

## HOUSE OF ASSEMBLY

Friday 3 October 1986

## ESTIMATES COMMITTEE A

**Chairman:**

Mr D.M. Ferguson

**Members:**

Mr H. Becker  
 The Hon. Ted Chapman  
 Mr R.J. Gregory  
 Ms S.M. Lenehan  
 Mr J.K.G. Oswald  
 The Hon. J.W. Slater

*The Committee met at 9.30 a.m.*

**The CHAIRMAN:** Questions will be informal. It is very important, if there are any changes to the Committee, that we have notification on paper. If you, Mr Minister, undertake to put anything in *Hansard*, the latest date for it to be provided is Friday 31 October. I propose to allow the lead speaker and the Minister a 10 minute opening statement each, if they so desire. The questions themselves must be based on the Estimates of Payments, and all questions must be directed towards the Minister. I declare the proposed expenditure open for examination.

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Housing and Construction, \$48 478 000

**Witness:**

The Hon. T.H. Hemmings, Minister of Housing and Construction and Minister of Public Works.

**Departmental Advisers:**

Mr P. Edwards, General Manager, South Australian Housing Trust.  
 Ms M. Hill, Senior Project Officer, Office of Housing.  
 Mr G.J. Black, Manager, Office of Housing.  
 Ms C. Dayman, Research Officer, Office of Housing.

**The Hon. T.H. Hemmings:** I have had consultation with the member for Hanson. Because of some problems with the way the lines are put in my portfolio, it has been agreed that from 9.30 a.m. to 1 p.m. we will deal with all aspects of Housing, recurrent and capital, from 2 p.m. till 7 p.m., all aspects of recurrent and capital for the Department of Housing and Construction, and in the final stages we will take the vote on both areas.

I would like to preface today's session with some relevant remarks about the SA Housing Trust and the Department of Housing and Construction. These organisations are without doubt two of the most respected bodies in the public sector. In the case of the trust, there has been a long history of efficient management and effective provision of an essential community service. With Housing and Construction, it has been a case of a flying start, from the time the department was created 18 months ago to the very recent report of the Auditor-General, in which the department was praised for its encouraging achievements in organisational change and reduction in cost differentials between it and the private sector.

Over the past three to four years, the trust has been charged with meeting some high-level Government policy targets, in line with the Government's priority approach to the housing sector. The trust has been spectacularly successful in meeting these objectives, having housed record numbers of people for the past three successive years and completed large-volume building expansion programs in the same period.

The Department of Housing and Construction has similarly been charged with new demanding objectives for the public sector's maintenance and construction body. In its short time, the department has become a much leaner and more efficient organisation compared with the old PBD.

As Minister of Housing and Construction, I am proud of the professional efforts of the two bodies, and I am sure that our deliberations here today will confirm that the praise that has been bestowed on them by the Auditor-General, the Public Accounts Committee and, in the case of the Trust, by various external organisations, is fully warranted.

**Mr BECKER:** The role of the South Australian Housing Trust is well known to all citizens of South Australia as is the value that it has provided to the community and the opportunities for so many young people to acquire their first home—and in many cases their only home—and in the past it gave them the chance to purchase what I would call affordable housing. It was able to do that by making available the land at cost and allowing the purchaser to select the design, after which the Housing Trust, in conjunction with private enterprise, would enable the young couple to build the house. Since then, its role has changed with the demand and pressures placed on the Housing Trust to meet and provide affordable rental accommodation.

I am disappointed this year to read in the Auditor-General's Report at page 347, the following comments:

The operating deficit for the year was \$7.2 million compared to the surplus of \$10.5 million for 1984-85.

The net deficit on the activity Assistance to Tenants increased by \$11.2 million to \$16.5 million. An annual increase of this magnitude needs to be avoided and can only be reversed by—

an increase in rentals in real terms;  
 a reduction in expenditures, through a critical examination of methods and procedures in the management, support services and operating areas of the trust;  
 or a combination of both measures.

The Housing Trust is called upon to provide a wide range of housing, from accommodation for Aborigines and the disadvantaged to community housing, and does it extremely well. However, in view of the comments made by the Auditor-General, what action will the Minister or the trust be taking to improve the financial viability of the Housing Trust and at the same time meet the services that it will be expected to meet?

**The Hon. T.H. Hemmings:** The member for Hanson is correct. The role that the trust has carried out under its charter since it was set up 50 years ago has changed dramatically over the past 10 years. The way in which the trust has carried out that role in picking up the changed need is commendable. The honourable member correctly quotes from the Auditor-General's Report, where it highlights the operating deficit of \$7.2 million and the action that should be taken to correct this.

The Auditor-General gives two examples of such action—the increase in rentals in real terms or a reduction in expenditure through critical examination of methods and procedures. The Committee will be aware that before the Auditor-General's Report I made a statement in the House that the deficit was concerning the Government. An independent consultant, Touche Ross, has looked at the operations of the Housing Trust as part of the triennial review that the trust must undertake at different periods. That again high-

lighted the problems, perhaps in more detail than the Auditor-General's Report. As I said in the House, the Government is grappling with this problem.

It concerns us that we will have to consider real increases in rent, not only for those people who are on what we call full market rents (that is, full market rents as defined by the trust in relation to Government policy and not full market rents in the private sector), but also those people who are currently on rent reductions. It has been a deliberate policy of this Government that our percentage of rent per income reduction is much lower than the other States for those people who are either unemployed, on sickness benefits or are single parents. That has been a deliberate policy, because we see the role of the trust (and I am not talking about the Government) not only to provide accommodation, but also to set rent levels which those people living in that accommodation can meet.

Also, we have a crisis accommodation program which I think is the envy of all the other States. We deal with the Emergency Housing Office and we have expanded that service State wide. That all costs money. I made those facts perfectly clear to the Government. Touche Ross has put forward some recommendations which the Government is considering. While I realise that the deficit can have an effect on our capital works program, and as the controlling Minister I have no wish to see the trust deficit blow out like that of the State Transport Authority, at the same time we have to be well aware that, if we set a rent level that is too high, that will create real problems for those people who are living in rental accommodation on rent reductions. I can assure the Committee that the Government is well aware of the problems and is currently looking at them. The Government will eventually make a decision which will attempt to control the deficit.

In relation to the second point raised by the Auditor-General, we will initiate productivity measures within the trust. The trust is working on a 2 per cent per year productivity improvement, but in its written report Touche Ross said that very little could be done in terms of finance to offset that deficit within the trust's operations. Despite that, in conjunction with the trust, the Government will look at those areas. Because next year is the second stage of the Commonwealth-State Housing Agreement, we will investigate the cost of funding provided by the Commonwealth and also the State loans. We will make recommendations, not only to the State, but also to the Federal Government, in an attempt to gain a better deal for this State.

**Mr BECKER:** On page 564 of the yellow book under the heading '1986-87 specific targets/objectives', it mentions the implementation of new home purchase assistance arrangements in the light of partial deregulation of the housing finance market. I take it that that would be part of the policy area that would encourage the shared equity mortgage scheme which was announced recently. I received a letter from a young person, and it states:

I am writing to you in your capacity as Opposition spokesman on housing. Recently a new scheme was introduced for Housing Trust tenants like myself to be able to buy our homes. I am just so pleased about this but I have struck a snag with regards to the State Bank.

It is now three weeks since the scheme was first publicised and still the bank has not organised itself into making any decisions into how it is going to handle applications by people like myself. I have been in to see the Hindmarsh Adelaide Building Society and was told here that all the employees have been conferenced on the new scheme and have viewed a videotape as well about it. If all the banks and building societies were notified at the same time, why is it that the State Bank is still unorganised and flippant about when they are to become involved? My local bank manager doesn't seem to give a damn. I have wasted my time twice going into the local branch and in calling both this branch and head office to see if any progress has been made. I'm fed up with the

whole thing. As you yourself must know, an application does not mean that possession is now in sight. I must then go back to the trust to ask to have the house valued and then to the bank to make firm arrangements for the loan.

I am just now very angry at having been dangled for so long and then probably being expected to fall onto my knees with gratitude when something has finally been done. Could you thus please inform me as to why the bank is taking so long in doing something that obviously others are already doing?

My office approached the State Bank's General Manager for Retail Lending, who advised that the delay had been due to a legal agreement between the State Bank and the Housing Trust which had not yet been finalised. I understand that the finer points, such as the State Bank's wishing to apply its own policy regarding housing interest lending rates to customers of the Housing Trust, have yet to be resolved. I also understand that a letter is being sent to the Housing Trust in an attempt to resolve the legal agreement.

Can the Minister tell the Committee about the finer details of how the shared equity mortgage scheme is working, the financial arrangements available to Housing Trust tenants, and arrangements, if any, between the trust and the State Bank?

**The Hon. T.H. Hemmings:** The trust shared ownership scheme, which we announced in our 1985 election policy, was announced officially three or four weeks ago. I might add that it was received very favourably. To 26 September, we received 559 inquiries from people who wanted to get into home ownership under our shared equity scheme. The honourable member is quite right. Some negotiation is still taking place between the State Bank and the South Australian Housing Trust. That could have accounted for the delay experienced by his constituent.

I do not know what the honourable member's constituent is getting at in regard to having to wait such a long time—four weeks. When we announced the trust shared ownership scheme, we were quite pleased that every lending institution in the State agreed to participate. When the trust was given the go-ahead by Cabinet to proceed with the scheme, to announce it and to have negotiations, some minor details in regard to the State Bank had to be resolved, as the honourable member said.

I advise the member for Hanson to tell his constituent to be patient. The scheme is something of which we are very proud and it completes the last stage of our Home Ownership Made Easier scheme. When the trust and the State Bank finally reach some agreement, the honourable member's constituent can take advantage of this very worthwhile scheme. Perhaps Mr Edwards will go into the technicalities of some of the points that the State Bank and Housing Trust have not.

**Mr Edwards:** Prior to the announcement of the scheme there were extensive discussions with all lending institutions and there was full agreement in principle on the part of all institutions to participate in the scheme. What is being done now is finalisation of the documentation; as it is a novel concept it requires the introduction of novel clauses in the documentation.

I have been advised by the trust solicitors, who have been in touch with the State Bank and who are finalising the documentation, and the only issue identified to me as having been raised which needs to be resolved is the inclusion of a clause in the agreement under which the purchaser would authorise the bank to provide certain information to the trust. I guess that that is being sought as a protection by the bank in connection with the disclosure of information. There is no problem with doing that—finding a satisfactory form of words. I hope I tread on no-one's toes in saying that lawyers sometimes take longer to reach agreement on precise wording than people engaged in business

practices would wish. As far as I am aware, there is no difficulty of principle; it is simply a question of finalising the wording of a clause in a legal document.

**The Hon. T.H. Hemmings:** I will add something further which relates to the first question asked by the member for Hanson about the deficit. The South Australian Government is well aware that funding from Canberra is being restricted, not so much in what we get by way of grants under the Commonwealth-State Housing Agreement, but the drying up of the 4½ per cent money over 53 years, which was the cheapest money available and money which this Government picked up with enthusiasm when it took office in 1982, thereby being able to generate the home building industry to such an extent that we built more homes in that 3 year period than any other Government had build over the previous 20 years.

That money is drying up, and we are well aware of that. We fought a rearguard action in relation to that at the last Loan Council meeting. As a result of the Loan Council meeting and the Housing Ministers conference held in Adelaide, the Federal Government agreed to let this State continue with 100 per cent nominated funding. Of course, overall funding was reduced and we lost \$31 million; so we have to go out there and create innovative ways of raising money to benefit not only those people who want to get into home ownership, but also to continue our capital works program for those people on the Housing Trust waiting list.

This is a classic case of doing that. It is good 'front up' money from the private sector and something that I am sure that all members of this Committee would applaud, if we can think up innovative ways to get money to carry on our program. In relation to the 11 000 people who will be eligible, we estimate that from the time of launch until the end of this financial year it will be possible to raise \$7.5 million purely and simply from the private sector, for it to pick up its responsibility to assist people in need.

Despite some of the comments made about this being a quick start project to meet an election commitment, I can assure members of this Committee that the trust's shared ownership scheme was considered by the trust in consultation with my department as early as 1982, from the day we got into office, because of information that we had picked up from overseas. Unfortunately, because there is a restriction of Federal Government funding, we have to work on many ways to raise money from the private sector; that will not only get people who wish to do so into home ownership but will also give us a chance to continue our building program. Since 1982, as I have said, we have carried out the biggest building program conducted for over 20 years. But, in that time, I have seen the Housing Trust waiting list blow out to the present 39 600 people. For as long as I am Minister I will always see that as being a problem, and in every way that we can we will raise more money through the private sector in an attempt to reduce that Housing Trust waiting list.

**Mr BECKER:** I am fully aware of that. However, a point was not answered: was there a hiccup over the interest rate? Was the Housing Trust trying to negotiate with the State Bank on the interest rate component? The Minister might be able to follow that through later. In relation to specific targets for this current financial year, reference is made to participation in maintaining the Housing Trust program of additions to the public rental stock at a high level. The Minister has already covered the point concerning the difficulty of the Federal Government's policies. Does the South Australian Housing Trust have a current corporate plan to meet the strategies of providing rental accommodation for specific needs areas, whether it be Aboriginal housing, crisis

accommodation, or accommodation in certain localities as needs demand? In relation to the level of new housing, acquired existing housing stock or in-fill programs, just what is the plan this financial year to meet the demands that are being made of the Housing Trust?

**The Hon. T.H. Hemmings:** The first point to make is that the Housing Trust has a corporate plan. A point that needs to be made clear — and the trust is completely at ease with my view — is that, whilst a body such as the trust should have a corporate plan (and I think it is a five year plan) the Housing Trust works within Government policy, and that is as it should be. It is a statutory authority and it has its own responsibilities. I think a part of the successful relationship that this Government has had with the South Australian Housing Trust is that the Government gives the trust a fair amount of freedom to work within its charter — as long as it is in line with Government policy.

The member for Hanson asked whether in the corporate plan there is a program for this financial year in line with the objectives in the Program Estimates. Yes, the objectives will be met in line with the budget decisions which were formalised and which have been announced by the Premier. The trust, like myself, is well aware that it could quite cheerfully use, say, an additional \$10 million or \$20 million to increase capital stock, carry out renovations, improve maintenance, and improve delivery of crisis accommodation assistance in the private sector. But the Housing Trust's corporate plan will fall within the framework of Government policy as to how many additions to stock are made this financial year. As to how much additional help it provides under its crisis accommodation program, what level of rent relief is given to people in the private sector and what degree of mortgage relief is given, of course, these questions depend purely on the amount of money that has been made available to me in the budget context. I now ask Mr Edwards to perhaps expand on some of the aspects of the trust's corporate plan.

**Mr Edwards:** The trust certainly does have a corporate strategy, which it develops and revises each year. We do not regard that strategy or plan as being a strait jacket but rather a framework which guides our plans and actions. As the Minister has said, it is developed within the context of Government policy and within the context of the funding support that the Government is able to make available to the trust for its programs. The plan covers the whole of our construction and development activities and also our recurrent support activities for home owners and private sector tenants as well.

As to fleshing out the nature of that program for the current year, whilst endeavouring to maintain an adequate supply of housing throughout the State, at present we are experiencing particular pressure for accommodation in the central metropolitan area, and therefore a great amount of our attention is directed towards how to provide housing in that area.

We are trying, particularly in view of the downturn in the private sector of the building industry, to maximise support for new building, both through the traditional design and tender contracting arrangements and also through the recently introduced design and construct arrangements, which involve taking land and house packages from private builders. We are also having a particular push to provide private housing on a well integrated basis so that the housing is well distributed in smaller rather than larger groups and is conveniently located to services of all kinds.

Also, the program is designed to give particular attention to the emerging areas of need. The pressures in the market for trust accommodation change: 10 years ago the big pres-

sure was primarily for family housing but today we have increased pressure for housing for singles—single youths and single people in mid-life. They are normally looking for smaller sized accommodation, which is another aspect of our corporate strategy. Although it is not a large document, if I describe it fully it would take up too much of the Committee's time.

**The Hon. T.H. Hemmings:** The member for Hanson quoted from 'Specific targets and objectives'. If he looks at the yellow book for 1985-86 he would have seen exactly the same statement because in effect it reflects the program which I outlined earlier and which Mr Edwards outlined. The yellow book reflects what we intend to do this year.

In the capital works area, last year we achieved a total of 3 107 dwellings, broken down as follows: design and tender 1 840, design and construct 623, making a total of 2 463, with acquired purchased housing amounting to another 6 440. We have targeted 2 900 completions in 1986-87, which will consist of 1 700 design and tender dwellings, 1 000 design and construct dwellings, 180 purchased housing and 20 conversions. The Committee will be aware that our conversions relate to double units converted into use for three single people. That provides a total of 2 900 dwellings.

The Committee can see that we need flexibility in our corporate plan. Last year purchased housing involved 644 units. This year it will be 180, which reflects a deliberate decision well within the Government's social mix policy and objectives. Because the housing industry is so dependent on our public sector building program, we have made a conscious decision, still in line with the corporate plan which was put out by the trust and which was accepted by the Government, to give much needed work to the building industry. We will continue to adjust these requirements year by year as circumstances change and in line with funding from the Federal Government, the availability of funds from the private sector and in line with the cost of those funds from the private sector. I am sure the Committee will accept that as good management.

**Ms LENEHAN:** My first question was one which the member for Hanson has asked regarding the Home Trust Shared Ownership Scheme. I would just like to add to the record that I think it is an excellent scheme and quite obviously there will be a few little hiccups to be ironed out in the implementation of anything which is so innovative. My first question relates to page 564 of the yellow book where the administration of local government and community housing program is referred to. Could the Minister outline whether he believes the joint venture has been successful in achieving its aim of identifying local housing needs and providing housing for people in need?

**The Hon. T.H. Hemmings:** Referring to the local government community housing program, that allocation of money was a result of the 1984 renegotiation of the Commonwealth-State Housing Agreement. At that rather unique meeting, all the States and the Commonwealth recognised that there had to be a total commitment from the Federal Government and the State Government to those people in need. As a State Labor Minister, I felt quite happy with that because it was part of our own housing policy, both State and Federal, to double the housing stock over the next 10 years. We had quite considerable gains at that meeting. Base level funding was guaranteed for three years. Also as part of that program, the Federal Government got local government to take some responsibility for providing housing for people in need, in conjunction with what the State Government was doing in public housing. The sum of money was not too large but, as the Minister of the day pointed out, it was a pilot program and they wanted to see

whether the States picked up their responsibilities. I am pleased and proud to say that that commitment has been more than met in South Australia.

South Australia also argued at the 1984 conference that the local government community housing program money, initially intended just for capital works, should include an allocation for recurrent spending, so local government was not just asked to provide bricks and mortar to provide housing for people in need or in cooperatives, but also to employ people who would, in effect, go out and sell the message of this program. New South Wales picked up the same thing. The idea was to spend money to allow local government to spend money in the recurrent area and encourage people to participate. As I said, it has been very successful. It is administered in each State by an advisory committee, and operates autonomously. I appoint the South Australian committee and ensure that its members represent the local government sector, the community sector, the South Australian Housing Trust and my own Office of Housing. I also service that committee with clerical back-up.

Returning to the recurring expenditure, as a part of the strategy to spend a few dollars to get more dollars coming in, two project officers were appointed to liaise with and coordinate submissions from the local government and community sectors respectively.

Our purpose in doing that was to give some form of expertise to the people who make submissions to the committee. In 1984-85, \$620 000 was allocated to this State, and the initial funding was directed to 16 projects, including six local government authorities and 10 community sector organisations. In 1985-86, our allocation was increased to \$882 000, and I believe that that indicates that the Federal Government recognised that we were spending our money wisely and to the benefit of the program.

It is rather interesting to note the kind of people and organisations that have taken up the challenge. I am sure that Mr Edwards would agree with me that under the Jubilee 150 project we have had a lot of response and cooperation from the country areas on these projects. The projects recommended for funding in 1984-85 included the City of Port Lincoln; the District Council of Port Elliot and Goolwa; the District Council of Wakefield Plains; the North-East Youth Housing Association; the Prospect and Enfield Association for Community Housing; the Single Parents and After-Resource Centre Community Group; the City of Marion; the City of Salisbury; the Northern Suburbs Aged Housing Association; the City of Noarlunga; the Women's Shelters Housing Association; the South Australian Council on the Ageing (which runs a program based on the Abbeyfield Society); the Little Para Housing Association; the Port Housing Association; and the Hindmarsh Housing Association, in conjunction with the Bowden/Brommpton Community Group.

All of those projects have been spread throughout this State and have benefited all South Australians. Because we decided to give expertise to those people, we have encouraged more organisations, whether in the community or the local government sector, to take advantage of this program. The more successful we are, the more successful we will be in attracting additional funding from the Federal Government.

**Ms LENEHAN:** I refer to a specific group that is in need of special attention in relation to joint ventures involving not only local government but also community groups, and that group is the aged. How successful does the Minister believe joint venturers have been in providing accommodation for the aged? My concern relates to the situation in

my district, where there is a proliferation of retirement villages for aged people. Unfortunately, many of those retirement villages are situated a long way from shops and other facilities, such as medical facilities, transport, and so on. The Minister is probably aware, given the nature of his own district, that that causes many problems.

My question relates to joint ventures between local government, community organisations and the State Government through the Housing Trust in providing accommodation specifically for the aged. This question is a logical follow-on to the broad question I have just asked. Does the Minister believe that the joint ventures are meeting the needs of aged people or are builders erecting accommodation and then worrying about whether it is near shops or medical facilities or whether people have access to transport so that they can get around?

**The Hon. T.H. Hemmings:** Before I talk about joint ventures between community groups, local government and the State Government through the South Australian Housing Trust, I want to make a point about accommodation for the aged.

I refer not to aged accommodation provided by the South Australian Housing Trust but aged accommodation currently provided, such as in nursing homes, hostels, retirement villages, and the like, where sometimes little regard has been paid to the proximity of these buildings to bus services, shopping centres and community back-up facilities. When I opened a seminar for the World Planning and Housing Congress I spoke about this problem, not referring to aged housing *per se*, that is, cottage flats, but to nursing homes, rest homes, and retirement villages. I made it clear that this Government is concerned that organisations who want to become involved in that business, and local government in particular when giving approvals, should take matters into consideration.

There are frightening examples of retirement villages and rest homes being built on slopes. People living in them have no way of moving around apart from inside the building or when taken out in motor vehicles. I think that this matter is being picked up by the Minister of Local Government and the Attorney-General.

When building aged accommodation, the trust always takes these matters into consideration. That is one of the reasons why we sometimes have problems in finding suitable land for building elderly citizens cottage flats. In my electorate, and I am sure this occurs in the member for Mawson's electorate, when the trust finances the building of cottage flats they are always placed in convenient positions close to transport, shops and medical facilities. Location is important when the trust deals with joint ventures such as councils and community organisations. Joint ventures involve the second party in such considerations as cash, land, lease of land, payment of rates, landscaping, and so on, so that, in financial terms, the trust is able to build more accommodation for the people in need.

The trust is also providing aged accommodation in connection with the Jubilee 150 project. This is the most successful innovative scheme of its type that has ever been undertaken by the State Government, the South Australian Housing Trust and the community. I am not taking credit for this project because it began in early 1982 and was set up by the previous Tonkin Administration based on a suggestion by the Housing Trust that it should have a 1 000 homes project completed by 1986. At the World Planning and Housing Congress we had a reception at the South Australian Housing Trust and many interstate and overseas visitors, when they read about this project, spoke to me and were full of praise for what we were doing for the elderly.

Recently the member for Adelaide highlighted that the percentage of aged in our population over the next 25 years will increase dramatically. In connection with the Jubilee 150 project, local government, service clubs and community groups have picked up their responsibility.

We are in a position where we not only aim for a tentative 1 000 in 1986 but we will get somewhere between 1 600 and 1 800. A part of the encouragement given by the State Government and the South Australian Housing Trust is not only to actively encourage communities to get involved but actually to be a part of the building, the development, and also to take part in any opening ceremony organised by the council.

I think the programs of the General Manager, the Chairman of the South Australian Housing Trust Board and myself during the year have been pretty hectic. We have been all over the State taking part in opening ceremonies, and it is a pleasure, when one does an opening, apart from the ceremony of unveiling the plaque, to go round and look into these homes, talk to the tenants, and find the sheer gratitude they have for their accommodation in the area in which they have lived all their lives.

That is the important part of the Jubilee 150 project. In certain areas we have reversed the trend of people finding, on reaching a certain age, that the only place to which they can retire is to stay in their own house, the large family home (and I know that the member for Mawson has strong views about the proper location of people, or perhaps the misuse of space) so, instead of having to go into Adelaide or elsewhere in retirement, these people can stay where they have lived for 20 or 30 years. That justifies the amount of involvement we ask of the community.

As part of that program, we have picked up over the last two years small areas where we can improve the design, because we are talking to people at first hand. I know we are not talking about the Department of Housing and Construction, but I think it is relevant to mention the progress that one of my departmental officers has been making in access for disabled people through the portable ramps. Members may have read about this in the paper; it has been very successful. The idea was launched in Vancouver, and there has been a lot of business interest and support in what we are doing.

We are well aware of the points made by the member for Mawson, and I can assure the Committee that, when the Jubilee 150 year is over, we will put the same enthusiasm into our traditional joint venture program to encourage people. The only point I make is that country councils tend to be more responsive than city councils, and that is something we are trying to overturn by education and the encouragement of city councils to get involved in those private programs.

#### Membership:

Mr Olsen substituted for Mr Oswald.

**Ms LENEHAN:** I thank the Minister for his very detailed reply, because I believe that the whole question we have just discussed is vital to the future housing policies of this State, given the increase in the number of aged people in our community—and we are all going to be part of that group. My third question relates to another group where there is particular need. I relate my question to page 564 where, at the top of the page, it talks about the participation of the trust—and, I guess, the department and the Minister—in a national working party on women's housing issues. I attended for three days in April of last year a conference

organised by the South Australian Women's Housing Action Group. I was fortunate enough to attend every one of the sessions of that three day conference, and I am on the public record in this Parliament as congratulating organisers, because it was an excellent conference.

It addressed itself to the whole question of the specific needs of women and housing. Of the 750 delegates who attended the conference, about 500 came from interstate. The conference created an enormous amount of energy and enthusiasm. Out of it came specific recommendations relating to three key areas, namely, access, control, and design and planning. These three areas were identified by the participants in that conference, but what has happened since the conference? Have those key issues been addressed at national level? What role has the Minister taken in involving the South Australian Government and the Department of Housing and Construction in this participation in the national working party on women's housing issues?

**The Hon. T.H. Hemmings:** This State sponsored the first national women's housing conference through the Women's Housing Action Group. It is rather regrettable that it was 1985 before a Government picked up the problems associated with women in housing. The trust had already taken note of them, as part of its ongoing plan of providing accommodation for women, and this was reflected in the type of homes that it built, and so on. In Queensland, a woman's role in housing was perceived as being nothing, and no woman in her own right could seek accommodation unless she were a victim, and then it was made clear to her that she was a disadvantaged or second class citizen.

In 1985, after consultation with the Women's Housing Action Group, my Ministry set up that conference in which the member for Mawson was involved, and it was a great success. As a result of that, at the 1985 Housing Ministers' Conference it was agreed—not unanimously—that we would set up a working party to look at things that had come out of the first conference. The New South Wales Government agreed to host the next conference. The working party reported to the 1986-87 Housing Ministers' Conference in Adelaide, and there was quite lively discussion as to what role the Federal and State Governments should play in picking up the particular points in housing women.

Digressing slightly, I was Chairman of the conference and we dealt with complex issues, such as negotiating more money from the Federal Government for public housing and the 4.5 per cent Loan Council money. We were talking about a wide range of problems. In general, there was consensus until we talked about the women's role in housing and about how the State and Federal Governments should pick it up. It was a tragedy that some States, in particular Queensland, Tasmania, and the Northern Territory, felt that the Federal Government and the individual States and Territories had no real role to play. I would like to think that it was by skilful chairmanship and the spirit of compromise that is here in South Australia that we managed a majority, (with a certain reluctance by the Northern Territory that it partake), and set a series of recommendations for the Federal Minister for Housing and Construction.

I will recite briefly the ones that I think take into account the concern of the member for Mawson. Of course, the first one is that we wanted a submission that would be picked up at the triennial review of the Commonwealth-State Housing Agreement, so in effect we said to the Federal Government, 'Here is a specific group that needs to be looked at in its own right'—just as we do with the Aboriginal funded unit in this State—and not as part of the overall allocation, so that was a major breakthrough. We said to the Federal Government that the role of women in

housing should be picked up as a separate entity within the whole framework of the Commonwealth-State Housing Agreement.

Secondly, in relation to the assessment of the adequacy of the agreement's data requirements, I know that the member for Mawson is aware of this problem. Within the Commonwealth-State Housing Agreement, if individual States put forward a submission for an increase, it is not based purely and simply on the number of people on the waiting list. One has to provide data, so we said that, as part of the data going to the Federal Government, a particular aspect should deal with women, locality, transport needs and the kinds of things that are of real concern to the member for Mawson in her own electorate.

Thirdly, in relation to a report on housing options for victims of domestic violence and for divorced people, this is a problem that is becoming more and more prevalent. Unfortunately, some State Governments and instrumentalities tend to push it to one side and say, 'It is nothing to do with us; it is the responsibility of the Department for Community Welfare.' We said that it should be a part of the Commonwealth-State Housing Agreement. Fourthly, in relation to an analysis of the need and potential for the development of a national women's housing program, again, as part of the information bank that needs to be set up, there should be a national women's housing program, although I doubt that we will get much advice from Queensland regarding this program.

Fifthly, in relation to a compilation of a comprehensive bibliography of research and information on women and housing, again, this is part of an ongoing requirement for housing not only for the women who want to go out there in their own right, but also for those who are victims of domestic violence. Finally, the most important is the development of consultative mechanisms, and it was agreed that this topic should go before the Federal Minister. I am pleased to say that this State, through my own Office of Housing and the South Australian Housing Trust (through other equivalent instrumentalities within Australia) is already having discussions on where we can meet those kinds of needs. So, when it is eventually recognised (and hopefully, I would like to think as part of the triennial review, a recommendation will be endorsed at the next Housing Ministers' conference), this State will be ready to move into that area.

**Mr BECKER:** The provision of accommodation for the aged is a tremendous worry within the community. What has been achieved so far is commendable. How aggressively can the trust further pursue joint ventures with local government and other interested groups who look after the aged, the disabled and the disadvantaged in our community? What worries me is that we find also another level of people who need accommodation and who are probably suited to hostel accommodation, but who still like to have a little independent unit. Yesterday, I visited a lady who was in such an organisation. She is not far from my office and she is part of a hostel. Her unit would be no bigger than my office in Parliament House—it is a disgrace! In that room only a single bed and a small wardrobe can be accommodated. As from 1 December she will be required to pay \$125 per week maintenance and that will include two meals a week. She can keep an outside unit, but the cost of the weekly maintenance—\$125 per week—plus two meals is a disgrace.

More and more people are seeking such accommodation. Has the Housing Trust considered that it might examine this issue with a joint venturer? The price of \$52 000 for such a small room is outrageous, but that is private enter-

prise and the demand that is now being placed on them. Some 39 500 people are unfortunately on the waiting list. How many are active? What is the waiting time in various categories and locations in the country and in the city?

**The Hon. T.H. Hemmings:** The honourable member has touched on a matter which concerns me and which, judging from his question, concerns him, too: it is the problem of housing diversity. There is underutilisation of space in the inner metropolitan area. The honourable member will remember that, under a previous Administration, the Minister for Local Government (Hon. Murray Hill) and the Minister for Environment and Planning (Hon. David Wotton) tried to legislate to allow people to build what were known as granny flats. The honourable member will recall that that was a disaster, not for those Ministers but because local government regarded it not as a social need which could be policed under regulations but as an opportunity to provide backyard accommodation which could be rented out at exorbitant prices. Although there was probably some justification for that, when one looked at the overall reasoning behind that, one realised that that stand by local government was not justified. We have picked up the problem, although I am not suggesting that we have been spectacularly successful. In my housing advisory council, we have established a housing diversity exercise. We are considering means of diversifying the existing stock—all housing, not just that for the aged.

As the member for Hanson is well aware, for this Government to be building, say, south of Hallett Cove in the Willunga area, or north of Gawler, while it is no significant distance when compared with the situation in Melbourne and Sydney, because of the way the Adelaide Development Plan was set out, and with the present cost of infrastructure, it becomes an expensive exercise; so one should talk about better use of the inner metropolitan stock.

We have a housing diversity program proceeding which has membership from my office of housing, from local government and from the Department of Environment and Planning. The Minister for Environment and Planning recently announced an urban consolidation study, which again takes in this whole area. All the research work that has been carried out by the housing diversity committee has been fed into the urban consolidation, which is open for public comment. I think that it will be successful. The end result is, as the member for Hanson well knows, that we need to educate local government.

**The Hon. J.W. SLATER:** It is not going to be easy.

**The Hon. T.H. Hemmings:** The member for Gilles says that it will not be easy; we know that, and I am sure that the member for Hanson, because of his dealings with local government—and I am not reflecting on his local government area—knows that this is so. In the western suburbs the attitude has been most encouraging, and we are pleased with that, but in some areas such as the eastern suburbs they do not want to know about this.

There are two things that will possibly force them out. The first is the high cost of rates over the next three or four years due to inflation, which may seriously affect people in grand old homes in Burnside. If those rates become astronomical, there might be a desire to not subdivide in the sense of bulldozing a property, but to make better use of a particular property. This will benefit the kinds of people about whom the member for Hanson is talking. I would like Mr Edwards to give figures about the kinds of people the honourable member has mentioned and perhaps then Mr Black will give details of an alternative to hostels to which the member for Hanson referred.

**Mr Edwards:** The question was raised as to what action the trust was taking to pursue the question of joint ventures, particularly for the elderly. There are a couple of things I can mention; one is that we have found frequently that, having developed stage 1 of a project with a particular body, that has encouraged further development of stages 2, 3 and 4, and often the development of new sites.

I think that that will be a continuing trend and, while to some extent we might have thought of 1986 as a one-off year of achievement involving a particular contribution with joint venturers, all the evidence that comes in is that there is such support in the community for housing for the elderly that we will continue to see spontaneous generation of joint ventures accelerated by the fact that there is now visible evidence of success all around the State.

In fact, the trust's annual report for the year just ended, which has not yet been tabled in Parliament, contains copious lists of all of the agencies and locations in the State where there have been joint ventures, and I think that that in itself will be an encouragement. We are also continuing discussions with not only local government but also other bodies which provide housing for the elderly. One of the early examples of this was the joint venture with the Freemasons Lodge at Ridgehaven; there was a first stage of that and there is now a second stage. Similar discussions are continuing with other bodies and there are new organisations coming into the field of providing housing for the elderly, basically looking to provide housing for the elderly with some means. We are having discussions with them about incorporation within their projects of housing for the needy to whom the trust can give assistance. Our regional office structure and our identification through that structure with the local community again facilitates identification of local needs and local means of resolving aged housing needs in joint venture activity.

We are engaged in other initiatives, such as redevelopment. We redevelop some of our own long established estates, and thus provide accommodation for the elderly in those locations, and that enables people to move out of under-occupied family housing, in many instances just around the corner, to purpose designed and built housing for the elderly, which provides a much more economic use of space that is available. We have done that in individual cases, but in one or two cases we are now looking at large areas of long-established trust subdivisions, and Mitchell Park is one that comes first to mind. We sit down with the residents, the tenants and local government representatives and work out plans for the redevelopment of a whole area, incorporating within that development housing for the elderly, as well as additional family housing, and the opportunity for private development as well. As another initiative, we have plans that are being revised for multi-storey housing at Edwardstown for the elderly. All those initiatives are active and are being developed. Nonetheless, a waiting time still occurs because of the substantial need. The waiting time varies according to the location and the particular circumstances of the applicants. I can provide a separate schedule of details for incorporation in *Hansard* later.

**The CHAIRMAN:** If that can be provided by 31 October, it will be incorporated in the *Hansard* record.

**Mr Black:** A considerable body of evidence now suggests that alternatives should be developed to the current form of supportive accommodation provided through hostels and nursing homes. A number of initiatives are being developed in South Australia along those lines. The first initiative is being developed as part of the provision of accommodation by the Northern Suburbs Aged Persons Housing Associa-

tion, which operates mainly in the Enfield and Prospect area.

That association has several large dwellings that are used, essentially as boarding houses, where one or more of the residents has responsibility for ensuring that medical services for tenants are provided, and if there are any difficulties the person responsible is able to call the various support services in the area. The second type of innovation that is being looked at concerns the Abbeyfield concept, which has been developed quite successfully in the United Kingdom. There is a Victorian Abbeyfield Society and that is currently progressing. We have taken a lead from that, and funds have been provided under the Local Government Community Housing Program to fund the South Australian Council for the Aged to investigate the establishment of an Abbeyfield project. Basically, the Abbeyfield concept involves the provision of boarding house type accommodation, where the individuals have some cooking facilities in their own rooms. There is a person present who is responsible for looking after medical needs, cleaning, if that is necessary, and, also, cooking a main meal. In each Abbeyfield association there is also a voluntary support group of local people to assist with the program. South Australia is looking at this concept through the pilot project being undertaken with a view to encouraging the formation of similar sorts of ventures.

**Mr BECKER:** Does the South Australian Housing Trust provide mortgage finance to persons purchasing Housing Trust accommodation and, if so, on what terms and conditions?

**Mr Edwards:** The trust provides mortgage finance only in relation to historical cases where we have provided it in the past. Currently, we do not provide mortgage finance. However, the trust does assist through the provision of rental purchase assistance and through various kinds of mortgage relief schemes. However, we do not currently provide mortgage finance.

**Mr BECKER:** Recently I asked the Minister a question on notice in relation to how many members of State Parliament have loans with the Housing Trust and the current rate of interest charged for each loan. The Minister replied on 16 September saying that it would take too long to check the records. I have a photocopy of a 1977 mortgage agreement between a member of State Parliament and the Housing Trust. The interest rate for that mortgage is 9¼ per cent. Is this a take-over situation, where there was an existing mortgage on the property? What is the current rate of interest? Is this person receiving an advantage because it involves a concessional interest rate?

**Mr Edwards:** As I said, the trust provided mortgage finance in the past, and that was made available to all comers but basically for people purchasing homes directly from the trust. That practice has been discontinued. The existing mortgages are being run down and paid out and the number of mortgages are not being added to. The interest terms are determined by the contract, and in some cases it is on a fixed interest basis so there is no opportunity under the contract to change the interest rate. In other cases an offer was made at a certain time, along with a similar offer made to State Bank borrowers, that interest rates would remain fixed if borrowers doubled their repayments. In other cases the interest rate is varied in line with comparable State Bank mortgage rates. I am not in a position to assess where this particular case falls, but it could be pursued if I am given the mortgage account number.

**Mr BECKER:** Am I to understand that all Housing Trust mortgages have been taken over by the State Bank?

**Mr Edwards:** The trust has continued to receive payments under mortgages and has continued to administer mortgages in accordance with the original contract. They remain mortgages from the trust. It is some years since we advanced money on mortgage. The practice terminated at the same time as the trust was advised by the Government of the day that it was not expected to participate in developing houses for sale, and at about that time the mortgage program was discontinued.

**The Hon. J.W. SLATER:** The Minister has already indicated that 39 600 people are now on the trust's rental list. I also want to know how many people who are now trust tenants pay a concessional rent. How many tenants occupy trust rental accommodation? Will the Minister explain the criteria relating to concessional rent?

Of all the matters raised with members of Parliament by constituents, I believe that housing is the most predominant. True, it depends on the type of electorate one represents but, if an electorate has been represented so adequately for so long, it is only reasonable that people seek the advice and assistance of their member, who consequently makes representations to the General Manager of the trust to assist them in obtaining housing accommodation. In this area I have some sympathy for the trust because society has changed dramatically as a result of the breakdown of the family unit which has occurred in recent years and which is further accelerating. It is an unfortunate aspect of our society that has placed an enormous burden on the trust in having to provide housing.

**The Hon. T.H. Hemmings:** The member for Gilles has echoed a thought I have had many times. We hear the comments about those members on our side of the Chamber who are supported in the electorate by a healthy majority, yet some members represent marginal seats (like that of the member for Mawson who, by good community service, has been able to increase her slight majority to a reasonable one). However, still the comment persists that such members sit on a safe majority and consequently have no real problems.

The truth is that in a Labor seat the bigger the majority the more the problems members have in servicing the people who have put their faith in people like the member for Gilles. In those circumstances, one gets a real understanding of people's needs. The member for Gilles many times has expressed his dissatisfaction after making representations to myself or the trust when, in seeking assistance for people, the information provided has not been satisfactory. However, like the good politician he is, he plays the game and accepts the rules.

I have talked about rent concessions in the House many times and I brought up this matter again this morning, referring to our deficit caused by the percentage of people on rent concessions increasing each year. In fact, despite my abhorrence at the use of the term, we are almost becoming a welfare housing agency.

That is not within the charter of the South Australian Housing Trust, and it is not the policy of this Government. Let me give an example of the numbers that have increased since 1979, and this is no reflection on the Government of the day; it is just the economic situation and the way society is changing. It indicates the number of single parents, including deserted wives, who have been forced to come to the trust because there is either insufficient private rental accommodation or the rents being charged are too high. In 1979 1 012 trust tenants received a rent reduction, representing 31.2 per cent. In 1986, the figure is 34 105, representing 61.4 per cent. So, in seven years, the number of



people receiving a rent reduction has doubled, and that is of real concern to us.

When one talks with people who are paying a percentage of their income in rent, and for Housing Trust tenants it ranges from 16 to 23 per cent, and looking at what they pay compared to what they can afford to pay, one realises the dilemma that this Government faces in tackling its deficit. I am concerned about the number of poor people in the public sector. It is estimated that 33 000 people pay in excess of 50 per cent of their income in rent. What worries me is the suggestion by political Parties and private citizens that the public sector should not cater for those kinds of people and that we should channel our money elsewhere for the benefit of business so that we can get the economy going. I do not have to go through that argument, because members have heard statements from the R.I. Nicholls Society on how we should spend our money; the way we should scrap the Commonwealth-State Housing Agreement; the way we should cut off money going to the States under that agreement; and the way we should charge full market rentals so that there is no subsidy whatsoever in the public sector.

If that happens we will have a complete collapse within the rental market, whether it be private or public. That is something that we as a Government have to be patently aware of and we must stress the point that taking away that money under the Commonwealth-State Housing Agreement from those people in real need would spell disaster within the housing sector. We must consider not only those in need who have to be housed, but also people in the industry who depend so heavily on the Commonwealth-State Housing Agreement to keep their businesses going. That is the problem that we have. The member for Gilles asked about the criteria for rent reduction. They are based on people's income.

**The Hon. J.W. SLATER:** They do not necessarily have to be recipients of social service payments?

**The Hon. T.H. Hemmings:** In most cases, they are. Perhaps if I cite the figures including rental applications and the main source of income from July 1985 to April 1986. The proportion of people applying for rental accommodation—not receiving but applying—was 25.7 per cent. There were 16.9 per cent receiving a supporting parents benefit; 1.6 per cent on sickness benefit; 5.7 per cent on an invalid pension; 8.2 per cent on an aged pension, and 5.7 per cent in other categories.

Therefore, only 36.1 per cent of those seeking accommodation were working. As we house people, we know that about 60 per cent will automatically receive rent reductions. Allocations for the same period show almost exactly the same picture: those on unemployment benefits, 15.7 per cent; sickness benefits, 1.7 per cent; supporting parents benefits, 23.9 per cent; invalid pensions, 6.6 per cent; age benefits, 10.3 per cent; and working, 29.9 per cent. The crux of the problem is that the majority of applicants seek and receive a rent reduction because of their low income.

One of the problems we face in relation to the Commonwealth Government involves supplementary rent allowances. Every year since this Government has been in office we have said that the Federal Government supplementary rent allowance should be increased considerably because it is an income support problem. If that responsibility was picked up entirely by the Commonwealth Government from the State Government, the money that we spend on rent reductions could be expended to dramatically increase our Housing Trust stock.

They are the factors that embrace the question asked by the member for Gilles. There is no easy answer, but in a

humane and compassionate way we will try to adjust the circumstances of people who eventually reside in Housing Trust accommodation so that the percentage of rent charged is within their means. Even if we charge between \$16 and \$23, people who receive unemployment benefits or sickness benefits still do not have adequate money to spend on the kind of thing we take as normal.

I recall a conversation I had with the member for Mawson in that regard. Those people cannot just go out and buy extra goodies when they do their weekly shopping, and they cannot go to the cinema. Even when they pay a low percentage of rent, they are still living on the breadline. I reiterate that, if the day comes when there is a complete breakdown of the Commonwealth-State Housing Agreement (as some people advocate) so that literally no money comes into the State, it will be a disaster not only for this State but also for the whole country.

**The Hon. J.W. SLATER:** One of the problems facing the Housing Trust is the maintenance of its ageing housing stock. That must cause concern. I do not have the figures to show maintenance costs, but from experience in my district I know that housing at Hillcrest, Windsor Gardens, Gilles Plains and so on is, in many cases, 30 years old or more. With due respect to the tenants, some of them do not pay particular care to their homes.

In many cases, if people have been residing in a home for 30 years or more, they are at an age where they are not as active and mobile as they might be in keeping the premises up to standard. People often request a transfer to other accommodation. I will not go into that area now, but I know that it costs the trust a lot of money to transfer tenants. No doubt costs are accelerated by the ageing of the current housing stock. What is the cost to the trust for maintenance, and is the situation satisfactory?

**The Hon. T.H. Hemmings:** In relation to trust tenants not looking after their homes as we would like them to, a small percentage fall into this category, but this also occurs with private home owners, it is not unique to the Housing Trust. The traditional thing is that home owners every weekend—if one is not a member of Parliament, painting the office in Parliament House—do those little jobs. When necessary, the trust will take action in relation to people who continually neglect their property. The member for Gilles talks about people who abuse their homes and seek a transfer.

*The Hon. J.W. SLATER interjecting:*

**The Hon. T.H. Hemmings:** Yes, they are not able to look after their homes and seek a transfer. It has been a policy of the trust, which has been supported by this Government, that if a tenant has lived long enough in an area, or if circumstances change, then he is eligible for transfer. On average it costs between \$900 and \$1 000 to effect a transfer. The trust has to repaint and carry out whatever work is necessary. There may come a time when we will have to look at transfers so that they cannot be as easily arranged as they presently are.

Maintenance is causing concern. This was touched on in the Touche Ross report, and it contained certain recommendations that we will pick up at a later date. It was referred to by the Public Accounts Committee. I will not refer to that committee because we are now looking at its document, which is very in depth and up to its usual standard. We will respond to it later. The member for Gilles mentioned his own area which contains old traditional Housing Trust homes. In this area we are carrying out ongoing cyclical maintenance, that is, painting, general upgrading, new roofs and fences—all the things we think our tenants deserve—to protect our investment. In 1978-79

we spent \$17.344 million on maintenance, which in 1985-86 was \$44.54 million. The percentage of expenditure on maintenance on 1978-79 was 29 per cent, and it is now 29.2 per cent. Therefore, we are not spending more in percentage terms; we must remember that our stock is ageing. On behalf of the Government the trust holds very valuable assets, and we will continue to maintain them. Over the years we have looked at how we can effect savings in relation to maintenance.

I do not think that any of them have been really successful. One aspect is the program of tenant participation. The trust and the Government feel that by actively involving tenants in the decision making in relation to that home, that area, that neighbourhood or that street, even a little group of people will have spin-off effects. For example, Mrs Smith will not keep ringing Jack Slater down at the electorate office saying she wants things done because she is involved. Mrs Smith starts to do her own minor repairs. Before anyone says that the trust gets it on the cheap, it is getting people involved in their own homes, their lives and the future, the way their lives are being run. We feel that is the track we need to go down.

Going back to the World Planning and Housing Congress, a rather interesting paper was given by a delegate from Denmark stressing that tenant participation, because of the way the public sector structure operates over there, has a great role to play. That organisation sent its chairman to South Australia to explain the way in which it gets involved in tenant participation. I talked to him about how that affected maintenance, and he came up with a rather interesting answer.

He said that one of the biggest problems they have with tenant participation, apart from the proverbial setting of rents, is the level of how much is spent on maintenance. Perhaps it is a credit to the trust that, because we spend such a higher percentage on maintenance (and one can see over the period 1978-79 through to last financial year the percentages are very similar, so no-one could accuse us of wasting money), the fact is that our tenants are generally happy with the level of service they get.

Again, I think I informed the House some time ago that Touche Ross, who carried out the review of the trust, found that some 86 per cent of tenants were generally satisfied with the service they received from the trust. So, if we can pick up that general satisfaction, with a greater role in tenant participation programs perhaps our level of maintenance in percentage terms will drop.

**Mr S.G. EVANS:** Will the trust continue the practice of paying the excess water rates for tenants? Is it a fact that that cost has run at more than \$2.5 million in the last two years? Some long-term tenants now in a much better position in life have quite high incomes. Is their excess water paid for as well as that of tenants on lower incomes across the board? What action is taken by the trust to convince people that if they use excess water it is an extra cost to the department, and something they should pay themselves?

**The Hon. T.H. Hemmings:** I know that this is a question about which the member for Davenport is quite concerned and, in fact, we have a private member's motion on this subject. I would have thought that now he has spoiled my thunder when I eventually respond on behalf of the Government.

**Mr S.G. EVANS:** It has taken too long.

**The Hon. T.H. Hemmings:** I suppose I will be able to give it to the member for Davenport twice. It is a problem that concerns not only the member for Davenport but a lot of people who are paying excess water and who are buying their homes. The general perception is that trust tenants are

allowed to use as much water as they like, and the water goes down the gutter, etc.

We refute that, but there is always an isolated case. As a general perception people ask why they, as homeowners or homebuyers, should have to pay for excess water when trust tenants do not. Before 1984-85, it was trust policy to recover excess water costs from tenants. There had been a change. When I was a member of the Elizabeth council (and councillors are not allowed electorate offices) I used to go around and see different people, including trust tenants. Prior to 1975, the trust had not charged for excess water and it then imposed this charge. Before 1984-85, it was policy to recover excess water charges, but we provided a 60 per cent concession to pensioner card holders and special concessions to others on application, and these were scaled on their ability to pay. We provided a 50 per cent concession for new tenants because the trust expected them to establish new gardens as quickly as possible as part of building up the general appearance of the area. We gave that for two years for new dwellings and one year for vacancies. However, this method proved ineffective and inequitable for a number of reasons. For the majority of tenants on reduced rents, it was difficult to identify those who held pensioner concession cards and were therefore eligible for water concessions. It was messy and costly to administer. Furthermore, it was against the principles of our rent reduction that, with such a large and growing proportion of trust tenants, we would then charge them for additional water. We were reducing their rents because of their circumstances and then charging them for additional water.

The member for Davenport shakes his head, but I am sure that he will ask a follow-up question. Some 20 per cent of trust rented properties are not separately metered, so that tenants there could not be charged for additional water, regardless of their eligibility for concessions, because we could not identify what they were using. We come back to the difference of the charter of the Housing Trust when it was set up, but it became costly and difficult to identify.

Let us take a particular case. If a person on a concession because he was unemployed for a certain part of the year was fortunate enough to find employment, he would be entitled not to be charged for additional water for a certain number of months; however, he would be charged for the period when he was employed. Who would identify what the meter reading was? It became completely impossible to implement. We therefore charged a levy on the property, so that it was not being charged directly to the tenants. For that reason we decided not to charge for excess water. When the trust made that decision, it did not do so willy nilly. We conducted an education program to encourage people to get into water conservation, and to plant native gardens. In my electorate, where there was a large proportion of Housing Trust rental homes one sees more and more native gardens because the trust took this action.

We cannot quantify the savings there. We are working towards an education process. The trust has recently released a five page booklet on how to design and maintain a garden as well as how to conserve water in it. I understand that the booklet is very popular in the regional offices. As to the payment of excess water rates to the Engineering and Water Supply Department, the trust is by far the biggest customer of the E&WS. It pays promptly and in one lump sum, so that it does not cost the E&WS Department any money for administration. My department has always maintained that it should have some form of discount from the E&WS, because of the large amount of money that it pays. I am happy to see that Touche Ross, in its report, recommended

that the trust and I, as Minister, pursue some form of discounting in regard to water rates.

**Membership:**

Mr Robertson substituted for the Hon. J.W. Slater.

**Mr S.G. EVANS:** If the discount system is introduced for the Housing Trust, I hope that other E&WS consumers do not have to pay any more money for excess water, because I fear that that may happen. After making the initial statement when applying for a Housing Trust home, how often are people requested to state their income? I am aware of people living in Housing Trust homes where the income is in excess of \$50 000 per year. Those people are paying the maximum rent, which is approximately \$74 per week. Of course, when they first went into the home they were in poor financial circumstances, but subsequently, over a period of years, they, along with other occupants of the home, have established themselves in businesses or jobs which return quite large incomes.

How often is the detail of the income requested; what detail is requested; is it a statutory declaration; are any checks made to ensure the veracity of the statements made; and are any pressures placed on these people (apart from the latest buy-if-you-wish scheme) who can well afford to buy a home on the open market, to buy the house and thus get money back into the trust, or to get the house back on the trust's list for those young families who would otherwise have to buy on the open market and struggle to pay a mortgage? We are told that there are 39 000 such families. I do not know where they are—I do not see them on the streets. I think it is important to know why so many people on high incomes are in those trust homes but nothing is being done about it.

**The Hon. T.H. Hemmings:** I have a lot of trust tenants earning \$50 000 a year and paying only \$74 per week. I will provide that information later. A check is carried out, apart from the initial check on income and circumstances when they first rent the home, only where they apply for rent reductions because, as their circumstances change, either their rent reduction will increase or they will pay more rent.

That is as it should be. A person in receipt of a rent reduction because of financial circumstances might find a job and notify the trust. Many people are under the impression—the member for Davenport did not infer it—that trust tenants will cheat and lie to get as much as possible out of the trust, but I am proud of the vast majority of them. When that person is employed, he pays the full market price. It is not our job then to insist on income information from every tenant because we want to charge more than the top market rent. That does not happen to somebody who rents a fancy townhouse for \$120 a week. If somebody cracks the X-lotto or makes a killing at the Casino, the landlord does not say, 'I charged you \$120 a week when your income was \$36 000 a year but now you have \$250 000 in the bank, I shall charge you extra.' That does not and should not happen in the private sector; nor should it apply in the public sector.

The member for Hanson traced the trust's charter from its inception. We have never been in the game of means testing or getting income information on every tenant and arbitrarily sending people out into the private sector to make room for the disadvantaged or those on pensions. If that happened, we would have 56 000 public rental units inhabited only by pensioners or people on some form of concession. Despite the Government's philosophy and that of the South Australian Housing Trust, we are fast becoming a welfare housing agency. The member for Davenport advo-

cates our speeding up that process. I regard public sector housing as an alternative form of housing. Of course, there is a question of morality concerning some people in trust accommodation who can afford to rent in the private sector or even to buy, whether from the trust or privately. We have strengthened and fine tuned, in line with economic circumstances, the policy that we presented in 1982 and we have made it easy for people to buy their own homes.

At the same time, we will continue to provide interest rate protection plans and mortgage relief for those people we are encouraging to get out and buy their own homes and, if they are in temporary financial strife, we can help them. I do not think my Cabinet colleagues would agree, and I would have a revolt from Mr Edwards, if we went into a purely callous means testing situation to get people in the public sector who are earning reasonable money—not a fortune—and forcing them out into the private sector to let pensioner benefit recipients in: no way would I be party to anything like that.

**Mr S.G. EVANS:** In leading up to my next question I say that, if any body argues that \$74 is the market rent for some Housing Trust homes for which that amount is charged, then they live in a fairyland dream in today's market. That is where I see the inequity. I made a proposition in the House in recent times, that the Minister gave nodding acceptance to. He has taken up with the Federal Government the idea that we be able to ask pensioners in the community who have spare accommodation in their home whether they would be prepared to make available part of the home to a disadvantaged family from the Housing Trust list, the owner of the home having the right to choose a tenant from a list that the trust offers. Will the Federal Government, through its tax laws, allow that pensioner to collect a below-normal market rent (say the flat is worth \$60 a week and they get \$40) from the family the pensioner not losing any pension benefit by making that accommodation available?

That would be cheaper for the State and Federal Governments and they would be able to use up the many millions of dollars of accommodation available in metropolitan Adelaide and throughout Australia which is wasted because pensioners feel that they will lose benefits if they make such accommodation available for rental purposes. It would be better to have cheap accommodation made available to people on the trust waiting list or commission waiting lists in other States by using up this accommodation. It would be better for public transport, water, sewerage and electricity transmission costs, and would bring people closer to medical, shopping and other services because they would be moving into established communities. Has the Minister taken up this matter with Cabinet, considered it, or referred it to his Federal colleagues in Canberra?

**The Hon. T.H. Hemmings:** What the member for Davenport has just mentioned was touched on when we talked about housing diversity and urban consolidation. It is better utilisation of existing stock to overcome the problem of housing need in this country and this State at this particular time. I recall that this question was asked by the member for Davenport last year. As a result of the 1985 Commonwealth—State Housing Ministers Conference, we set up a national working party on private and community rental housing which was to look at, among other things, the effects of negative gearing and the way in which the Federal Government could provide some degree of subsidy to those people who were wishing to build private rental accommodation. The working party also had to consider whether, if someone rented space in the home they were living in (the point the honourable member raises), that could be

seen as some form of taxation benefit. If the member for Davenport rents a house to someone, or builds a house to rent, under present decisions made by the Federal Treasurer with regard to negative gearing there will be some benefit to the member for Davenport.

This was not deemed to be satisfactory by the beneficiaries of negative gearing, prior to the Federal Treasurer's changing his decision. In line with your remarks earlier, Mr Chairman, this debate could take the line that many people used negative gearing in relation to private rentals as a tax port. However, that is really beside the point. Let us take the case of, say, the member for Hanson living on his own in his later years in perhaps a five bedroom home and his deciding to make some of that space available to others, charging not for profit but just for running costs. However, that would be perceived as income made by the member for Hanson. So, in that regard some of the points made by the member for Davenport are valid.

The member for Davenport as, say, a developer building private rental accommodation, would be getting some form of tax depreciation, whereas the member for Hanson, in his twilight years, helping people out, would not. Perhaps that is a facetious comparison to make, but there is the fact. This matter was raised with the national working party, which will consider it. Also, the working party on urban consolidation set up by the Minister for Environment and Planning is looking at incentives to increase occupancy rates. I will be only too happy to refer the matter raised to that working party for its consideration and final recommendation to the Government.

**Mr BECKER:** In relation to the Emergency Housing Office, administered by the Housing Trust, I refer to comments made in the Auditor-General's Report (page 347). The Auditor-General states:

Commonwealth and State grants applied to income and capital purposes total \$74.9 million. The amount applied to income of \$38.1 million, included untied Commonwealth funds of \$32.1 million, of which \$21.6 million was utilised for the Pensioner Rental Supplement Grant, with the balance covering the net cost of the Rent Relief Scheme (\$4.6 million), emergency housing operations (\$3.1 million) and the housing cooperative mortgage supplement (\$2.8 million).

At page 361 of the Auditor-General's Report details of costs of administration and operations of the Emergency Housing Office are given for the past three financial years. To 30 June 1984, the overall cost was \$1.5 million; to 30 June 1985, it was \$2.8 million; and to 30 June 1986 it was \$4 million. Are the Minister and the Housing Trust satisfied with the level of activity, funding and staffing of the Emergency Housing Office?

Recently I referred a constituent of mine to the Emergency Housing Office. He was told that he would not be given top priority and that he would have to wait at least two weeks before he could get an appointment. That worried me a little because the person involved was four weeks behind in paying his rent and was facing a crisis from that point of view. Eventually he was assisted by the Emergency Housing Office, and he was very grateful. A disappointing feature of this was that he was a person who had come from interstate, had found that we had a very good system operating and had used that system to his advantage. The cost of the operation of the Emergency Housing Office and the huge demands that are put on it worry me. Can a prediction be made as to future funding for the office?

**The Hon. T.H. Hennings:** Let me say at the outset that the Emergency Housing Office is recognised by the Government (and I am sure by the member for Hanson) as providing a very valuable service for people who have been forced to go into the private rental sector. The Government's allocation of money for the Emergency Housing

Office was drastically increased in the first budget after my taking responsibility for this portfolio. That was because a real need existed in the community.

We knew, despite our capital works program, there would always be a demand in this area. I refer to the figures in the Housing Trust reports since 1982 (and the member for Hanson has probably seen them) and the member's references to the Auditor-General's Report, which all show that there has been an increase in funding and an increase in staffing in this area. Members of the Committee would be aware of the situation because of the demands and inquiries coming into their electorate offices from people in real need. The volume of these inquiries is causing stress related problems for the electorate office staff of members of Parliament. In fact, I think there are six or seven personal assistants to members of Parliament who have been sick or are sick at the moment as a result of RSI and stress related illness. The same thing is happening in the Emergency Housing Office and in the Regional Office of the South Australian Housing Trust in Angas Street, but we must provide this service.

Few people consider the stress that we place on the staff who are out there on the front line and assisting people in real need. In relation to providing more money for rent relief, bonds and to assist people to relocate, I have very consciously and very critically considered the request for an increase in staffing within the Emergency Housing Office, as has the Housing Trust. We accept the fact that, to deliver a service to an ever increasing number of people, a certain staff level must be provided and increased to meet that need.

In 1985-86, 12 395 households were interviewed by the Emergency Housing Office: that is an increase of 30 per cent over 1984-85. A further 11 876 calls seeking information and advice were received during 1985-86, which is an increase of 124 per cent over 1984-85. Members of Parliament know that sometimes they cannot give any help at all. However, if someone rings up, you can talk to them for two or three minutes and give them some advice; of course, we cannot give them financial assistance, but we can give them advice. The caller will leave the telephone feeling slightly better; they will feel that perhaps we have pointed them in the right direction and not everyone is against them.

The member for Hanson mentioned a delay of two or three weeks. That concerns him, it concerns me and it is of concern to the Housing Trust and the Manager of the Emergency Housing Office. That is what we are there for. Some people cannot find accommodation with the Housing Trust or in the private sector so they approach the Emergency Housing Office, where they are told that they have to wait. Of course, we are concerned about that. I will not describe the assistance we provide, because the member for Hanson alluded to it in his question. However, I can provide breakdowns and averages on the level of assistance we provide each week, if the member wants those figures.

I think it is important and correct that authorities such as the South Australian Housing Trust and the Emergency Housing Office are bound by Government decisions and Government policy in relation to staffing levels. We have always managed to prove to the satisfaction of Treasury that, in regard to staffing levels within the Housing Trust and the Emergency Housing Office, we meet the criteria for Government growth.

I refer to the figure of 68 in the Emergency Housing Office quoted by the Auditor-General: that figure is based on a count of all trust employees on the last payroll date in June, 10 days before 30 June. The Auditor-General's

figure makes no distinction as to the length of contract or whether the positions are part-time or casual. Again, that is a problem that we have in the Emergency Housing Office where, to meet individual needs, officers work either part-time or on a contract basis.

The Auditor-General's figure translates to 58.2 FTE, there being 48 approved permanent positions in the Emergency Housing Office at the end of 1985-86. To this has been added the total number of contract weeks in 1985-86, and that has been converted to 10.2 FTE. That breaks down into one position involving a full-time contract country project officer as part of extending our Emergency Housing Office throughout the country. We decided in the interests of efficiency and saving staff numbers to utilise the Department for Community Welfare, the South Australian Housing Trust regional offices and the Department of Social Security and use a toll free number back to our Adelaide office rather than setting up individual branches, which we believe could involve a duplication of services. We found this move to be successful. Also, 4.6 FTE positions were required to cover normal paid leave replacement/sick leave/annual leave, etc., and 4.6 FTEs to cover any backlog and service demand.

While we have an ever-increasing demand on the EHO, it might happen that, especially over Christmas, there is a sudden upward blip in demand at the EHO, and we must take that into account. I would like that on the record, because the Auditor-General's Report shows a figure of 68 which, in comparison to the 44 from the previous year, represents a big increase. I am sure that the Manager of the EHO could demonstrate to both the trust's General Manager and me that his office should have 68 positions to meet the need. However, in times of financial restraint one must deliver these services as best one can.

Recalling the matter I raised earlier concerning personal assistants in our electorate offices who are suffering stress, I have received from trust officers figures that reveal the magnitude of stress related problems which are causing the General Manager, the trust board and me much concern. We are burning people out simply through the job that they do.

#### Membership:

Mr Oswald substituted for Mr Olsen.

**Mr BECKER:** I am concerned about the effect on personal assistants of dealing with people in emergency need. It does not surprise me that there has been a high incidence of distress among personal assistants at members' electorate offices who are involved in this situation. By the time people get to our offices some of them are in real need and tend to break down, and this places tremendous pressure on personal assistants and members of Parliament. I think the Minister said that there are six personal assistants away at the moment.

**The Hon. T.H. Hemmings:** I think there are about six at present.

**Mr BECKER:** No doubt the Emergency Housing Office staff are under even greater pressure. How many persons from the Housing Trust staff are on workers compensation for stress related disabilities?

**The Hon. T.H. Hemmings:** I would like to think that I had a complete overview of the trust's operations, but I will ask the General Manager to answer that question.

**Mr Edwards:** We do not have that information here, but we will provide it.

**The CHAIRMAN:** That information can be inserted in *Hansard* when it is provided.

**Mr BECKER:** At page 23 of the last Housing Trust Annual Report, dated 5 June 1985, under 'Occupational Health and Safety' it is stated:

During the past 12 months there has been a continued strong emphasis given to developing our occupational health and safety program.

I hope that is continued and is assisting the staff, because stress is probably one of the worst disabilities that can affect a person, and unfortunately it can leave permanent damage.

Referring to the tenants' maintenance program, I received a complaint recently from a Housing Trust tenant who had lived in the same three bedroom home for 27 years where they had raised a family. They moved into smaller Housing Trust accommodation for retired people so that a family could move into their previous home. They were very proud of their garden and the condition of the surroundings of the whole property. They did the right thing, as would 99 per cent of Housing Trust tenants.

When they went past their former home to visit their old neighbours, they found that the weeds were three feet high; the garden was unkempt, and the place was untidy and generally run down. When someone was approached in the Housing Trust office to see what could be done, they were advised that this is the way it goes. These people could see 27 years of loving care going down the drain within a few months. The former neighbours also complained that the current tenant was a single person and, as the allegations are always made, she now has a boyfriend, holds a lot of parties and makes a lot of noise. What can be done or is being done to counsel these people as to their behaviour and as to the maintenance of the property?

**The Hon. T.H. Hemmings:** Before I ask the General Manager to comment on some of the technicalities of that question, we all know of people (and the percentage is very small) who are obnoxious neighbours. It is the same everywhere, whether one lives in Burnside or anywhere else: that one has these problems of neighbours who do not care about letting their homes go to rack and ruin. It is an ongoing problem that the trust is addressing. Earlier I mentioned the pamphlets that we put out—'Maintaining your garden'—in relation to the question asked by the member for Davenport about excess water. Every year we run garden competitions. This year we have a Jubilee 150 Statewide competition to raise an awareness in certain areas and to get people involved in their gardens.

In conjunction with the local government body, we pay a proportion of the cost of maintaining nature strips, street cleaning and general upgrading. That is working very well, and it reflects. If the street is swept and the nature strip is mowed and maintained, irrigated and weeded (in some cases), it reflects. An interesting experiment was carried out in Mount Gambier, on the building inspector's initiative. He was trying to level an area: many areas of Mount Gambier, especially Mount Gambier East are very hilly. The building inspector, by using rocks, made the garden level. The other tenants in the street participated: instead of going to the trust and saying, 'You did this for one and we want it' they did the work themselves. It is an ongoing thing.

Where there is a complaint about noise, or where a garden contravenes local government health legislation, counselling takes place and the tenants are told in no uncertain terms that, if they continue, action will be taken. But we come to the very dangerous area of eviction. I have often toyed with that idea (and by that I mean following a certain track that I know I will never have to take—and I want to make that perfectly clear) in relation to people who have massive rent arrears, who abuse their property or who are a darn nuisance to their neighbours. I guarantee that, if I evicted a tenant, every section of the media would not applaud me but would

condemn the fact that I was putting a disadvantaged person on the street. We are in a no win situation. If a tenant complains either to me or to a member of Parliament and if the complaint is passed onto the trust, in order to protect confidentiality the trust must be very careful and diplomatic in the way it approaches that problem. This is a problem.

I can understand the displeasure of a person who has been in a house for 27 years and, after giving it loving care (and those people represent 80 per cent to 90 per cent of tenants), leaves and finds when he goes back that the place has been let go. I recall the first house that I bought in this country. I bought a Cyprus Christmas tree the first Christmas: I used it and planted it in the front garden. I lived in that house for a further 18 years before I moved to my present home. When I sold the house, the tree was my pride and joy. It would not have won one of the General Manager's garden competitions—when I bought my house, the garden competition extended to people who bought trust homes. Within six months that tree was chopped down and I could cheerfully have throttled that person, because the tree meant something to me—the original sentimental bloke. The General Manager will outline the technicalities of how this is approached, and I have referred to the social aspect. We all know that we could be doblers, but we do not want doblers.

**Mr Edwards:** The trust's conditions of tenancy require the tenant to keep the premises and surrounds clean and in good condition. They also require the tenant to develop and maintain the garden area that is his or her responsibility to a neat and tidy appearance and to comply with all the regulations set down by the local authority for the disposal of garbage. The conditions of tenancy which any tenant accepts on taking occupation impose an obligation on the tenant to look after the property and garden space, and to not do anything which causes distress and affront to neighbours.

Inevitably, with 56 000 tenants a small number do not match the standard. The ways in which we address that—and some have been identified by the Minister—are, first, with the provision of advice through leaflets on various issues. Advice is also available from trust officers, whether maintenance inspectors or gardening supervisors, on how to look after the property and garden.

In addition, assistance is given through the encouragement of good performance, if you like, through the gardening competition that the Minister mentioned. We find that, when we take action to upgrade properties in a particular street, the example of upgrading often generates a feeling of local pride and leads to a response by all residents. The same applies to conversions of property. The fact the trust takes action to convert and improve the presentation of old properties generates enthusiasm on the part of other residents in the area. Another technique is through the tenant participation program, encouraging tenants to take responsibility for the management of their own housing conditions. They then feel identified with the property and commit themselves to it.

Finally, I think the recent introduction of the shared ownership scheme, where tenants may own part of the house and rent part of it, has encouraged tenants to achieve very high standards of house and garden maintenance. The objective is carried out very much by the provision of advice and encouragement, and by examples that others can seek to match.

**Mr BECKER:** Page 559 of the yellow book under 'Policy Advice to the Minister of Housing' shows a capital expenditure of \$180.9 million. I assume that that money goes to the Housing Trust for the building program. I was pleased

to note that this year design and tender and design and construct would cover about 2 700 units. How are tenders let for the various units? Are tenders made public once they are let? If not, why not?

**The Hon. T.H. Hemmings:** The member for Hanson quoted \$180.9 million, of which \$27 million will go to the HOME program, which is for the concessional loan crisis, etc. I will ask the General Manager to comment.

**Mr Edwards:** The process of having new construction carried out is done basically in one of two ways: either design and tender or design and construct. In the case of design and tender the land is owned by the trust and the trust's architects prepare designs and specifications for that area of land.

A public notice is then placed in the newspaper—usually on a Saturday morning—inviting builders to submit tenders for the construction of that project to the design or specifications prepared by the trust. There is a period of a few weeks whilst the tenders can be prepared and a further process whilst they are evaluated. The contract is then let with a specified date of possession of the site by the builder. That is the traditional and substantial method of getting new construction carried out by the trust.

Under the design and construct process introduced a few years ago there are some similarities. The trust places a notice in the paper inviting submissions from builders for design and construct propositions, which are houses of that developer's own design and specification, usually built on their own land. A price is put on those and, when the submissions are received and evaluated, following the process of evaluation, the contract is let to the builder or developer in question. In both cases the allocation of tenders follows a process of public invitation to all qualified persons in the building industry, and in the case of design and tender the normal practice is to choose the lowest tenderer, and that is the almost invariable practice.

That principle is usually departed from only where there is past experience that a particular builder has unsatisfactory standards or is financially unsound. In the case of design and construct, it is much harder to make that decision because the prices relate to different properties, but the general principle is the same: that in the choice of the design and construct proposals put in, we try to get the best for the least cost. So, it is very much the same principle.

**Mr GREGORY:** The South Australian Housing Trust is building a considerable number of houses on an area of land on the corner of Montague Road and Nelson Road, Para Vista. Can the Minister tell the Committee when this construction will be concluded and how many residents or families will be housed there? I have had a complaint from a constituent who lives adjacent to this project who alleges that a design and construct project involving about 10 of the houses by Caj Amadio has resulted in an immediate reduction of \$5 000 in the value of her timber fibro home. Would the Minister care to comment on it?

**The Hon. T.H. Hemmings:** Obviously, the first part of the question regarding what is being built and what kind of tenants we will have to take on notice, I will be only too pleased to incorporate that in *Hansard* well within the required time frame. I will also let the member for Florey have that information rather than waiting for its appearance in *Hansard*.

Regarding the other part of the question on which the member for Florey gave me licence to comment (and I do appreciate that), it raises the whole hoary chestnut of public sector building in certain areas which will, we are told, lower the standard and price of adjacent buildings. In fact, the member for Florey said that the Caj Amadio design and

construct would affect the valuation of this constituent's fibro home.

I would say that the building of Caj Amadio design and construct—or, for that matter, any design and construct (otherwise, I might get accused of political sponsorship here)—would tend to upgrade a fibro home. This is a problem that we have had throughout my ministry. My predecessor, the Hon. Murray Hill, also had the problem and his attitude was exactly the same as mine.

We have a right to put public sector tenants throughout the metropolitan area, in line with our social mix policy and with the South Australian Housing Trust charter, which says that we will not put public sector tenants out in ghettos in the broad acres. This was justified in the development of Elizabeth and Noarlunga, despite what Senator Janine Haines says. Now, we are on infill development. We will always get the view that we have devalued an area.

I have two classic cases of this. One was a project started by my predecessor, which I finished, and the other was one which I started and finished. The first was Aberfoyle Park, where it was said that public sector housing would drastically devalue the area. We would send two-headed trust tenants, pill poppers, wife bashers, and promiscuous wives there. My colleague the Minister of Health, would say that it was through skilful negotiation on his part, but through negotiations and consultation we finished the subdivision, which comprised a small number of houses. As I said at the launch of the book, *Fifty years of Trust History*, people cannot tell the difference between public sector and private sector housing in Aberfoyle Park. That is a credit to the design and construct and the design and tender program of the Housing Trust.

The next case is close to the electorate of the member for Florey, and concerns Surrey Downs. The new rich, the new elite who had bought there and wanted to be part of the north east blue rinse set decided that, if the trust developed there, there would be a massive devaluation of their properties. In that campaign, the Premier, Mr Edwards and I received some of the most vicious, vitriolic letters saying what they would do to us if we proceeded with the subdivision. The oft quoted example of the previous Premier, who said, 'If a law is bad, break it' was used to justify their having licence to demand that only certain people live alongside them.

**Mr Duigan:** You have to accept the political consequences.

**The Hon. T.H. Hemmings:** I love that interjection in support of my argument. The debate went on and it took quite a political turn, because there had been a redistribution. The sitting member had attempted to appease those who did not want trust tenants or any examples of the 29 award-winning designs built. We got our awards from the Civic Trust of South Australia, which is nothing like the awards that are given in the private sector which are given on an 'It's your turn this year, Fred' basis. We got ours from a group of independent people who judges what we produce and build.

The honourable member who tried to appease the people made the matter political and that was the first time in this Parliament that a group used such objections to oppose building for their political benefit. I am pleased to say that good sense won the day and the honourable member for Newland is still with us. We withstood that onslaught. The people who wrote the nasty letters questioned my origins and the mentality of my General Manager, and said a few nasty things about our Premier.

Eventually, they intended to lie in front of the bulldozer, and to do all sorts of nasty things. We undertook all the

groundwork well before the election. The member for Newland won her seat. No massive devaluations have occurred and we won the seat in the Surrey Downs area, something about which we were quite pleased. I advise the member for Florey to tell his constituent living in the fibro house that the design and construct in all probability will increase the valuation. It will also increase the amenity and bring some decent human beings into the area in which he or she lives.

**Mr GREGORY:** The Housing Trust has a significant content in the rather large development of Golden Grove. Some people in that area believe that the South Australian Housing Trust intends to build inferior quality homes in the Golden Grove development, but, from your previous response, it appears that the Housing Trust does have some quite good designs. Will the style of home built by the Housing Trust be compatible with other designs of houses that will be built in the area by companies like Hickinbotham, Caj Amadio, Pioneer Homes and the other people who are normally associated with the design and construction of houses in this type of area? Will the homes built by the Housing Trust in this area all be of a trust design; will there be some design and construct; and what will be the mix?

**The Hon. T.H. Hemmings:** The type of homes in the Golden Grove development will be in line with the agreement and will be compatible with the type of homes that are being built privately. I am not saying that they will be compatible with all homes, because recently I opened a \$250 000 show home and I am sure that even the member for Hanson would not demand that the trust build that type of home as part of a Housing Trust program. Restrictions are placed on the type of home built, the type of fence and the type of letter box; in fact, it has to be in line with the amenity of Golden Grove. I understand that the member for Florey has been approached as to what is an individual home or something totally different. One can argue that a back-to-back is different, but if a back-to-back is built across the road, a back-to-back is not different—it is the same house turned around the other way. I appreciate the concerns that have been expressed to the member for Florey and those concerns are being raised with the Housing Trust at the present time.

Again, one has to realise that what is an acceptable standard is in the eyes of the beholder. Anyone in the industry can produce a home which gives value for money and maintains quality. I will not enter into the argument raised by the member for Newland about the range of what is considered to be acceptable, but some builders in the private sector produce homes that do not give value for money in the form of space, quality, etc. They include certain additions which look very good in the brochure and in the show home but, when looking for value for money, that is not the case. By saying that, I will not incur the wrath of the Housing Industry Association, because it is of the same view. When one talks about quality, one does not talk about archways, curved bar areas, or whatever: one talks about value. The Housing Industry Association and I will try to educate people to be critical of what they are being asked to pay for. I think that Golden Grove will always have some small problems not so much with the so-called two-headed trust tenant, but rather, what will be constructed there. By talking the matter over, the trust will find a means of satisfying those people.

**Mr GREGORY:** I have been advised that the trust has found asbestos as a filling in driveways in Elizabeth. There is considerable concern in the community about asbestos—especially during the past 10 years—and its possible effect

on health. It is possible that asbestos waste and many other materials were used as filling because they were cheaper than concrete. How many houses in the Elizabeth area does the Trust have where asbestos has been used in driveways and what action is being taken to remove it?

**The Hon. T.H. Hemmings:** Asbestos was used in Elizabeth as a result of a genuine offer by a local company which produced asbestos pipe. It enabled people to use the surplus for driveway filling. I do not have to tell the honourable member about the dangers of asbestos or about the ignorance of those dangers in the early 1960s. Many people used the asbestos in their driveways.

The matter came to our notice late in 1984, and we conducted a survey in all the suburbs of Elizabeth, except Smithfield Plains and Munno Para. We knew that the company had ceased to make the service available before they were built. We established the extent of the problem and there was consultation with the Department of Labour and Industry to remove the asbestos.

We gave a priority, and this caused some concern to be expressed in the press. It was discovered that in some areas the asbestos had become flaky and was therefore more likely to get into people's lungs than was the more hard packed material. It was removed according to the guidelines set down by the Health Commission and the Department of Labour and Industry. The trust then concreted the driveways from which asbestos had been removed. At 13 March 1986, 113 properties had been identified and the asbestos removed. Since then, asbestos has been found at four other properties. In the most recent case, the asbestos has been buried in the yard. The occupants had later decided that they would do the concreting themselves, and buried the asbestos. That asbestos has since been removed by, and at the cost of the trust.

I hasten to add that I received a few complaints from people who were alarmed about the removal process; asbestos was being left all over the place. However, I can assure the Committee that all the asbestos was removed within the approved guidelines for health and safety. We hope that we have managed to isolate or get at every property where asbestos was used. Each job cost, on average, \$3 283 and the total cost was \$371 000 up until August 1986.

**Mr GREGORY:** What form was the asbestos in: was it a mixture of asbestos and cement, straight out asbestos or primarily cement with some asbestos?

**The Hon. T.H. Hemmings:** It was pure asbestos. When they got it some people would purely and simply put the asbestos down, rake it, roll it and hose it to compact it. It was a rather misguided attempt to provide a community service which ultimately cost us \$371 000.

**Mr GREGORY:** And may cost some more?

**The Hon. T.H. Hemmings:** There is a possibility that we could locate more asbestos. It might well cost us more, but that is part of the service that we provide. An amount of \$371 000 is a lot of money—I tend to think of \$100 000 as 1¼ homes, which is an easy way to keep in one's mind the number of homes we need to build. It is part of the service that the trust has to allow for when it happens. In the interests of health and safety, we will continue to do that. It comes back to what the member for Hanson said about occupational health and safety; the trust meets the guidelines set out by the Department of Labour and Industry in relation to occupational health and safety, and will continue to do so.

**Mr BECKER:** At page 564, the Program Papers state:

Provision of improved housing services for special needs groups, including: a major study on the housing implications of deinstitutionalisation policies, implementation of outcomes of the youth housing enquiry.

Coordination of State-based initiatives for the international year of shelter for the homeless (1987).

Commence administration of the single Government employee housing program.

Will the Minister briefly outline what is envisaged with those various strategies, because as I see it the Housing Trust has a wide role to play: it is involved with the aged, youth housing, housing for Aborigines, and housing cooperatives. There is also a special committee for the disabled, which is doing wonderful work. Are all those groups swept into those three paragraphs, and can the Minister briefly say what will happen this financial year?

**The Hon. T.H. Hemmings:** Again, bearing in mind what little time we have left, I will attempt to give answers in all of those areas. The disabled persons housing project was on a recommendation of the Housing Advisory Council Community Committee. I am sure members know what the Housing Advisory Council is all about. It is split into two. I refer, first, to the industry committee, which gives me advice on finance such as the state of the financial market and the state of industry, which links in with advice that I get from the Office of Housing and the Housing Trust. The other area involved, the community committee, is the human side, because one can never run a housing policy on pure economics.

I expressed my genuine fears about that, should the New Right ever get hold of this country and do what it intends to do with the Commonwealth-State Housing Agreement. One could argue that if I wanted kudos with the building industry I could cut all funding to the crisis accommodation programs and put it solely into bricks and mortar. The HIA and the MBA would say a few nice words about me in their newsletters and there would be a significant increase in employment, but there would be a whole stack of people in trouble.

So, one must be directed by advice from the community as to where to direct resources and research. That sort of approach saw the setting up of the disabled persons housing project. The project was undertaken from 22 July 1985 to 8 November 1985. We had a very good consultant and he conducted a review of all major reports and literature in this area. We found that a similar study had been undertaken in New South Wales but that it was a disaster. We decided that the investigation here would involve a person travelling all over the State to establish the needs that exist. We know that there are mechanisms available to provide the answers—for example, cooperative housing—but no-one has really established the level of need and where need is greatest.

As a result of that study to be undertaken, the Australian Housing Research Council has now recognised that we need to develop a strategy. The Australian Housing Research Council is funded through the Federal Government. Projects are agreed on at each year's Ministers' conference and it is determined in which areas studies will be undertaken. This study will provide a solid foundation. Perhaps a study undertaken by the Trust would come up with similar information, but the results of a study by an independent body, funded by the Federal Government, will have some form of status.

An amount of \$40 000 has been allocated under the disabled persons housing project. Surveys will be undertaken in relation to the impact of de-institutionalisation, a matter that I know the member for Hanson is very interested in. This relates to the effect of de-institutionalisation on the sort of housing that we should provide. In relation to such matters, again there is the hoary question of identifying funding. It has always been my contention that under the Commonwealth-State Housing Agreement we must relate



to individual need. I dealt with this matter in answer to a question asked by the member for Mawson. The question of individual need arises when dealing with funding for Aborigines, quite correctly, and this should also be done more in relation to women's issues, disabled persons and the aged. The survey will address various issues.

In relation to the youth housing inquiry, members would be well aware of the style of the youth housing inquiry and what prompted it. Whilst it was a Labor Party policy, I recall that when I went down to tent city in November 1985 the member for Light said that I had only gone down there because he had been there.

The youth housing inquiry is an attempt to examine the housing needs of young people. One can argue that the trust's program in picking up the housing needs of youth is a good one. With the New South Wales model (and do not think that I am being critical of that State this morning), a certain percentage of all new stock is to be allocated to youth. It looks very good in glossy brochures, but it does not really work. We have to identify the area of need. We must educate people out in the community so that they do not see the Housing Trust simply as providing family accommodation: they must realise that there is a need for youth housing and that young people leave the family home for a reason. We must accept the unpleasant fact that this happens. I am reminded of the Mr and Mrs Average series in the *Advertiser*, who get 1.6 loaves of bread, and so on.

I have given the inquiry fairly broad terms of reference. I did not want to restrict the terms of reference or include membership that would necessarily produce the result that I wanted. The inquiry will determine the housing needs of young people; it will review current housing programs and means of improvement; it will make recommendations for new initiatives to ensure that young people in need can secure affordable housing; and it will formulate plans for implementing the recommendations of the inquiry. I believe that that last point is very important, because I did not want it to be a lame duck inquiry. I have asked the inquiry to provide recommendations and also to formulate plans for the implementation of those recommendations. However, as always, there is a question mark about funding.

The traditional resolution of the youth housing question is to place these people in a hostel, but that is not the answer. We sometimes place them in family accommodation, but generally we cannot do that. We are sometimes criticised by people who have two young people living next door to them: they needed immediate housing and perhaps that was the only accommodation available. However, the needs of those young people have been recognised by the trust. The inquiry will report to me, and the Chairperson is Harrison Anderson, who is a well known youth worker. On completion of the inquiry, I will be provided with the recommendations.

The Housing Trust has plans to meet needs in relation to youth housing. Those plans have been forwarded for use by the inquiry. As the member would know, we have community tenancies where people are housed together. There were 102 households for Government and voluntary services; and, for direct leasing to groups of young people, 71 households were accommodated, as at 30 June 1986. Of course, young people are eligible for rent relief. As at 30 June 1986, 3 222 young people were receiving rent relief. We apply the same stringent controls for youth rent relief as we do for families. I have already dealt with the Emergency Housing Office. It is important to note that we have youth housing officers within the Housing Trust. They are usually young people who give advice. I do not have to tell the Committee that a young person will respond to another

young person in preference to a person as old as someone like myself.

Government employee housing is a vexed question, and I am the first to admit that. Successive Governments have tried to come to grips with Government employee housing but have found the problem too difficult to solve. The Committee would be well aware that a working party was set up in this area, but I am not sure whether that occurred under the previous Tonkin Government, the Corcoran Government or the Dunstan Government. The working party recommended the establishment of a single financial information system for employee housing and the establishment of an advisory committee. The working party had discussions with individual departments involved with Government housing.

At the present time I am seeking comments from individual parties about the recommendations and the initiatives that have come from the working party. There is also the question of the fringe benefits tax which makes it rather difficult to resolve. Despite the difficulties of Government employee housing, all members of this Committee will be aware that somewhere down the line we have to grapple with this problem, which highlights much of the inequity in the system. For example, someone living in Government employee housing perhaps in a country town could live next door to an unemployed person living in trust accommodation and pay less rent than the unemployed person. That is a simplistic explanation but it underlines the problems that we face in that area.

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

#### **Additional Departmental Advisers:**

Mr D. Lambert, Acting Director, Department of Housing and Construction.

Mr G. Little, Director, Support Services.

Mr J. Kent, Manager, Major Projects.

Mr R. Alwis, Manager, Management Accounting.

Mr J. Wilson, Acting Senior Programming Officer.

Mr B. Griffin, Senior Administrative Officer.

**Mr BECKER:** In November 1984 a work force planning review steering committee was established to report on the appropriate number of tradesmen and the trades skill mix for the department's asset management program. A report tabled in Parliament on 16 May 1985 identified a number of opportunities for management improvement initiatives. The Auditor-General's Report for 1985 indicated that target dates had been set for implementation of these initiatives. Can the Minister indicate the success or otherwise of the report's recommendations including actual cost savings achieved for the year ending June 1986 and the estimate of expected cost savings for the year ending June 1987?

**The Hon. T.H. Hemmings:** That is a very good question to start with, because it is in line with my opening remarks about the two public sector bodies within my portfolio. This morning's session dealt with the South Australian Housing Trust, but honourable members will recall that I said that the Department of Housing and Construction has been off to a flying start, to use my own words. The way in which this Government tackled the problems that were bedevelling the old Public Buildings Department prior to and at the time I assumed responsibility is history now.

I make it perfectly clear that the actual state of the Public Buildings Department at that time was not due to any particular Government, any particular Minister; it was primarily as a result of a change in structure in the way Governments were able to deal with public assets. Problems

were occurring at that time because of the cost of using day labour and the wasting of one trade in relation to another when one is dealing with trade mix. The fact is that successive Governments had turned in new directions, affecting morale and, whilst I take the case of the period of the Tonkin Administration, there was a change in direction as opposed to the previous Administration and the Administration that took over after 1982.

Numerous reports had been commissioned on the way in which the Public Buildings Department should be run, and the net result was a complete lack of morale and direction. I made those comments during the last Estimates Committees.

This Government tabled in this Parliament the findings of the work force planning review, and that was the first time that a Government has ever done that. If I recall correctly, I said that we placed that report before the Parliament 'warts and all'. In fact, we said publicly that the department was in trouble. Various reasons could be cited by members opposite as opposed to reasons cited by members of the Government, and I accept that, given the different philosophies regarding the way one should use a public sector department. We decided to change our direction, reallocate our priorities and implement into the system the recommendations of the work force planning review.

The member for Hanson asked how far we have gone, where we intend to proceed in this current financial year and what savings we intend to make this period, and I would like to refer the member for Hanson and the Committee to the comments of the Auditor-General; in fact, I would say that the comments of the Auditor-General are a glowing tribute to my department. In effect, the Auditor-General says (and I will not read his comments, because members have his report before them) that the areas which caused him concern when he made his last report are now being dealt with—and dealt with efficiently. In fact, the Auditor-General, I believe, went as far as he could to say, 'Your department is going very well, Minister. Keep up the good work', recognising that there were ongoing areas in which we should be reducing oncosts. He also says that we are in line with the predictions of the work force planning review.

I believe that the Auditor-General accepts that there is still a long way to go: my senior officers accept that, as does the Government. We are moving towards reducing oncosts, which bedevil any Public Works Department whether in this State, interstate or overseas. There is always a problem and there always will be a problem: oncosts for a public department are greater than in the private sector. The member for Hanson would be aware that, in the private sector when things go bad, staff can be unloaded and cuts can be made willy nilly, although it is true that people run the risk of incurring the wrath of the trade union movement.

Government departments are somewhat different: they have a responsibility in that regard, not to keep people on at the expense of the taxpayer but to work towards efficiencies. I believe that the Auditor-General's Report is saying that we are working towards those efficiencies, that the department is becoming lean and effective. I accept that we still have a long way to go but, bearing in mind that it has been only 18 months since we effected those changes, that is a pretty good tribute to my department.

**Mr BECKER:** I appreciate that, and I agree with the Minister. It is fair to say that the old Public Buildings Department had to wear a lot of flak and was subject to many changes and wide variations. In the past seven months my attitude has been to let the department settle down and get on with its job, and I believe that the change of direction

was reflected in the process. The Remand Centre provides the proof of what the department can achieve if it is given a fair run and a fair go.

*The Hon. T.H. Hemmings interjecting:*

**Mr BECKER:** I am on record as saying that: I have said it publicly a couple of times now. I believe that a lot is expected of a large department. Demands have been placed on it from time to time, and it has had to undergo many changes. What cost savings were achieved in the year to 30 June 1986, and what is the estimated cost savings for the current financial year?

**The Hon. T.H. Hemmings:** Our Construction and Maintenance Department is moving towards what I think is our traditional role—maintaining the State's assets—and, at the same time, is providing professional advice. I illustrate that by citing the Remand Centre, to which the member for Hanson referred. If one looks at the results achieved through key organisational changes, together with progress towards implementing the recommendations of the consultants engaged to review the construction and maintenance activities, one will find that they are most encouraging.

The decrease in the size of the departmental work force, with consequential savings of approximately \$2 million per annum in salaries and wages, has obviously contributed to the reduction in the cost differential attached to construction work undertaken by the department's work force. They are not my words, but those of the Auditor-General. He talked about savings of \$2 million. We are still working towards that not only by reducing the work force with efficiency measures and by making greater use of it but also by working within the recommendations of the Guerin report in relation to giving middle management a greater say in the decision-making process. By doing this we estimate that there will be greater savings.

The member for Hanson asked what the savings will be in 1986-87. Our budget preparation goes to Treasury and Cabinet, and we must work on assumed savings somewhere down the line. Obviously, one must work within the existing framework when preparing a budget. I cannot say to my senior officers that we have saved \$2 million here and ask what our estimated savings will be to put in the budget. My argument has always been that we will continue to effect those savings, and that will be shown, hopefully, in the Auditor-General's Report for 1986-87.

We are implementing individual recommendations made by the consulting services, which I set up as a result of the work force planning review which, primarily, looked at what we term our blue collar work force (our weekly paid), and we are now working in other areas. The major recommendation was to immediately seek to reduce the maintenance backlog by providing additional funding, and we have gone about it in an efficient and professional manner. We produced an in-house video and encouraged Treasury to take part in inspections of Government assets where we were seeking additional maintenance. The end result was an extra \$1 million to enable us to overcome the backlog in maintenance. There was also a recommendation to formulate and obtain Government agreement to, and publish a policy of, maintenance of assets. That has been carried out. Again, that is a professional way of looking at maintaining the State's assets.

There is a recommendation to move gradually towards an asset manager/asset user relationship with its clients, one of the very areas that was causing the most criticism of the old Public Buildings Department—client dissatisfaction. I refer also to our moving towards a greater liaison between clients and better client satisfaction in what we are doing. Again, this is reflected in some clients as a better relation-

ship. We are not saying whether that is our problem or that of the client, but it is moving towards a more effective use of the Government's dollar.

To explore ways and means of managing assets on a whole-of-asset basis is, again, a more collective approach rather than the piecemeal approach that has somewhat bedevilled Governments, regardless of their political colour. I refer also to extending the annual budget process to include an assessment of work force requirements by trade for the identified workload, and to examine opportunities to rearrange the skill mix is, again, a problem that any public works unit or Government agency has throughout this country or throughout the world: an imbalance of trade skills.

It is perhaps reinforced by a somewhat reluctant acceptance by certain trades to undertake the work of other trades. It is very delicate. Anyone who has been involved in negotiations in the industrial area will realise that that is an important hurdle to be overcome if one is trying to get the maximum use of trades. Again, it has been implemented and carried out.

We do not have one industrial problem within my department in that area. There is a recommendation for regional managers to play a major part in State-wide priority determination. This has been instituted, and we expect not only more rationalisation of work force numbers but also a better decision making process as part of the Guerin report recommendation relating to middle managers having a greater say.

The question of increasing additional maintenance funding into labour rather than overheads again goes back to the oncost problem. That has been carried out, so, again it reduces our oncosts. We still say that our oncosts need to come down, and they will. We are in the process of achieving that.

Another recommendation relates to our resisting the temptation to make major structural changes to our maintenance function until the issues have all been addressed. Again, that is very attractive for major Government departments, suddenly to change track down the line. We have resisted that change and the end benefit will be a greater utilisation of the dollar. These are the kinds of things that we are doing.

In the current year there is a major review of supply and transport, which is a very delicate area that we need to address. It is the opinion of the initial review that there will be cost benefits, not only to my department but to the Government as a whole. A review of professional services is, again, an area that we need to look at. It brings up problems of redeployment. I am not a world travelled man but I know that every Government in this world which is looking at the problems of a surplus of Government employees, where there is a redeployment clause in its policy, finds it a difficult thing to carry out redeployment. We are grappling with that project with the appropriate Government department.

Talking about utilisation of our skills, while I cannot quantify a cost saving to the Government arrangements have been made for long-term and short-term secondment of 20 professional and technical staff from my department to both the private sector and the public sector. Within the private sector well-known, respected people in the same area want our people seconded onto their staff. Other Government agencies wish to use the skill and expertise that we have to offer.

What we are really doing is selling our people, our expertise and our staff to the public sector and to the private sector. I cannot quantify in dollar terms what it is this year, but we have in train various things as part of an ongoing

program to make us a good, efficient and effective department. I can only refer to the savings at the end of the financial year. I have quoted the \$2 million that has been identified in the past financial year. If the member for Hanson asks me that question again next year, I sincerely hope that I will be able to give that figure in dollar terms and also to give the ongoing program for the next financial year.

**Mr BECKER:** During 1984-85 the prompt agreement of prices on variation orders for major contracts was again brought to the attention of the department by the Auditor-General. At the time the department advised that revised procedures would be in place by September 1985. Can the Minister advise whether the procedures are in place and what the procedures embrace, including an estimate of cost savings accrued over the course of 1985-86?

**The Hon. T.H. Hemmings:** My advice is that they are.

**Mr Kent:** The procedures entail that each time a variation is issued a price is put against that variation by the contractor within 28 days, and the department also is expected to provide a check price against that variation. That process took some time to be accepted by the industry. It is now operating with some vigour. It is difficult to quantify the savings that relate to that, but there are very real savings, because things are finalised in a much speedier time frame.

**Mr ROBERTSON:** In my 17 years experience as a school teacher, one of the recurring problems in high schools was the destruction of school furniture. Towards the end of my time in teaching it was calculated that children in my high school would have a replacement chair every 70 years. Given the way that the furniture was mistreated by most children, it did not seem that the furniture would last that long. What steps has the department been able to take to find chairs that are more suitable to the kind of wear and tear that is inflicted on them by school students, or has any consideration been given to establishing a program to restore chairs that are damaged by schoolchildren?

**The Hon. T.H. Hemmings:** I think it has been recognised, even during the member for Bright's time as a school-teacher, that (to get the best out of students) equipment should be provided that will enable them to sit comfortably in a fixed position for some length of time.

We do this perhaps in a more positive way with our supply of ergonomic furniture in Government departments, especially in those areas where we have to overcome a lot of stress. We discussed that matter this morning at some length. The answer is that the ongoing purchase of school equipment is always taken into account. Thankfully, designers of school equipment are abreast of these things, because they know that we are a big customer and they need to use us. There are obvious advantages because we bulk buy. That, in some ways, helps us.

If furniture can be repaired at an economic level, then it is repaired, but if it is cheaper to buy new, then we do that. I remind the member for Bright that, whilst we believe in liaison with our clients, because that again is better for the Government family, furniture of the type about which the honourable member is talking is the responsibility of the Education Department. It supplies the funds and we purchase on its behalf. As a part of our overall supply review, to which I referred earlier, these kinds of things are being taken into account because it is in these areas that we think we can effect real savings for the Government.

**Ms LENEHAN:** I have noted in the paper over the past year articles referring to initiatives which have been taken by the Department of Housing and Construction. Are these initiatives one-off things, or part of a deliberate policy and program undertaken by the department in terms of export-

ing the skills and expertise which the department has built up over the years? Will the Minister explain to the Committee after outlining some of these initiatives, whether it is part of a deliberate policy and program of the department?

**The Hon. T.H. Hemmings:** No, the things that the member has been reading in the newspaper are not just a one-off. As part of the reorganisation and restructuring of the department we set up a Policy Advice Division, which is headed by Mr Lambert and which incorporates my office of housing within the Ministry. Its sole function, apart from providing the advice that I need with regard to the economic viability of this Government within its capital works program, is to get out there and encourage the private sector to be involved with Government, either at State or Federal level, to go overseas, or to sell the expertise that this department has to offer as a means of raising money for the State.

The ultimate consequence of the setting up of that new division was for me to register a business name for the South Australian Department of Housing and Construction. That is known as SACON, which has been established as a business entity by my department to assist the local building and construction industry to carry out work within and beyond the boundaries of the State. We envisage that SACON will utilise the full range of professional and technical resources of the department to form teams undertaking specific projects related to the building and construction industry.

It is expected that, wherever possible (and the private sector is fully aware of this and supports it), these projects will be conducted in conjunction with and in support of the private sector. We have taken this initiative to expand our expertise and to provide to areas outside South Australia what we have to offer. I think it is fair to say that the Policy Advice Division is one of the jewels in the new department's crown, inasmuch as we no longer are dependent on responding to demand or requests from clients or to the fiscal policies of the State Government. We go out and sell.

We have had traineeships for students from Bahrain. They have come to the department to learn all that we have to offer in regard to maintenance of assets. I point out to the Committee that, prior to our moving into this area and making a bid, those Bahrainese students used to go to the United Kingdom. To date we have had three students, and reports coming back to us indicate that the Bahrain Government intends to continue to use the services that we have to offer. I am sure that the member for Mawson would be aware that the long-term benefit of this is that, if at some time the private sector within South Australia wants to move into that area of the world, people will be there who are well aware of our techniques and the way in which we operate. That, in all probability, will give us an edge over other interstate or overseas companies.

At overseas industry conferences we have urged people to come and talk on the benefits of joint ventures overseas. We have lodged departmental credentials with the World Bank and with the Asian Development Bank. My departmental Director is currently overseas talking to officials, and he has reported that this is the first time an approach has been made to the World Bank or the Asian Development Bank in this area of sale of expertise. Usually, countries go to the World Bank and the Asian Development Bank and say that they want to build a hotel in a certain country. What we are saying is that we want to sell the expertise of our public works department; we want to indicate in the marketplace that we are willing to sell the things that we are good at, and it is hoped that the response to that will be good. I could speak at length on this matter, because I am very proud of what we are doing in this area.

Perhaps I will provide additional information at a later stage. However, it is an area in relation to which we are saying to firms in the marketplace—not only South Australian firms—'Come with us and be a part of a joint venture.' We are promoting what a Government department has to offer.

**Ms LENEHAN:** My next question, in a sense, follows from that. Given what the Minister has outlined regarding the initiatives being undertaken overseas, I guess the whole question of industrial relations becomes very important in terms of being able to competently market products and skills, etc. I am aware of criticism in the press recently from the New Right, in terms of its painting the unions as being some kind of enormous bogeyman in the Australian industrial context. What is the industrial relations record of the Department of Housing and Construction and what role did the trade union movement play in the smooth reorganisation of the department? Further, does the Minister believe that the unions have in fact been cooperative in this reorganisation process?

**The Hon. T.H. Hemmings:** Let me make one point clear from the outset. The department reflects the magnificent industrial relations record that this Government enjoys with workers, whether in the public sector or the private sector.

Industrial relations in my department are very good. That has been achieved because the trade union movement has been very cooperative. In fact, I deal with either the PSA or the conglomerate that makes up the building trade unions, and currently there is not one industrial dispute within my portfolio area. When I became Minister I inherited about 30 disputes. Some of those disputes had been running for so long that it seemed to me that no-one knew what caused them in the first place.

I have a very good industrial relations team, and I think that is reflected in the fact that one of my departmental officers has been seconded to the Minister of Labour to act as a troubleshooter and go-between for the project management team of the ASER development and the trade union movement. I think that is a credit not only to that particular officer but to my department. There is a degree of harmony between the trade union movement, my officers and me as Minister. Unfortunately, if some of the views of certain members of industry and certain politicians come to fruition, I do not know whether that good relationship will be maintained. I assure the Committee that, as long as I am Minister, my department will continue to have cordial relations with the trade union movement. One thing that members of the Government (particularly the member for Florey) are aware of is that trade unionists are honest. When they make an agreement, they stand by it. It is a pity that some sections of industry and other political Parties do not adopt the same approach because they might learn something.

**Mr OSWALD:** Can the Minister provide a comprehensive list of all office and warehouse space which is currently being leased by the South Australian Government from the private sector and which is currently vacant and include details of location and floor area and the rents paid? Can the Minister also provide a comprehensive list of all Government owned office and warehouse space—giving location and floor area—which is vacant and which could be occupied by departments currently paying rent elsewhere?

**The Hon. T.H. Hemmings:** I will provide that information on notice by 31 October, in line with your directive, Mr Chairman. It has given me a degree of satisfaction that the waste watchers of this world are turning their beady little eyes on the department under my control, particularly in relation to Government accommodation and Government assets. It is a good indication that you are doing your

job when people worry about things like this. It is important that we utilise Government owned assets in the best possible way. However, the answer is not simply to identify particular buildings that are vacant at a particular time and to find the estimated cost if that building is vacant for so many months. Because of the rationalisation, the move towards regionalisation, and the reduction in staff, and because my department has completely eliminated one particular division, at any given time there will be some vacant space in my department.

As soon as that space is known to be vacant, we will make attempts to lease it. Again, we are faced with the problem that getting leases renewed or negotiated can take some time. Property consultancy is big business.

The Government Office Accommodation Committee, which keeps an eye on all those aspects, is the overall planner of Government accommodation. I am sure the member for Morphett realises that. If he does not, when I give him the facts and figures I will have to give him a brief resumé of the problems. As to examining Government accommodation and seeing what is wasted and what is vacant, one cannot conclude after a five-minute walk through, say, the Education Centre that, because there was an empty office with a telephone that was ringing, that reflects Government waste. There is more to it than that, but I will get all the facts for the member.

**Mr OSWALD:** I am advised that the Minister has had substantial problems in his department's pay system, including a change to Austpay, the employment of a consultant and a change back from the Austpay system. Will the Minister list the sequence of events, the loss of equipment and machines during that changeover and the cost of the external consultant, and explain why he has moved back from a computerised pay system which has been implemented in other Government departments?

**The Hon. T.H. Hemmings:** The advice received by the member for Morphett is correct. I will ask Mr Little to explain.

**Mr Little:** Like many Government departments, we have been looking at Austpay. In our case we were looking at Austpay for paying our weekly paid people. We wanted to improve our total financial processing of the payroll, not only by paying our people through what we believed to be a better system but at the same time to provide information to our costing systems to give us much quicker access to cost information.

The system we were using required double input: we processed the payroll, on one hand, and then, on the other hand, we had to reprocess all the time sheet information into the costing system. The Austpay system adopted is used by a number of Government departments for public servants payrolls and only by a few departments for weekly paid payrolls. We did a thorough review of that payroll system and others at the time we decided to trial that system. That is all we were doing—we were trialling the system for three to six months to see whether we could provide a more cost-effective payroll system and a more timely set of information into our project costing systems.

After some three months trial, we started to have problems with it. It requires quite a lot of additional encoding of the information and, in consultation with the unions affected by some of the delays in processing the payroll or the extra work involved in processing the payroll, we decided to get an independent review of it. That review was not costly. It was carried out in a very short period of time and identified that, whilst Austpay is a good system for a payroll which does not require weekly input, where it is to be used in a system like ours—while at the same time we have to

use the information for costing purposes—it has real problems. The consultant recommended that we do not proceed with that trial. We then reverted our weekly paid payroll to the system that we had before. I believe that the system will still be quite suitable for paying our public servants, but we are continuing to review the payroll methods along with a major review of our computing systems that we are currently carrying out.

**Mr OSWALD:** As a supplementary question, I did ask if it was possible to provide an indication of the cost involved in that exercise, both of the consultant and of any equipment in the form of computers that may have been installed and now rejected?

**Mr Little:** The consultant's fee was something less than \$8 000. I do not have the actual figure with me here. The equipment was only on trial and we were able to get it second hand at a very cheap price. I think there was only something like \$3 000 involved in that, and we are using it in other ways now, so the whole cost of the trial has not been substantial at all.

**Mr OSWALD:** Is the Minister in a position to advise the Committee as to the breakdown of the total cost of the renovations—the repainting, recarpeting and refurnishing—of the parliamentary office of the President of the Legislative Council, the Hon. Anne Levy?

**The Hon. T.H. Hemmings:** Before I provide that information, I would like to make a few comments about the cost of redecorating people's offices. There is, I suppose, a point of view of those people who view this Chamber and our neighbour along the corridor as embodying a concept of democracy that we will adhere to. If one believes that—and knowing my colleagues in the Opposition who are always on about the value of the parliamentary system and the way we should run our affairs—one would accept the view that, within this Chamber, the Speaker is the supreme elected person. Even though the question comes from a member of the Lower House, one could follow the logic that, within the Legislative Council, the President is the supreme elected person. Therefore, when one looks at a redecoration of that office, one would think one must not be churlish and say that there was money being spent there which was not necessary. I believe that, if the incumbent of that office feels that the decoration does not, in effect, fit that particular person's office, I should accept that.

On that basis, it was decided to refurnish and redecorate the office. Whether one agrees or disagrees with that, there is another argument: if one section of this Parliament criticises the decision made by the Minister to redecorate and refurnish, members should consider electorate offices. From comments made in that regard, it seems that it is all right for actions to be taken in relation to electorate offices to suit members who service the public and the community but, if we extend that to offices within Parliament House, that is not all right.

I am a very fair-minded man, and I think that the original criticism about the refurnishing of that office was made not because a sum of money was spent but because of two very relevant points, one being that the incumbent is a woman. Over the past six months the views of the Liberal Party on women have been made clear. The fact that there is a woman President must be the greatest insult ever for members opposite but, not only is the President a woman but also she is a member of the Labor Party to boot. It is not on for the Hon. Anne Levy to have an office that reflects, quite rightly, her position in that Chamber but, if members of the House of Assembly want their offices upgraded, regardless of the cost, that is all right.

When members approach me, as the controlling Minister, and make requests about office accommodation, staffing, facilities, and so on, I must weigh up whether that money should be spent. Being a fair-minded person I have in the past weighed up the situation and asked, 'Is that expense necessary?' regardless of the member's political persuasion, and I believe that that is very important. Some members on my side think that I am rather hard-hearted in the way I view their applications for renovations, refurbishing and so on, and some members opposite think that I am a soft touch—and that reflects the different views—and that I will put my signature on any appropriate approval.

There is one request before me at present that is so outrageous that, even if I was the softest touch going, I could not sign it. I am talking about a member who is asking for certain things and at the same time is part of the movement to criticise the Hon. Anne Levy for requesting refurbishing and redecorating of her office. That member has come to me and has become quite violent (not physically, but in his attitude to my staff) because I will not approve designer furniture, imported carpets or imported curtains to reflect the image that that person wants to impart in the electorate. That is the problem I face, and it has been ongoing: I must consider the requests that come to me.

When considering the cost of refurbishing the Hon. Anne Levy's office and the cost of the continual requests from members of Parliament in the Lower House, I believe that my original view of why there is this opposition to the Hon. Anne Levy's office being decorated is correct—because she is not only a woman but is the first Labor Party President of the Legislative Council.

In relation to the costs, the building work, including design and supervision, removal of the existing ceiling, making good the original, painting, moving telephone points, the supply and installation of new carpet and a new pendant light was \$5 668; furnishing, including chairs, a table, a lamp, mirror and handling costs was \$5 339; work not yet committed, including window treatment and incidentals, is \$610, totalling \$11 617. The items that were replaced (chairs, etc.) are back at the Netley complex and will be recycled. The amount of \$5 339 I cannot quantify because I have no replacement figures to give the Committee.

**Mr GREGORY:** How much will it cost to repair the damage done to the room occupied by the MLC called Davis after he has been mucking around with it?

*The Hon. Ted Chapman interjecting:*

**Mr GREGORY:** You've only just turned up. You are on this Committee and you should have been here at 9.30, Ted.

**The ACTING CHAIRMAN (Mr Robertson):** Order!

**The Hon. T.H. Hemmings:** The cost that will be incurred in any rectification work in the Hon. Legh Davis's office cannot be given at this stage. However, an inspection was carried out by officers of my department after Mr Davis first proceeded to redecorate. Certain aspects were highlighted and Mr Davis was informed of these problems. It was obvious to our officers that no preparation work (rubbing down, etc.) had been carried out. Even the most elite and privileged of us who never have to do these kinds of things should realise, that when undertaking painting, preparation work such as rubbing down and filing has to be done. When the Hon. Mr Davis has finished his particular project my officers will look at it. If any work is to be done, it will be carried out. If there is any way in which that work can be charged to the Hon. Mr Davis, I assure the member for Florey that it will be charged to him.

**Ms LENEHAN:** I am concerned at the line of questioning that the the Opposition has chosen to take with respect to

asking for costs and, in fact, implying criticism of the refurbishing of an office which, in effect, doubles as an electorate office for an Upper House member as well as the whole reception area, etc. I would like to put on public record that I believe that members should be entitled to a decent office where they can conduct their work, and I would invite any member of this Parliament to come and have a look at the office from which I conduct my work and which I inherited from my predecessor, Ivar Schmidt.

This office does not have a window where I sit, and it is not accessible, particularly to my new electorate. I made some representations to the department only to be told that I could not move to the local town centre (the Noarlunga Colonnades Centre) because of the cost. I accepted that decision. When the Hon. Jack Wright was the Minister, I put in a formal application to get premises which my working class constituents, who do not drive cars, could reach. I believe that people should have decent offices which should be placed strategically.

*The Hon. Ted Chapman interjecting:*

**Ms LENEHAN:** The honourable member has raised the criticism of refurbishing an office for a member of this Parliament. Perhaps the Minister would put on the record which offices have been refurbished or completely re-established and what the costs are, so that every member of the Parliament knows exactly what is happening with respect to the allocation of electorate offices and who is getting which offices. Has there been only one Government member who has had anything done in the office or have a number of other members of this Parliament had new offices or offices refurbished?

**The Hon. T.H. Hemmings:** The cost of electorate offices in the 1985-86 year was over budget by \$53 623. The major factors which contributed to the over expenditure were the relocation of electorate offices due to the redistribution of the State electoral boundaries, the 1985 State election, in which there was a remarkable change in the number of members of Parliament, and also the termination of certain existing electorate offices leased from property owners.

With the change of boundaries electorate offices which had been in one area had to come into a new area. Also, there was a change of membership and you, Mr Acting Chairman, were one of the lucky recipients in that election, and I look forward to seeing you here for many years to come. The classic case is the Kavel electorate office, which there was a legitimate reason for changing, because it was formerly located at Nuriootpa where the rent per annum was \$3 016. It was relocated at Lobethal, where the rent per annum was \$7 800, involving a rent increase of \$4 784.

*The Hon. Ted Chapman interjecting:*

**The Hon. T.H. Hemmings:** I know that the Acting Chairman of this Committee would not want me to respond to an interjection, but the member for Alexandra said, 'Different members, different tastes', and I think that is very true. However, it seems that the different tastes are at the upper end or the cream puff end of the Parliament, with the other end of Parliament appearing to be prepared to accept the umpire's decision and, in this case, it is the Minister.

I hope that the member for Hanson realises that this is not an attack on him, but I highlight the point that the commissioning costs for his Fulham Gardens office were \$30 000. The rent for the old office was \$4 420 and for the new office it was \$7 280, which is an increase in rent of \$2 860. The reason for the change was that the old office was extremely substandard and there were real problems. It was necessary to carry out that work. I am pleased to say that on 23 September I received a letter from the member

for Hanson praising my officers for the work carried out by them on his new office and the help that they gave him in shifting to a new office.

The commissioning costs for my office were \$28 300. The old office was substandard and it was pulled down. The old office rent was \$3 969 and the new rent is \$31 071 per year. As to the member for Elizabeth, again his office was substandard, and the building was pulled down. The commissioning costs for the member for Heysen's office were \$35 000. The new rent is \$10 950. The commissioning costs for the office of the member for Bright were \$11 100. That was a new electorate and, therefore, no office existed.

The same thing is occurring in the Legislative Council so, if the member for Morphett feels that the cost of refurbishing the office of the President of the Legislative Council is astronomical, in comparison one can see that it is not. The Hon. Legh Davis would rather have seen the money that was spent on the President's office being spent on a personal word processor for himself. When one looks at the collective costs of running electorate offices, one sees that the amount of money that was spent in the Legislative Council is very small indeed.

**Ms LENEHAN:** I have no problem at all with money being spent on electorate offices to provide a facility for the community, the member and the staff. However, the Opposition has chosen to try to make political mileage out of the question of the refurbishing of one office in the Upper House, so I think we have to get things on the record. It was very foolish for the Opposition to do that.

While on this whole question of allocation of funds, can the Minister tell the Committee whether, in fact, the Leader of the Opposition (in the running of his office, which is covered by a combined figure for salaries, equipment and everything else) himself stuck to the budget, given that we have heard an enormous amount of criticism of overruns of any kind? I presume, without knowing the figures, that the Leader of the Opposition would have stuck to his budget in respect of the totals which he asked for and which were proposed. Will the Minister outline to the Committee whether in fact the Leader of the Opposition has stuck to his budget?

**Mr OSWALD:** I have a point of order, Mr Acting Chairman. My question related to capital expenditure, but the honourable member's question has nothing to do with capital expenditure and is therefore out of order.

**The ACTING CHAIRMAN (Mr Robertson):** The Minister must answer the question as he sees fit.

**Ms LENEHAN:** Do you not want to answer?

**Mr OSWALD:** I thought that we would stick to the lines.

**The ACTING CHAIRMAN:** It is my ruling that, as we are dealing with two separate lines, the question does not in fact infringe any of the guidelines being worked to and I call on the Minister to answer it.

**The Hon. T.H. Hemmings:** When one looks at the Estimates of Payments one sees that for 1985-86 salaries voted were \$184 000, actual \$187 074; goods and services voted were \$13 000, actual \$26 201; and pay-roll tax and superannuation voted were \$27 600, actual \$27 186. When one adds those figures together, one finds that the total figure voted was \$224 600 and actual was \$240 461—an increase of \$16 000.

If one looks a little more deeply into that particular figure one sees that that is incorrect, because the figure for 1985-86 incorrectly included a salary payment for an electorate secretary S. Lock, which with pay-roll tax and superannuation amounted to \$22 606. The full-time equivalent voted figure also included S. Lock, so the true comparison of the 1985-86 voted and actual is as follows: salaries \$164 342,

actual \$187 074; goods and services remains the same—voted \$13 000, actual \$26 201; of course, there was pay-roll tax and superannuation. So the figure voted was \$201 994 and the actual figure was \$240 461. The expansion sought, and this was the reason why the Leader made such a fuss in the House, was that he proposed an expansion figure of \$64 011, a 28.5 per cent increase.

The Leader was given a 9 per cent increase, making a total of \$244 800. With those facts in mind, it is relevant to go back and look at some of the claims that were made at that time that there was a cut of 50 per cent in the State budget. One must examine the facts, which I have outlined to the House, of the \$40 000 increase. In 1985-86 the Leader was allocated an amount of \$13 000 for expenditure on goods and services, which includes the cost of running the office but which is not inclusive of salaries. This was the normal allocation, or what is known as a base level allocation, to run the telex machine. However, during the financial year in question the Leader's office was not able to restrain its expenditure within budget and, in fact, what is known as a blowout occurred—it was a blowout in expenditure of some 100 per cent.

In view of the election campaign which was proceeding at that time (and part of the Opposition's election strategy was to put out the never ending telexes on State charges), my department made representations on behalf of the Leader to provide an additional amount, and an amount of \$5 000 was provided on 11 March 1986 and \$8 000 was made available on 28 April 1986. The problem was that the Leader had a blowout of \$13 000 on his telex machine services, which took the total to \$26 000. Because of the election and other ongoing matters related to it, we granted a further \$13 000. The Leader of the Opposition incorrectly interpreted that once-off assistance as being a special increase of his base level allocation, and thus the problem arose. The action taken represented not a cut in the 9 per cent growth that was allocated to the Leader but a restraint against expenditure increases.

As I have said, the Treasurer has graciously agreed to provide an increase of \$8 000 in the Leader's office expenses line in order to fund additional telex expenses. The expansion that was sought was 250 per cent—from \$13 000 to \$32 800, but an additional allocation has been made. A problem arose in that the Leader, on being informed of the increase in the allocation, forgot to take into account the employment of Mr Jarvis as a consultant in his own office. I understand that from the increase in the budget that the Leader has received from the Treasurer an amount has been spent on salary increases for two members of his staff. It did not provide for any form of casual employment that might take place in the coming year. Two of his staff have been given increases: an increase of \$7 000 per annum has been provided for Mr R. Yeeles—well outside the accord—and Mrs H. Burnett has been given an increase of \$2 000 per annum—done without going to any industrial tribunal.

The additional payments will attract payroll tax and superannuation costs of \$1 350, which has not been provided for. Nor has there been any allowance for the salary allocation for the employment of casual staff. Last year, two casual staff cost \$2 440. The upshot of all that is that the Leader of the Opposition has blown out his budget and has been allocated additional funds. The irony is that, because that information was not made available to Treasury at that time, my department has graciously decided to make that money available to the Leader. So, effectively, I will have to reduce my staffing level by one. I look forward with anticipation to the time when the Leader or any other member of the Opposition complains about me being tardy

in response to a particular request, because I will inform them that I had to reduce my staffing level by one to pay for the incompetence of the Leader of the Opposition in the running of his office.

**The Hon. TED CHAPMAN:** In accordance with the pattern of questioning and answering that has occurred this afternoon, I will make just a few comments, these being my first remarks before this Committee. This afternoon, the Minister's demonstration of time wasting, procrastinating and expanding on Party political and other personal views really shows the farce of this whole Estimates Committee system, in my view. It was the worst mistake that David Tonkin ever made while he was in Government to introduce this system of Committee questioning of Ministers. I speak for myself when I express that view.

I was around when the decision was taken and I have persisted with it and tolerated the procedure over the years, only to find that, the longer a Minister is in office, the more skilled he becomes in prolonging answers and arranging dorothea dixers which waste the time of the Minister, members of the Committee, the staff of the House, and indeed a great array of officers from the various departments. We have had on the flanks of the Minister this afternoon (and I did not see the situation this morning) at least six officers who have not moved in their positions other than when the Minister inadvertently made a mistake and there were six heads down and five bums up trying to find the correct answer. I am informed that other departmental officers are scattered throughout the galleries waiting for their turn. What an enormous waste of money this is in itself.

**The CHAIRMAN:** I have been fairly lenient with the honourable member. I am sure that he is giving the Committee some information, but I would like him to refer to a line in the Estimates. We have a Committee system which neither he nor I can change—only Parliament can do that.

**The Hon. TED CHAPMAN:** I will be trying. I have been a couple of minutes discussing this matter and I make no apologies for that, but I will not expand further in that direction.

**Mr GREGORY:** Do you regret your original decision, as a member of Cabinet?

**The Hon. TED CHAPMAN:** Yes, I do; it was a disaster from the outset and it has worsened ever since. As a solution, I suggest that a number of days following the delivery of the budget could be allocated for specific questioning within the ordinary parliamentary forum. Question Time in both Houses could be extended for one hour for the specific purpose of hearing questions on the budget.

With half a dozen days of that procedure we would pick up all that much more information from the Ministers, albeit with access to their officers on the side, if necessary. The information would be on the formal record and it would save this joke, as these proceedings can now be described.

My question is this: when submitting cases to his colleagues in Government for a works project, upon Cabinet approval projects costing more than \$500 000 (this sum has now been increased) are normally referred to the Public Works Standing Committee through His Excellency the Governor. For the 14 years since I have been here Governments of both persuasions have adhered to that procedure religiously and referred proposals that are in the pipeline to the PWSC. Never before has a Government signalled its intention, before the Governor's speech has been made, to proceed and formally and publicly announced a project without the proviso of the reference to the PWSC.

I seek an undertaking from the Minister that, for public works under the ambit of his portfolio and responsibilities, he will adhere strictly to the traditional process in future and that projects not be incorporated in public statements as a *fait accompli* before the scrutiny of the PWSC has been observed. This would ensure that there is no usurping of the role of the PWSC, which is also under the umbrella of the Minister's portfolio.

**The Hon. T.H. Hemmings:** I have known the member for Alexandra for many years and sometimes I am uplifted and sometimes I am plunged into the depths of despair by what he says. I was amused by his statement that a slight movement by officers behind me indicates that I am in trouble, that I have made a mistake and that my staff are rallying to protect me. I suppose everything is in the eye of the beholder.

I am flattered that the member for Alexandra believes that that group of lovely young ladies in the gallery are my staff waiting poised to protect me—I know they are not. They are very attractive, and I would like to think that they have heard of my reputation as a brilliant debater and have come to hear me.

Having known the member for Alexandra for many years, I have tried to read his mind and, when he talks about projects which have been announced but which have not yet been referred to the PWSC, I have to guess what they are, and I think that he is talking about the proposed Entertainment Centre.

**The Hon. TED CHAPMAN:** No, I am talking about the upgrading of wharf facilities at Port Adelaide.

**The Hon. T.H. Hemmings:** This goes to show that politicians and Ministers are not infallible. The honourable member refers to the upgrading of wharf facilities, which are so vital to get our rural industries on their feet so that they can once more play a major part in the development of our great State.

There is nothing in the amendments to the Public Works Standing Committee Act (which were passed in a very short time last year in a bipartisan manner—fully agreed) suggesting that the old Act placed restrictions on the Government of the day. It did not in any way restrict the Government from saying it would enter into certain projects. The Public Works Standing Committee, for which I am responsible, is a good hard working committee which, on behalf of the Parliament, looks after projects that the Government feels are necessary. I know that Ted—I like to call him Ted sometimes—is somewhat angry—

**The CHAIRMAN:** I understand that the Minister has some regard for the honourable member, but when he is referring to him I ask that he refer to him by the name of his district.

**The Hon. T.H. Hemmings:** The member for Alexandra is somewhat miffed. I know, that the Government of the day can now announce projects long before they go to the Public Works Standing Committee. That committee has a role to investigate projects for which there is a need, based on technical advice, and which may be of use to the community. Members of that committee fulfil an important function, but I think the Executive is slightly more important than the Public Works Standing Committee.

**Mr BECKER:** On page 570 of the yellow book under '1986-87 Specific Targets/Objectives (Significant Initiatives/Improvements/Results Sought)' it is stated:

To decentralise and rationalise regional bases to enable closer client liaison and provision of a more efficient and economical service.

Is the Minister able to advise the Committee what are the boundaries or areas designated for the proposed regional



bases or decentralised areas, and how that decentralisation is progressing?

**The Hon. T.H. Hemmings:** Regionalisation was seen as part of the work force planning review to be an integral part of better delivery services to clients. It goes without saying that when working in the country areas there is close liaison between, say, a district building officer and a client. A classic case was the disastrous school fire at Renmark, when our district building officer and our principal officer at that area office were in attendance at the same time as police and fire brigade officers who were controlling the fire. That person was giving first-hand advice on the safety aspects of that building.

That is normal in country areas, and it just goes to show that, if there is an intimate knowledge of the area with which we are dealing, without using sophisticated management techniques we can always arrive at better client liaison. Regionalisation as part of the overall plan involves getting our people out into the regions to work closely with the clients. Our first pilot project took place at Port Augusta, the end result being a major success. We had an agreement with the Public Service Association regarding uprooting people and asking them to live in those country areas, and that must occur if regionalisation is to be a success. It was a contributing factor not only to increased morale in the department but also to recognition of our department by clients. The two go hand in hand. If the client thinks you are good, you yourself think you are good: it is very simple. That was the basis behind regionalisation. Mr Lambert will comment on the boundaries.

**Mr Lambert:** The regional boundaries were established some time ago based on fundamentally Education Department regional boundaries, and that is a reflection of the significance of the Education Department in terms of our maintenance program. There are five regions, and we have recently re-examined the boundaries and the regions. Four regions are proposed: the central northern region, based at Elizabeth; the southern region, based at our facility at Marion; the northern region, based at Port Augusta; and a combination of the two established metropolitan regions to form one central region. The progress of decentralising from Wakefield House to Elizabeth, Marion and the central region is in hand.

A series of studies was undertaken to try to determine the best focus. The focus of the central northern region has been fixed at Elizabeth, the southern focus has been fixed, and we are still in the process of determining the central focus. The study is not yet complete, but we expect it between now and the end of next week. Just where that focus is to be centred is yet to be finally determined. The funding process is based on what is known loosely within the department as the domino theory. We have considered the assets used by the department, and plainly some of them are inappropriate. One example is the depot in Carlington Street, which is now located among prestigious housing, although, when that building was first utilised, it was surrounded by factories. Obviously there has been a change in that locality and, further, a change in the value of the land. Our land is now worth about \$1 million. It is inappropriate to use that building as a depot.

**Mr BECKER:** Given that the central northern area will be based in Elizabeth, what property has the department acquired? I believe that a property has been purchased for about \$410 000, yet the Department of Lands assessed that property at about \$350 000. Does the purchase price of \$410 000 represent value for money? Where did the funds come from to acquire that property?

**Mr Lambert:** The property was purchased for \$410 000 in consultation with the Valuer-General's Department. The \$410 000 was the asking price. There is always—and I draw on my background with the Housing Trust and property for this—some leeway in valuations. While we would much prefer to have purchased it at the lower price, the \$410 000 was certainly on the marginal edge of the variation in value. The funds initially came out of capital from last year's budget. The intention, again referring to the domino theory, is that through the disposal of these properties we have identified, funds eventually will be provided from that mechanism. At present we have a submission before Treasury for approval to provide upgrading on that property.

**Mr BECKER:** Will it cost about \$270 000 to upgrade that property? If so, what does that entail?

**The Hon. T.H. Hemmings:** It has been estimated that the upgrading costs would be \$370 000. As Mr Lambert says, that is presently being negotiated with Treasury. If one does simple arithmetic and talks about the cost and upgrading, that reflects as an impost to the department in terms of regionalisation, service delivery and easier access to the client. One particular area, if I can draw on the expertise of the member for Hanson, is the use of motor vehicles, and that cost always represents a significant part of the costing for any Government department, and there would be considerable savings. One other area, due to local government planning and zoning regulations, is that car parking, particularly in Elizabeth South area (while that is not in my electorate I know about it) is a significant part of the upgrading cost.

**Mr ROBERTSON:** I place on record my admiration and respect for the department and the way in which it has been able to service the minor repair jobs particularly in schools in my electorate, such as painting of buildings, replacing paths, access roads, and so on. That has always been carried out without delay and I give the department full credit for it. My question concerns the line on page 220 'Minor additions and alterations to Education Department property'. Bearing in mind that many air-conditioning units in primary and high schools throughout the State are nearing the end of their useful life and that there is obviously a need to replace them in the near future or to remodel the buildings in such a way that ducted air-conditioners are no longer necessary, what plans does the department have for addressing this need when it arises (bearing in mind this will obviously be a major capital cost in the near future)? How long does it expect that action to take?

**The Hon. T.H. Hemmings:** Before I give my answer let me go back to the problem that every Government in this State has been facing over many years without really seriously addressing it. I draw on the honourable member's own personal experiences in the teaching profession where, perhaps, it was patently obvious to those schools and people within the school system who had seen a dramatic change in comforts, if I can use that word, which were being supplied within the schools that some way down the track there would have to be replacement costs.

In areas of air-conditioning and in open space units where we use carpeting—and I am not saying the students in our school system should not have air-conditioning or carpets—as those things go in there should be some decision to provide replacement costs and, particularly, ongoing maintenance. I do not think this problem has ever realistically been addressed until recently.

This Ministry put forward a proposition in mid 1985 to pick up this kind of work, which we called the Jubilee 150 Schools Program, minor works and maintenance. Quite unfairly, we received much criticism from the then shadow

spokesman for public works, Mr Dean Brown, who claimed it was an election gimmick—but it was not. It was a genuine attempt to put more money into the areas which concern the member for Bright. Along with Treasury we carried out studies into the effects of maintenance and replacement of equipment to meet the changing needs within the school system, and I am quite happy to inform the Committee that we received an additional \$1 million to upgrade.

As a result of regionalisation—and, again, closer contact with the client—we expect to get better value in our replacement program, set a better group of priorities where we can pick up those problems and, eventually (hopefully, whilst I am in Parliament), the problems the member for Bright is talking about will be overcome with the service we are now offering the client organisations which deal with us.

**Mr ROBERTSON:** The next question relates to the disabled and access of the disabled to public buildings. I would like to know what action has been taken to take steps from public buildings in order to make those buildings more accessible to disabled people, especially those using wheelchairs. In particular, what efforts have been made to develop portable ramps to help disabled people negotiate ramps and stairs in and around public buildings?

**The Hon. T.H. Hemmings:** That is one area on which I touched briefly this morning in dealing with accommodation of the aged and also as a part of the program on which the policy advice division within my department is working. One officer in my department has been very successful in this area. In fact, two inventions by staff of the Department of Housing and Construction will enable wheelchairs to negotiate obstacles such as kerbs and steps in existing buildings. Mr Bails from my department, a recognised world expert on this subject, recently attended a conference in Vancouver which dealt with the mobility and transportation of elderly and disabled persons. The products that we have patented on behalf of the Government were well received at that conference and interest was shown by overseas companies in those products. Those inventions deal with existing buildings and they involved portable ramps being carried around on a wheelchair.

The other area of importance is the design of buildings. We are incorporating in new buildings access for the disabled, and we are encouraging the private sector to do likewise because, while the inventions that have been patented by Mr Bails are of benefit to those people using existing buildings, the ultimate solution is to have new buildings designed so that they can take disabled people.

The trust is building a percentage of homes to cater for disabled people and, while the professions have recognised that to be an innovative step by a public building authority, it is rather disappointing that those people in the private sector cannot do the same. Perhaps it goes back to what people expect from the private sector. In the private sector one gets what one pays for, but in the public sector one gets good quality buildings which are of benefit to the community.

**Mr ROBERTSON:** In relation to capital expenditure on Aboriginal schools, I ask the Minister to deal at some length with the expenditure on specifically Aboriginal schools in the following categories: urban areas; country towns; and buildings constructed by his department on Aboriginal lands, such as the Maralinga lands and the other Aboriginal lands in the west of the State. In each of the three categories, what money has been expended, and what is proposed for the near future?

**The Hon. T.H. Hemmings:** I think it is an opportune time to be asked a question about Aboriginal schools, because in this Committee last year a vote was taken in relation to

the Elizabeth urban Aboriginal school (known as Kaurna Plains School) which, in effect, highlighted the deficiencies in the Public Works Standing Committee Act. Also, a lot of hostility was whipped up in the Elizabeth area by people who did not really understand what the urban Aboriginal school was all about. They talked about segregation and racial inequality and all the things that I know the member for Bright has worked long and hard to eliminate. Those arguments were used most unfairly against the Government and the then Minister of Education, the Hon. Lynn Arnold. Perhaps a politician should not use the word 'unfair', but I am used to it.

I am pleased to say that the Elizabeth Aboriginal School is alive and going really well. At the moment, it is housed temporarily in the grounds of the Elizabeth High School. However, there is land nearby for the provision of long-term accommodation, which is being built. It includes four classrooms, an administration area, class resources and a library.

Stage 2 will include another four classrooms. Currently, the school has 50 children a year from year 1 to year 8, and it proposes to expand to higher classes each year until it reaches year 12. The project will be completed and handed over by the end of October. The precise handover date is expected to be 24 October, and I urge the member for Bright to attend the opening ceremony. It is proceeding slightly behind schedule, having been delayed by wet weather, but (again the good news) the construction and maintenance service of the Department of Housing and Construction will complete it within the approved expenditure of \$900 000. We have projects proceeding in other areas. The proposed capital for those areas for 1986 is \$876 000, which provides for the completion of the Elizabeth Aboriginal School, the North West Aboriginal School, Pipalyatjara and the outstations child/parent centres, new work at Indulkana on an art and craft centre, work at Lake Dey Dey on a mobile centre, and work at Oodnadatta on a home economics and technical studies area.

This is directly the result of another unit, which has been set up in my department and which replaces the old Outback Trust. I refer to the Aboriginal Works Unit, which has been in existence for just over 12 months. In the main, it employs Aboriginal people, and it has Aboriginal people in charge of their own destiny. Aboriginal people are speaking to other Aboriginal people about their needs and aspirations. It also has an offshoot where we can train young Aboriginal people in the trades. When I was last in the Far North we visited two houses that were built by Aboriginal apprentices under instruction from the Yalata area, and those houses were equally as good as those built in the private sector.

Really, this is a twofold thing. As a result of the Aboriginal Works Unit, we are entering into a training program that will help young Aboriginal people get into the building trades. There is a greater move towards self reliance and making their own decisions. In the long term, it will be a profit making enterprise.

**Mr OSWALD:** About a year ago I wrote to the Minister about negotiations for the lease at Cummins, the old Morphet home at Novar Gardens. I understand that the council has also written to the Minister and to the Premier. There is great concern on the part of the council about the lack of a decision being made and communicated. This is a genuine concern, because it is affecting the council's future planning and arrangements with its internal finances. Can the Minister tell me when a decision on this matter will be made and when it will be communicated to me and to the West Torrens council?

**The Hon. T.H. Hemmings:** I am well aware of the member for Morphett's special interest in Cummins House. In fact, prior to the honourable member's correspondence with me in relation to the lease of Cummins House and the long-term arrangements for it, I think we came to a rather amicable agreement as to certain types of furniture that could be made available to go into Cummins House. I recall having received a letter from the honourable member, which I place in the category of memorabilia which one keeps in one's bottom drawer and to which one refers later when one is away from the humdrum of politics and wants to look at things that were a highlight of one's career—it is a joy to receive a letter of congratulations from certain members.

In relation to Cummins House, there are two areas of concern: one is in relation to people who are associated with Cummins House and the other to the Government's responsibility in relation to historic buildings. In relation to Government work on historic buildings, various examples spring to mind, and I refer to the library buildings, the Treasury building and the Torrens building. So, the Government had made a commitment to this work. Although the member for Morphett and the people associated with Cummins House may feel that the Government has been rather tardy in responding to their requests, the reason for that is that the Government has had to consider long-term aspects.

The member for Morphett is probably aware that the lease was terminated in December last year. The Government immediately made the building secure and some work has been undertaken on the gardens. The Government is examining the long-term future of Cummins House, and I am sure that the member for Morphett would appreciate that. The Government is well advanced in negotiations with the West Torrens council, and I expect that the whole matter will be finalised very shortly.

I am aware that people in the area are concerned about this matter. I opened a home development at Saratoga Park and one of the ladies who was a guest on that occasion is a member of the Cummins House Society. She echoed the concerns that have been expressed by the member for Morphett. I can assure the honourable member that this matter has not just been pushed to one side, but, as I have said, we must consider the long-term future. Before negotiations with the West Torrens council are finalised, necessary protections must be in place for the council and the Government and in relation to the building itself. I can assure the honourable member that I expect that he will be sending me another letter for me to place in my treasure chest!

**Mr OSWALD:** I do not want to be pedantic, but nine months ago the Minister told me that it was imminent, and he has said again today that it is imminent. Can the Minister quantify it into some sort of time span? With great respect, are we talking about a decision in three months, six months or 12 months? I know of the pressures on the department in relation to cost restraint at the moment. However, the whole planning for the West Torrens council and where it is going hinges on the Government's decision. I ask this question today to try and get some indication for planning purposes at local government level. If it is going to be more than 12 months, we will not go out and politically crucify the Minister because I am aware of the funding constraints and the difficulties in relation to Cummins House and its future use. However, for planning purposes, I want to tie down the Minister to a time span.

**The Hon. T.H. Hemmings:** I appreciate the member's concern, and I know that it would not be in the member's mind to crucify me. We will be sending proposals to the

West Torrens council within a couple of weeks and, if they are satisfactory, I should imagine the whole thing will be finalised within three months.

**Mr OSWALD:** I am delighted to hear that and, if it all happens, I will write the Minister another letter. I refer to page 559 of the yellow book and the staffing of electorate offices. Last year the staffing level went from 55 up to 59.6, and 59 is proposed this year. Historically, each of the 47 members of the House of Assembly have been given provision for one office assistant each. The Minister may wish to take this question on notice. Can the Minister provide a list of all House of Assembly electorate offices which have additional office personnel over and above the original one office assistant per member, showing how many additional personnel are employed and in which members' offices they are employed? What is the salary classification for the additional personnel? Are the additional staff part time or full time? What is the justification for the provision of additional electorate office staff for any of the 47 members of the House of Assembly? Are any of the additional staff that are employed paid through any ministerial departments or are the extra staff funded through the Department of Housing and Construction budget lines?

**The Hon. T.H. Hemmings:** I will take the specific questions on notice. I assure the member that there is no sinister increase in the number of staff. I can recall one area where a person originally not on my line has been included under my line. I will obtain specific information for the member and have it incorporated in *Hansard*.

**Mr BECKER:** I return to regionalisation and, in particular, the new office of the Central Northern Region. I understand that already there are offices at Greenacres and Nuriootpa in the central northern area, so why has it been necessary to establish headquarters at Elizabeth?

**The Hon. T.H. Hemmings:** I am glad that the member has come back to this, because I would like to make a correction. When the member for Hanson talked about \$270 000 I corrected him and said it was \$370 000. In fact, it is \$270 000. When one talks about regionalisation, it is the location of the major office to enable us to carry out work in those regions for the benefit of our organisation and our clients.

The Greenacres office will be sold for an estimated \$260 000. Elizabeth has been selected not just for location but Greenacres was far too small for a regionalised function. Greenacres was satisfactory for a district function and Nuriootpa, which is a good place with a good staff, is far too small and now employs only three people. That is the explanation. When talking about greater efficiency and service to the public, one must be careful in setting up regional headquarters to ensure that one can supply not just existing needs but also future long-term needs. As Mr Lambert pointed out, the price we paid for Elizabeth was at the small end of the valuation, so it represents, along with the sale of Greenacres, a pretty reasonable investment on behalf of the Government.

**Mr BECKER:** What investigations have been undertaken into establishing the southern regional office? I understand that land was available at Lonsdale. Was that suitable?

**Mr Lambert:** We looked at land at Lonsdale as part of the investigation of the best site for the southern regional office. In reaching our conclusion that we should focus on Marion rather than Lonsdale we looked at the location of the present Government assets that are to be maintained, as well as the likely spread of assets with the growth south of Tapleys Hill. Taking a long-term view, we decided that the majority of assets would still be located closer to Marion than to Lonsdale. There is sufficient room at Marion to

take the expansion that will follow as we try to get more of the weekly paid staff to the regions so that they can be closer to their work sites.

**Mr BECKER:** How much would it cost to upgrade the Marion depot? As it is only a few kilometres from Netley, and as the front building at Netley on Marion Road is not being used, would it not be better to use that building?

**The Hon. T.H. Hemmings:** Is the honourable member talking about the southern and central regions?

**Mr BECKER:** I am referring to the southern region. Mr Lambert said that the Marion depot would be suitable for the office for the southern area, having looked at the State assets that the department looks after in the area from Reynella to Marion. Why establish an office at Marion when a few kilometres away there is the two storey building at Marion Road, Netley?

**The Hon. T.H. Hemmings:** In talking about regionalisation of the southern, central and central northern regions, decisions interact. Decisions made in one area have a bearing on decisions made elsewhere. As Mr Lambert has already told the Committee, our Carrington Street site is no longer relevant because of a change in circumstances, so we have there a possible unimproved value of \$1.1 million. It is also quite possible that we could use Netley as our main central base. We are using existing facilities for central, and we have a surplus of \$1.1 million in assets to be sold later. The cost benefit study just completed recommends that the district and Wakefield House staff be moved to the existing Marion facility. Upgrading costs have been estimated—and I emphasise 'estimated'—at \$450 000.

There are cost benefits from vacating Carrington Street and using the existing Netley facility for the central base by transferring Wakefield House to Marion, and upgrading that facility, and, as we move people out of Wakefield, we are able to let floor space at Netley. Currently we have a rental of \$169 200 coming into the department from other Government agencies. Admittedly, it is only a cross-charging, but it is there. There will be gains in Carrington Street and Wakefield House at a minimal improvement cost. It all comes down to overall efficiency which affects savings in the recurrent areas.

**Mr BECKER:** The Minister said that the Carrington staff will move into Netley. What is the Wakefield House surplus space, what are the long-term plans to fully utilise that building, and what is the expected income?

**The Hon. T.H. Hemmings:** We will use the vacant space when the time comes. I refer again to some of the problems of leasing office accommodation. It is not an overnight transaction, and the member for Hanson knows that. That will be leased out when the transfer takes place. There is no vacant space in the Wakefield House complex now which is not already committed. We let it as quickly as it becomes available. It might be of interest to place on the record that the office for the Commissioner for Equal Opportunity was occupied in July 1982, and that covers 239 square metres at a rental of \$28 280.

Other organisations accommodated in Wakefield House are as follows:

	Date Occupied	Area (m <sup>2</sup> )	Rental
River Murray Developments	Feb. 84	12	\$ —
Office of Commissioner for Equal Opportunity	July 82	429	85 400 pa
	April 85		
	July 86		

	Date Occupied	Area (m <sup>2</sup> )	Rental
Ministry of Technology and Further Education—Special Employment Initiative Unit	July 85	146	20 000 pa
Education Department—computer team	Nov. 85	128	17 300 pa
Department of Services and Supply—Transport branch, State Centre car park and Government pool	Nov. 85	87.5	11 000 pa
Department of Personnel and Industrial Relations—Mary Beasley	Nov. 85	56	7 400 pa
Engineering and Water Supply Department—Special projects officers	March 86	21	3 800 pa
Department of Personnel and Industrial Relations—Future office accommodation	(Proposed)	135	24 300 pa
Papal visit office	March 86	100	—

River Murray Developments was charged no rental: it is one of the organisations to which the Government gives that support. The space occupied by the Papal office will be vacated very shortly, and I do not think that anyone would argue that the Government should charge. There are significant new accommodation arrangements, including the Lands Survey Unit transferred from Liverpool Building, involving 310 square metres, and the Aboriginal Works Unit, which was newly created. They were within our existing structure, but they have been relocated back into Wakefield House, therefore effecting savings on costs which we would otherwise be paying in those areas. There is a real utilisation of Wakefield House. If there is a movement from Carrington Street to Netley, and from Wakefield House, we will utilise that space as quickly as possible. There is a real demand for good rental accommodation and, as the honourable member well knows, Wakefield House is very suitable as good office accommodation.

**Mr BECKER:** What income is the department receiving at present?

**The Hon. T.H. Hemmings:** We are receiving \$169 200. I gave the honourable member a breakdown of that figure.

**Mr BECKER:** I note from the yellow book (page 570) that the proposed expenditure in 1986-87 for major resource variations includes increased expenditure for backlog maintenance contracts of \$1 million. What contracts were involved, and what does the backlog entail?

**The Hon. T.H. Hemmings:** As I said earlier, as a result of the new approach (and I referred to the video that my department produced) in conjunction with the Treasury we went to selected schools in order to demonstrate that additional money must be spent to overcome the backlog. I am sure there is not one member who could cite a case within their own electorate involving a real backlog. I eventually had to write to people and say, 'We recognise it is a priority, but unfortunately it will not be included until the 1988 program.' Everyone is well aware of those situations.

For that reason we set about achieving this additional expenditure and we were fortunate enough to receive \$1 million for the backlog. It is to be used primarily for general repairs and painting, the replacement of plant and equipment (and the member for Bright referred to that), vandalism and the renovation of historical buildings, that is, those not included under our historical buildings program (that is a separate issue). Other historical buildings are utilised.

Apart from some urgent projects, predominantly the money will be allotted to country areas, and will be carried

out by contracts with a trade mix in these locations. Clearing the maintenance backlog is an ongoing program. Eventually we have to face the fact that unless we address the problem of maintenance we will increase the cost of putting right the defects in the existing buildings. One can always build new assets, but if one continues to ignore existing assets it is a recipe for disaster. The amount of \$1 million is estimated by the department to be less than 10 per cent of the total amount required to clear the backlog. The major breakthrough was in convincing Treasury of the problem, and it is now aware of it. I am confident that in the ensuing years the problem of the backlog of maintenance will be picked up by the Government.

**Mr BECKER:** The problem is that neglect of the current cycle for repainting schools in particular and other Government buildings will not only cause a lot of worry but it is deferring the cost and making the job harder. A school in my electorate is due for the second time to be painted internally and another school is due to be painted externally, and we have not received any indication when this will be done. Page 571 of the yellow book, again under '1986-87 Specific Targets', states:

Liaise with the construction industry representatives in the private sector as well as the public sector to prepare a response in relation to developments in the area of training and apprentices.

What can be done in this area? Given the up and down movement in the housing and construction industry, it worries me whether we will have a steady flow of apprentices coming through.

**The Hon. T.H. Hemmings:** The member for Hanson has highlighted the problem of which we are well aware, that there is concern not only in the public sector (Government departments) but in the private sector and that there needs to be an ongoing apprenticeship training scheme in the building industry. The member will be aware that the allocation of apprenticeships comes through the Department of Labour. I always used to feel it was like a lottery: if you and I were both seeking an apprenticeship and you wrote to the E&WS and I wrote to ETSA and we both sought the same kind of apprenticeship, because you chose to write to E&WS and they had vacancies and I chose to write to ETSA and they had no vacancies, you would be successful and I would not be (that is, assuming we were at the same level).

Now the Department of Labour does the overall allocation, which makes it a lot fairer. It is no longer a lottery: it is still a traumatic thing to have something like 600 or 700 people apply for, say, 80 or 90 vacancies. Within government the Master Builders Association, for example, will take on certain apprentices, utilising them on Housing Trust contracts.

We are having ongoing discussions with the private sector through the Construction Advisory Council, which is serviced by the Policy Advice Division, to highlight areas where there is a shortfall of apprentices and put pressure, if necessary, on private sector companies and also on Government, within my own department, for a better utilisation of the trades we need to take on, because we do not want to have to go back to the old days of an imbalance in the trade mix.

I do not claim to have a speedy solution, nor do I think the private sector has, but it is an area at which we must continue to look. I came to this country as a fully qualified tradesman, but the days of large scale migration are no longer with us. The mistakes were made 15 years ago. One does not blame governments, just the system. When we had a ready made group of people coming to Australia fully trained, ready to walk into a job, we could afford to dispense with apprentice training or carry it out at a minimal level.

This is an attempt to talk to people to try to get the balance back again.

**Mr BECKER:** How many apprentices are there in Housing and Construction and is that level being maintained?

**The Hon. T.H. Hemmings:** There are 28 coming in and more than 80 currently going through the system.

**Mr BECKER:** The next paragraph in that section refers to identifying the possibility of overseas joint ventures involving private and public sector building and construction industry bodies. Does this mean that the department is keeping a watching brief over the whole of the construction industry in the State to see what else is happening, and would there be places like the Entertainment Centre, for argument's sake, or would you be looking at other projects, Jubilee Point or the East End Market redevelopment?

**The Hon. T.H. Hemmings:** I may have misunderstood the question. The reference in the yellow book is to where the department is encouraging the private sector within this State to get work overseas. A classic is the case of the building of the Australian Embassy in Beijing, and I suppose in my wildest dreams I would like to claim credit for it. Boulderstone Hornibrook was successful: we lobbied the Federal Government extensively that they should get the contract, and they were successful. I like to think that we had some part to play in it.

It is not so much erecting the building as providing the training, expertise and software. There are some contracts we are quite hopeful of getting and, for that reason, I cannot name them (perhaps at some time if the honourable member wants the information I will get it for him), where we are still selling overseas the kind of structure we run ourselves, box and dice: how to do it. Mr Lambert said that we can get additional information, and I would rather give that to the member for Hanson by way of letter or personally rather than by way of *Hansard*.

**Mr BECKER:** That would be suitable. At page 572 mention is made of a review of the cost effectiveness of continuing to relocate and maintain transportable classrooms and to develop strategies for alternative means of providing relocatable accommodation. There is a budget allocation for the relocatable buildings as follows: \$562 000 for primary schools; \$244 000 for secondary schools; \$164 000 for special and area schools; and \$172 000 for technical and further education, which totals \$1.1 million. Can the Minister advise the Committee where those relocatable buildings will go and what is the estimated cost per transfer? I understand that it is quite expensive to move these buildings around.

**The Hon. T.H. Hemmings:** As to the actual location of the buildings, I will provide that information later. As to the review of the cost effectiveness of continuing to relocate and maintain transportable classrooms and develop strategies for alternative means of providing relocatable accommodation, that is what the member for Hanson is talking about: they are expensive to move. One can look at the life of a transportable classroom and whether there are other more cost effective ways that one can carry out that function. There is another aspect which is not part of the honourable member's question but which causes me concern, and I refer to the bureaucratic nonsense (and when I use the word 'nonsense' I am not in any sense attacking a public servant) that one has to go through with local government, the Planning Commission, the Police Department and the Education Department, for obvious reasons, before we even make a move and get the thing on the road. If one really studies the problem, it might be better to look at some alternative means of providing additional accommodation for those schools.

**Mr Kent:** Part of the process is examining the standard of the existing buildings. Many of the so-called temporary buildings have been in location for a large number of years. They are just not viable to relocate. The cost of relocating them means that we almost have to rebuild them in relocation, so part of the review is aimed at establishing the status of the fabric of the buildings and, in many cases, they have been written off as being not suitable for relocation and a number of new buildings are being built to replace those when they are required.

As part of the senior secondary exercise, elements are being built as part of a new strategy for the provision of relocatable buildings. There is no magic formula, because they form a very effective mechanism for providing accommodation, but the basis is that, where they are not viable to move, we take no further action other than to write them off and have them demolished.

**Mr BECKER:** On page 560 of the program papers there is a heading 'Programs/Subprograms and Support Services Resources'. Under the line 'Special and Area Schools' capital expenditure is shown as follows: proposed \$6.2 million and actual expenditure \$6.7 million. The employment equivalent was 201, which dropped to an actual figure of 54. This year the capital expenditure is shown as \$3.2 million, and the proposed employment is shown as 53. Further down, under the line 'Other Government Buildings' there is a proposed expenditure for 1985-86 of \$64.3 million: the actual was \$55 million; and proposed expenditure for 1986-87 is \$60.5 million.

Looking at employment, the proposed figure for 1985-86 is 391.3; the actual figure was 354, and the proposed figure for 1986-87 is 349. Can the Minister explain the huge difference in employment figures, particularly in special and area schools, and the reason for the decline in employment on other Government buildings?

**The Hon. T.H. Hemmings:** The honourable member will notice that the budget papers show what was voted last year, what was actually spent, and nothing under 'proposed'. Further on in the Estimates of Payments, not in the yellow book, he will see a reference to subagencies. This is the first year that we have broken down programs into subprograms. Consequently, the figure that the honourable member sees when talking about the special and area schools, where the proposed employment figure is 201, refers to a part of the overall program. The 1985 actual figure and the 1986-87 proposed figure are an attempt to break it down into the subprogram.

**Mr BECKER:** The actual capital expenditure in 1985-86 was \$6.7 million, so that was almost \$500 000 more than the proposed figure, yet employment numbers were down. That tends to create a misleading situation. I am going on the amount of money being spent. For 1986-87 the amount allocated is half and the employment numbers are the same. Why does that large difference exist?

**The Hon. T.H. Hemmings:** The honourable member is correct when talking about money: there is very little difference. However, he has to look at the overall 1985-86 proposed, 1985-86 actual and the 1986-87 proposed figures, which give a true figure. Because we were in the transition stage with the yellow books in relation to the new budgeting procedures, the 1985-86 proposed expenditure figures are wrong. I do not mean that it was a wrong allocation in different subprograms: the actual 1985-86 amount is how things really turned out.

There is so little difference between the actual 1985-86 figure and the actual 1986-87 figure because we have adapted the new subprogramming system. Next year the honourable member will not see any vast discrepancy, because we will

then be fully into the new form of subprogramming. I will get my people to read the record of the honourable member's question and my answer and, if we feel that more relevant information is available in relation to this matter, we will have that incorporated in the *Hansard* record.

**Mr BECKER:** I notice at page 561 of the Program Estimates that, in relation to leased accommodation, actual expenditure for 1985-86 was \$15.1 million and that that expenditure is now up to \$17 million. Considering that that amount of money that is paid for leased accommodation, is there any indication that the Government would benefit by establishing a building in the metropolitan area, or in the city, to provide Government office accommodation, thereby saving on rent payments, or is that just not possible? Have any studies on that been made?

**The Hon. T.H. Hemmings:** Government office accommodation has always been a vexed question, especially in relation to where to locate the main area of such accommodation. Members would be well aware that at one time it was Government policy that the whole of the office accommodation adjacent to Victoria Square would comprise the administration centre of the State. One could argue on historical grounds that that was perhaps not a correct decision. Notwithstanding that, as a result of the development of the Hilton Hotel, the State Government Insurance Commission building, and other buildings in the area, a movement away from that concept has occurred in relation to the overall development of Victoria Square.

The Government Accommodation Committee is looking at the matter referred to by the honourable member. He has correctly identified that Government accommodation accounts for a huge expenditure, and one must keep a firm hold on those costs; otherwise, they can blow out. I have already referred to accommodation that is leased by my department. I promised the member for Morphett a complete breakdown of details relating to Government accommodation.

In relation to the question whether the answer is to build a Government building to provide accommodation, it comes down to a matter of priorities of distribution of the State's capital funds. Obviously, the State Government Accommodation Committee is constantly reviewing this matter.

When considering the matter of leases, an aspect that must be taken into account is that sometimes the Government is forced to take a long-term lease and future action is in the hands of the person from whom the lease is taken. Sometimes the Government can be caught in a long-term lease, although a shorter-term lease would be desirable. These are ongoing problems that the Government Accommodation Committee is addressing.

The Government addressed a problem of office accommodation that had occurred at Murray Bridge, and that resulted in the commissioning of Mobilong House. Accommodation in Murray Bridge was required by the Department for Community Welfare, the Health Commission, the Department of Lands, the Department of Agriculture, and the Marine and Harbors Department. Existing private office accommodation could have been used, once again taking the risky course of leasing various office space, while being aware that perhaps in the long term further accommodation would be needed. So, in relation to Department of Community Welfare and Education Department requirements, the Government decided to buy Mobilong House.

An architectural firm funded through SAFA was engaged as primary consultant to do the design and documentation and supervise in conjunction with other consultants. The end result is that the Government has a building to meet immediate and future needs. The building is designed in

such a way that there is no wasted space. It was a lot cheaper to provide a new building than to lease individual offices around Murray Bridge for each department. In relation to the member's comment, it is worth doing, but for the capital city of Adelaide there are other priorities for the distribution of capital funds.

**Mr BECKER:** I refer to 'Property Maintenance Services' on page 560 of the yellow book and the proposed expenditure of \$15.3 million for primary and secondary school buildings. What does that entail? How many schools are involved and is it for minor works only?

**The Hon. T.H. Hemmings:** The \$15.3 million is the total allocation for maintenance work for all primary and secondary school buildings; it does not include the provision of new buildings.

**Mr BECKER:** It is for repainting and repairs?

**The Hon. T.H. Hemmings:** It is for maintenance, yes.

**Mr OSWALD:** What shortages, thefts of cash, irregularities and thefts of Government property occurred in the Minister's department during the year ending 30 June 1986?

**The Hon. T.H. Hemmings:** We have done very well today, but I doubt that we would have that information with us. We will take the question on notice.

**Mr BECKER:** In relation to property maintenance on hospital buildings, does that allocation include the major hospitals in the metropolitan area, that is, the Queen Elizabeth Hospital, Modbury, Flinders and Royal Adelaide? Do any of the hospitals do their own maintenance work? Some years ago the Public Accounts Committee conducted an inquiry into the huge amount of maintenance required at the Royal Adelaide Hospital. It was alleged that the hospital received a bill from the then Public Buildings Department and it was not paid. Does the department still do maintenance work for the four major hospitals I mentioned?

**The Hon. T.H. Hemmings:** That figure of \$2.929 million is mainly for Hillcrest, where we still do the maintenance work. We do other work for the Health Commission on a reimbursement basis. The figure on page 560 is mainly for Hillcrest.

**Mr BECKER:** Can you break down the figure and say how much is for Hillcrest?

**The Hon. T.H. Hemmings:** It is estimated that around \$700 000 is for Hillcrest. However, further down the page there is a figure of \$11.4 million under the heading 'Total Programs'. The reimbursement comes out in that figure.

**Mr BECKER:** While we are discussing maintenance, Government buildings, and so on, has any consideration been given to the internal repainting of Parliament House? I understand that Parliament House was refurbished 12 years ago at a cost of some \$4 million, including rewiring, plumbing, and so on. That work had to be done. I am concerned to see the repainting of rooms, particularly on the House of Assembly side. Has any consideration been given to that and, if so, what is the estimated cost?

**The Hon. T.H. Hemmings:** I have talked about historic buildings quite a lot today, and the Committee would be well aware of our commitment to them. In fact, the Government has agreed to spend \$1 million per annum on historic buildings. I know that the colour scheme did not do much for the member for Hanson. By the way, only two people protested: the member for Hanson and a dear old lady. So that is not too bad. We are now working on Torrens building.

**Mr BECKER:** You are not using the same colour for Torrens building?

**The Hon. T.H. Hemmings:** Keep that separate. Parliament House has its own on going minor works allocation outside that \$1 million. Members will be well aware that

under the previous Speaker the major Parties and individual members were asked to comment on Parliament House, the accommodation, whether there was any need for change, whether we should upgrade and even whether we should build. My department made an evaluation of the results of that survey, and we found that there is a shortage of space. I am sure all members of the Committee can tell me about the lack of space in Parliament House and how they all grin and bear it. The member for Hanson is on the second floor, and I know exactly what that is like. Ministerial offices in this building are very poky. If I had more than three people in my office, we could be accused of immoral behaviour, if one has a vivid imagination.

In relation to Parliament House, there is a program in progress at the moment which is creating a lot of publicity (and I am not talking about Mr Legh Davis' painting program) that is, the program in the corridors of the basement. I assure members that the internal painting takes up most of the \$145 000 painting program, which includes painting the outside window frames in a rather exciting traditional colour known as Indian red, code 1353 in gloss enamel. Once again, that is in line with heritage requirements. So there is an ongoing program, which was decided back in 1984. That program is now on stream. We had used \$15 330 out of an overall painting program budget of \$145 000 to do up the exterior of the building in Indian red, code 1353.

**Mr BECKER:** That is outside Parliament House?

**The Hon. T.H. Hemmings:** Yes.

**Mr BECKER:** What about internally? Our rooms have not been painted for 12 years.

**The Hon. T.H. Hemmings:** That is internal walls only, not the woodwork.

**Mr BECKER:** The walls are being done as well?

**The Hon. T.H. Hemmings:** The walls in the basement. I can give the honourable member the details of work to be carried out, perhaps in the fond hope that Mr Legh Davis reads *Hansard*.

**The CHAIRMAN:** Perhaps we can have a working bee and do it ourselves.

**The Hon. T.H. Hemmings:** Perhaps if Mr Davis reads this, he might learn something. In the basement corridors, the ceilings will be done. Loose and flaking paint will be removed. Other work will be to rub down to remove all chalky surfaces; sand down glossy areas; and spot prime bare or repaired areas with a finished coat. For the ceilings, two liberal coats will be applied. The paint to be used is flat, acrylic, plastic, antique white. For the walls, two coats of low gloss acrylic, plastic, antique white paint will be applied. The areas to be repainted are two north-south corridors, two east-west corridors, the canteen corridor, the ladies lounge corridor, the light well and three stair wells. That gives a total of 3 073 square metres of internal painting. Obviously, the majority of money will be spent on the woodwork on the outside of the building.

Many things have been done in this building in the line of expediency. As a result of our historical buildings program, as a building is completed a conservation study is carried out on it for ongoing work in the years to come. There is talk that a conservation study should be made of Parliament House to look at what work is worth spending money on to maintain and restore the heritage. This Chamber is a classic example. Also the areas around the light wells should be noted. If one looks at the front of this Chamber, what has been done in the past to create new office space is a complete sacrilege.

I will talk to the Minister for Environment and Planning about whether there should be that conservation study. This work to be carried out now is okay, because it is necessary,

but it might be an overall saving in the long term if we carry out a conservation study and the State determines what part of this building is worth conserving at the level we decide on, whether it be early 1900s or whatever. It is a complicated issue, but we are looking at it.

**Mr BECKER:** I am pleased to see that scaffolding has been erected around the Torrens building and that something is being done. How long will it be before work starts, or has work already started? What is the estimated cost of refurbishing, painting, replacing stonework, and so forth? When will the project be completed?

**The Hon. T.H. Hemmings:** The outside facade is to be restored at an estimated cost of \$1.6 million. The original restoration estimate was about \$2.5 million but the department, through its heritage construction team, has developed a technique to repair damaged stonework. I must not overlook giving credit to the heritage unit for the resultant savings of \$900 000. I will not get too technical, but a cement based synthetic stone is achieved by blending different grades and colours of sand to reproduce the correct texture. We do not carve out of stone, but we make the product from concrete. This kind of cheating occurs all over the world and, by using this new technique, we can reproduce the original texture.

All the balustrades existing in the Torrens building prior to the 1940s were stripped and lost, and this relates to the question of how far one goes in restoration to reflect a certain period. There are certain periods that we cannot go back to. Photographs were never taken close enough to pick up original designs. We have developed a good cleaning method for stone, in consultation with outside people, where the building is cleaned to almost its original state.

The paint colour will be original. In conjunction with AMDEL, as was the case on the Treasury building, we get the exact paint and we work in conjunction with the paint industry to produce a paint with today's strength and gloss but still having the period colour. It is unfortunate that Mr Davis did not see this in his five-minute tour of the property, but when one walks around Torrens building one will see the extensive work being done on salt damp. It is an interesting method where a membrane is forced through the building wall to ensure that, whilst we treat the existing damp, it will not rise. The membrane is cut in, it is inflated and thus travels forward. The method is worth seeing.

As to scaffolding, the member for Hanson was concerned about the length of time scaffolding remained on the Treasury building. The explanation was given before the Public Accounts Committee. The slurry method used to extract salt damp resulted in its being cheaper in the long term to keep the scaffolding up.

I cannot say for how long the scaffolding will be there, but I can assure the honourable member that we are well aware that it is cheaper to keep it up than take it down and put it up again. We will make a positive decision to leave it there while it is needed, but it will be there for the minimal period. In relation to the Treasury building, while the slurry work was being carried out it was cheaper to leave the scaffolding up than to take it down and then engage a contractor to put it up again.

**Mr BECKER:** The weekly cost of keeping it there is minimal?

**The Hon. T.H. Hemmings:** Yes.

**Mr BECKER:** I notice that at the entry of two of the doors there are foot scrapers—to scrape mud from shoes. Will they be retained? I hope that they will be.

**The Hon. T.H. Hemmings:** As a sign of hands across the water friendship, yes, they will be retained.

**Mr BECKER:** They are the last bastion of that establishment. I now refer to price variations. I have been approached by a person in relation to work done by the Steel Fabrication Association. I was told that the Government was slow to pay bills. When I looked into this matter, I decided that, as on some construction jobs there are variations when steel is measured, the main contractor has to go back to the department or the client (and in this case it is the department) to obtain payment for variation. It appears that the steel fabricators have to wait a considerable time for their money.

One steel fabricator told me that he has had to wait nearly two years for \$7 000 in relation to the Kingston school community centre. Quite a bit of money is outstanding for steel fabrication relating to the St Agnes bus depot. How can we ensure that the subcontractors are paid within a reasonable time, bearing in mind that, if the quantity surveyor makes a mistake and under-measures, the steel fabricator has to carry the first \$400, I believe, but then it becomes a battle to receive full payment?

**The Hon. T.H. Hemmings:** I will have to take the case referred to on notice and get back to the honourable member. The Government shares the honourable member's concern in regard to not only variations to the contract but also the long time it takes for Government departments to pay their bills (and that is of concern to the private sector). They are two totally different matters, but they are in the same area, because they affect cash flow. The Premier has made perfectly clear that we as a Government must lift our game. I think it would be fair to say that our department has been one of the guilty ones in relation to delays in claims, but that has now changed. There has been a marked improvement, but that is not really the question that the honourable member asked. We are aware of the problems in relation to claims on variations. Before I ask Mr Kent to comment generally, I make the point that in many cases those claims come back to us and we investigate them. In many cases the claimant is wrong as well: it is not just one-sided. It is one of those things that the Construction Advisory Council could look at with my department and other Government departments represented on it, and we will take that on board and discuss it.

**Mr Kent:** I do not profess to have any knowledge of the two matters raised by Mr Becker. I think as a general principle it is worth being aware that, generally, the steel fabricators do not have a contract with the department but are subcontractors to the builder. Not always is the information that is passed on by us to the builder reflected in the information that the subcontractor has. As a matter of policy now, we try desperately to process variations in the manner which I talked about earlier. However, it becomes clear at times that information that comes from the contractors to us is clearly inadequate for us to assess and recommend additional payment, and we send the matter back. Sometimes they are rather tardy in providing information. It is a two-way exercise. We are conscious of the need to ensure prompt assessment of any variation claims, but then it is up to the builder to pass on that information and to obtain additional information when it is required.

**Mr BECKER:** The lack of communication would seem to be the problem. As generally happens in the construction industry, the poor subcontractor has to wait. What can the Government do to try to put pressure on the main contractor to indicate that we do not like the system that is operating? There are enough rules and regulations to operate under, but it is unfair that the little bloke is always the one that is squeezed.



**The Hon. T.H. Hemmings:** We will take that matter up with the Housing Authority Council.

**Mr OSWALD:** Last year the motor pool of the department was increased. One member expressed concern at the growing number of vehicles that the department was holding when we have the Government motor pool and the common usage of motor vehicles in the Government service. This year the department is asking for an increased allocation of \$500 000 to be spent on motor vehicles. Last year \$1.29 million was voted and \$1.268 million was actually spent. Why do you need another \$500 000 to purchase motor vehicles in the department?

**The Hon. T.H. Hemmings:** The member for Hanson will be aware of the insistence of the Public Accounts Committee in relation to services and supply, that departments should meet the criteria of reduced mileage and life of vehicles. The reason is, purely and simply, that it meets Treasury guidelines for the replacement of motor vehicles. Going back to the question asked last year about the number of vehicles in the department, as at 30 June 1983 we had 277 passenger vehicles, 173 light commercial vehicles and 66 heavy commercial vehicles.

At 30 June 1986 we had 110 passenger, 254 light commercial and 36 heavy commercial, giving a total of 410, a reduction of 106 vehicles, or approximately 20 per cent. The important thing is that there has been a marked reduction in passenger and an increase in light commercial vehicles which, again, is in line with our new strategy of making our department more efficient. We use the light commercial vehicles so it is easier to transport goods, etc., from work sites.

We decided to allow people who were due to go to a job the following morning to take their vehicles home. I know of the interest that is shown by some members of Parliament about Government vehicles floating around the local hotel, and so on, but I think it is a credit to my department that, since we allowed them to take their vehicles home if they were due to undertake a job the following morning, not only have we effected cost savings of about 8 per cent but we have increased our productivity. As I said at the time I made the decision, we are treating workers as honest people and they have more than justified that decision.

In energy management targets we have had a downward trend in petrol consumption resulting from a policy of purchasing smaller vehicles. Increased productivity has been achieved of about \$320 000 in allowing selected employees to use their vehicles. One other thing which should always be at the back of our mind is that there has been a dramatic increase in the price of vehicles due to the Australian dollar being devalued and the use of imported components.

If the question was purely and simply justification, they meet the guidelines of vehicle replacement, but the additional information I have given is that we are continuing to work towards saving money and the better utilisation of vehicles. We are also well aware that we need to look at the hire rates of our vehicles, and that is an ongoing thing in the supply and transport areas.

**Mr OSWALD:** Could the Minister incorporate in *Hansard* later the vehicle numbers for the years between 1983 and 1986? I would like to see that as well.

**The Hon. T.H. Hemmings:** I will give you all the figures.

**Mr OSWALD:** I still have some concern now—and I suppose it will take a major inquiry rather than just a few questions here to determine the justification for the use of those vehicles. The Minister says it is justifiable and today we accept his word that it is justified that an employee hops in a vehicle, goes off and completes a task. What concerns me is the number of Government vehicles that are used,

and we can only take the Minister's or the Director-General's word that, in fact, that vehicle is being used judiciously.

We are allocating here \$1.7 million for new vehicles, and I am no fool: I know the replacement criteria, and when the mileage comes up, the age comes up and, of course, they have to be replaced. As members of Parliament, I think that we have to show some concern for these massive amounts of money we vote for the use of vehicles. The Minister just stands in the Parliament and says 'It is perfectly justified.' The use of those vehicles is not justified, but I guess this is not the place to do that: the Public Accounts Committee forum is probably a better place to do it.

I would like to put on record my concern that we provide billions of dollars and all we find out as members of Parliament is that the Minister and his departmental head say it is justified when, in fact, there is no proof that it is justified. You may be able to get away with 50 fewer vehicles or even 10 fewer, but the taxpayers are paying and will continue to pay the bill, in many cases reluctantly.

**The Hon. T.H. Hemmings:** I think it is rather unkind of the member for Morphett to use my answer about justification in the way that he has. We are talking about vehicle replacement and the justification for that is in line with the Treasury guidelines. As I said earlier, that was reinforced by the Public Accounts Committee when it looked at services and supply. That was the justification for changeover of vehicles. The honourable member was obviously listening to my answer, because he asked that additional information be inserted in *Hansard*. In line with what the member for Morphett asks for, the type of vehicle used by the department has changed dramatically over the past three years. Do we need a passenger vehicle; do we need a light commercial vehicle—

**Mr OSWALD:** You are missing my point.

**The Hon. T.H. Hemmings:** No, I am not missing the member for Morphett's point. I suppose it is accepted that the wastewatchers of this Parliament are on only one side of the House. I assure the Committee that within Government the wastewatchers are a lot more strict; they are firmly in control, and they look at areas of waste where savings can be effected and not at airy-fairy ways where a headline can be grabbed but as a result of which nothing eventuates. A report just finished deals with departmental vehicle numbers and Netley based passenger vehicle use. The terms of reference of that report were as follows:

1. Establish the total vehicle numbers operating in the South Australian Department of Housing and Construction over the last four years. Provide a breakdown of the numbers by vehicle type.

2. Review the use of passenger vehicles based at Netley.

Recommendations:

1. Form a pool type system for passenger vehicles operated by the transport section by offering semi-dedicated vehicles to the Construction and Engineering Services inspectorial staff.

2. Review the charge rate for vehicles to achieve cost recovery for under utilised vehicles.

I could not have made that up, and that is why I read it so quickly. There is the justification that we talk about. There is an ongoing study into the operations of my department. I thought that that was coming through loud and clear during this afternoon's session. I refer also to a transport review which again is looking at the operations.

My department is well aware of its responsibility to use the taxpayers' dollar that is allocated to it to the maximum benefit of the consumer, the community and also the department, and we will continue to adopt that policy. I would like to think that, while I am a Minister, I will be able to sit here and say, 'Yes, we have achieved that.' I doubt very

much that that is the case, but each year we are coming closer to that goal.

**Mr BECKER:** At page 1 the Auditor-General's Report, under the heading 'Financial position', states:

- offset partly by a fall in—
  - State taxation receipts of \$16.4 million;
  - departmental receipts and recoveries of \$23.3 million, which reflects the non-receipt of a budgeted amount of \$34.3 million under Minister of Housing—Miscellaneous.

In the budget papers at page 165 the amount voted was \$35.3 million and the actual payment \$29.9 million. This year the proposed amount is \$35 million. Debt servicing costs payable to the South Australian Government Financing Authority in respect of housing agreements between the State and Commonwealth Governments are mentioned. I understand that the amount to which I referred in the Auditor-General's Report of \$34.3 million was paid to the South Australian Government Financing Authority.

This money did not go into general revenue, as budgeted. At page 165 of the budget papers there is provision to make a payment to the South Australian Government Financing Authority. When was that arrangement altered? Under last year's budget the Minister's department should have paid \$34.3 million to general revenue and did not pay it. When did that arrangement alter?

**The Hon. T.H. Hemmings:** I will not be pedantic about this matter, but this relates to housing, which we have gone through. If my answer does not satisfy the honourable member as to when the change took place, I will get additional information for him. The debt servicing cost payable to the South Australian Government Financing Authority in respect of housing agreements between the State and Commonwealth Government is Commonwealth-State housing money which comes through the Office of Housing. There has been a gradual change whereby the responsibility on housing which used to be covered by Treasury is now covered by my Office of Housing.

The change that the honourable member sees effected here is because of that change in responsibility. The honourable member may recall that, two years ago, all housing lines were under 'Treasurer'; now they are under the Office of Housing. That is why the entry below, which deals with payment of interest to SAFA in respect of deposits with building societies of interest free funds is the allocation of money that was deposited with the building societies on interest free terms, but because of the increased responsibilities of my Office of Housing it has to show up in my line rather than the Treasurer's line. Does that explain what the honourable member wishes to know?

**Mr BECKER:** I want to know the reason, that is all.

**The Hon. T.H. Hemmings:** It has been a gradual transition of responsibility, again with the Office of Housing now located within the Policy Division.

**Mr BECKER:** The Opposition has been approached by the manufacturer of a front end loader called a Bobcat skid steer loader. I have received a photocopy of a letter written to the Premier. The letter states:

Dear Mr Bannon,

I read with interest your comments on Australian made goods in the *News* of Thursday 19 June.

As the S.A. Distributor for the Australian made Bobcat Skid Steer Loader, I welcomed your views. It is however unfortunate that your Government does not share your views.

My company Bobcat of S.A. recently lost a tender to the State Supply to a Japanese made Toyota loader. The tender number was 03/6 which was a recall of tender No. 1563. The machine was for the S.A. Department of Housing and Construction to be used at the West Terrace Cemetery.

To my knowledge the Toyota did not meet specifications and I believe was more costly. . .

Was the Department of Housing and Construction or the Department of Services and Supply involved with that tender, and why was preference given to a Toyota machine over an Australian made one?

**The Hon. T.H. Hemmings:** The decision is made by the Department of Services and Supply. Under the terms of the State Supply Act we have to purchase as directed by that department. In relation to the question, in effect, one could ask why the Prime Minister pushes the purchase of Australian goods while still allowing the importation of certain goods. I am advised that the decision was made in relation to the purchase of the loader on the grounds of safety. However, I will check out this matter further for the member for Hanson.

It is the policy of the Department of Housing and Construction and the Housing Trust—indeed it is Government policy—to buy Australian goods. I know that the honourable member is an avid reader of the *Labor Herald*, and in this week's edition there is a quite large feature article on the South Australian Housing Trust's purchase of Australian goods. We believe in that principle. However, in relation to the honourable member's question, I am advised that the decision was based on the grounds of safety.

**Mr BECKER:** That is handy to know, because if that is so it means that the Australian designer can improve on his design to meet competition. I think it is useful that these issues be brought to our attention from time to time, as it helps Australian industry to become more competitive.

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

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Works and Services—Department of Housing and Construction, \$283 332 000—Examination declared completed.

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Minister of Housing and Construction and Minister of Public Works, Miscellaneous, \$36 126 000—Examination declared completed.

#### ADJOURNMENT

At 5.54 p.m. the Committee adjourned until Tuesday 7 October at 11 a.m.