under-Treasurer.
Mr. J. R. Wright, Acting Treasury Accountant.

Mr. BANNON: The final line under "Miscellaneous" concerns the transfer to Loan Account to supplement capital programmes last year. It is blank for 1980-81, because the reverse process is taking place this year, whereby \$16 000 000 is being transferred for Loan Account to balance the revenue programme. We have been discussing the question of the level of State taxes, and I think that this line really brings up the whole question of the financial situation that faces the State at present and, indeed, in the future. We have in the broad summary of the Consolidated Revenue Account four categories of revenue for this State: taxation, which comprises a large sum; public works and service and other receipts, which tend to balance out; territorial, which is the Department of Lands and, more important, mineral royalties; and receipts from the Commonwealth.

If we look at all of those areas, there is little joy indeed for the future revenue of this State. The reasons, in some

cases, are beyond the control of any particular Government. They relate to the level of national economic activity, and, particularly in relation to the Commonwealth, so much depends on our share of moneys collected by the Commonwealth. It is a well-known scandal, I believe, that the present Federal Government has supplemented this Budget very largely by the huge takings from the fuel tax, none of which is shared by the States.

The CHAIRMAN: The Leader is going beyond what is necessary.

Mr. BANNON: It is relevant in discussing the question of receipts from the Commonwealth, because the States do not share in that sort of tax collection by the Commonwealth. On the other hand, we are dependent very much on the general revenue collection, of which we have an established percentage. If Mr. Fraser or Mr. Hayden make promises to cut taxes in the general tax-collection area, they are also announcing to the States that they will get less money as well. That is beyond the direct control of the State Government.

I will concentrate particularly on the area of taxation, because the Premier has made one of his principal boasts in terms of promises made and kept—the general reduction in the level of State taxation. This is the first year in which the full effect of those reductions is shown up. For instance, succession duties were abolished on the accession to office of the new Government but, because of the delays in processing estates, \$17 000 000 was collected last year. That is a very substantial sum: more than \$2 000 000 over the budgeted estimated receipts.

This year the crunch comes. The estimate of collection is about \$1 000 000. There have been various concessions in the land tax area, which again indicates a very sharp downturn in collections from that source, and those major reductions in tax are not being matched by an increase in activity, and thereby tax collection under pay-roll tax or stamp duties, to an extent that would compensate for the loss of those taxes. The taxation revenue of the State estimated in receipts for this year is very much less than one would expect from the normal inflationary effect.

Before the election, the Premier costed his tax remissions, and it appears that those costings were very much below the actual cost of tax remissions. All of us are agreed that tax remissions are a good thing. Naturally, every individual welcomes them. They put more money in the pocket and enable more spending to take place, but against that must be balanced the need for the public sector to have revenue adequate to maintain the services and facilities that people require and expect. It would appear that there is a short-fall in our revenue accounts of at least \$16 000 000. That is the immediate amount being transferred for Loan to put that account in balance.

A look at the taxation receipts as estimated shows what we can expect, not just this year, but on a continuing basis. We are running well behind the eight ball, and that effect will be seen year after year after year. Is the Premier concerned about the decline in State revenue, in large part induced by his own taxation policies and in part induced by the Commonwealth Government, and how does he believe that the short-fall that is occurring can be met in the longer term?

The Hon. D. O. Tonkin: I had the privilege of listening to the Leader's second reading speech, in which he canvassed a number of inaccuracies, including the inaccuracy which he is going on about now. I rather thought that the remarks made by the Deputy Premier and the member for Hanson at the time very pertinently put paid to most of the arguments the Leader used. I am surprised to find that he is bringing them up again, because it indicates a fundamental lack of understanding of

something every housewife knows and every person who has to manage a bank account knows: you have to pay for what you get, and if Government activity can be reduced, in this instance, it will save the taxpayers money. I would have thought the Leader might be aware that people do not want increased Government activity at the cost of increased taxation. That is a lesson that has been learnt by previous Governments, not only in this State, but elsewhere.

The Leader implies, on the one hand, that tax cuts are bad, because they result in lower Government activity. Then he says that tax cuts are good, and everyone welcomes them. I am not worried that Government activity is not increasing. I would say that the cost of \$28 000 000, which is the estimated cost to the State of the tax cuts made in the coming financial year, will relieve the burden of taxation quite considerably on the residents of South Australia. I do not think there is a resident of South Australia who would swap those tax cuts for increased Government activity. It seems to me that there was a fairly strong indication of community attitudes towards increased taxation and high taxation, and it was given on 15 September last year.

It is a tax revolt, if you like, on the Californian system; which is an excellent expression of opinion which is very firmly based. The fact is (and this is something in which we can take great heart), that the reduction in State revenue resulting from the tax cuts and the estimates which the Liberal Party, then in Opposition, made of the costs of those Estimates were not all that far out in terms of last year's money. I think we estimated just under \$20 000 000 and it turned out to be \$24 000 000 in a full year, or something of that sort. I realise that we did not have the wonderful facilities of the Treasury available to us at that stage, but I think we made a fair estimate and we did not mislead the people of South Australia.

The cost of \$28 000 000 in a full year will be more than absorbed by the amount of money which is saved by reducing Government activity and reducing waste. The people of South Australia have shown quite conclusively that they want waste contained, that they will not stand extravagant Government spending, and more than anything else they will not stand unnecessary Government intervention and activity. Apart from anything else, I am not worried in the slightest way that the State cannot afford the tax cuts we have made. Indeed, I believe that in the first 12 months we have demonstrated quite clearly that we can afford to make those tax cuts and that, if we continue to hold the line that we have adopted, we will be able to continue to afford those same tax cuts. As I said earlier, whether we can make additional tax cuts will depend on the States finances at any time. We are now in a healthy position to face what will be a very tight year. Nobody is doubting that for a moment: it will be a tight year. If we were to relax our efforts for a moment, then we could run the risk of getting into difficulties.

We do not intend to relax our efforts. We will maintain the same line until we are absolutely sure that the economy is firmly established on a new cycle, whereby we do not have to reduce services. We will continue to provide the people of South Australia with the services they expect, but we will not keep on slugging them at rates that they cannot afford.

The Leader's arguments are based on his statement about transfers to Loan account to supplement capital programmes, and the fact that there is no such provision. If the Leader requires it, I will lead him through all the remarks that he has made during the second reading speech and demonstrate yet again how fallacious his comments were. If I can refer him to the remarks made by

the Acting Premier when the Budget debate was summarised, I think perhaps if he were to pay attention to that he would be rather more heartened than he appears to be at present.

The CHAIRMAN: I point out to the Committee that, after considering this item, we still have the Estimates references to State Bank and Treasury, and the second schedule of the Public Purposes Loan Bill. Is it the wish of the Committee to continue on this line?

Mr. BANNON: Perhaps if we sit tonight, Mr. Chairman.

The CHAIRMAN: The Committee cannot do that.

Mr. BANNON: If subsequent Committees next week are able to finish ahead of time, is there any chance of a reallocation of time to complete these items then?

The CHAIRMAN: We have to formally approach the Speaker in advance for any alteration of that nature.

Mr. McRAE: I move:

That this Committee requests its Chairman to approach Mr. Speaker to seek allocation of further time on one of the days set aside next week.

Mr. BANNON: I second the motion.

The CHAIRMAN: I suggest that perhaps the honourable member should be more specific on exactly what day and how much time.

The Hon. D. O. Tonkin: I would be willing to continue after 5.30 p.m.

The CHAIRMAN: Sessional Orders clearly indicate the times during which the Committee is to sit.

Mr. McRAE: Would the Premier be available next Thursday?

The Hon. D. O. Tonkin: I cannot give that information immediately, but I have a feeling that that date coincides with the opening of the Alice Springs railway.

Mr. McRAE: Would the Premier be available at the commencement of proceedings on Tuesday, 7 October?

The Hon. D. O. Tonkin: I am certain that time could be made available for an hour or so on Tuesday morning. I reserve the right to approach the Speaker on this matter, because his approval must be obtained.

The CHAIRMAN: How much time does the honourable member require be set aside?

Mr. McRAE: One hour. I move:

That Mr. Speaker be asked to allocate one hour to the Premier so that the Premier can continue to answer questions on matters that come under his jurisdiction at the commencement of proceedings on Tuesday, 7 October.

Mr. BANNON: I second the motion.
Motion carried.

Mr. BANNON: I notice that \$514 000 has been proposed for reimbursement to the State Bank in regard to arrangements with Riverland Fruit Products Co-operative Limited, including the servicing of an interest-free loan; what is the situation in regard to the co-operative? What is the Treasury allocation aimed at achieving?

The Hon. D. O. Tonkin: Let me say that the situation in regard to the co-operative has been outlined quite clearly in the House on two occasions. The difficulty we have at present is that a receiver has been appointed by the State Bank, and I believe that it is inappropriate for me to go into any great detail. At the time the Estimates were prepared and presented to the House, the Government was facing a serious problem in regard to the cannery, as the Leader would realise.

The Government gave assurances to creditors and growers involving a potential cost of what could have been up to \$4 000 000. Those assurances were given, quite clearly, subject to the creditors accepting a scheme of arrangement; in other words, a scheme of arrangement was vital to the whole proposal. The Estimates, when they were prepared, took into account the provision of an

interest-free loan to the co-operative of \$4 000 000, and the Estimates had to provide for the servicing of that loan. The Government has since received advice that the position is worse than was thought. That position was outlined in some detail to the House of Assembly.

The Government felt that that scheme of arrangement was no longer appropriate, and indeed the State Bank, acting in its own right and very properly to protect its own interests, came to the Government and said that it had decided to appoint a receiver-manager and a receiver-manager has been appointed. The aim of whatever is done is to preserve the cannery and to keep it operating as far as possible. The Government will be constantly in touch with the receiver, giving whatever help and assistance is possible.

The receiver and the bank are also aware of the Government's strong support for the continuance of the cannery as a viable operation, if at all possible, in the Riverland, the need to preserve the employment of those people involved, the need to preserve the status and integrity of the growers, and the need, of course, of the whole community which is filled at the present time by the cannery. The details have been outlined to the House in the second statement that was made recently so that everything that can be done to save the cannery will be done. The position is being assessed at present by the receiver. I think there is very little more that we can do other than to say that things have changed considerably since these Estimates came in, but that is not going to change the availability of the money that may be necessary to take the steps that have been outlined.

Mr. BANNON: What status has this figure of \$514 000? Is that likely to be increased markedly because of the further problems, or not to be used at all, with the funds going from some other area?

The Hon. D. O. Tonkin: I think we have to accept at its face value that it may be necessary. Regarding the servicing itself, this line may not change; it may be exactly what the position is. I cannot in any way obviate the possibility that we may have to find additional funds and that they may have to come from other sources. The normal warrant procedures will have to be used for an application for additional funds, if they become necessary. I doubt very much that we can say this will not be used; I am sure it will be.

Mr. BANNON: When the Premier says that everything will be done that has to be done, does that include the Government's actually taking over the Riverland Fruit Products Co-operative operations?

The Hon. D. O. Tonkin: That certainly would not be the situation at this stage. It may be one of the options open to the receiver to suggest, but that is something I am not privy to. Certainly, the receiver is operating on the basis that the cannery should be maintained. I think there is a great deal to be found out about the entire situation, things which I do not know, and I doubt very much that anyone has a complete picture of them. It will be investigated very thoroughly indeed and the reasons for this lamentable occurrence will be clearly established, I hope.

The important thing I think is to determine whether or not the cannery should continue to operate, including the general products line as well as the fruit canning line or whether, in fact, it would have been a better proposition to maintain the cannery as a pure fruit canning processing plant. I cannot give any exact answer and I will not be in a position to do that until the investigation has been completed. The Government is very much aware of the importance of the operation to the Riverland, and it will do everything it can to make sure it will continue.

Mr. McRAE: In relation to insurance generally, I wonder whether the Under Treasurer might be able to explain the situation. As I understand it the Government carries its own insurance in some areas and a small section was created in the Department of Labour and Industry that was known as the State Insurance Fund, or some such title. In other areas the State Government pays premiums for insurance in the normal way. Could the Premier or his advisers explain to me what the situation is and what are the policy guidelines behind this?

The Hon. D. O. Tonkin: This is largely a situation which has been inherited, of course, from successive Governments. The Government does provide its own cover and insurance for a number of matters in other areas using the services of brokers who are appointed periodically, and the Government has instituted a new policy of throwing the appointment of brokers open for tender periodically for submission. The line "Insurance of cash, motor vehicles, etc." provides the sum for insurance and cash in hand in transit, the possible loss of cash in Government departments in transit between banks and offices, and so on.

It covers furniture and household goods removed for Government employees, particularly of course when it relates to employees who have moved in accordance with Government requirements. It does cover fire and premiums for special purposes. We carry our own risk on Government buildings through the Government Insurance Fund to which the honourable member referred. We take out policies for special purposes through brokers, such as air travel for Ministers and members. Motor vehicles used for Government purposes are insured against third party liability, and that is all covered in this line. The additional expenditure at which I suspect the honourable member is looking in 1979-80 resulted from several large school fires in that time and the extensive damage to the Mylor Recreation Centre during the Ash Wednesday bushfire.

Mr. McRAE: I am not questioning the propriety of any of this. Is the line "Insurance of cash, motor vehicles, etc." in fact a premium amount. Is that amount which has been paid out by way of premiums to brokers?

The Hon. D. O. Tonkin: That is the premium. There is no way that that sum could cover the insured sum.

Mr. McRAE: How does one ascertain how much the Government directly pays out of Consolidated Revenue in respect of an amount it carries itself?

Mr. Barnes: Where it carries the risk itself, it carries it through the Government Insurance Fund. These payments here include payments into the fund to make good

losses. To pick up another point about the guidelines, the insurance outside is for what might be called unusual risks, and it is pretty difficult to draw up guidelines with general application. For instance, in the past, if we go back some years when there was a spate of fires in the timber classrooms when they first came in, the decision was taken to insure outside, while the Government still continued to carry the risk on brick school buildings, and that was a good decision at the time. However, then over a period of some years when there were no fires, it was quite clear that the premium paid was greater than the damage sustained, so that policy was changed in the light of the circumstances. It was not in terms of the guidelines, but rather looking at the particular circumstances. Another case would have been the treatment of woods and forests assets in the South-East. On the advice of brokers looking at the particular situation, much of the woods and forests assets were insured outside.

Mr. McRAE: I take it that the Government Insurance Fund is under the control of the Treasury.

Mr. Barnes: The Government Insurance Fund is technically with the Department of Labour and Industry; it was with the Treasury some time ago. The major activity of the Government Insurance Fund is workmens compensation in the Government. When the legislation in respect of workers compensation Statewide became the responsibility of the Minister of Labour it was decided at that time by the Government to take this responsibility from the Treasury and put it in the same office. Because the rest of the dealing with insurance was relatively small, it followed. So, the insurance officer went from Treasury to the Department of Labour and Industry. Essentially, the financial policy is under the control of the Treasurer.

The CHAIRMAN: Order! I have to inform the Committee that the time set aside for today's proceedings has elapsed. I point out that the Speaker has indicated that, if a formal approach is made to allow the Premier to continue to appear before the Committee for an hour on Tuesday, he will accede to that request, but it should not be taken for granted that, if a similar request is made to carry forward the next Minister's time into the next day's sitting, that will automatically be agreed to.

ADJOURNMENT

At 5.31 p.m. the Committee adjourned until Tuesday 7 October at 11 a.m.