

HOUSE OF ASSEMBLY

Tuesday 7 October 1986

ESTIMATES COMMITTEE A**Chairman:**

Mr D.M. Ferguson

Members:

The Hon. H. Allison
 The Hon. B.C. Eastick
 Mr T.R. Groom
 Mr J.H.C. Klunder
 Ms S.M. Lenehan
 Mr J.W. Olsen

The Committee met at 11 a.m.

The CHAIRMAN: The informal procedure adopted previously will continue. As changes to the Committee occur, I would appreciate it if they are notified in the appropriate way. If the Minister undertakes to supply information at a later date, it must be in a form suitable for insertion in *Hansard* and submitted no later than Friday 31 October. I propose to allow the lead Opposition speaker and the Minister a 10 minute opening statement, if they so desire. There is a flexible approach to the calling of questions and, subject to the convenience of the Committee, a member outside the Committee will be permitted to ask questions once the line of questioning of an item has been exhausted by the Committee. Indications in advance would be appreciated. Questions must be based on the lines of expenditure as revealed in the Estimates of Payments, and all questions must be directed towards the Minister.

Legislative Council, \$752 000—Examination declared completed.

House of Assembly, \$1 365 000

Witness:

The Hon. J.C. Bannon, Premier, Treasurer and Minister for the Arts.

Departmental Advisers:

Mr G.D. Mitchell, Clerk of the House of Assembly.
 Mr A. Schulze, Accounting Officer.

Mr OLSEN: I refer to Estimates of Payments (page 14, line 11). Last year \$32 007 was spent on office machines and equipment, against a vote of \$17 000. What is the reason for the excess expenditure?

The Hon. J.C. Bannon: Some \$15 000 of funds was carried over from 1984-85 for the purchase of word processing equipment, plus \$2 000 for the purchase of a TV video recorder unit for use by the Speaker and members, and those carryovers would appear in the 1985-86 contingency lines. Surplus funds on the House of Assembly contingency lines include administration expenses, accommodation allowances and select committees, all of which were transferred to the line 'Purchase of office machines and equip-

ment' late in 1985-86 to fund purchase of some additional equipment: photocopiers essentially and some small amounts of hardware. In 1986-87, there is an estimated cost for a compactus filing storage to replace the conventional cupboard storage in the Attendants office. That represents the major increase.

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

Parliamentary Public Accounts Committee, \$190 000—
 Examination declared completed.

Parliamentary Library, \$382 000

Chairman:

Mr D.M. Ferguson

Members:

The Hon. H. Allison
 The Hon. B.C. Eastick
 Mr T.R. Groom
 Mr J.H.C. Klunder
 Ms S.M. Lenehan
 Mr J.W. Olsen

Witness:

The Hon. J.C. Bannon, Premier, Treasurer and Minister for the Arts.

Departmental Advisers:

Mr G.D. Mitchell, Clerk of the House of Assembly.
 Mr H. Coxon, Librarian, Parliamentary Library.
 Mr A. Schulze, Accounting Officer.

Mr OLSEN: The amount proposed for wages and salaries for the year is \$314 000, \$12 000 less than the amount voted last year and \$19 535 less than the 1985-86 expenditure. In what areas will cost savings be effected?

The Hon. J.C. Bannon: Mr Schulze will reply.

Mr Schulze: Last year a CEP program was being undertaken in the Library which carried over from the previous year. That project is now completed, hence there is no provision in this year's estimates for that non-recurring cost. That is the major reason why there is a reduction in expenditure compared to the two previous years.

The Hon. B.C. EASTICK: How effective is the computerisation relative to access to data banks, and so on, which upgrade the sort of information that is available to members of Parliament?

Mr Coxon: I could say that perhaps members would be the best people to say how effective library services are. As someone acting as an intermediary between the data base suppliers and the members, I can say that that depends very much on the supplier. It is a bit like buying books. The value of a book is not necessarily determined until one has read it. We are supplying quite a range of data base systems now, and two further services have been added recently to the six already accessed, the new CSIRO Australia, which is essentially a scientific data base, and the Australian Bureau of Statistics is starting to put most of its information in an on-line format system called Ausstats, and that is also on the CSIRO network. That has increased the number of available systems.

Recently, we also provided access to members, for a short period as part of a pilot project in conjunction with the

Advertiser, to the on-line edition of the *Advertiser*. That was a very interesting experiment, and we found it very worthwhile. Quite a few members, at my invitation, looked at that system and were impressed with it.

The Hon. B.C. EASTICK: Are there other systems in train to which Parliament or the Library may wish to take access, and is there adequate provision in these estimates so that the Parliament can maximise on the improved services that are constantly being promoted publicly? I refer particularly to the service related to the law system, which has had public profile in recent times.

Mr Coxon: Certainly, the new legal information system, CLIRS, is a very exciting prospect. I approached the Attorney-General to be involved in some way with the initial trials of the system, but I have not yet had a response from them. There are certainly problems of cost, particularly with CLIRS, given that there are different ways in which it can be accessed. There is a fairly standard commercial form of access, but that is a very expensive way of going about it, and our present resources probably would not allow us to get into that. The Australian Bibliographic Network, based on the National Library (and we are members of the Australian Bibliographic Network) is offering a gateway to CLIRS, but there seem to be technical problems for dial-up users as opposed to people with lease lines. That opportunity is not open to us at present, but there are other opportunities that the Government might like to consider, such as providing access on a fairly global basis for Government departments. I would certainly like the Parliamentary Library to be considered in those discussions when they take place.

Mr OLSEN: I note that \$3 000 has been allocated for the purchase of machines and equipment. What sort of equipment will be purchased?

Mr Coxon: That allocation is for a photocopier machine, to be placed in the main reading area of the Library. It will be available for members' use, so that they will not have to run up and down stairs to use the machine that is in the office.

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

Joint House Committee. \$537 000—Examination declared completed.

Parliamentary Standing Committee on Public Works.
\$73 000—Examination declared completed.

Legislature. Miscellaneous. \$3 552 000

Chairman:

Mr D.M. Ferguson

Members:

The Hon. H. Allison
The Hon. B.C. Eastick
Mr T.R. Groom
Mr J.H.C. Klunder
Ms S.M. Lenehan
Mr J.W. Olsen

Witness:

The Hon. J.C. Bannon, Premier, Treasurer and Minister for the Arts.

Departmental Advisers:

Mr G.D. Mitchell, Clerk of the House of Assembly.
Mr A. Schulze, Accounting Officer.

The CHAIRMAN: I declare the vote open for examination.

Mr KLUNDER: I note that under 'Miscellaneous' two lines deal with printing and publications (printing of Parliamentary Bills, Acts and regulations; and publications issued to members of South Australian Parliament). Is the printing of the daily notice included under either of those two lines?

Mr Mitchell: Yes, under 'printing of parliamentary Bills, Acts and regulations'.

Mr KLUNDER: Is the reduction in size of the daily notice likely to be reflected in that line?

Mr Mitchell: Over the past three years the House has purchased word processing equipment which we have been increasingly using for the production of Notice Papers and the votes and proceedings. Initially there were no great savings because of the difficulties of utilising the technology. I will refer to some Legislative Council figures in order to draw a comparison. The cost of minutes of proceedings increased during the past three years from \$27 500 to \$42 000, while the Assembly Notice Paper has had a reduction in that time of \$500, and that is without the recent change to the Questions on Notice being transferred to an appendix. We do not know yet what the total cost savings will be but, in implementing it, we were of the view that it would be about \$10 000. But again, it depends on the number of questions on the Notice Paper.

Ms LENEHAN: Last year, \$11 000 was voted for the line 'Commonwealth Parliamentary Association', and the actual payment was \$9 001; and this year proposed expenditure is \$35 500. What expenses will be incurred from that amount? I am aware that last year was an election year, and I guess that there was not much involvement in the CPA. Are any specific CPA conferences and conventions budgeted for in that line?

The Hon. J.C. Bannon: I will refer that question to the Clerk, who is also the Secretary of the CPA.

Mr Mitchell: That expenditure is roughly the same as last year with the addition of one item, that is, the annual conference of the CPA, which will be held in Canberra late in 1988. All States will contribute equally about \$108 000. In view of the fact that much planning has to go into it, it was decided that roughly 20 per cent, 30 per cent and 50 per cent was to be provided over those three years, and \$22 000 of that \$35 500 represents our first contribution.

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

State Governor's Establishment, \$616 000

Chairman:

Mr D.M. Ferguson

Members:

The Hon. H. Allison
The Hon. B.C. Eastick
Mr T.R. Groom
Mr J.H.C. Klunder
Ms S.M. Lenehan
Mr J.W. Olsen

Witness:

The Hon. J.C. Bannon, Premier, Treasurer and Minister for the Arts.

Departmental Advisers:

Mr B. Guerin, Director, Department of Premier and Cabinet.

Mr J. O'Flaherty, Director, Administration and Finance.

Mr E. Kageler, Chief Administrative Officer.

The CHAIRMAN: I declare the vote open for examination.

Mr OLSEN: What is the position in relation to the future of His Excellency the Governor? His Excellency's first term expires in a few months. I assume that the Premier has initiated discussions with Sir Donald and Buckingham Palace about this matter. Can the Premier advise the Committee whether His Excellency has sought a second term and, if so, will that be granted?

The Hon. J.C. Bannon: No, I cannot advise the Committee of any discussions in that area. Naturally, the Government has in mind the fact that the Governor's term, which is notionally a five year term, will fall due for expiry in April next year, which is still some months away. Discussions will take place about the future as far as the Governor's appointment is concerned, and an appropriate announcement will be made. Obviously there are two areas of importance: the first relates to the incumbent and, secondly, the fact that the appointment is made through Buckingham Palace.

Mr OLSEN: Given the Premier's reply, have discussions taken place to date or are they yet to commence?

The Hon. J.C. Bannon: In a very preliminary way, some discussions have taken place.

Mr OLSEN: Has Sir Donald indicated his availability for consideration by the Government and Buckingham Palace? It is my view that a majority of South Australians would certainly give unqualified support to Sir Donald's reappointment to this position should he seek or wish a second term.

The Hon. J.C. Bannon: I note what the Leader of the Opposition has said. However, I cannot disclose the nature of the discussions that have taken place.

Mr OLSEN: If the Premier is not prepared to indicate the extent of the discussions with Sir Donald, can he say whether discussions have taken place with any other individuals in relation to the position of Governor?

The Hon. J.C. Bannon: It is quite inappropriate for me to indicate the nature of any discussions that have taken place, as the Leader well knows.

Mr OLSEN: Has the Premier had any discussions with His Excellency about the future of the Governor's car and, if not, does he intend to do so? There has been considerable publicity along the lines of 'Buy Australian'. In fact, on 16 September the *News* indicated that the current model was valued at \$280 000 and could have been changed for a Ford LTD or the like. Has the Government given any consideration to this matter?

The Hon. J.C. Bannon: Not recently. I certainly have not discussed it with the Governor. We are actually in a positive financial situation as far as the Governor's car is concerned. The replacement of the Rolls Royce, bearing in mind the tax exempt status of the Government and the resale of the car that the Governor currently has, when it comes up for renewal, means that we make a profit on each transaction, as I understand it. Certainly, we do not do any worse and, therefore, we have an investment that pays for itself. That is obviously one of the considerations in looking at an appropriate replacement.

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

Office of the Government Management Board,
\$1 456 000.

Chairman:

Mr D.M. Ferguson

Members:

The Hon. H. Allison
The Hon. B.C. Eastick
Mr T.R. Groom
Mr J.H.C. KJunder
Ms S.M. Lenahan
Mr J.W. Olsen

Witness:

The Hon. J.C. Bannon, Premier, Treasurer and Minister for the Arts.

Departmental Advisers:

Mr A.J. Strickland, Commissioner for Public Employment.

Mr B. Guerin, Chairman, Government Management Board.

Mr B. Mewett, Director, Office of Government Management Board.

Mr G. Lewkowicz, Acting Director, Policy and Support Services, Department of Personnel and Industrial Relations.

The Hon. J.C. Bannon: Before we embark on the questions on this segment, I will make an explanation of the arrangements. The arrangements changed substantially as of 1 July 1986 due to the proclamation of the Government Management and Employment Act. Over the past 12 months intensive work has taken place to prepare for the new arrangements. The board has been appointed and the staffing allocations as between what are now effectively two areas that formerly came under the aegis of the Public Service Board (that is, the Office of the Government Management Board and the Department of Personnel and Industrial Relations) have been given effect and therefore are reflected in these estimates. As from 1 July 1986 the new arrangements were operating.

They are the most advanced and developed arrangements of their kind in this country, and they are attracting considerable interest from other Public Services in Australia and, indeed, there is international interest in some of the changes that are being made in South Australia. Although they have not been given as much publicity or trumpeted as loudly, these changes reflect fundamental reforms with which other services have not come to grips. Next month we will host a national conference of the Institute of Public Administration that is being held here in part in recognition of the fact that things are happening in South Australia and people are interested in what is going on.

While the Government Management and Employment Act under which the Department of Personnel and Industrial Relations is established is under the administration of the Premier, under powers of delegation the section dealing with the operations of the Public Service and the Department of Personnel and Industrial Relations is with the Minister of Labour. In a sense, that recognises a *de facto* situation that has always operated. Particularly in the industrial areas, the Minister of Labour of the time has usually been actively and closely involved in industrial relations and personnel management. The Commissioner still has a

role and reports directly to me on a number of matters that may arise, such as certain senior appointments and other more fundamental issues, but basically the administration of the personnel and industrial relations area is under the ministerial control, by delegated authority, of the Minister of Labour.

Therefore, for the purposes of the examination of the estimates, those allocations are listed under the lines of the Minister of Labour and will be examined by the Estimates Committee on that matter. The Office of the Government Management Board, however, still reports directly to the Premier and \$1.456 million has been allocated in that regard. Obviously, it is appropriate that this Committee examine that subject. The Government Management Board has the overall role of principles and policies of public administration, improvement of organisation and management practice. It acts as the generator of management improvement schemes and assessment of departmental performance, and so on, so it is the overall umbrella organisation. The Commissioner is a member, and his specific responsibilities are conferred by the Act in relation to personnel and industrial relations administration.

In brief, that is the structure and the reason why what was formerly the Department of the Public Service Board under one Minister and therefore the subject of consideration by one Committee is now effectively split into two areas. The lines for the Government Management Board are to be examined by this Committee, and the personnel and industrial relations components come under the lines for the Minister of Labour.

The CHAIRMAN: I point out to the Committee that there is a strange situation in reference to these lines. Strictly speaking, members should not ask questions about last year's estimates and questions on this year's estimates should be addressed to the appropriate Committee. I have noted that members always are very careful about the way in which they frame questions, and they may be able to consider that.

Mr OLSEN: According to the yellow book, one objective this financial year will be the development of practical approaches to assessing the potential for productivity improvement and to work with at least two agencies on a pilot program for improving office productivity. Recently, the Prime Minister announced a series of measures to improve the efficiency and productivity of the Federal public sector, and that includes streamlining, redeployment, retrenchment of inefficient, surplus and invalid staff, simplification of job classifications, reduction in time and cost of personnel management, including abolition of appeals over promotion above certain classifications, and a review of flexitime. Does the South Australian Government intend to implement similar measures in the State public sector?

The Hon. J.C. Bannon: The changes that the Prime Minister announced in relation to Commonwealth work practices and changes have been implemented in this State, and that is an example of the sort of thing I mentioned in my opening remarks. In many respects, in both personnel practice and industrial organisation, we are well ahead of the rest of Australia. I guess it is a compliment that some of our ideas and innovations are being picked up. Incidentally, I do not want to be taken as being overly complacent about this: obviously we have a lot to learn from other practices, and we would not say that we have a system that is, as yet (if it will ever be), totally efficient.

A number of areas must be considered specifically in relation to productivity improvement, but that seems to be a first priority of the Government Management Board, which has established a work program dealing with a num-

ber of areas of productivity. The establishment of a general awareness of productivity and the need for it, and the provision of hints and tips, data techniques and indicators that can be used by departmental managers are involved. We must remember that they do not just sit back and wait for the board as it was to issue directives: management must take the initiative and demonstrate involvement in productivity improvement and promotion. However, they are greatly assisted in that process if there is an exchange of information and a general awareness of it. In regard to the more specific programs relating to a reduction in general overheads, the cost of telephones, supply, purchasing, and office accommodation, a number of systems are being implemented, some on a pilot basis and some in general. The Data Processing Board, the development of computer systems, things such as the management of motor vehicle fleets and the redeployment process, are all part of this productivity exercise.

In some cases, those things are targeted on a pilot basis to particular departments and in other cases they are applied more generally. There are 10 separate programs under that general priority heading of 'Productivity' which are being embarked on by the Government Management Board, all of which have a responsibility to either the board or the Commissioner and all of which involve timetables for reporting and completion of tasks.

Mr OLSEN: Several months ago when the question of flexitime was raised publicly by a former Federal Minister in South Australia I noted that the Premier put the view quite firmly that flexitime was not up for grabs in South Australia. Do I take it that he has now had a change of view and that flexitime in the State Public Service will be reviewed?

The Hon. J.C. Bannon: I did not say that flexitime would not be reviewed. In fact, flexitime is kept under fairly constant review, and there have been periodical assessments of its value in terms of productivity. The studies that have been undertaken in our Public Service (and again I suggest we have probably done more detailed work in this area than some others) indicate that while there is the capacity for abuse if slack management procedures are adopted—indeed a recent example of such abuse was exposed and quickly eradicated, with appropriate disciplinary action being taken—the overall assessment on each occasion that this matter has been tested is that flexitime yields productivity benefits, reduces absenteeism and improves work attitudes, and the overall effect of it is not to cost the Public Service money but to yield benefits.

While I believe that the system must be kept under review to ensure that there are no abuses of it and that it is yielding productivity benefits, that exercise has been done here. On the other hand, the Commonwealth has introduced a system—and I think this is the first time it has been reviewed—that I find quite surprising. There again, it is a fairly large and lumbering instrument of the Public Service and perhaps that has been something that they have not been able to get around to. My reaction to the Commonwealth's approach to flexitime—and that of a man whom I was very closely associated with on this issue some years ago—is that so far our assessment in South Australia—

Mr OLSEN interjecting:

The Hon. J.C. Bannon: I will not be held responsible for that particular introduction although, as I say, the system has its benefits.

Mr KLUNDER: Page 45 of the yellow book under 'Office Productivity' states:

Provide specialist advisory services in aspects of office productivity including office structures and work processes, managing office staff, and office technology and systems.

Does that mean that the office of the Government Management Board has computer specialists? If so, how do they interact with the Data Processing Board?

The Hon. J.C. Bannon: I ask Mr Mewett to deal with that.

Mr Mewett: We have two people at present with particular qualifications and skills in computing as well as a person who has a background in and knowledge of the human aspects of the implementation of technology. We endeavour to work with the staff of the DP Board when we work on a particular project. Recently in relation to a procurement system we have given advice and, in conjunction with them, talked to the team particularly on human aspects of the introduction of the technology.

Mr KLUNDER: I guess I am specifically interested in whether or not there will be a duplication of effort whereby officers from the Government Management Board will assist the department in setting up a particular kind of computer system and then have to take it to the Data Processing Board, which might then knock it back. If there is some behind the scenes cooperation, I am happy to be assured of that.

Mr Mewett: During the time of looking at the staffing balance in the office, I made a particular point of working with people on the DP Board to see whether there could not be a clearer understanding and working with so that we did not overlap. If anything, there has been a rationalisation of the numbers of staff in the particular function in my area so that we are not overlapping and causing confusion with agencies.

Mr OLSEN: Following the findings of the October 1985 Management Services Report, a number of objectives were set for implementation. I refer to the new policy of keeping management service positions to a minimum. In a memo issued to permanent heads, the Commissioner of Public Employment, suggested that a large agency should be able to work with a pool of three to five specialised advisers. According to the Auditor-General's Report, there were some 312 management service positions at the end of June. Which departments or agencies are outside policy guidelines and by how many positions?

The Hon. J.C. Bannon: The management services area was one that we identified a couple of years ago when undertaking a specific exercise to see whether or not the Public Service structure was becoming top-heavy; in other words, the pyramid seemed to be broadening to a greater extent. In fact, we were seeing a reduction in the number of base grade positions in rationalisations that were taking place. They often seemed to be accompanied by an increase in higher clerical and other positions. As a result of that, we introduced a specific savings scheme involving executive officers and administrative officers where we attempted to reduce (and have been very successful in so doing) the growth in numbers in those categories; in some departments specific reductions have taken place when working to targets.

The other area identified was that of management service officers where there had been a burgeoning of function over a period, with each department either appointing or adding to its management service function. I think it began as an important personnel initiative, particularly in the 1970s, to try to decentralise from the then board out into departments. But the review, which was obviously concurred in by the Auditor-General because of the comments that he was making, needed to be made. Again, we established targets for specific reductions of those positions, and that has been under way for some time.

Mr Strickland: As the Auditor-General pointed out, there are a large number of people whom one could describe as management services staff. One of the problems in this area is to try to focus on the precise people who are carrying out those assistance type jobs and functions and not try to sweep up all sorts of other people into them. The Treasury Department, in consultation with the committee that is looking at the broad reductions in administrative support areas (which the Premier outlined that earlier), tried to work out, in the context of this year's budget specific targets in the area of management services towards which people could work. That has been done, so that departments know right from the beginning of this financial year that they are expected to make specific reductions in people identified as being part of that management services function over the 12-month budget period.

Furthermore, we sent out the memo to which the honourable member referred in order to try to assist people to think through how they could redesign their jobs and activities to get the management services function assisting managers at the line and operational level and not be a large function of its own assuming its own significance and importance in the department. That memo was designed to get people to look towards that. We just about have ready now a discussion paper which takes up ways and means of getting towards those objectives that the honourable member outlined in his quotation. That will shortly be distributed around the service and discussed with employee organisations in terms of trying to work over time towards getting this whole administrative and support area of government down. It is interesting to note that we have been undertaking this activity now, as the Premier pointed out, for two years.

Again, at Commonwealth level, it was only in a recent statement by the Prime Minister that the Commonwealth Government structure paid any attention to this area. It was in contact with us before that to work out where we were going with this. The Prime Minister's statement includes general remarks about trying to reduce the administrative and support areas of Government and get more effort into the actual program delivery area.

Mr OLSEN: What percentage of deduction or number of reductions do you anticipate achieving this budget year?

Mr Strickland: I will have to take that on notice, because I will have to check with Treasury right through the set budgets for each department. As the member would be aware, Treasury now sets the actual work force numbers. I would think that we would be looking at not so much obtaining a particular target each year in percentage reductions but working in each agency to get movement towards the objective of reducing that function. I can certainly find out what that adds up to. However, I do not think it is a figure that we should become too hung up on.

Ms LENEHAN: I refer to 'Mainstreaming Equal Employment Opportunities' on page 45 of the yellow book, as follows:

Ensuring that initiatives which improve management practices and organisation effectiveness reflect equal employment opportunity principles.

I am aware that in the past year we have looked at eight separate agencies involving the implementation of equal opportunity employment programs. How successful have the programs been in achieving equal employment opportunity not just for the large number of women in the Public Service but also for people with non English speaking backgrounds, people with disabilities and Aborigines?

Mr Guerin: I believe that to some extent the success rate in this area can be shown statistically. As the question implies, perhaps the more important area is to change the

overall approach to employment and work practices within a department. I believe the experience in each of the departments mentioned—the pilot departments—has been that having worked through the issues, particularly in relation to the employment of women and to equal opportunity, the basis has been established for dealing with other groups on an equivalent basis. I am aware that in some organisations they have quite specifically moved on to arrangements for Aboriginal employment and for those people with non English speaking backgrounds. In general, it has been built into the job design and job description arrangements and the working functions of the departments.

The approach taken in South Australia has been practical rather than very regulatory, as has been the case in some other States. The effort has been directed mainly at actualities rather than reporting and theoretical arrangements. Just recently a program was started to take the arrangements another stage further during this year. I believe that another 18 departments and organisations are to be involved in this effort before Christmas, whereby a consultant will be brought in from outside to run a series of seminars which are very practically related to heads of departments and other senior officers with responsibility in this area.

The seminars will ask: if we are to get on with equal employment opportunity programs, what in practice do we need to do, and what are the specific things—not just the general principles—that need to be adopted and written up? I believe that the seminars will begin the week after next. We expect that in those organisations as well there will be an improvement in this area, that is, equal employment opportunity across the board and not just related to women.

Ms LENEHAN: I am particularly interested in and concerned about staff development and promotion for the groups that I mentioned in my first question. How does the Office of the Government Management Board see the implementation of the staff development and promotion aspect, as separate from recruitment, in terms of ensuring that equal employment opportunity is implemented? I take the point that it is certainly one thing to talk about principles and philosophies and to set goals and targets, but it is another thing to achieve them and to have specific strategies to achieve the goals and targets.

Mr Guerin: I believe this is very much part and parcel of the overall approach. I can cite the example of the Department of Premier and Cabinet. When we adopted an equal opportunity action plan for a year we targeted a series of specific activities that were needed not just in recruitment and in the area of fair selection for promotion or whatever it might be but right through our employment practices. We found that very straightforward and fairly obvious procedures like providing a check list in each job selection environment included specific equal employment opportunity questions, such as, 'Is there any built-in bias in this job; is the interviewing technique or the assessment technique biased against certain sorts of people?' The plan brought these questions right into the heart of the process. By giving that focus across the board in the department it has been possible to relate it to staff development, which is obviously very closely connected with career opportunity not only in one department but more generally.

In addition, the Department of Personnel and Industrial Relations, which has the major responsibility for staff development and associated matters within the Public Service departments, has certainly been preparing a series of activities through its equal opportunity unit and the staff development area to follow these principles through.

Mr Strickland: In the past 12 months in particular we have been using mainstreaming, which was mentioned in

the original question. That means that when preparing all the material to go out to departments to enable them to work under the new Government Management and Employment Act in relation to selection, promotion and discipline, we explicitly included equal opportunity, so instead of it being seen as something separate and outside it is something that is taken into account when one is carrying out various personnel functions. In addition, we have produced two documents both with the title *Equal Opportunities Made Easy*. There is a shortened version for all staff in departments (which has been distributed) and there is another document which is really designed as a handbook to back up our efforts to build in equal opportunity. That is the current thrust that we have been taking. If you looked at any area of the Department of Personnel and Industrial Relations (the former Public Service Board) over the past 12 months, I think it is probably fair to say that, whether you are talking about recruitment or selection procedures and the development of advice and guidelines on these matters, we have tried to build EEO matters right into them, and mainstreaming is the approach that we have adopted.

Ms LENEHAN: I heartily congratulate the department on the concept of mainstreaming which I think is extremely important. I am delighted with the response I have had. My third question relates to page 45 under the 'Provision of leadership in corporate, public sector development'. The last point talks about working with at least two departments to development performance agreements and providing advice to other agencies preparing agreements. Can the Premier tell the Committee which two departments have been selected for this aspect of the provision of leadership in corporate and public sector development?

The Hon. J.C. Bannon: This is one of the important features of the new Government Management and Employment Act: the ability to establish the so-called performance agreements and thus have something written down about just what the objectives over particular spans of time might be in terms of departmental programs and management. In fact, it says to work with at least two departments. The idea is to provide these performance agreements progressively to all departments, and that process is under way. It is not envisaged that they be public documents. They actually represent an agreement reached between the Minister and the manager—the chief executive—of his or her department on the way in which those departmental objectives can be attained.

Obviously, it is breaking new ground, so there is going to be a bit of experimenting involved in it, but it ought to become a very useful tool not just to the department in working out where it should be going and what it is that the Government is requiring of it but also to assist that link between the Minister and the chief executive of the department so that in a way one is overcoming the 'Yes, Minister' syndrome, by ensuring that there is a cooperative attention to what the objectives of the department should be. The Minister sets out the Government's objectives and priorities, with the departmental head feeding in observations of where the department sees particular programs and priorities applying and ensuring that they are given effect on an agreed basis. One can then measure the outcome, instead of simply letting the program go on with no-one really assessing it periodically. Performance agreements provide a measure so that one can say after a period of time that here are the points and one can ask where we have got to for each one.

The Hon. B.C. EASTICK: Under the Government Management and Employment Act 1985, section 18, the board gives general directions to the Commissioner as it considers

necessary for the proper implementation of any policy established in relation to personnel management or industrial relations in the Public Service. Then section 31 provides:

(1) The Commissioner may, on the Commissioner's own initiative, and shall, at the direction of the Minister responsible for the administration of this Act, conduct a review—

(a) for the purpose of determining the extent to which the principles of personnel management prescribed by this Act are being observed in an administrative unit;

or

(b) for the purpose of investigating any other aspect of personnel management in an administrative unit.

There are then other sections that flow on. Has any direction been given relative to the criteria which need to be followed by departments collectively, or to any particular department, since the commencement of the Act on 1 July 1986, or are any reviews being undertaken at this early stage relative to any of the departments under the ambit of the new Act?

The Hon. J.C. Bannon: No such general directions have been given. There has been quite a lot of joint work involved in preparing objectives and such policies that are necessary, but there has been no recourse to, or need for, any general directions. I might add that the Commissioner in his own right has issued a number of circulars and notices to departments and, of course, will continue to do so in pursuance of his statutory obligations.

The Hon. B.C. EASTICK: Are details of those directives that the Premier has just referred to made available in, say, the Parliamentary Library, as a matter of course so that the public generally and members of Parliament in particular can know the general direction in which management is going?

The Hon. J.C. Bannon: I do not think there is any central deposit or procedure to lodge departmental circulars in the library. They are generally distributed and they form the operations manual for departments. This has been done ever since we have had a Public Service, by way of Public Service minutes, industrial instructions, or whatever else. I do not believe there is any problem in those things being made accessible to members of Parliament who might be interested in them.

The Hon. B.C. EASTICK: Will the Premier take on board that specific request, that such a file be created in the Parliamentary Library where up to date information can be directly available to people inquiring about any particular department or seeking information collectively?

The Hon. J.C. Bannon: I do not see any problem with that. Certainly, as far as general issue circulars are concerned, that would be quite appropriate.

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

Premier and Cabinet, \$9 285 000

Chairman:

Mr D.M. Ferguson

Members:

The Hon. H. Allison
The Hon. B.C. Eastick
Mr T.R. Groom
Mr J.H.C. Klunder
Ms S.M. Lenehan
Mr J.W. Olsen

Witness:

The Hon. J.C. Bannon, Premier, Treasurer and Minister for the Arts.

Departmental Advisers:

Mr B. Guerin, Director, Department of Premier and Cabinet.

Mr J. O'Flaherty, Director, Administration and Finance.

Mr E. Kageler, Chief Administrative Officer.

The CHAIRMAN: I declare the proposed expenditure open for examination.

Mr OLSEN: Page 9 of the yellow book indicates:

Following major upgrading of the complex [at Ayers House] during 1985-86 rentals for the restaurant were reviewed.

Will the Premier give details of the cost of the upgrading? What was the rentable area let to the restaurant operators?

The Hon. J.C. Bannon: As has been mentioned, there has been considerable expenditure on renovations and improvements to the Henry Ayers Restaurant, the larger items obviously being the conversion to the Conservatory Restaurant, of Paxtons Restaurant, the format and general condition of which had become much in need of renovation. It is the first major upgrading of the restaurant involving large changes since the Government established the restaurant, although each lessee has made some minor changes. The total cost is about \$450 000—that element of which we identify as having to do with the fabric of the restaurant, its preservation, and so on, in the long term, because we have conservation responsibilities there paid by the Government, the balance being paid by the lessee. In other words, to the extent that the lessee had particular requirements for her business and the way in which she wanted to run the business, she made those payments, or those payments will be recovered in the course of the lease.

Mr OLSEN: What is the rental area let to the restaurant operators of the complex or the facility? Can the Premier indicate what is the rent per square metre?

The Hon. J.C. Bannon: I do not have those figures. On each leasing agreement and on renewal of leases obviously a renegotiation occurs, but I cannot provide the Committee with details of the actual square metreage available to the lessee. As you know, that includes a number of complexes: the restaurant, the conservatory area, the library, the ballroom and the surrounds. All I can say is that the rental is certainly kept under constant review and, like any landlord, because that is effectively what the Government is, we have to provide a balance between getting as much return as is reasonable from the property while at the same time not restricting the ability of the lessees themselves to operate profitably.

Mr OLSEN: If that information is not available, would the Premier seek to make it available through *Hansard* in due course?

The Hon. J.C. Bannon: I will make a check on that. If it is possible to do so, I will provide the information.

Mr OLSEN: I cannot understand why it would not be possible for that information to be obtained.

The Hon. J.C. Bannon: We do not establish rents on a square metreage basis.

Mr OLSEN: Most other places that let property work on that basis. If we are to compare this Government facility leasing out to the private sector, the only way to compare it against that which applies in the rest of the rental market system is to have a comparable base for the two sets of figures. That is the simple reason that the Opposition asks the question.

The Hon. J.C. Bannon: I understand the reason for the question. I am just explaining that we do not provide lease

arrangements on a square metreage basis because we have in fact a heritage building with particular characteristics and requirements that do not operate in the case of normal commercial restaurant activities. Therefore, the square metreage arrangement has never been considered an appropriate way in which to ascertain a lease.

Mr OLSEN: That is the reason I asked the rentable area compared with the other facilities, to separate the two out. By what amount did rents increase over the last year; what was the rental income last year; and what is the estimate for 1986-87?

The Hon. J.C. Bannon: From 13 January 1986 it is \$100 000 per annum. The rent was reduced from \$114 000 per annum as a result of a review and assessment of the value of the changes and renovations that have been made, and the commercial situation of the lessee.

Mr GROOM: On page 10 of the yellow book, dealing with Jubilee 150, under 'Issues/Trends', it is stated:

As a result of the board's continued promotion of the Jubilee 150 year, more than 6 000 activities are being staged during 1986. The large influx of interstate and overseas visitors for Jubilee events during the first six months is already having a significant effect on the State's economy.

Could the Premier outline the benefits to the South Australian economy, and are there any types of projects which will be of continuing benefit to this State in future years?

The Hon. J.C. Bannon: The Jubilee, I think, can be seen very much in two parts. One is the program of celebrations, events and activities, many of which have a tourist component, and all of which involve the expenditure of some money and economic activity taking place in the Jubilee year. The other component is those activities which involve upgrading of facilities, the construction of new facilities and so on—capital works and programs of that nature carried on throughout the State—which will provide a very lasting and tangible reminder of the Jubilee. We have been particularly successful in both areas. Unfortunately, problems of budget, and particularly box office in a couple of instances, have created critical comment, often ignoring the overall success of the event commented on. The most obvious example of that is the World Three Day Event. Whatever the criticism, and criticism justifiably levelled about the financial aspects of that event, there is no question that in other respects it was carried out very successfully indeed.

In terms of attendances and involvement, I am told by the Jubilee board that to date attendances have almost exceeded the State population, which is pretty remarkable over the whole range of events. Obviously, some of the most spectacular attendances related to the opening ceremony, which attracted more than 200 000; the Jubilee industry trade train, which attracted more than 120 000 around the State; and the *Falgie* grain trade re-enactment, which involved an estimated 300 000. There have been many other events on a much lower scale resulting in participation by the whole community. One comment I have heard is that the country and rural communities in particular have responded and received tremendous benefits from the Jubilee in a way that perhaps has not occurred in the metropolitan area of Adelaide itself, although there have been individual events in metropolitan Adelaide which have certainly involved the community.

So, we are experiencing a tremendous response to the events and, of those large numbers, while many of them are South Australians, many are from interstate. We do not have a completely accurate figure of how many people from interstate and overseas have come to the State, but it is tens of thousands. We are attempting to get a more detailed assessment. It is certainly shown up in the hotel and motel accommodation figures.

One of the features of the Jubilee is the way we have attracted particular national and international conventions. Every week one and sometimes two are proceeding. At the moment, for instance, we are host to an international conference of the Returned Services League or equivalent organisations—the Imperial Services organisations—and also the International Police Conference. They are two major international events taking place this week in Adelaide, and the police conference has the added event of the Police Tattoo.

Turning from numbers to money, we estimate that those conventions and conferences have injected almost \$90 million alone into this State as part of the Jubilee. The number of short, mid and long-term employment opportunities that have been created by that and the creation of additional work for existing South Australian companies, especially in the manufacture of souvenirs, and in the accommodation and hospitality industries, have all been quite spectacular. In that area of events we have seen a considerable amount of economic activity generated and we have yet to come to the Grand Prix and one or two other events before the year finishes.

I would like to list some of the substantial assets to the State that are left behind. It is quite an impressive list and will not take long. It includes: the Maritime Museum, which will be an extraordinary venue; the Visitors Centre at Fort Glanville; irrigation pumps and restoration at Cobdogla; the floral clock; the Moonta Mines development; the Mortlock Library of South Australia; the civic record; the Jubilee homes project; the Carrick Hill development; the South Australian Biographical index; the *Atlas of South Australia*, which is a marvellous production and one of a number of special Jubilee productions through the Wakefield Press, and so on. They are examples of things which will mean that there will be a long-term benefit to this State and in our bicentenary, there will be a lot of evidence of the Jubilee 150 at the same time.

The Hon. B.C. EASTICK: What other charges, if any, does the lessee of Ayers House pay, apart from lease payments?

The Hon. J.C. Bannon: The Government pays rates and taxes and recovers them through the leasing arrangement.

The Hon. B.C. EASTICK: May I reaffirm the situation? There has been \$500 000 expenditure on upgrading the facilities and an increase in council and water rates, of what proportions I am not sure, but at least at an average of between 8 per cent and 10 per cent.

The Hon. J.C. Bannon: They are noted under operating expenses. Last year, the actual payment was \$14 300, and this year \$17 000 was allocated. That is about \$3 000 more but it is not a significant amount.

The Hon. B.C. EASTICK: At the same time as there has been an injection of funds and an increase of the costs, there has been a reduction of \$14 000 in the lease fee?

The Hon. J.C. Bannon: Correct, but the rent had been increased substantially before that. It had been increased to \$114 000 and, on a reassessment and negotiation with the lessee, it was reduced to \$100 000. However, before that, the rent was about \$75 000. It was increased substantially in consequence of the value of the renovations made. In focusing on that, the Government component of the renovations had regard to necessary expenditure to maintain and ensure that the heritage building remains in pristine condition.

If one did not have a restaurant operating there, one might be able to do other things, but the alternative would be to operate Ayers House like Carrick Hill, as an art gallery or museum. One would not be able to generate anything

like the revenue or the value to the State of doing it that way. As it is, the arrangement provides National Trust areas in Ayers House. The advantage of having a restaurant complex has been to generate considerably more revenue than we could hope to do if we found another use for a heritage building that the State is obliged to look after.

The Hon. B.C. EASTICK: That apart, has the Premier taken advice on the entrepreneurial advantage to the operator *vis a vis* other people undertaking the same activity in the city, albeit not in National Trust premises? Would there not appear to be a distinct financial advantage to this lessee which might be a fringe benefit to that lessee, and a further impact on the State?

The Hon. J.C. Bannon: No. This is a commercial arrangement, and that is the only way in which it can be done. In any lease agreement entered into, we have a Government—Ayers House Management Committee, which, taking appropriate legal advice from Crown Law, negotiates the terms of the lease. At a period of expiry of the lease or if a lessee wishes to exchange or transfer the lease, the matter is renegotiated in the normal commercial way. In setting the level of rent, the actual return to the lessee and the turnover, and so on, are closely assessed. Obligations are attached to renting the restaurant, in relation to quality, style of service and so on, that the Government requires and that obviously costs a premium. For instance, if the lessee came to us and said that he was not making enough money out of the silver service operation and suggested turning it into a take away bistro, using Kentucky chickens to supply some of the material, that would be totally unacceptable. A private restaurant complex owned or leased by some other restaurateur has far greater flexibility. We take that into account. We require a particular level and style of service, and we adjust the lease agreement accordingly.

Mr OLSEN: Does the reduced rental fee or lease on Ayers House reflect the impact of fringe benefit tax on restaurant trade downturn in sales turnover? Has this been taken on board by the Government and has it therefore reduced the fee?

The Hon. J.C. Bannon: To an extent it would. There is considerable evidence that those restaurants at the top of the market with a silver service element—and this is one of the components of the Ayers House restaurant—were affected. What was also reflected has been the dislocation caused by the extensive and necessary changes, and while that was going on, some loss of business occurred which had to be taken into account. We are satisfied that the current lease agreement is a sound commercial one, yielding us an appropriate return and, most importantly, allowing Ayers House to provide the sort of services and venues that one expects from what is seen very much as a flagship in the State's restaurant complexes.

I understand that over the next few weeks, particularly with the Grand Prix coming up, the bookings for Ayers House are heavy. It is being seen as a venue that interstate company boards and others seek out. That is another reason why we want it to be run to the highest possible standards. The Government uses the complex on occasions. For instance, this Sunday Ayers House was used for a function for the Duke of Edinburgh.

Mr OLSEN: As at 30 June, can the Minister indicate what was the cumulative amount spent on Jubilee 150, and is it in excess of planned levels?

The Hon. J.C. Bannon: The short answer is that it is not in excess of planned levels. In fact, our current overview shows that direct Government expenditure on the Jubilee will be within the targeted budget as approved and, in fact,

throughout, despite there being a small handful of events that have gone over budget, there have been matching savings in other areas. Particularly over the past few months the board has been monitoring this closely indeed and has advised me that it will be within budget, which we agreed should be the aim.

Obviously, with such a range of events, it is impossible to say that each and every one of them will perform strictly to the budget that has been provided. I hope that by the end of this year there will be an unallocated contingency, the exact size of which will vary depending on the assessment, which means that, even if in the next few months there are problems within events (certainly none are foreshadowed), we have some contingency funds to deal with that.

Mr OLSEN: Will the Premier say whether the Government has yet received a report from the Education Department on the outcome of the Youth Musical Festival? If it has, will the Premier reveal the conclusions of that report? It was earlier indicated that the event exceeded budget by more than \$300 000. Last month the Minister of Education indicated to Parliament that the report on the reasons for the blowout was prepared. The basis of that report has been completed. Will the Premier complete the undertaking and have the report tabled, or have its conclusions given to the Committee?

The Hon. J.C. Bannon: I understand that the report will be presented to the Minister of Education, and he will be dealing with that appropriately. I am not aware of the report having been completed as yet.

The Hon. B.C. EASTICK: In the Auditor-General's Report which was tabled recently, the Auditor-General makes a number of comments relative to the accountability of the Jubilee 150 Board. For instance, he stated at page 366:

The non-receipt of accountability statements from grant recipients was raised with the Chairman, Jubilee 150 Board in April 1986. Previously concern had been expressed by my officers to officers of the board on this matter.

What grants in particular had been raised by the Auditor-General, and has the matter been satisfactorily dealt with? Is there any suggestion of improper use of Jubilee money and, if so, in what circumstances and by whom?

The Hon. J.C. Bannon: As far as I know, that matter is certainly being attended to. Indeed, I think the problems that occurred with the Three Day Event certainly highlighted the need to have some very detailed review of the accounting system, because that was one of the problems that that event faced. One could imagine also that with the range of events and recipients of grants, small and large, there can be considerable difficulty in following up accounts and accountability. As far as I am aware, those matters have been attended to, and no questions have been raised around them.

In relation to whether there have been any problems of misappropriation of funds, there is to my knowledge only one specific instance of that which involved a particular project, the responsibility of one of the subcommittees of the board. The amount involved was not large and has in fact been recovered or is in the process of being recovered. Appropriate action is being taken, but because that involves the possible laying of a charge, I am not able to give any further details. To my knowledge, that is the only instance where there has been found any problem of false accountability, if you like. The rest have been simply the inevitable problems found with amateur organisations having to handle sums of money that they are not properly geared to handle. Remember, we are talking about something like \$16 million overall in a mixture of grants, sponsorship, licensing revenues, and so on. It is a very big sum of money and, by

and large, the accounting has gone very well. The Auditor-General has not conveyed any special concern to me apart from his note in the report which he acknowledges is being attended to. No other questions have been raised.

Mr KLUNDER: My question is a quite general one on the programs in the white pages. If the Premier wants to widen the scope of his answer to include all programs in all departments, he will not get any complaint from me. In my opinion, the yellow book is now considerably better than in previous years, partly because a lot of extraneous work has been excised from it and partly because the white pages generally are in program form there is a better correspondence between yellow and white pages. However, there is still one problem, and that is that the amount for the various programs in the yellow pages and those given for the corresponding program in the white pages do not always correspond, partly because of Commonwealth funds and other funding sources which are not taken into account in the white pages but are taken into account in the yellow pages. Will the Premier's officers look at the yellow pages with a view to identifying Commonwealth and other funding situations separately but in such a way that in the future the yellow and white pages can be more easily reconciled?

The Hon. J.C. Bannon: I can certainly get that matter looked at. As the honourable member has said, this year there is a recognised refinement of the way in which we have presented these papers. I think it is very much for the better. It has reduced the total volume of paper but has not reduced the information available to members. That is always the problem: reconciling the need to provide as much detail as possible—by so doing, it assists with the questioning in these committees, amongst other things—while at the same time not overloading members with paper that is just unmanageable. I am not suggesting that we have solved this problem.

Right from the beginning of these Estimates Committees and the introduction of the yellow books, we have had this problem that the member refers to of trying to reconcile the estimate lines with the program books. It has improved each year; we have come a long way. An active assessment is made at the end of each estimates period of the sorts of questions raised and the effectiveness of the material. I hope that next year we can present an even more efficient format. One of the things that will help us is the requirement now, under the new Government Management Act, for departments to produce annual reports.

Quite a lot of the information that in the past has been reproduced in these books will be contained in those reports. Members will have a reference—I am not suggesting we will circulate every report to every member, but a lot of the supporting data that is descriptive material will be contained in those reports. Once we are assured that they will be made available and published in time for members to peruse for these Committees, we can probably reduce further quite a bit of this material. In reconciling the figures between the line estimates and the program book, we still have a way to go, and I hope we will see a further improvement next year.

Ms LENEHAN: My question relates to the program 'Equal Opportunity for Women' contained at page 13 of the yellow book. It follows on from questions I raised earlier in the Committee concerning the broader aspects of equal opportunities. I note with concern that under 'Issues/Trends', we are told that equity for women in the labour market remains a fundamental concern. The employment rates amongst young, Aboriginal and immigrant women and women with disabilities are of particular concern because

they are so substantially higher than normal unemployment rates. The program description further states:

Occupational and industry segregation continues to be marked. Despite Government initiatives to achieve equity in skills training programs, participation of women in pre-vocational and apprenticeship courses have fallen well below desirable targets.

Of particular concern to me is the next statement:

Women continue to constitute a significant proportion of the poor and homeless making them a significant interest group in the pursuit of social justice.

The first of the broad objectives states:

To advance employment opportunities and training programs for women with a view to expanding women's role in the State's economic base and participation in its future development.

I am very much aware of the concern of the Women's Adviser's Office and the fact that the office has placed great emphasis on the issues of women's employment. Could the Premier outline the basis and details of the employment strategy for women against that backdrop of issues and trends that I have outlined?

The Hon. J.C. Bannon: I can give some details of that and preface them by saying that my current women's adviser, Ms Carol Treloar, right from the beginning has placed a particular emphasis on these economic issues which has represented a development of the Women's Adviser's Office; in fact, I think it is in the nature of these positions that each incumbent has particular skills to bring to bear. So, on each occasion a new appointment is made there is a different emphasis, which is very healthy because it allows certain issues to be emphasised and given some priority for a period of time.

Miss Treloar has seen that from the beginning as a particular area of interest. She has a background of, among other things, financial journalism and involvement in economic development issues. That, together with employment, housing and such areas, has been a consistent priority. The aim of the women's employment strategy is to bring together a number of specifics and try to set up some targets in relation to them, such as reducing women's joblessness, promoting access to improved skills training, reducing wage differentials between women and men for particular work, structural and regional imbalances which restrict women's access to employment in certain occupations, industries or areas, improving labour market information for women, and ensuring that there is a direction of resources towards achieving equity for women in the employment market, a consciousness which goes beyond lip service and into programs and allocation of resources in industry. Those strategies have been outlined and are being concentrated on to develop an actual program of implementation.

For instance, looking at the improvement of the labour market information, it has been found that much of the apparent lack of access to, or lack of presence of, women in particular jobs relates to lack of information, such as women not being aware that particular opportunities exist because the traditional means of disseminating that information does not come before them. In pursuit of that objective of the strategy, an employment pamphlet that provides meaningful and accurate information on women in the labour market is produced every six months and given wide circulation. That is an aspect of our objective.

The Office of Employment and Training has only recently been established and that is providing a good focus for some of these programs to be undertaken. We will find that, as that office develops its skills, we will see much more evidence of its success in the marketplace and general industry. It is one thing to operate particular schemes and equal opportunity programs in the Public Service (they act as a good example, and are things that we should do, anyway)

but it is another to take that step into the private sector enterprises which have not thought about it or do not think there is much value in it. The Women's Adviser's office will be actively involved in keeping those issues to the fore. For instance, it actively goes to a number of venues and functions at which people such as the Women's Adviser and others are invited to speak, to contribute to seminars or produce papers, generally to spread knowledge of what is necessary in this area.

Ms LENEHAN: I take the point the Premier has made about spreading the word into the private sector and we have much educating to do to ensure that employers view women as a valuable employment source. I have come across a couple of instances where some employers do not view women in that light.

My next question relates to the Women's Information Switchboard. There is mention of a review and evaluation of its role, and in one of the highlights there is reference to the services of the Women's Information Switchboard being extended to rural women, with the introduction of a toll free telephone line. I am aware of the wide-ranging services provided by the WIS and the tremendous support that it receives from many groups of women and individual women in the State. Are there any specific proposals to evaluate this review? For example, is it proposed to extend the services of the switchboard into new areas, or is it a standard evaluation?

The Hon. J.C. Bannon: At this stage, no proposals have been developed. It is generally agreed that it is timely to look again at the role of the Women's Information Switchboard, because it has been through a number of phases and it has been described as having reached a mature phase, where certain of its clientele and the services that it delivers are well established and recognised. The object of the switchboard always has been to supplement and lead people into the mainstream areas of information or support where possible, and much of that has been happening.

This current examination is simply along the lines of reviewing operations. Some expert assistance is being provided by an officer who has been seconded from the Institute of Technology and who is engaged as one of the people dealing with this examination. Certainly, no action will be taken to modify or change the switchboard's operations until any findings have been brought out and thoroughly assessed. While one can suggest that there may be, arising from the study, changes to the switchboard, we remain committed to the type of service provided. It is just necessary to ensure that it is changing to meet the changing needs of its client group.

The Hon. B.C. EASTICK: I want to go back to the point where we left off the discussion of the Jubilee 150 Board and the Auditor-General's Report. More specifically, the Auditor-General highlighted that he had some concerns relative to the Wakefield Press. In May 1985 a review was initiated by the board and subsequently the review in 1986 found that the matters had not been resolved. The report says:

The Audit identified deficiencies in accounting records and procedures and a lack of adequate financial reports for management control purposes.

What areas of concerns are there about the operation of the Wakefield Press? What amounts of money are involved? What action is being taken to improve the situation? Specifically, why was there no improvement between the audits of May 1985 and May 1986?

The Hon. J.C. Bannon: I cannot answer in specific terms why there was this gap. As I understand it, the report referred to by the Auditor-General has not been completed,

although it is caught up with a full assessment on the longer term future of the Wakefield Press. It was established as a specific Jubilee activity with a task of publishing certain books, with a financial grant from the Jubilee Board to assist, and the rest of its revenue to come from the sale of books. It was hoped that, over the Jubilee year, it would establish a momentum sufficient for it to be a long-term public interest publishing house in this State. There are other examples, such as the University of Queensland Press, of such bodies that contribute considerably and to have one in South Australia would be very valuable. We have not yet made a decision about the longer term future, because I am concerned that we do not get locked into ongoing recurrent expenditure that we cannot control.

That concern stems in large part from the problems of book publication, and the points to which the Auditor-General is referring are based on the fact that a small organisation is publishing about 51 titles by the end of this year. It involves having at any one time considerable amounts of stock, which must be put into the marketplace. In assessing the actual financial position of a publishing house at any time, we must make judgments about how quickly that stock will move, what the holding charges are and things of that nature.

I said that 51 book titles were involved: 10 of those were part of the Jubilee core, historical aspects of the State's development. While there have been some delays in the production of titles, by and large they have kept to their target, and it has certainly been well received. Quality has been high and acceptance by the book trade has been reasonable. I think there have been some quite spectacular successes, the most notable being the *Atlas of South Australia*, which was published by the Wakefield Press in association with the Government Printer.

A total of \$700 000 was granted from the Jubilee funds, and this was an allocated budgetary amount. At this stage I cannot put an estimate on the funds generated through the sale of books: it is still too early to say, because obviously publishing stocks are out in the shops and returns are slow to come in. It is too early to make an overall assessment. To continue the press some kind of recurrent grant will be required and, if that is kept within a reasonable level and if we can see its value, we are prepared to do that. But the case has not yet been established and I am waiting on a full report—not just on the financial aspects to which the Auditor-General refers but on the long-term viability of the Wakefield Press.

The Hon. B.C. EASTICK: The Premier has indicated that at least one of these publications involved an agreement with the Government Printer. Is that likely to be a continuing role, or did the Government originally intend that this could become the publishing arm of the Government Printing Division in direct competition with other publishers in the private field?

The Hon. J.C. Bannon: No, not in itself, although the role of the Government Printer, both on the Wakefield Press management board and in terms of assisting technically and in other ways, has been very important. Some publications, very appropriately, should stem from the Government Printer and if, in fact, some commercial return can flow from those publications, that is to the benefit of the State. After all, we are required to maintain a Government Printing Office. We have various gazettal responsibilities, *Hansard* is involved, and there are other printing requirements. So the more return we can achieve by commercial means, the more we can lower the cost of those essentials that we must provide at a deficit. We have no hang-ups at all about the Government Printer's being actively involved in pub-

lications. In no way is the Wakefield Press conceived as exclusive in that area. One of the options in the longer term for the Wakefield Press would be its association with either a private sector printer or a group of printers, or an allied publishing house of some sort. They are the options that we will consider.

Mr OLSEN: Why did the Premier in March this year authorise the transfer of the office of the Commissioner for Equal Opportunity from his responsibility to that of the Minister of Consumer Affairs? It would appear that the move is hard to justify because, according to *The 1986-87 Budget and its Impact on Women*, the Department of Public and Consumer Affairs provides an insensitive environment for that office. The papers confirm that that department was the only one that does not access programs for their impact on women, nor has the department any program specifically targeted to women or girls.

The Hon. J.C. Bannon: Perhaps the transfer of the office might encourage that process in the Department of Public and Consumer Affairs.

Mr OLSEN interjecting:

The CHAIRMAN: Order!

The Hon. J.C. Bannon: That has nothing to do with the move. In fact, the Minister of Consumer Affairs exercised ministerial responsibility and reporting responsibility in that area long before the formal transfer was implemented. While the office was formerly attached to the Premier's responsibilities, in fact that authority was delegated to the Minister of Consumer Affairs. In March the administrative change simply confirmed that arrangement. The office will continue to act as it has done—as an independent organ of government. It will report to the same Minister who has been actively involved and engaged in its affairs for the past few years.

If there is anything to be gained, perhaps if it is true that the Department of Public and Consumer Affairs is lagging in these areas, it might be pushed along by that relationship. However, it is not a physical relationship; this is a shop-window office. It will be accessible and it will operate as it has done previously through the period of our Government.

Mr GROOM: I note (page 20 of the Estimates of Payments) that there is an allocation for State disaster planning control and relief, and there is reference to this area at page 16 of the yellow book. The member for Light and I were delegates from this Parliament to a conference at Mount Macedon in 1978 when State disaster planning control was in its comparative infancy. The yellow book states that there is a need to maintain and further develop the counter disaster measures established by the Government following the review that occurred after the 1983 bushfires and floods. Will the Premier outline the present capacity of the State to handle a major State disaster?

The Hon. J.C. Bannon: Quite intensive work has been carried out in this area. It is probably a pity that not very much happened comprehensively between 1978 (when the honourable member took part in that exercise) and the 1983 Ash Wednesday disaster. We had contingency plans and some measures were in train, but certainly the magnitude of that disaster really highlighted the deficiencies in our system and pretty urgent action resulted, including the appointment for the first time of a full-time State disaster expert, Mr Fairhead, as Chairman of the committee. He is a full-time officer whose sole responsibility is to work towards improving the disaster plan and ensuring that people are familiar with its operations. That has already had major effects.

A loose-leaf version of the improved plan was issued in October 1985, and I believe that that has generally been

welcomed. It extended the scope of the plan to look at the State-wide response to disaster, and it enhanced mobilisation procedures with alerts and stand-by requirements, which did not exist previously. It placed emphasis on planning for and implementation of post-disaster relief measures, which the 1983 bushfire disaster highlighted as being very important. There has also been joint fire services cooperation, and that has improved considerably. A joint briefing and control centre at Fire Brigade headquarters before disaster point has been reached has been finalised.

An important part of the work has been developing regional disaster plans. There are now 11 regions based on police divisions, and all of them could operate fairly independently if confronted with an Ash Wednesday type situation. That is a substantial improvement on the previous situation. There are other exercises relating to disasters at sea, bushfires on Eyre Peninsula, and so on. A plan for an emergency operation centre in the police building has been submitted for architectural design, and we are also working very closely with the Commonwealth (which seems to have a renewed interest in civil defence areas) to ensure that whatever we are doing in the State is coordinated with that area. All in all, I think it is fair to say that from 1983 accelerating through to the present we are getting ourselves into very good shape to handle the range of disasters and to follow up on those earlier seminars and discussions to which the honourable member referred.

[Sitting suspended from 1 to 2 p.m.]

Ms LENEHAN: I refer to program 6—'Equal Opportunity for the Disabled', at page 20 of the Estimates of Payments. This program is referred to at page 14 of the yellow book, where the first 1986-87 specific target that is listed concerns the introduction of a transport scheme and access cabs for people with disabilities in metropolitan Adelaide. Will the Premier tell the Committee something about this scheme and its introduction?

The Hon. J.C. Bannon: This scheme has been under examination and a proposal for establishment for some time now. It is not an easy thing to embark on, but I am pleased to say that it is very close to inauguration; in fact, it is expected that the program will commence operation in January or February next year. Over an 18 month period from that time it will be monitored continually to see whether the scheme as introduced, the subsidies, the criteria for eligibility, and so on, are adequate. Obviously, once the scheme is established we will have to go through an experimental process. However, I think it is a quite exciting development in support of mobility for people with disabilities. It is estimated that some 3 500 people will be eligible on the physical disability criteria as being developed by the relevant committee at the moment. The numbers of intellectually and psychiatrically disabled users are less clear at this stage.

The idea is for eligibility to be determined, that is, persons who believe that they would qualify for access to the scheme identify themselves, or their agents do that on their behalf, and those persons are to be issued with vouchers to enable them to take advantage of a journey up to a certain value, with the balance being paid by the user. It will, in fact, be based on a percentage. At the moment we are considering a subsidy of about 50 per cent of taxi fares for people unable to use public transport. This is one of the matters that will be examined, as there has been some considerable discussion about the most appropriate level of subsidy. It may be that over the period of initial operation changes will need to be made to that subsidy level. However, we

want to start the scheme at a level and a cost that we believe we can cope with, and we will then see if that is adequate.

The Hon. H. ALLISON: This is similar to the Victorian scheme.

The Hon. J.C. Bannon: Yes, the Victorian level is 50 per cent. We have certainly looked at both New South Wales and Victoria, which are tackling this proposal in a similar, but not completely the same way. The special purpose vehicles have received most of the publicity in relation to this scheme, but I think it is worth pointing out that the majority of eligible passengers will be able to take ordinary taxis; accordingly, the number of people using the special vehicles will be much fewer than the 3 500 to which I have referred. We have 10 Ford Falcons, stretched in length with raised roofs. Those vehicles are being modified to provide the special purpose vehicles for use particularly by those people who must remain in wheelchairs at all times.

Planning is also in the advanced stages for establishment of a new company with shareholdings by Radio Taxi Trucks to operate the special purpose vehicles. The company will be called Access Cabs, and it will provide a record keeping and financial service to operate the scheme. At the moment of course, a bus service is run by Mr Peter Savage and, again, we will try to work in and cooperate with that already existing facility for a particular sector of disabled people. So, the matter is well in hand, and we hope that we can meet the starting date target. The estimated cost for the first year of operation is of the order of \$750 000, for a full year. That is what we are budgeting for at this stage, but the figures are very open, as it will depend a lot on demand and use of the service.

Mr KLUNDER: My question deals with program 16—'Overseas Representation', which includes expenditure on South Australia House. Can the Premier indicate whether any changes have occurred in the focus of the Agent-General's Office since the appointment of Mr Walls in June 1986 and, if so, what changes have occurred?

The Hon. J.C. Bannon: Mr Walls has taken up his appointment and he has already provided the first reports on what he has found in the office. He has indicated what changes in both priority and operation he suggests. Those reports have been very refreshing indeed. His brief was to continue to develop away from the consular *quasi* diplomatic status and to increasingly get into trade and investment work. He has been reviewing staff and operations with that in view. Among other things, Mr Walls has looked at South Australia House itself. The Agent-General believes that the signage and the exterior of the building are not taking the advantage of the location that it could. Further, he believes that changes should be made both to the display areas and the reception area, and Mr Walls is even looking at the possibility of clearing a basement, which is currently virtually unused space, used just for archives and storing display material, and so on. But, in fact, it is a quite substantial area and is part of the leased area of the Agent-General's Office.

The Agent-General is looking at the possibility of developing that area as a promotion area, particularly for wine promotion, and perhaps even a retailing area, and that certainly has exciting possibilities. Consent of the lessors would have to be obtained and other arrangements made in order to bring that about, but the Agent-General has in fact got that process under way. So, he began by looking at the office itself and considered ways that the asset could be more fully utilised. There have always been changing displays in that office, but certainly not to the extent that was possible, and the Agent-General believes that he can get more people through the door. He wants to attract the

attention of more people who are not familiar with South Australia or looking specifically at things relevant to South Australia and perhaps to have fewer South Australian visitors who use the office as a post office or meeting place.

Of course, that function can go on, but Mr Walls advises on, and the Government supports, the concept of trying to maximise our promotional opportunities from the office and for it not simply to be a service post overseas. It is very hard to justify that. Many South Australians go to, say, Hong Kong, Singapore, and so on, and in the past the special facilities in London were very necessary, because of the ethnic background of the South Australian population and people having recently emigrated. However, I think that emphasis has diminished quite considerably.

The Agent-General in London is also working specifically on corporate investment areas, and he is looking at what sort of assistance he can get from some of the representative banks and companies in Britain to assist in that area. He believes that we do not have a high enough profile in corporate investment. The business migration program is a particular focus as well, not just in the United Kingdom but also in Germany, and we have already achieved very good results in Asia under that program. We have not really fully tapped the market in Europe, and the Agent-General intends to make that a priority, and that works in association with the Commonwealth Government. Tourism, of course, is another area, as is general trade development.

In fact, he will ensure greater links with the Common Market countries. The member for Todd might be interested in the particular aspect of a report we received in relation to one of his staff, Mr Elkins, who had quite extensive discussions with the High Commission and trading people in Holland and found good potential for proteas (flower) exports and also for possibly exporting opals, which continue to sell well in Holland, he reports.

They are being effectively marketed by a Dutchman who previously lived in South Australia and has that connection. He identified the market, has returned to the Netherlands and developed that business. He says there is actually some quite good links we probably have not made enough use of. All in all, I think it is fair to say that we are very pleased with the way in which Mr Walls has tackled this job and the contacts he is making. I think he will make quite a considerable impact in that office.

The Hon. B.C. EASTICK: Prior to lunch we established from the Premier that there had been one area of the Jubilee grouping where there had been a misappropriation of funds. However, the Premier did not indicate the amount and said it was not particularly great. He also gave no indication of who that person was. I am not seeking the name of that person or persons, but I am interested in the amount of money and whether prosecution is contemplated and, if so, when?

The Hon. J.C. Bannon: As I understand, the amount is about \$6 000. Moneys allocated to a particular activity went into holding accounts and have effectively been misappropriated. Restitution is taking place, and I am advised the amount will be fully recovered. Prosecution is being looked at, and that is why I cannot give further details at this stage. I gave that example earlier as an indication of the hundreds of activities and the expenditure of something like \$15 million to \$16 million and, if all one comes down to in the end in terms of fiddling with the funds is an amount of around \$6 000 (which is the figure I have been given), we have not done too badly at all.

The Hon. B.C. EASTICK: Supplementary to that, is the person a permanent employee or are they involved with

one of the subgroups which is outside direct Government employment?

The Hon. J.C. Bannon: I think the person is involved with one of the subgroups. The honourable member knows the structure of the board and that it has a series of sub-committees which have responsibility for particular programs under various categories, and it is one of those programs. The matter has been dealt with by the subcommittee, reported back to the board and the appropriate action has been taken.

Mr OLSEN: In relation to the State disaster plan, has the State Disaster Committee discussed with ETSA its proposal to blackout power in the event of a recurrence of conditions similar to those that led to the Ash Wednesday bushfires? If so, does the committee and the Government endorse the trust's proposals? I refer to comments in the trust's annual report that it will be necessary to switch off power entirely over wide areas of danger in any conditions comparable with Ash Wednesday 1983. If supply is switched off it could be hours, or, in some cases days, before it could be restored, depending on the size of the area that has been disconnected. As this would be a radical departure from normal practice and create quite horrendous difficulties for people living in those regions, I assume it has been discussed with the organisation that has the responsibility for coordinating Commonwealth-State, local government and other agencies' activities relating to the mitigation of those disasters.

The Hon. J.C. Bannon: It may well have been, but I am not aware of any specific discussions. As I understand it, the idea is just one of many that the trust has been exploring with a view to minimising the danger of electricity supply breakdown causing or adding to fire, and to protect the trust's liability as well which all of us should be very interested in, because eventually the whole community pays. We were very fortunate that in 1983, because these matters had not really arisen, the trust had been able over the years to secure a reasonable insurance policy and, to some extent, cover its liability. Of course, immediately after 1983 the premiums that were demanded were enormous.

The trust has taken a number of steps, including a lopping vegetation clearance program, to try to minimise the danger and liability. The suggestion in the annual report, I think, has been misinterpreted. People feel that if, say, a day is declared a red alert day automatically the power is turned off. That would be quite extraordinary action. I would have thought. What they are talking about is a much more limited thing that where, for instance, conditions in a particular area have reached a stage where, say, the clashing of wires may be very likely to cause a conflagration, you can shut the power down.

Some people have said that that could be disastrous because we might be relying on electricity for water pumping. People have been advised to ensure they have an independent source of power for their emergency water supply if they are in high fire risk areas. One should remember that if, for example, the clashing of wires causes a fire it is very likely that the power will be off automatically, anyway, so that becomes an academic question. Having said that, I think that before any such policy is adopted a great deal of care would be needed to explore all the ramifications of it. I would certainly hope that the State Disaster Committee would be involved in such a discussion. I can assure you that the trust will not unilaterally make a decision that this is what it will do without reference to expert bodies and the Government.

Mr OLSEN: I take it that you have not given support to the trust's proposal as contained in its annual report?

The Hon. J.C. Bannon: No, I think it needs greater investigation. I can understand the basis for it, and it may well be a sensible thing. However, one would have to very carefully define the conditions, the timing and the implications of it, and that has not been done. At the moment it is not much more than a suggestion of what preventive action could be taken.

Mr HAMILTON: Page 14 of the yellow book under 'Issues/Trends' states:

Attention to be paid to the following issues: language of disability, accommodation, transport, employment, rehabilitation and awareness of disability.

I read with a great deal of interest an article in *Time* magazine of 22 September 1986 concerning research in America, which states:

Computers, which have changed the way America works, are now becoming available to the 13 million handicapped Americans of working age. In the past, efforts to help the handicapped tended to be overambitious and prohibitively expensive. In one much publicised experiment, quadriplegics have 'walked' with crutches or walkers using computer-stimulated electrical impulses to move their stricken legs. But even by the most optimistic estimates, it will be many years before such devices are widely available—

Coming to the crunch of the question—

Meanwhile, many social workers and veterans groups are advocating a more modest approach. Rather than using technology to change the patient, they are changing the technology so the patient can use it. 'The key words are access, independence and achievements . . . If you can only wrinkle your eyebrow, I've got a switch that will enable you to input data into a computer.'

Perhaps the most sophisticated aid for the handicapped is an eye tracking system built in the United States, which was technology developed for jet fighter pilots. While I am not advocating that sort of technology, what research is being carried out in South Australia, in conjunction with the Federal Government, to try to assist disabled persons in finding gainful employment?

The Hon. J.C. Bannon: This certainly is one of the briefs my disability adviser has. One of the keys to the ability for disabled people to fully enter the work force is to provide them with technological aids or assistance to overcome that disability or ensure they have, if mobility, manual dexterity or oral expression is their problem, various aids and techniques to help overcome those disabilities.

In fact, quite a lot is being done in South Australia in that area alone. Some publicity has been given to the eye movement control system which has been developed here and refined and exhibited successfully in the United Kingdom. There are a number of other things of that kind. In fact, the Disability Adviser, Mr Llewellyn, was invited to address a world congress on education and technology in Vancouver on disability consumer participation in technological change. A large section of that congress was devoted to disability and how technological aids could be brought to bear to improve the employability and general social access of disabled people. So quite a lot is being done in this area in terms of aid and assistance but, of course, there are other programs.

The Public Service in this State, under its equal opportunity program, is consistently looking at ways and means of employing people with specific disabilities in jobs that they can adequately deal with. I think we have had a reasonable level of success in that area. However, it remains a big problem. In times of full employment and economic activity it is not so hard to place disabled people but, when things get tough, they are often the first to go.

It is interesting how in a sense economic conditions tend to define whether or not a person is employable in terms of disability, youth and other factors in which discrimination can be exercised. Our problem at the moment—with an unemployment rate of between 7 and 9 per cent—is that

we are above that margin, and one of the chief casualties has been the disabled. Fortunately, there are organisations like Bedford Industries and others that are used as staging posts and are able to assist with training and skills to get the disabled out into the open work force. Certainly, more work needs to be done on that. However, the basic assistance we can give in terms of employment opportunity, I believe, is for there to be a demand for employment; people will then find ways and means of harnessing the skills of these individuals and giving them an opportunity.

Ms LENEHAN: I have a follow-on question from that. In answering the previous question the Premier referred to the difficulty in placing disabled people in times of tight economic circumstances. I will outline what is happening in the southern area with regard to a very exciting, innovative and successful program being operated by the Vocational Resource Agency, which has been established, first, to train people with a disability (particularly intellectual disabilities) and, secondly, place them in the normal work force. This gets back to the whole question of mainstreaming. The program is certainly in its early stages, but people already have been placed with normal business and industry in the southern area. For the record, I congratulate the people who have established this agency. I believe it is certainly tapping into the needs of the community.

Will the Premier comment on what I perceive is one of the main problems, that is, the need to re-educate some employers to be prepared to look at the skills, commitment and reliability that the disabled provide in the work place? In the short time that I have been involved in this area I have done some research and found that people with disabilities often make very reliable, dependable and conscientious employees. We have to break down a preconceived stereotypical prejudice that has existed, that is, that people with disabilities will be off sick, will not be reliable or cannot produce the same volume of work as people who are not disabled. In relation to the disabled who have been placed in employment in the southern area, that has not been the case. I have communicated with several employers involved in this program and they are quite delighted with the people who have been placed with them. Does the Premier see a role through the adviser's office for a fairly high profile advertising program to re-educate employers about the advantages of employing disabled people?

The Hon. J.C. Bannon: I think it could be useful. Rather than general programs, I think the sort of program the member describes is probably more effective where you are dealing with a group of employers in a particular geographical or community area, where your links are much better and success in one or two jobs feeds the others and encourages them to take the same step. Obviously that is the most effective and practical way to develop it. Programs of the type described by the member will be picked up and adopted—depending on funding, of course. I think in this area you can also expect considerable voluntary support from those in industry who are aware of the problem. Much more work needs to be done, however, to change these attitudes—there is no question of that.

Mr OLSEN: I refer to 'Advice to Government on consolidated budget proposals' on page 22 of the white book. On pages 15 and 16 of his annual report the Auditor-General questions a number of transactions between the South Australian Housing Trust, Consolidated Account, SAFA and the Commonwealth. The original budget plan was for the Housing Trust to pay \$39.1 million to Consolidated Account, which in turn would pay \$34.3 million to SAFA, which in turn would pay that amount to the Commonwealth. However, in reality, instead of the \$39.1 million

being paid to Consolidated Account, it went to SAFA. Consolidated Account paid \$29.3 million to SAFA, and SAFA paid \$34.3 million to the Commonwealth, leaving a \$34.1 million surplus for SAFA. I have a flow chart detailing these transactions; perhaps it could be incorporated in *Hansard*.

FLOW CHART
MINISTER OF HOUSING TRANSACTIONS
(\$m)

	South Australian Housing Trust	Consolidated Account	SAFA	Commonwealth Government
Plan	39.1	39.1	34.3	34.3
Actual	39.1	29.3	39.1 29.3 34.3	34.3
			34.1 (A)	

Notes

(a) SAFA benefited by \$34.1 million following the actual transactions (\$39.1m + \$29.3m - \$34.3m).

The Auditor-General indicated had the Budget proceeded according to plan, then a contribution of \$110.1 million would have been required from SAFA (Budget plan \$76m :pl \$34.1m).

Because of a number of other factors (lower than expected salary and wage payments) SAFA's contribution to Consolidated Account was held at \$84 million resulting in SAFA retaining \$26.1 million as a retained surplus (\$110.1m - \$84m).

Had the full amount of \$110.1 million been transferred, Consolidated Account would have had a surplus as at 30 June 1986 of \$37.2 million (\$11.1m + \$26.1m) in lieu of the \$11.1 million actual result. This would have reduced the accumulated deficit on Consolidated Account from \$40 million to \$13.9 million.

Source: Auditor-General's Report.

Can the Premier advise why the original budget plan was not adhered to, and does he agree that through that course an expected surplus on Consolidated Account of \$37.2 million has been reduced by \$26.1 million to \$11.1 million as at 30 June 1986?

The Hon. J.C. Bannon: This matter should be appropriately raised under the Treasury lines; it is not a concern of the Department of Premier and Cabinet.

Mr OLSEN: Indeed it is.

The Hon. J.C. Bannon: I am happy to deal with the matter, if the member brings it up under the Treasury lines.

Mr OLSEN: If the Premier does not want to answer the question without the assistance of his Treasury advisers, I can only believe that he does not understand the complicated nature of the original plan and the new budget proposal. I will move on to my next question. Will the Premier confirm that the State Government will be liable for payment of fringe benefits tax on meals and refreshments provided to all members of the Judiciary, members of Parliament and public servants who attend official State functions and, if so, will he advise what records are being kept to comply with the fringe benefits tax? What is the estimate of the State Government's liability for the fringe benefits tax under official functions for 1986-87?

The Hon. J.C. Bannon: It has not yet been determined either in principle or in actual amounts. We are undertaking a substantial investigation into the impact of the fringe benefits tax on a whole range of Government services and provisions. What looked to be a fairly simple exercise at the outset has proven to be extremely complex, and in that the experience of the State Government is no different from many businesses around the country, and it really highlights the major administrative problems this whole area is causing.

The exercise is still far from complete and the impact will depend also on what sort of rulings we receive from the tax office. Already a number of rulings have been published and I understand from reports recently that the Federal Government is saying that it does in part acknowledge the administrative problems. Its present intention is not to amend legislation but by a series of rulings modify the requirements of FBT. Certainly, we await those with some interest because it would have quite an impact upon just what is affected and in what way as far as the Government is concerned.

We made a rough rule of thumb estimate, to which I referred some time ago, of about \$6 million being the cost of FBT to the State Government if no changes were made in the level or nature of benefits, but that figure is certainly very much a notional one and closer investigation that is going on at the moment will be able to identify components of that figure and try to get a more accurate assessment.

Mr OLSEN: Does the Premier still strongly support the implementation of FBT, or does he intend to follow the course of several other State Governments—both conservative and socialist—to challenge the constitutional validity of FBT?

The Hon. J.C. Bannon: The only Government that is actually challenging the constitutional validity of FBT is the Queensland Government.

Mr OLSEN: And Tasmania.

The Hon. J.C. Bannon: The Tasmanian Premier recently said that he thought he would join the Queensland action, but I do not know that he has done so. I can understand why, because his advice is probably the same as the advice other State Governments are receiving, namely, that it would be very difficult to challenge FBT as far as the States are concerned. The Queensland challenge is proceeding, and I suspect that it will proceed until sometime soon after 1 November, when perhaps it will not be deemed as necessary for Queensland, because its election will be over. Be that as it may—

Mr OLSEN: The Queensland Labor Party opposes it.

The CHAIRMAN: Order!

The Hon. J.C. Bannon: Be that as it may, if such a challenge succeeds there will not be liability. As to my attitude to FBT, I have outlined it on a number of occasions. I support the principle of ensuring that non-salary benefits are not allowed to be used as a rort or a rip-off to impose burdens on pay-as-you-earn taxpayers, who have no access to such benefits. That is an unacceptable and untenable situation that developed to such an extent that many of those people complaining about the impact of FBT have only themselves to blame because of the way they abused the system.

Having said that, I also remind the Committee that it was representations that I made in large part, when I was invited to Canberra by the Federation of Automotive Industries to both address it and discuss this matter with it, that some modifications were made to FBT as it applied to motor vehicles. Certainly, it did not go far enough but at least it indicated some modification. As to other elements of FBT, I am on record as saying I believe that administratively it is causing massive problems, generation of paperwork and other unforeseen effects and they ought to be corrected as a matter of urgency. My position on that is clear.

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

Works and Services—Department of the Premier and Cabinet, \$5 000 000—Examination declared completed.

Premier, Miscellaneous, \$1 041 000—Examination declared completed.

Treasury, \$468 414 000

Chairman:

Mr D.M. Ferguson

Members:

The Hon. H. Allison
The Hon. B.C. Eastick
Mr T.R. Groom
Mr J.H.C. Klunder
Ms S.M. Lenchan
Mr J.W. Olsen

Witness:

The Hon. J.C. Bannon, Premier, Treasurer and Minister for the Arts.

Departmental Advisers:

Mr A.R. Prowse, Under Treasurer.
Mr P.J. Emery, Deputy Under Treasurer.
Mr J.T. Hill, Assistant Under Treasurer.
Mr J.R. Wright, Manager, Cash Management.
Mr R.G. Chenoweth, Acting Treasury Accountant.
Mr P.C. Cornish, Commissioner for State Taxation.

The CHAIRMAN: I declare the vote open for examination.

Mr OLSEN: An *Advertiser* report of 3 December 1985, four days before the last election, revealed that the Under Treasurer had provided to the Premier a confidential memorandum on the costing of the Liberal Party's election policy. Did the Premier specifically request this memorandum or was it volunteered by the Under Treasurer?

The Hon. J.C. Bannon: I imagine that I requested such an assessment, because the Under Treasurer had also been involved in costing our own Government program. It was only reasonable to have a cross reference. Having said that, in general terms I am not sure that I can add to that without further reference. Can the Leader be more specific about what he is seeking?

Mr OLSEN: I asked the question in view of the tradition which previous Under Treasurers in South Australia have strictly observed that during election campaigns they will not jeopardise their independence or political neutrality by providing advice of this nature. To further question the Premier on that, seeing that he sought the advice from the Under Treasurer, will the Premier confirm that the Under Treasurer's supposedly confidential memo to the Premier was leaked to the media by the member for Briggs in his previous capacity as a press secretary to the Premier? If you wish, I will nominate the place and—

The Hon. J.C. Bannon: No. I cannot give you any information on that matter.

Mr OLSEN: I bet you cannot. You do not want to indicate to the Committee that the costing of policies which hitherto had never been undertaken by an Under Treasurer, in a confidential memo, that a member of your staff, specifically during the campaign—

The Hon. J.C. Bannon: You were not privy to any costings made during your period in office?

Mr OLSEN: —leaked that memo to the *Advertiser* four days before the election.

The CHAIRMAN: Order! I ask the Leader to frame his question in an appropriate way.

Mr OLSEN: We have made the point quite clearly, Mr Chairman. One further question I want to ask on that: did the Premier discuss with the Under Treasurer the disclosure of that advice with the media and, if so, did the Under Treasurer agree?

The Hon. J.C. Bannon: I am not aware that I discussed the disclosure of any advice. I did not see that there was any necessity so to do.

Mr GROOM interjecting:

Mr OLSEN: If the member for Hartley wants further explanation, what we are talking about is breaking a tradition—

The Hon. J.C. Bannon: He wants to ask a question, I suspect.

Mr OLSEN: No, there have been two questions so far.

The CHAIRMAN: Order! I will count the questions, and I will Chair the Committee. We will get back to the business of the Committee.

Mr OLSEN: Because the Under Treasurer's advice to the Government in this respect was in error in the way it valued SAOG, will the Premier arrange for a full copy of the Under Treasurer's advice to be provided to the Opposition for further perusal?

The Hon. J.C. Bannon: I am not sure in what form that advice is or where it is now. If the Leader wants some historical assessment made of his ridiculous promises, I am happy to do so.

Mr OLSEN: I just want what you leaked to the media during the election campaign, and the basis upon which the assessment was made. It is on file in the Premier's office. It was the one that was leaked to the media in Charlie's Bar at the Hilton.

The Hon. J.C. Bannon: This was on what date? Could we have the date and time?

Mr OLSEN: On the Monday, and it was late afternoon, approximately 4.30 p.m.

The Hon. J.C. Bannon: I thank the honourable member for this detailed information. It will certainly have a central role in my memoirs. It is very relevant questioning on the 1986-87 budget.

Mr GROOM: First, I want to put on record congratulations to the Premier for the very fine way in which he has been able to manage the State's finances in that, in three budgets, he has reduced a deficit of \$62.3 million inherited from the previous Tonkin Government to \$40 million; delivered tax cuts of \$40 million to South Australians in this financial year; and brought in an \$11 million surplus. My question, dealing with SAFA, refers to page 59 of the yellow book and page 30 of the Estimates of Payments. During August 1981 the previous Liberal Government transferred over some \$44 million in capital works money to fund recurrent expenditure. In August 1982 it transferred over \$42 million in capital works moneys, which became \$51.9 million: all in all, something not far short of \$100 million.

As far as the Labor Government is concerned, during 1983-84 some \$28 million of capital works money was used, and in 1984-85 some \$25 million was proposed and not used by way of capital works moneys. Assuming that my figures are accurate, can the Premier say what role the success of SAFA has played in the State's ability not to

have to use capital works moneys, and the benefits this has meant to the State?

The Hon. J.C. Bannon: That role clearly is fundamental. The practice that the honourable member describes was an extremely dangerous practice. It represented considerable irresponsibility in terms of managing the State's finances. Capital funds supposedly are provided for long term assets which increase the productivity of the State or the ability to deliver services. If they are used for purely recurrent purposes, that is, simply to meet any deficit or bills on a day-to-day basis, then there will be problems. Caught by surprise and by recklessness in its first year, the Tonkin Government resorted to this as a shortstop remedy. If that is all it was, then perhaps one could say, 'Okay, in the particular circumstances, it had nowhere else to turn and that was one way of overcoming the problem.' In fact, it then became a feature of its budget and, when we got into office, we were confronted with an expectation that a large portion of capital works would be siphoned off each year with all the consequences that that implied to prop up the recurrent budget.

We announced our intention to reduce progressively and eliminate that practice, and in fact did so ahead of time and against a background, particularly in the last year or so, of a decline in support from the Commonwealth. If one considers that of the order of 46 per cent of State receipts come from Commonwealth sources, it is seen how profoundly the Commonwealth changes affect the State's revenues. One way that we have been able to ensure that reduction, not just in this last year, which was a year of good growth in receipts because of economic activity, but in this current year, which is a year of levelling off (indeed, it has been described as recession, and by all the standard criteria, we certainly are in a recession phase at the moment) is by using SAFA to marshal and mobilise our capital and cash reserves in a way that has never been possible before.

I have been surprised at the attacks that have been made on SAFA by the Opposition. For a start, the concept of a central government financing authority was one that the Tonkin Government adopted and, indeed, was moving towards. Admittedly, that Government had a much more prescribed view of the functions of such a body, but I would say that given a chance to see it operate, even on the more limited fashion in which the Tonkin Government proposed, it would see the distinct benefits that it would have provided to the State. In fact, we have taken a much more positive attitude to our management of cash reserves through the Government financing authority and said that it must be unfettered. It is doing a good job for South Australia if it is making as much money as it possibly can, providing it does so within all the bounds of financial prudence and protection of this State's credit rating and financial viability. It has done that. It has been singularly successful.

It has copped considerable abuse in this place for its success—which, in a way, is a compliment to it, I guess, because what the Opposition is saying is if only the Government did not have SAFA and the resources it has been able to provide to our recurrent budget, then either the Government would be raising taxes, in which case the Opposition would be screaming and yelling to the rafters about the appalling tax burden being placed on the people (in fact, the Government has not raised taxes: it has progressively reduced them); or, alternatively, the Government would have to cut services drastically, in which case the Opposition would be taking up the cudgels for every group so affected, and screaming and yelling that the Government had let them down. So, there has been an element of considerable sour grapes in the attacks which have been mounted

on SAFA and which no doubt will continue in this Committee today.

All I can say for South Australia is thank goodness that we have it, because it is making and will continue to make a substantial contribution. In saying 'will continue to make', I point out that, by strengthening the financial reserves of SAFA—and one of the transactions referred to under the Premier and Cabinet section of the budget earlier by the Leader of the Opposition is an example of that—and by taking the amounts of money into our budget at the levels they are, we can ensure that we will have a continuing contribution from SAFA, whatever the changes in economic activity. Obviously, if economic activity is very strong, SAFA will do even better, but, taking a very conservative view about the future of the economy, we believe that SAFA can continue to make a very substantial contribution and its reserves and capital structure have been created for that purpose.

Mr GROOM: The success of SAFA, I think, is reflected in the projected surplus of 1986-87 of \$210 million, of which I understand \$164 million will be used for borrowings. On those figures there will be a \$46 million surplus; also SAFA will have at its disposal another \$105 million resulting from \$75 million of its 1985-86 surplus going into general reserves and another \$30 million from that 1985-86 surplus being retained.

I understand that the Commonwealth Government funding for 1986-87 has been reduced by 3.5 per cent in real terms. Bearing in mind the Commonwealth Government's cuts, to maintain our housing program targets of 2 800 units, plus the carry over from last year and to maintain our concessional rates compared with 2 900 units in 1985-86, plus carry over and concessional loans, we have had to ensure a 25 per cent increase from \$149.5 million to \$180 million. What link does SAFA have with enabling the State to carry the burden of a decline in Commonwealth Government funding? What would be the consequences without a successful SAFA?

The Hon. J.C. Bannon: It operates in two ways. The first is being able to raise money on behalf of statutory authorities using its financial strength, its State Government guarantee, and the credit rating that follows from that. In this way it is able to get moneys in at the most competitive interest rates possible. The public sector borrowing rate that it can then offer to the statutory authorities means that we are getting loan moneys and spending it on capital works at the best possible rate. I am sorry; it is not the best possible rate. If the Commonwealth continued its support, we would appreciate that, but it has shown all the signs of withdrawing or reducing that support. So, we are thrown back on our own resources, and we must make sure that we do not lead authorities to flounder on the open market, getting what rates they can. Instead, we will go, as a State public sector, using all the clout that that implies, to get the best possible rate.

The other factor is the profitability of SAFA by its guarantee fees and other operations. By its management of cash reserves, SAFA is able to generate a surplus that can be imported directly into the State budget. Both those elements are essential in the current financial situation. They can continue only if we ensure that SAFA has adequate funds and capital base. In his report the Auditor-General referred to the need to preserve a structure and reserve level that would give us some certainty about the future contribution of SAFA.

With that purpose in mind, a special general reserve of \$75 million was created at the end of the last financial year, and other changes were made in capitalisation, including

the way in which the South Australian Housing Trust restructuring took place in order to strengthen and consolidate that balance sheet. I believe that next year's Auditor-General's Report will acknowledge that those points have been attended to by the SAFA Board and the Government.

Mr GROOM: It is clear that SAFA is an enormously successful operation and important to the State's economy, and the Premier and Treasury officers are entitled to congratulation for the competent way in which it is managed. Page 59 shows that the number of staff servicing SAFA will increase considerably over 1986-87, following the 1985-86 review which identified the need to strengthen the organisation structure. Can the Premier outline the strengthening that has taken place within the organisation structure of SAFA?

The Hon. J.C. Bannon: It consists largely of ensuring that SAFA has a reserve and a balance sheet that will provide ongoing strength. Part of that process was the debt rearrangements between semi-government authorities and State owned financial institutions which have been taking place progressively. Another feature is the way in which all the State's debt to the Commonwealth has been taken up by SAFA. The State's liability from our own consolidated resources remains, but again that liability is shown in the SAFA balance books and leads to a consequent lifting of its assets, because the State is liable for the repayment of those amounts. The restructuring involved in the South Australian Housing Trust, which was referred to earlier by the Leader of the Opposition and which I mentioned a moment ago, is part of the process. It has absolutely no effect on the Consolidated Account result for 1984-85. It is outlined on page 50 of my Financial Statement and in some detail in the SAFA report, it does not affect the Consolidated Account result or the interest cost to the South Australian Housing Trust, but it provides greater support and a consistent treatment of capital funds to agencies within the balance sheet of SAFA.

The Hon. B.C. EASTICK: The Premier said that, at his request, Treasury advice had been received about the cost of his programs which were being put forward at the 1985 election and of the cost of policies that had been put forward by the Liberal Party. Will he provide the Committee with costings of the expenditure on this exercise, recognising as we do that it is reprehensible politicisation of an arm of the Public Service in a manner that has never previously been undertaken?

The Hon. J.C. Bannon: I do not understand the relevance of this to the Committee.

The Hon. B.C. EASTICK: It costs taxpayers money.

The CHAIRMAN: Order! The Committee has asked a question. I ask it to listen to the answer.

The Hon. J.C. Bannon: It could be, although it is unlikely, that some of the policies put forward by the Opposition have in them some good elements that any sensible Government would take up. It would be a compliment to an Opposition to see its policies analysed in that way. I assure the Opposition that, as happened when the Liberal Party was in Government and as happened in all previous Governments, if any policies have relevance to Government expenditure or programs, some assessment of them should be made. It is as simple as that.

The Hon. B.C. EASTICK interjecting:

The Hon. J.C. Bannon: The honourable member has a short memory or a deficient access to information.

The Hon. B.C. EASTICK: Will the Premier show proof of his most recent statement that it occurred in 1982?

The Hon. J.C. Bannon: This is a very sterile argument and a waste of the Committee's time. If the honourable

member wants me to do research through the old Treasury documents, I would be happy to do so. I refer him to a minute that I tabled on 6 December 1982 which considerably embarrassed former front bench members of that Government because of the outrage—

Members interjecting:

The CHAIRMAN: Order! This is the first time during a Committee meeting that I have had to raise my voice to this extraordinary level. I ask members to continue to run the Committee in the way that it should be run: on the basis of question and answer, without interjection.

The Hon. J.C. Bannon: I suggest that the Leader and the member for Light get their acts together and decide what they want before they start asking further questions. I am happy to try to oblige, but I suggest that they are wasting the time of the Committee. This issue can be raised somewhere else. How about getting on with questions on Government expenditure?

Mr OLSEN: I refer to the question which I asked previously and which the Premier was not prepared or able to answer. I indicated that a budget plan was prepared, and I will go through it for the benefit of the officers before the Committee: the Housing Trust was to supply \$39.1 million to Consolidated Account; \$34.3 million was to be transferred to SAFA, meaning a benefit to the Consolidated Account of some \$4.8 million; and that was then transferred as payment to the Commonwealth Government. The actual allocation indicates that no part of the \$4.8 million has been retained in Consolidated Account. That contradicts totally the Premier's comment to the member for Hartley. In fact, SAFA was the beneficiary to the tune of \$34.1 million, and the expected surplus on Consolidated Account of \$37.2 million has been reduced by \$26.1 million to \$11.1 million. The Auditor-General's Report (pages 15 and 16) refers to this matter.

The Hon. J.C. Bannon: I refer the Leader of the Opposition to page 50 of the Financial Statement of the Premier and Treasurer and the detailed table at page 55, which explains the transaction. I also refer him to the Auditor-General's comments where he summarises the transaction by pointing out that this amount was deemed to be paid to the Consolidated Account by way of return to the Government on capital provided to SAFA to offset the shortfall under 'Minister of Housing, Miscellaneous'. Therefore, it had no net effect on the Consolidated Account result, although the Leader alleged that it had an effect. One way or the other, that sum would have had to be shown going in and out. As I pointed out at page 50 of the Financial Statement (and I am surprised if this is an important new matter that has not been raised previously by the Leader because he has not looked through the documents), the re-arrangement produced no net effect on the budget but was part of the restructuring.

Mr OLSEN: The Consolidated Account has suffered a shortfall of about \$4.8 million, and the original budget plan laid down has not followed through with the restructuring of the accounts through SAFA. We will move on.

The Hon. J.C. Bannon: I think that might not be a bad idea.

Mr OLSEN: I am prepared to debate that point for as long as the Premier wants, but, consistent with the position this morning, we will simply not get answers to our questions.

The Hon. J.C. Bannon: He's really struggling. You have got the answers. I have given you three references.

The CHAIRMAN: Order! I ask members to act in line with the way in which this Committee should be run instead

of trying to shout each other down. There is plenty of time for everyone to say whatever they want to say.

Mr OLSEN: The Premier indicated in the budget speech that the revenue forecasts had taken into account recent unfavourable economic circumstances. He also said that in such an uncertain economic context there was no doubt that the Government's programs were adjusted so that the State was not locked into expenditure that it might not be able to afford in the future. In view of the prevailing uncertainty, will the Premier provide (and I assume that the most appropriate course would be by inclusion in *Hansard*) his Government's forecasts for a number of key performance indicators on which planned budget revenues and outlays are based, as follows: total number of employed persons on a quarterly basis for 1986-87; unemployment participation rates on a quarterly basis, being for 1986-87; number of unemployed persons for each quarter in 1986-87; estimated resident population for South Australia as of December 1986 and June 1987 (and I am listing these factors on the basis that most of the information will be included in *Hansard* eventually—I assume that the budget has been based on these forecasts and projections); total retail sales for each quarter in 1986-87, including an estimate of South Australia's share of national sales; new motor vehicle sales on a quarterly basis for 1986-87; the number of new dwelling improvements for 1986-87; and CPI quarterly movements for that same period?

The Hon. J.C. Bannon: It has not been the practice to publish detailed forecasts in those areas, because they are subject to considerable problems of error. One must also be careful about this becoming self-fulfilling in certain respects. We tend to follow the Commonwealth forecasts, as outlined in the Commonwealth budget papers, for most of our prognostications on inflation levels, and so on, and that has proved to be a fairly reasonable way of assessing the position. For instance, as our basic assumptions for inflation we adopt the Commonwealth figure. It was interesting to note that the Commonwealth revised that figure in the two or three weeks preceding the presentation of the Federal budget—that figure was actually revised upwards. We assessed that the Commonwealth was in fact under-providing, and that proved to be the case when the Federal budget was finally brought down.

For this coming financial year we have taken pretty conservative estimates on such things as growth of employment and its effect on the growth of payroll tax, given that we raised the exemption level on payroll tax. With wage increases, we followed the Commonwealth assumptions on discounting, because again that is probably the only realistic thing to do. It is unlikely that South Australia will do anything different from the other States in relation to wage movements. In terms of average weekly earnings, our wages are at a lower level than AWE and some of our competitive States, and that will probably remain.

There are no GDP growth estimates on a State by State basis. Again, in South Australian terms, we use broad estimates or indicators which relate to the figures produced by the Commonwealth Government. In terms of our assessment of the economy, we put out quite detailed information, both with the budget papers and increasingly we have also had the advantage of the quarterly reports on the economy of the State Bank and the Centre for Economic Studies, the report of which was issued the other day. Both of those bodies have input and, in the case of the centre, financial assistance from the State Government.

We have undertaken a major exercise to refine and develop our economic analysis and forecasting because, quite frankly, it has been inadequate in some areas. I believe that we have

overlooked some key indicators to which we have had access all along, particularly in relation to housing transactions and things of that nature which should have been part of the general input of our economic data. In other cases, our data is just out of date or plainly inadequate. A major exercise has been carried out in that regard and we hope within the next few months to substantially improve that situation.

Having said that, I am not in a position to provide detailed forecasts on a quarter by quarter basis in the way that the Leader suggests. I simply refer him to the various Commonwealth papers relating to that area which we use as our guide and which are refined in accordance with current South Australian indicators.

Mr OLSEN: I wish to ask a supplementary question. The South Australian State budget has therefore been based on Commonwealth forecasts and there have been no supplementary State Treasury forecasts?

The Hon. J.C. Bannon: No, we analyse Commonwealth forecasts in relation to this State's experience. I have already gone through a number of the indicators that affect our budget forecast, inflation obviously being one. We have adopted the Commonwealth measure, because on our independent assessment we believe that South Australia will be roughly in line. In terms of employment growth, we made the necessary modifications to trends. In fact, they are key indicators that affect our revenue.

Other very important factors are stamp duty and real estate transactions. Obviously, we make forecasts over the forthcoming years based on the trends, which are set out in the economic information bulletin produced by the Government, and I refer the Leader of the Opposition to that. He would gain a fair idea of what sort of forecasts are being produced. I might say that this Government produces far more detail and comprehensive information on economic indicators and trends than does any other Government in Australia, with the exception of the Commonwealth through the bureau, although our information is more up-to-date and regionally based. In fact, our systems have been looked at and commented on favourably by other States.

Ms LENEHAN: My question relates to program 6 of the Estimates of Payments, at page 30, and to page 59 of the yellow book. In the Auditor-General's Report it was noted that 30 per cent of SAFA's 1985-86 surplus was income generated as a result of the existence of SAFA, income which would not otherwise have been available to the public sector. Can the Premier expand on this comment by the Auditor-General, and will he also outline the benefits for South Australia arising from the existence of an authority such as SAFA?

The Hon. J.C. Bannon: I shall identify the sources of SAFA's surpluses, as that is relevant to this question. On the general point, I think I covered that matter broadly in my response to the member for Hartley's question earlier. I shall provide details of the sources of surplus funds in round terms; I can only be indicative in this area, because they are subject to change. The surplus for 1985-86 was \$189 million. In broad terms, that is based around a little over \$100 million by the use of non-interest bearing capital provided by the Government, in other words, interest receipts from semi-government authorities, from the moneys lent out to those authorities. I point out that, under previous practice, those authorities would borrow directly and that that money would go back into their operations. That money now goes to SAFA. That is by far the largest amount. Then, the lending margin that we are able to obtain gives us some \$30 million. Fees, arbitrage operations, trading in securities, and the general money market operations yield us more

than \$20 million and, now that we have created a general reserve, surplus can be invested, and the general reserve gives us between \$10 million and \$20 million.

Therefore, broadly, funds come from four areas. In the coming year, because of the size of our capital program and because the amounts lent have increased we will obviously have a quite significant increase in non-interest bearing capital provided by Government, that is, interest receipts from semi-government authorities: that will increase. On our predictions, lending margins will remain about the same. In relation to our free trading in securities, the general money marketing operations, we anticipate that that will not be as profitable as was the case last year, because of the general state of the market and the way in which our funds have been deployed. However, that will be compensated by the investment revenue, which will increase quite substantially because of the creation of the general reserve.

So, overall, we expect to generate a surplus of the order of that of last year—in fact, a bit more. I think that that is a pretty successful approach. Chapter 4 of the SAFA annual report provides the details of the areas in which we are able to make money through SAFA and to generate a surplus. It can be seen from looking at those elements comprising this that we have the ability to swap, change, and generate revenue, according to whatever changes take place in the marketplace or indeed in relation to tax arrangements and tax effective transactions. That is one of the beauties of having a Government financing authority of the size and scope of SAFA. I might also add that, as members would be aware, presently we are raising money through a tap loan issue from the South Australian public, and that is going quite successfully. It has the important advantage of ensuring that money available for that kind of investment in South Australia, which often would go across the border to the SEC in Victoria, or somewhere else, can in fact be kept here in South Australia and can generate public assets in South Australia. In the past there have not been many opportunities for South Australian investors to do that. SAFA is providing an opportunity for that, and it has been encouraging to see the way that South Australian investors have responded to it.

Ms LENEHAN: I have noted the recent SAFA advertisements on television, and I think that they are very commendable. They have certainly generated an interest and, it is hoped, money for investment. I am aware that SAFA assumes debt liability for the majority of public sector authorities. For which areas does SAFA not assume that level of responsibility?

The Hon. J.C. Bannon: The Government is not involved with the liabilities of ETSA. A representative of ETSA is on the SAFA board. We work in terms of the borrowing programs of those agencies and we ensure that they do not cut across each other's operations. The reason for ETSA's not coming directly within the province of SAFA was simply due to ETSA's size and its history and experience of being an independent operation, which suggested that there was no good reason to bring it under the umbrella of SAFA—although eventually that may happen. The Local Government Financing Authority operates independently. The creation of that body arose from SAFA's successful operations in mobilising local government finance, but it is an independent operation. It has some legislative restraints but, nonetheless, it operates separately so that money that it raises does not go through SAFA's accounts.

The third large area is the Australian Barley Board, a joint Victorian/South Australian exercise, based here in South Australia. It handles large amounts of loan money, because of its need to market the product. In fact, there is a com-

pulsory marketing scheme, which is administered by the Australian Barley Board, but it operates independently. Incidentally, the Australian Barley Board has a member on the SAFA board, again, to ensure adequate coordination of these bodies in the State that have independent access to large amounts of public sector capital.

In terms of liabilities of State owned institutions, again, SAFA is not responsible for them. The State Bank and the SGIC are not linked to SAFA. However, in terms of representation, the State Bank has a director on the SAFA board. That coordination of policy is working very successfully. Indeed, SAFA can open some doors which allows the State Bank certain access or joint partnership on certain transactions—and vice versa. So, it is a very productive relationship. Those are the areas where SAFA itself is not in fact using the capital. In all other areas—including the liability of the Housing Trust, which we discussed earlier—SAFA has command of the funds.

Ms LENEHAN: The budget papers note the proposed levels of borrowings for 1986-87. I might say that, in comparison with the low levels of the previous year, in fact they look very reasonable. However, to get a general overview of the situation will the Treasurer outline to the Committee some details of the way in which South Australia compares with other States, particularly on a per capita basis, as it seems to me that we cannot look at our own situation in isolation, that we must really look at the situation in respect of other Australian States?

The Hon. J.C. Bannon: In fact we come out very well in this area. In attempting to judge whether or not the 1986-87 level of borrowing is prudent, an important factor is often forgotten. If we had a very high level of public sector indebtedness (I point out that we are talking about net indebtedness and, indeed, the Auditor-General's response and comment highlight this in this year's figures, and the appropriateness of using that figure), obviously one has to be careful about increasing it.

In fact, we have a low level. We have taken out figures the best one can on comparative State levels of indebtedness per capita and comparisons of borrowings with other States, and in all those measures South Australia comes out very well indeed. In fact, the net indebtedness of the public sector has reduced year by year since 1983 and will reduce yet again in 1985-86 despite the increased level of borrowings we have had to undertake. Set against net borrowings per head in other States, on 1984-85 figures (which are the latest ones I have) an all States average of \$336 shows South Australia at \$136 per head. That is a pretty remarkable record. We have by far the lowest net borrowings by State public sectors per head of any State.

The source of that is an ABS bulletin on Government financial estimates in Australia. There are a number of other figures I can give, but some of those are already in the public purview. You ask how it is we are able to produce figures like that when the Leader of the Opposition keeps talking about 14.6 per cent increases, dangerous increases in public debt, and so on. The answer is that we are working off that low real net debt position. We are working against a background of a slight fall in real per capita terms and are a low debt State.

A paper recently issued by the Victorian Treasury indicates that in terms of net indebtedness per head (per capita debt) South Australia is currently in 1985-86, and on 1986-87 projections, less than 60 per cent of the Victorian level. That is not a bad margin to have in one's favour. The interesting thing about that is that Victoria and South Australia—to be fair to Victoria—are the only States to publish comprehensive data on their net indebtedness level. In fact,

other States (Queensland, New South Wales, Western Australia and Tasmania) have wracked up quite considerable debts in some areas.

Our problem in real comparison with them and in determining whether the Victorian level is too high or the South Australian level is too low—and I suggest there is a level at which debt can be too low in public sector (historical) terms—is difficult to judge because they just do not have the same sort of comprehensive data that we have in this State. I think we start with a pretty good assessment. Incidentally, I quoted our comparison with Victoria based on its comprehensive data. On the 1984-85 bureau figures I mentioned a per capita sum of \$136 for South Australia. Tasmania is \$685 per head. I do not quite know what Robin Gray intends to do in the long term. I suppose he is hoping to be rescued, as he was with the Franklin Dam money, at some stage. That is the problem Tasmania faces with its economy.

Queensland shows a figure of \$390 per head against our \$136. Again, they have obviously accepted a much higher level of public indebtedness than we have. That cannot go on forever, and I hope I am not misinterpreted in saying that every year we can increase our borrowings by this amount and we can feel complacent about it: I am merely pointing out we have in this period of transition a capacity to do so, and while we have a capacity we must use it in times of economic difficulty.

The Hon. H. ALLISON: The Financial Statement at page 18 refers to 'Fees for regulatory services', and you are claiming that there will be an estimated increase in these fees, including new fees and a restructuring of existing fees proposed under the new Builders Licensing Act. What will those new fees be? Have they been imposed already? What changes were there to existing fees? The next item concerns new fees for the licensing of hairdressers. What does this entail? The third item concerns the licensing of second-hand dealers transferred from the Court Services Department. I know that the fee has been doubled and now applies to partners in a second-hand business, and will ignore this item.

The Hon. J.C. Bannon: This information comes from other departments. In relation to hairdressing, I think, from memory, it was funding for the Hairdressers Board which resulted in a new fee level, not new fees as such. In relation to the Builders Licensing Act, I was aware of restructuring, but I am not sure what new fees means their either. I will take this question on notice and provide a reply.

The Hon. B.C. EASTICK: Page 5 of the Auditor-General's Report, under 'Housing for Government employees', indicates that the provision of housing to Government employees located outside the metropolitan area has a significant annual impact on taxpayers' funds, and identifies \$1.7 million for 1984-85. Last year this amount rose to \$2 million. Currently it is picked up that the Teacher Housing Authority has an accumulated operating deficit of \$7.2 million. The Auditor-General's Report continues:

a more commercial approach to rental determination be adopted; the principle of the 20 per cent subsidy is not an appropriate strategy for the equitable provision of a country incentive; matters relating to country incentives should be considered as an industrial matter, rather than as part of the normal rent determination process; the authority should only provide housing where the housing market is unable to provide suitable leased accommodation.

The Auditor-General also reported that it was not clear to what extent similar situations exist in relation to other departmental occupiers of Government owned housing—a matter which was probably addressed in the interdepartmental housing undertaking which was talked about some 12 or 18 months ago but which has not yet surfaced. The

matter has been referred to the Treasurer specifically by the Auditor-General. What are the terms of reference for the proposed review, and when does the Premier expect the review to be completed? Will he give an undertaking to table the review's findings in the House? I ask that question not only because of the public interest but specifically because of the tremendous amount of interest which this matter has generated within the teaching profession.

The Hon. J.C. Bannon: This matter is being handled at the moment by my colleague the Minister of Housing and Construction, who is preparing quite detailed recommendations for the Government to consider in this area. In doing so he is obviously taking account of the points made by the Auditor-General. It is not a new problem; it is a historical problem which has proved particularly difficult to get on top of, in large part because the employees concerned have seen the provision of housing at these (in some cases) quite generous concessional rates as being part of the conditions of employment, particularly for remote area Government services. In fact, I think it goes so far in the case of the police as to suggest that the level of remuneration and other aspects of their employment are fixed taking into account their access to housing at these sorts of rates. If that is so, simply moving to a more commercial or market related rent in that case will not solve the problem, because we may find other demands made in other areas by that sector of the work force.

By far the largest provision of housing is to teachers. One proposition being looked at is to coordinate overall Government housing provision under a general umbrella organisation. At the moment there is a separate Teacher Housing Authority and departments manage properties themselves. I think that system has a lot to commend it but, again, there are transitional and other problems in bringing that about. This whole exercise has been slowed down somewhat in the past few months because of the fringe benefits tax and its implications for Government concessional housing. They are still being worked through.

The Hon. B.C. EASTICK: That was a tax that you supported.

The Hon. J.C. Bannon: I never supported it on the provision of remote area housing.

Mr OLSEN: Wholehearted support for the Keating tax package—that is what the Premier said.

The Hon. J.C. Bannon: I cannot get the Opposition to understand that there are certain principles asserted and that there are matters of detail and particular impact which are not supported. I am afraid that my position is not black and white. In Opposition it is easy to have black and white attitudes. In relation to remote area housing, I have taken the point and have made it vigorously, at the Premiers' Conference and in other forums, that it is not a fringe benefit in the same way that one looks at perks and non salary benefits, getting the employer out of the requirement to pay a decent salary. On the contrary, the way that remote area housing has been looked at by Government in particular (and I mentioned the police example) has been a specific inducement that is necessary to ensure that we are able to deliver services at particular points. I am surprised that members who represent country districts, and I am not suggesting that the district of Light is a remote area—

Mr OLSEN: That is why we are opposed to the tax.

The Hon. J.C. Bannon: I am surprised that, on the one hand, the Leader is attacking the deficit that is being incurred by this public housing provision and suggesting that we should charge market rents for this accommodation and, on the other hand, he is demanding—

Mr OLSEN interjecting:

The Hon. J.C. Bannon: Come on, now! The Leader should not try and change his argument. By taking the action suggested by the Leader we would make it more difficult to get people of the quality and willingness needed to deliver these services in remote parts of South Australia. I am very surprised that the Opposition takes that attitude. It is typical of its inconsistencies. I have made this point quite vigorously in relation to the fringe benefits tax. In fact, at the Premiers' Conference, when this point was made by myself and the Western Australian Premier in particular, it was the only area that the Federal Treasurer agreed to look at. However, he has not had a very productive look at it yet because we have not yet received a response.

That has been my attitude. I was making the point that the fringe benefits tax has certainly complicated our assessment. If we simply leave things as they stand and the employer is picking up the tax as well—that is, 30 per cent on top of whatever concessions are provided—that will add to these costs if they are set against the Teacher Housing Authority and other areas of Government provided housing. The Opposition's view might be that we should wipe this out by charging them the same rent as the Housing Trust or the market rate. However, I do not think that a simplistic solution like that is necessarily the right answer. I can assure the honourable member that we are taking note of the Auditor-General's comments. Extensive work has been and is being done in this area. A number of complex industrial issues are attached to this area, apart from the financial points made by the Auditor-General. They must all be looked at as part of a total package, and that is being done.

Mr OLSEN: On 27 August the member for Morphett asked the Premier to explain what action had been taken by the State Taxation Office to prevent blatant avoidance of the State tobacco tax by a shopkeeper at 190 Hampstead Road Clearview. In reply, the Premier said that evidence was being collected with a view to possible prosecution. According to an advertisement in the *News* on Wednesday last, not only is the shopkeeper still operating but he has opened additional outlets in the city and at Darlington.

My office has received a number of complaints from tobacconists whose sales have slumped dramatically as a result of the illegal activities of this shopkeeper. Will the Premier advise what action has been taken to eliminate this blatant form of tax avoidance; if not, why not; and what fines remain outstanding from previous prosecutions of the person under the Act?

To further clarify the position I refer to two letters. The first is from a major State wholesaler, as follows:

Due to the Bannon Government's refusal to adopt a policy on the open bootlegging of Queensland cigarettes, cigars and tobacco in this State, our company is receiving daily reports of customers no longer purchasing products from us due to:

- (a) They are purchasing directly from the illegal bootleggers.
- (b) Their own clients are buying their supplies from the illegal bootleggers.

Whichever way you look at it, it still adds up to a monthly volume loss of 4 million cigarettes from us alone.

Incidentally, that is \$224 000 in sales and \$56 000 in tax per month or \$672 000 in tax per year. The letter continues:

Should our loss of volume continue—

this is from just the one source, the one wholesaler I am talking about—

we will be forced to reduce our staff to keep the company trading. A situation whereby I am sure you will agree that hard working employees are being put off due to the success of an illegal, bootlegging racket is something no Government would want to be responsible for. I ask you to bring this matter to the . . . Government's attention before we find it necessary to take these steps.

In addition, I have had correspondence from the South Australian Mixed Business Association, which states:

For the last 15 months the South Australian Mixed Business Association has expressed its concern in regard to the retailing of tobacco products purchased from Queensland. The concerns of our 1 200 members are:

1. Legitimate operators are being victimised by keeping to the spirit of the legislation.
2. The apparent immunity some businesses have to the law, particularly when they openly state that they do not and will not pay State sales tax.

In the last five weeks our members' concerns have quickly been changed to alarm. This company has literally thrown out a challenge to the Bannon Government by:

1. their successful media coverage, i.e. the *News*, the *Advertiser* and *State Affair*.
2. an advertisement in the Wednesday 1 October edition of the *Advertiser*. They have upped the stakes by opening two additional outlets, including mail orders on which postage and freight is free.
3. This manoeuvre is aimed at the total State and will increase their turnover by millions of dollars.
4. It is expected that more outlets will be opening.

The accumulated result of these actions is that my members, particularly the tobacco specialists, have dramatically lost volume and they are going broke. Right now they are being confronted with the choice of—

- A. going broke;
- B. buying from Queensland using the same system.

It is not morally right that these law abiding people should be placed in this terrible situation.

It is also worth noting that these actions are threatening the tobacco distribution network. These law abiding companies have lost huge volume and will continue to lose volume until this situation is corrected. The survival of these companies is critical to our industry. The jobs of these people should be critical to the Government. In the name of survival, we call for action now. Two weeks time will be too late.

The Hon. J.C. Bannon: I certainly have considerable sympathy with the views expressed. We are well aware of those views and action is being taken on it.

Mr OLSEN: But you promised action months ago, last year, earlier this year, several weeks ago. You keep promising action but nothing happens.

The Hon. J.C. Bannon: If you can be patient I will explain what is happening. Perhaps you had better understand the situation. Because it has one or two legal aspects, I understand that that would be a blank to you, and because it is a trifle complicated—

Mr OLSEN: Let us get rid of the insults. Let us have the answers out on the table.

The Hon. J.C. Bannon: If you remain quiet, you will get the answers. Are you genuinely trying to help wholesale tobacconists or are you just trying to posture?

Mr OLSEN: We want answers and not insults in this Chamber.

The Hon. J.C. Bannon: Are you trying to posture?

Mr OLSEN: We seek answers from the Government for a change, unlike in the Committee proceedings so far where the Government has stonewalled and refused to give answers. What we want are answers to legitimate concerns of small business operators out there. That is what we want.

The CHAIRMAN: Order!

The Hon. J.C. Bannon: Why do you interject when I start answering?

Mr OLSEN: Because you started throwing insults across the Chamber rather than answer the question. Let us get down to basics and answer the questions.

The Hon. J.C. Bannon: That is not correct. I began to embark on an explanation of the situation, and I got interrupted. The insults followed that, and I apologise, Mr Chairman, for the insults. They were inappropriate, and I do not know why I lowered myself to indulge in them. I would like to give an answer to the Committee, because this is an important issue. It is important to many small businessmen, it is important to the State, because of the \$40 million

revenue we derive from it. To have yahoos posturing about it like this is quite unacceptable—

Mr OLSEN: Look at the record—

The CHAIRMAN: Order! This repartee has gone too far. I ask members of the Committee to come back to the Committee style that should be appropriate. I ask the Premier to answer the question, and I ask that the question be answered without interruption.

The Hon. J.C. Bannon: The business franchise legislation, which we call loosely a tobacco tax—but it is not—has been structured, and this applies in all the States that levy it, not as a tax on a particular good, because that represents an excise and is also caught up under the section 92 free trading provisions of the Commonwealth powers, but in fact, it is franchise legislation devised around licence fees that are calculated on turnover on a previous period and accordingly are levied on that.

In the case of the fines that supposedly should have been levied on this individual, I might deal with that point because it has direct relevance on this concept of business franchise. No fines were involved. The individual concerned simply refused to renew an annual retailers licence. In fact, a case was mounted around that and the implications of that refusal, and the decision was in favour of the retailer. That licence was not renewed. The validity of not renewing it was upheld. No fines were involved. That was the end of the matter. That is the reason behind it—action was taken.

The second and much more important and fundamental point is the extent to which people such as this individual can bypass the requirements of the State law. The registered wholesalers and legitimate retailers are meeting their obligations, both here and in other States. Previously, action such as this has taken the form of obtaining product by mail, taking refuge under section 92 of the Constitution, and suggesting that thereby they are exempt from State law because it is a direct sale by mail order across the border.

While that occurred there were not major problems because we were often able to detect it and take some other action. Certainly, there was no great volume. However, recently there has been a greater increase—by saying 'greater', I do not mean 'great'—because the figure quoted on the information that we have is far in excess of the actual amount of avoidance going on. It is hard to estimate but certainly many exaggerated claims are made about it.

This is being done by direct sales, by an importer or agent to consumers, again seeking legal refuge under section 92 of the Constitution. We have increased considerably our inspection and detection measures. Inspection activity has employed the equivalent of four full-time officers in the last few months on tobacco inspection alone and quite a heavy commitment by senior officers to assess the information derived.

Any complaints or information—and there was one that the member for Light raised the other day—is referred and followed up, and action is taken accordingly. In the case of this Mr Brian Stokes, the person who previously held a retail tobacconists licence and who has been in dispute with State taxation on the licence fee assessment, he appealed unsuccessfully to the Business Franchise Tribunal and did not renew his retailers licence and, therefore, is no longer a licensed retailer.

He is undertaking, through a complicated company structure, a direct sales operation. There has been a considerable lack of cooperation and underhandedness in relation to that operation which resulted, in fact, in a search warrant being obtained, in books being seized and assessed, and copies of the agency agreement and various other documents relating

to his business. That action has taken place and those records, books and financial transactions are currently being assessed by the Crown Solicitor.

When we get the appropriate legal advice on the form and manner of prosecution, we will be able to proceed, but that is being done at the moment and there is no point at all in our jeopardising the activities of legitimate wholesalers and the State's revenue base by taking a half-cocked case that has not properly been assessed and developed.

That is where the situation is. I assure all those legitimate wholesalers that action is being taken. This is a problem with which we are not alone in South Australia. In fact, illicit trafficking has been much more prevalent in the other States; in the case of the Eastern States, which are just across the border from Queensland, and in the case of Western Australia, because it has had such a high rate of tax and, therefore, the temptation for someone to import is greater. It is a problem that is shared in common with all those States that have some form of tobacco franchise legislation.

In Western Australia, they looked into the possibility of taking specific legal action or imposing legislative requirements on unlicensed retailers of the sort of individual that is involved in the activity here in South Australia. That is something at which we are looking very closely to see what are the possibilities. Quite frankly, the cost of assessment, inspection, and so on, which is required when somebody seeks to evade the State requirements, is quite considerable. If those inspection activities must take place, it is only reasonable that those persons who are deliberately exposing themselves to such inspections by not being licensed in the regular way and playing the game may have to be forced to pay, and pay quite heavily, for the privilege of being so inspected.

So, a number of avenues of that kind are being looked at. While that is being done, and while our legal advice and our case is being prepared, no other action is possible in the short term. However, I issue a warning to Mr Stokes and anybody else who is involved in the same game that, the longer they continue these activities, the higher the liability they are erecting and the more likely they are to ensure that they will not continue in business, because we cannot afford to put up with the jeopardy that is involved to our revenue; nor should legitimate honest retailers of the type who has written the letter to the Leader of the Opposition be subjected to their activities, either. That is the position as it is. We are certainly taking action, and vigorous action, but we are making quite sure that what we do is successful and not defeated in the courts.

Mr KLUNDER: My question follows one asked by the member for Mawson in which she established which Government agencies do not have their liabilities assumed by SAFA. Can the Premier indicate what percentage of State liabilities have been assumed by SAFA?

The Hon. J.C. Bannon: It is certainly the vast bulk of them—perhaps in the order of 90 per cent. Certainly, it applies to the historic liabilities and those liabilities of the individual authorities which had borrowed from either off budget sources or in association with State Government approvals and which now all put their business through SAFA. All those liabilities have been taken over, as have our liabilities to the Commonwealth. In that respect we differ from other central financing authorities in other States. SAFA's operations are far more comprehensive, and I think the benefits of that can certainly be seen. If the member would like a more accurate assessment, I am sure that we could obtain it for him.

Mr KLUNDER: The Premier has anticipated my next question, namely, how the South Australian percentage compared with interstate percentages. If it is possible to get figures on that, I would like them. Has SAFA managed to avoid losses which appear to have taken place interstate due to currency fluctuations in overseas borrowings?

The Hon. J.C. Bannon: The short answer to that is 'Yes, it has.' While in certain financial climates it is probably attractive to undertake transactions that could lead to foreign exchange gains, one is equally at risk, as a number of these authorities have discovered, to foreign exchange losses. Some large private sector companies and some public authorities in Australia, in the Eastern States in particular, have been badly burned by currency fluctuations and their exposure. On its overseas operations, SAFA acts under a general guideline that it will not risk currency fluctuations. Transactions are hedged. They are written in the appropriate currencies. Any loans that are taken out are done on the basis that no currency risk is attached to the transaction. That means that SAFA probably might have had a bit more money on some transactions. Equally, the exposure on the down side would have been very great. I think SAFA has set a very good example to some other public authorities by avoiding the quite devastating—we are talking about some hundreds of millions of dollars—exposure that has taken place.

The Hon. B.C. EASTICK: Picking up the point that the Premier was speaking of previously in relation to cigarettes, will he acknowledge that the questions to which he was asked to give consideration occurred in the February-March period of this year, not a matter of a few weeks ago, and that there have been a number of further examples of advertising in a variety of newspapers relative to this issue? We are now in the 10th month as opposed to the second month and, whilst acknowledging that it is a difficult situation, eight months of income to the State has been lost.

The Hon. J.C. Bannon: All that does is illustrate the complexity of the matter. I was just checking on the particular incident about which I was talking relating to the non-renewal of a retailer's licence. That occurred some time earlier this year. Yet, the question that the honourable member mentioned was some months ago. I am merely saying that, prior to that question and since, quite intensive activity has taken place. Work is also being done on a national basis because of the national implications of this trafficking, and I guess it is fair to say that with the recent New South Wales budget and the increase in the tobacco franchise fee that was part of that budget—it went up to 30 per cent—the position in that State has probably become much more urgent because there is now an even greater incentive for people to break the law as we see it.

The Commissioner of State Taxes has been in active consultation with his colleagues and has taken legal advice, and we hope that anything we do will be part of a concerted action which will guarantee that we can dispense with this whole thing once and for all. That is important. We cannot continue as we have in the past to fight each and every little engagement at a time and then find new legal devices invented for company structures, and so on, in an attempt to evade the tax, because that is what has been happening. We want to kill it off once and for all; that can best be done with a national approach; and that is what is being worked on at the moment.

Mr OLSEN: On 30 May the Premier released a report of a committee of inquiry into the State's superannuation scheme. In doing so, he announced that access to the scheme would immediately be closed to new entrants while recommendations for sweeping changes to public sector super

arrangements were considered. Will the Premier indicate whether the Government intends to implement the recommendations of the inquiry and, in particular, given the comments of the inquiry about the costs of existing arrangements to taxpayers this financial year, whether the Government's contribution to the fund will rise by another \$70 million to \$75 million? Is it the Government's intention to increase employee contributions?

The Hon. J.C. Bannon: The Government is still awaiting the report of its superannuation task force, which was established following the receipt of the Agars committee of inquiry report. Intensive negotiations have been going on since then. Progress reports have been made periodically. The matter is under the Ministerial control of my colleague, the Minister of Labour, who has it as a special responsibility. The superannuation task force is attempting to devise a scheme which will be more attractive, particularly to lower paid and female employees, who generally have not joined the present scheme. One of the interesting things about our State superannuation scheme is that, on the one hand, people say it has extremely generous benefits yet, on the other hand, there is obviously a very large percentage of State public sector employees who do not believe that those benefits are generous because they have not bothered to join the scheme. We are attempting, therefore, to try to devise a scheme which will be more accessible and attractive to a much wider range of employees but which will not mean increased costs. Indeed, we will see a control on those longer term actuarial costs of the scheme to Government.

There are so many variables in this, as the complexity of the Agars committee report suggests, that it is not something that can be done overnight. It is proposed that we introduce legislation for the new scheme in the 1987 session of Parliament, that is, the second half of this financial year. In broad terms, we would like to see a new scheme ready to be operational by 1 July 1987. That is the sort of timetable to which we are working.

Mr OLSEN: On the subject of the State Superannuation Fund, what proportion of SASFIT's total assets is represented by its \$105 million contribution to the ASER project? In view of the comments by the committee of inquiry that this concentration of assets should be reviewed, does the \$105 million contribution represent the absolute limit of SASFIT's contribution to ASER or, given the increase in the contribution that has occurred in the past 12 months, does SASFIT expect that to increase again?

The Hon. J.C. Bannon: Mr Weiss, the Chairman of SASFIT, will provide us with that information.

Additional Departmental Adviser:

Mr I.S. Weiss, Chief Executive Officer, SASFIT

Mr Weiss: The first point that has to be emphasised is that, as we have attempted to explain in both of the two previous reports of the investment trust, this cannot be categorised as simply an investment in ASER. SASFIT's involvement in ASER from the word go was predicated on the fact that it was able to structure that involvement in such a way that its commercial exposure to ASER was significantly limited and that its major contribution towards the development of ASER was in the form of funds that were back to back with Government guarantees of income relating to the public facilities which the Government is leasing from ASER.

In other words, it would have been perfectly possible for the money that is being provided by those funds to have been provided by the Government with SASFIT separately lending that money directly to the Government. In those

circumstances, SASFIT's credit and the Government's creditworthiness or credit risk would have been the same. If we relate the amount of money that is required to the total volume of SASFIT's assets at the time when we will have finished putting out the money, the total amount of money involved represents 20 per cent of SASFIT's assets. The equity risk element of that represents about 7 per cent of SASFIT's assets, and it should be recognised that the rest of it is, in essence, no different from separate index money which might have been provided to the Government for some other project and which depended essentially on the Government's covenant.

It should again be emphasised that the equity risk money in ASER represents three quite diverse business risks. It represents our investment in the Casino, the hotel and the office block. It so happens that these three diverse business interests have been brought together in this one conglomerate. It could have been possible for them to be structured as separate entities, in which case our investment in each entity would have been substantially lower. It is 7 per cent altogether and relates to three different sorts of business enterprises.

Mr OLSEN: Do you contend that the committee of inquiry's report recommendations in that regard are inaccurate, or that they drew wrong assumptions?

Mr Weiss: I must confess that the trust is a bit bemused by that part of the committee's report. The committee never put questions to the trust about its involvement in ASER, and I do not know where the committee got those figures. They are wrong.

Mr OLSEN: As I understand it, the commitment to the development is \$105 million. Is that expected to rise, or have we reached the limit that can be expected of SASFIT to the project?

Mr Weiss: Perhaps again it would be a matter of clarifying what one means by 'commitment'. It can be expressed in two ways. One way is the cash that SASFIT has to provide. The commitment that it has normally described is the amount of money that will be committed by the completion of the project, which includes substantial amounts of interest with which SASFIT has been credited on cash that it has put into the project; in other words, it is a rolled up cost representing interest that it has earned.

Our total liability is a function, among other things, for example, of the rates of interest that occur in the marketplace between now and the final completion and, if rates of interest vary from those that have been included for the purpose of particular forecasts, and increase, we will have more money notionally in at the end, but we will not be putting in any more for cash flow.

We cannot forecast certain factors entirely in terms of the period of time that buildings take to build. We have made estimates based on the history of the project to date, and our present perception of when it will take to finish the project. Provided that those perceptions turn out to be correct, we will not put in any more money. Obviously, no developer can guarantee that those perceptions are correct.

Mr OLSEN: Are the estimates to which you refer the maximum contribution of \$105 million? What is the estimate that you have?

Mr Weiss: Cash requirements have been reported in our accounts, which have been published in the Auditor-General's Report. I believe that the figure of those cash requirements is a further \$66 million. The notes also show the amounts of money that we have subscribed to date. Part of that was cash and part of it is simply a notional interest figure which has been credited to us and which is more of an accounting entity—really more important for the pur-

poses of determining our relative interest versus Kumagai's at the end rather than in terms of the actual cash contribution.

In actual fact, it says that the total amount of cash that we are talking about putting in is \$98.5 million, so to date we have put in \$49.5 million. In an accounting sense, \$6.5 million in interest on that \$49.5 million has been capitalised. We estimate that a further \$49 million in cash will be put in after 30 June 1986. Therefore, we are estimating that just under \$100 million in cash will be provided by SASFIT over this period. SASFIT will also leave in whatever accumulated interest it is credited with on that money. An estimate of what that interest will be is obviously rather more tenuous, because it depends on actual interest rates over the period, but it does not affect SASFIT's cash flow in any sense. It really reflects a reinvestment of the money.

Mr OLSEN: But it increases the total contribution to the project by rolling the interest earned into capitalisation: it is therefore increasing the total contribution to the project rather than the cash flow?

Mr Weiss: It should be understood that, under the arrangement between SASFIT and Kumagai in relation to ASER, SASFIT and Kumagai do not put in equal proportions of money. In particular, SASFIT provides all the money for the public facilities and a lesser amount of the money for the commercial facilities, to the extent that a large proportion of SASFIT's contribution is in essence for the public facilities. Eventually, the cost of the public facilities including interest is rolled out and is part of the arrangements which are back to back with Government. To that extent, the variation in interest that we receive will be reflected by a consequential variation in the rent that the Government pays, so SASFIT is covered entirely in relation to those aspects. It is only in relation to the residual amount that there is a commercial element in the final sum.

Mr OLSEN: You said that the contributions of SASFIT and Kumagai are not on a straight 50/50 basis. Has SASFIT made a notional contribution in the light of the other contributors to the project? For example, does the anticipated sum, which is just short of \$100 million, represent 30 per cent or 40 per cent of the all up costs?

Mr Weiss: The problem is that SASFIT is providing the whole cost of the public facilities, and that varies according to certain other complicated formulae involving us and Kumagai, but it is about 30 per cent of the remainder of the costs of the other facilities.

Mr OLSEN: That is the commercial side?

Mr Weiss: Yes, except for the cost of the casino, which is shared equally between us. Therefore, changes in our share do not flow through on a formula that is similar to the formula of the other parties, because particular elements have not changed their cost in the same proportion: they have changed in substantially different ways for different reasons. Therefore, there is a formula, but it is different for the various components. We finish up with three components: the casino, in relation to which we share the cost; the public facilities, which we are financing totally; and the commercial facilities, which in practice we are financing by only about 30 per cent if the formula works out.

The Hon. H. ALLISON: We have just been told that the \$49.5 million that has already been invested in the project and the \$6.5 million interest capitalised does not affect SASFIT's cash flow, but surely if the \$6.5 million has been capitalised it remains in the project and is not part of the normal cash flow. Had that money been invested elsewhere so that the interest was not capitalised, you would have had the interest to reinvest. Is this the only time that the interest will be capitalised or will this recur over the building time

until rents begin to flow in, so that capitalisation could be an additional demand if there is a further extensive delay in completing the project?

Mr Weiss: In answer to the first question, I point out that the original basis of the agreement between us and Kumagai, which preceded and was part of the Tokyo agreement, envisaged that both parties would leave in their money and their interest and it would be capitalised. What the honourable member is saying is quite true: if we did not put the money into the project but used it somewhere else, we would have money for reinvestment. But what I am saying is that the moment we decided to be involved in the ASER project we allowed for the fact that the cash flow would be reinvested. Indeed, we reported our investment in terms of its ultimate accumulation, because we thought that that was appropriate.

What I am trying to say is that the fact that because of changes in interest rates the amount of interest which, as it were, we are ploughing back is higher does not make any difference to our residual cash flow position in SASFIT. We had assumed that we would put in additional capital and we would not get any interest from it, and that remains the situation. The fact that the interest we are not getting is higher than we thought it would be does not make any difference to SASFIT's net cash flow position and our ability to provide cash for whatever other investments we were planning.

In relation to the second question, namely, what happens once ASER is completed, I point out that that is really a matter within the framework of the arrangements between Kumagai and SASFIT. Obviously, like all joint venture agreements, it encompasses a formula for dividend policy and how we will retard debt *vis-a-vis* payments, but we do not believe that that is something we can make public, because it involves private commercial arrangements between us and Kumagai.

The Hon. H. ALLISON: Are you looking to receive interest on the \$49.5 million and the \$49.5 million which still has to go in plus an interest factor on the \$6.5 million interest which has been capitalised, or are we saying that the \$6.5 million is capitalised but is not interest bearing?

Mr Weiss: In terms of the internal arrangements, we are credited. During the course of development, nearly all the money put in is money put in as loans by us and Kumagai—there is only a relatively nominal amount of equity—and each is credited with interest according to a certain formula.

The Hon. H. ALLISON: Does that involve capitalisation of interest?

Mr Weiss: It includes the capitalisation of interest on the basis that the joint venture agreement between Kumagai and us said would be credited to SASFIT or to Kumagai. At the completion of the project, what are basically bridging loans will be converted into various forms of permanent finance, and each party will first increase its amount of equity in the project to \$20 million. So part of our loans will be converted to equity. Further loans are converted into subordinate debt, and the remaining loans, in our case, are converted into long-term indexed debt, which we described previously and which basically gives us a guaranteed real rate of return after allowing for inflation of 5.5 per cent after a very long period.

Kumagai's money is converted into a different form of loan, a medium term loan, which is made to the ASER Property Trust and which will be repaid over a seven year period after the completion of the project. We are certainly receiving interest. We are being credited with interest and we will earn income from that money once it is invested. As the member would appreciate, all investments can earn

in two ways: first, by actually receiving a dividend and, secondly, due to an appreciation in capital value.

With an investment in a project of this type whereby one has acquired a structure that has assets and has debt, the extent to which some of the income eventually earned by that structure is used to retard debt rather than to pay a dividend, nevertheless, improves the value of one's investment in the asset quite considerably because each year not only does the capital value of the elements of the structure increase in value but the amount of outstanding debt will reduce in value and, therefore, the net value of the investment will increase. To that extent, we certainly have an investment here which for a certain period of time will provide a lower cash flow for us than will be the case after a certain number of years, but these are matters for which ASER has always allowed in its cash flow structure.

The Hon. H. ALLISON: That has not answered the simple question, namely, is SASFIT getting the best return from rolling over the \$6.5 million, or is it simply rolling that money in to receive relatively little interest? You are getting only 20 per cent equity from the total project.

Mr Weiss: No, we are getting 50 per cent equity.

The Hon. H. ALLISON: From the \$20 million out of a \$100 million investment?

Mr Weiss: Yes, we have a 50 per cent equity in the project. The rate of interest with which we are being credited during construction is at the 90-day bank bill rate. We are credited with the current rate that is payable on bank bills, and every 90 days that rate is adjusted. So, we receive a totally commercial rate on the money that we put in.

The Hon. H. ALLISON: So, as a result of leaving the \$6.5 million capitalised interest, you are looking at a long-term capital appreciation?

Mr Weiss: In essence, during construction we are earning a current interest rate on it. On completion of the total development entity, one then has a set of completed business elements, which then have a combined market value. We can say that that combined market value will be in excess of the developed cost and that that will be, as it were, a once and for all leap in value. After it is completed, there will be further annual increases in value as a result of subsequent annual appreciation of the various elements, coupled with income that the project is earning, and during the early years the substantial part of that income will be used to retard debt. Some of it will be distributed, but much of it will be used to retard debt, and that will result in a correspondingly faster increase in value of the asset. The trust is well aware of the fact that once the project starts it will then have a very valuable asset that will increase in value at a substantial pace and that, if we did nothing, at some time that asset could then become a disproportionate part of our total asset.

However, the trust has allowed for that in the sense that the long term planning of the ASER development involves various changes to the structure of ASER, making it marketable, in a sense. The interests of both parties have recognised that in the long run interests in ASER can be sold to other parties. Each party is interested in doing that in the long run, and there are plans to do so. But these are longer term entities. For example, there is indeed a general undertaking that through some method or another an interest in the casino will be transferred to the South Australian public at some time within, say, five years of the development being completed.

The Hon. H. ALLISON: On a share issue.

Mr Weiss: Yes, and therefore that will be one method of making an issue. I cannot be very explicit at present. I am bound to say that the joint venturers had a very clear game

plan in relation to the eventual treatment of the ASER structure, and that plan was very significantly affected by tax changes that took place relating to the taxation of trusts; therefore, the ASER Property Trust's financial advisers are currently looking at appropriate ways of restructuring the arrangements, in reaction to the variations in the tax laws that have taken place. However, I can assure the member that certainly both parties are interested in the proposition that, once the ASER property development has been completed the ASER Property Trust will be converted into a marketable instrument and, as such, the parties will finish up with interests in something that is marketable and can be sold. Obviously, it will be a problem for SASFIT in future to determine what proportion of its interest in ASER it continues to hold, as a matter of prudence, perceiving what proportion of its total assets it then represents.

The Hon. H. ALLISON: On present turnover the prospects look good—there is no doubt about that.

Mr Weiss: Yes, and the point is that the rate at which its value will appreciate once the development has been completed should be very much faster than the rate of inflation, because of the method that will be there for retarding debt. Certainly, at some point of time the question could arise that it would then be prudent to dispose of it—and plans always allow for that.

Mr OLSEN: As a major contributor, what do you anticipate will be the total cost of the project?

Mr Weiss: The ASER Property Trust does not wish to divulge that figure in that form at present. Let me put it this way. The ASER Property Trust is a private business entity. It has to report statutorily, and does so. It wishes to report in its own terms rather than in other terms. Secondly, SASFIT, as an investor in ASER, obviously has a responsibility to report to the contributors, and our report, which will be available within a couple of months, will describe SASFIT's presently estimated obligations to the ASER Property Trust.

However, the ASER Property Trust, if it starts revealing figures about total cost starts revealing information which, in a commercial sense, by making deductions from other information that is available, can lead people to start arriving at conclusions about what we think particular elements will cost and that, for example, can then lead building contractors to draw their conclusions from this information.

The Hon. J.C. Bannon: A further point that bears on this, picking up what Mr Weiss has said about the essentially private nature of this aspect of the development, is that under the original Tokyo agreement of October 1983 the Government undertook to provide a guarantee of the repayment of Kumagai's loans to ASER. With the existence of such guarantee I think it would be fair to say that the Government would have a right to inquire about all the costs of those commercial elements. In fact, after the finalisation of that agreement as the project developed Kumagai indicated that it no longer required that guarantee. Members might recall that I reported that to the House.

That is one of the matters that was varied from that original agreement—to the Government's benefit, because it simply meant that we no longer need be concerned as a Government about the overall commercial cost elements and return of that project, because we are no longer guaranteeing funds. The *quid pro quo* of that, I think, is worth restating: in that instance we cannot reasonably expect the developer or the APT to make information on this commercial basis public other than through the normal mechanisms, as Mr Weiss has said.

As an investor SASFIT obviously must declare its investment interest in the project, but as a property trust and as

a joint development Kumagai, in the absence of the requirement of that Government guarantee, has no obligations either to Government or to anyone else apart from the statutory requirements. Indeed, I think it is important that its commercial viability be protected, perhaps even more so because of the prominence of this project. Admittedly, this building project's size, scale and importance justify a lot of the attention paid to it. Nonetheless, every element of the project is being carried out under a full glare of newspaper commentary, rumours around the construction circles, questions in Parliament, and so on. That makes it very hard for the people involved to carry out their commercial operation. I do not think we, in Parliament, should try to make that any harder. If indeed we had exposure, that might be another matter. However, in this element we do not and therefore I fully support what Mr Weiss says about protecting the commercial confidentiality of that overall cost of the project and its elements.

The Hon. B.C. EASTICK: If I understand the Premier's answer, we (the Government) and we (the development team) have no longer got a concern about it finishing. Is that what you said?

The Hon. J.C. Bannon: Remember that there are elements of the project. The Government has a very direct concern in the successful and timely completion of the Convention Centre and public facilities elements of which ultimately it is the operator and on which the return to SASFIT is guaranteed. We have certainly approached it on that basis. In relation to those other elements of the project, bear in mind that the rent levied for the lease of portion of the office building, which is also a guarantee of the Government, will be affected by the price, but in that sense it is no different. Is that not correct?

Mr Weiss: The rent which the Government will pay for the office building is purely market determined.

The Hon. J.C. Bannon: Fine. We are really talking about the area on which I was concentrated and responded to questions in the House, which is the Convention Centre and public facilities aspect of the project. As far as the other elements are concerned, we want the hotel opened as soon as possible in the interests of tourism and bed capacity, which we really need in this State. We have been doing so well in tourist activities and events, and so on, that we need that five star accommodation as soon as possible. The developers know that and they are obviously getting on with the job, too. In terms of our financial exposure, that is not relevant any more because we are not picking up guarantees on that element of the project.

The Hon. B.C. EASTICK: Coming back to the question I asked the Premier, my distinct understanding is that he said, 'No longer have we got a concern that it will be finished.'

The Hon. J.C. Bannon: Did you listen to what I said just then? I said we have a great concern in it being finished, and being finished as soon as possible and operating. If you mean direct financial interest—exposure of the Government—the answer is no, we do not.

The Hon. B.C. EASTICK: I take it in the other context that it is so far advanced that it will finish. When it will be finished is another question which in other forums will be argued.

The Hon. J.C. Bannon: There will be a pretty large shell down there on the Torrens for all to see if it is not finished. The only thing that will prevent it being finished is too much agitation and interference with those who are trying to get on with the project.

The Hon. B.C. EASTICK: The point I am trying to make is that the Premier has reached that decision on the information that is available to him?

The Hon. J.C. Bannon: What decision?

The Hon. B.C. EASTICK: That he has no concern about the fact that it will finish, and that it will be a financially viable operation?

The Hon. J.C. Bannon: I do not understand the question. That is not what I have said. To cut the time of the Committee short, and because this is being recorded by *Hansard* I suggest that the honourable member go back and look at what I have said, and he will understand it. I have not said that I have no interest in it finishing. On the contrary, I have a very great interest in it finishing.

The Hon. B.C. EASTICK: That assessment will be made when *Hansard* comes out tomorrow. The Premier is confident of a satisfactory end result?

The Hon. J.C. Bannon: Yes.

The Hon. B.C. EASTICK: On what does the Premier base that confidence? That confidence is not publicly available and has not been demonstrated to the House or this Committee.

The Hon. J.C. Bannon: The same confidence I have that the State Bank building will be successfully finished.

The Hon. B.C. EASTICK: It is of rather different dimensions.

The Hon. J.C. Bannon: A whole series of projects are taking place in this city. In fact, one of the big contrasts between our period of office and that of the previous Government is that at last we have actually got some cranes and development going on in this place, both in the public and private sector. There are many projects going on.

Ms LENEHAN interjecting:

The CHAIRMAN: Order! The Committee will come to order.

The Hon. B.C. EASTICK: What the Premier is saying is that he has confidence, but he is not prepared to share the basis on which he has determined that confidence.

The Hon. J.C. Bannon: I am happy to share it by arranging an inspection of the site for the honourable member, and he can look at the tangible work that is being done. Is that what he means?

The Hon. B.C. EASTICK: I think, Mr Chairman, that the Premier has demonstrated that he does not want to do other than fudge the answers.

Ms LENEHAN interjecting:

The CHAIRMAN: Order! Does the Committee have any further questions?

Mr OLSEN: Can I ask the Premier why—

The Hon. J.C. Bannon: Is the honourable member trying to sabotage this project? Is that what this is about? Think of what he has been saying and you will see why I say this.

Mr OLSEN: It was a reasonable legitimate question which we were entitled to ask to seek information. In Tokyo the Premier was quite happy to announce that the completion cost of the project was \$140 million; no strings to that. Why will he not tell the Committee, the public of South Australia and the investors to which the State guarantees funding and makes contributions independently (the Superannuation Fund, etc.) what the completion cost today is?

The Hon. J.C. Bannon: The answer to that is simple: the figure, as with any project that is announced at outset, is based on notional costing. We did it with the entertainment centre the other day, and there have been many others. In fact, that notional figure was provided and it was revised very soon after, the honourable member may recall. In the course of the process of this project there have been added

elements, such as the Casino and the car parking space, which have been expanded.

The scope and nature of the Convention Centre had been altered, and so on. The notional figure announced to indicate the size and scope of the project in 1983 is subject to a whole series of variations over the course of the project. We are now in the commercial phase of the project where the signalling of expected outcomes could have a severe effect on its costing. It should not be placed in commercial jeopardy for that reason. That is the answer. How about learning a few simple business principles?

Mr OLSEN: I had a little business practice for 16 or 17 years before I came into this place.

The Hon. J.C. Bannon: You certainly do not demonstrate it.

The CHAIRMAN: Order!

Members interjecting:

The CHAIRMAN: Order! I ask members of the Committee to ask their questions one at a time. I believe the Leader has the call at the moment.

Mr OLSEN: The Premier is concerned about us asking questions. He is asked these and other questions because he creates concern about the project by trying to shroud it in secrecy. If the car park or something else has been expanded, why not tell the people up front that the project is developing, it is getting bigger and then provide the reasons for this and detail the extra cost? The Premier might receive a pat on the back for that. However, when the Premier tries to shroud it in secrecy and will not answer questions about it, legitimate concerns and anxiety develop. The Premier is fuelling that with his attitude and approach to the project and in his response to legitimate questions.

The Hon. J.C. Bannon: The Leader talks about a pat on the back—and indeed he is right, because I think the more money spent on these activities the better, because it is economic activity—provided that it is economically viable, and it is. However, we are not receiving a pat on the back; we are accused of massive blowouts in the ASER project; we are told that the project is in jeopardy because of cost overruns; and that the contractors seek to avoid obligations.

Mr OLSEN: Aren't you prepared to—

The Hon. J.C. Bannon: No, I am not prepared to subject this project to those sorts of accusations.

Ms LENEHAN: I refer to 'Assistance to home buyers', which is program 3 of the Treasurer's lines. In the yellow book reference is made to a scheme of insurance to ensure that young South Australians in buying their homes have adequate insurance in the case of the death of one partner or some other tragedy which may mean that they have to pay out their mortgage. However, according to the yellow book the scheme may well be phased out. What would the Government be looking at to ensure that young South Australians who are presently covered by (I think it is called) the housing loan redemption fund continue to be protected? Are there other schemes which take the place of this assistance to home buyers, and particularly to young home buyers?

The Hon. J.C. Bannon: The scheme was introduced in the 1960s, when the cost of obtaining a life insurance guarantee to protect a home in case of death meant that for some people it was another cost burden in trying to purchase their own home. A scheme was introduced whereby the State guaranteed life insurance cover which was inexpensive and people could have access to it under certain conditions. It has been running since then. Over recent years a number of life insurance offices and other financiers have started providing much more adequate and certainly cheaper coverage of this kind. In particular, since SGIC was permitted

entrance into the life insurance field, it has been prepared to provide such cover. The State Bank, which is providing most of the concessional interest loans, has steered people in this direction. It meant that those people who previously would have applied under this scheme now have an alternative.

In 1984-85 SGIC went into a scheme of mortgage protection insurance with the support of Treasury, which means that over the past couple of years the number of new applicants has practically dried up. As a result, we are looking at whether the scheme should continue at all; a review is being undertaken. If we can be satisfied that adequate cover is being provided by these other means, with suitable controls and conditions, we can phase out our scheme. That would certainly reduce the amount of expenditure we have to make on it. The expenditure is not great, but it would certainly represent a reasonable saving. However, we cannot simply abolish it, because a number of people are still covered by the fund and there is no intention of not continuing that obligation. So, to the extent that some people are still insured under the fund, it will continue. I suppose there is nothing to stop a transfer—again, under suitable conditions—of those people to a scheme administered by SGIC, or something like that. However, we have not yet reached that stage of thinking. The allocation and the program remains, but it is no longer an expanding program. In fact, it is contracting quite sharply.

Ms LENEHAN: I refer to the ASER project. I am concerned that in the time I have been in this Parliament we have heard nothing but incredibly negative carping from the Opposition about any aspect of the ASER project. In fact, at every turn there has been a deliberate attempt to try to highlight any kind of hiccup in the planning or the building program associated with the project. Therefore, I think it is fairly important to balance the whole discussion of the ASER project and place on the public record its benefits to South Australia. Can the Premier provide a long term assessment of the number of jobs that will be created directly as a result of the ASER project? I am talking about not only the construction phase but also the long-term effect on the South Australian economy. Has there been any fairly accurate quantification of the multiplier effect of the creation of these jobs through the development of the total project, including the Convention Centre, the five star hotel complex, and so on?

The Hon. J.C. Bannon: I do not have those figures to hand. However, there are some notional estimates that I can provide. It is true that both the construction and the operational phases of the project will provide an extraordinary generation of economic activity. An example of what can be done, I guess, is witnessed through the Casino, which is currently employing around 1 100 people. It is virtually an industry in itself. It is also contributing substantially to our Government revenue and, by so doing, it helps us to develop services and facilities to the general good of the community. I think it can be seen, particularly in these areas of conventions, hospitality, hotels, and accommodation, that they are labour intensive. They do require the employment of people with skills and ability. To reinforce our overall international convention city image, which Adelaide is developing, and our general tourist infrastructure in this State, they will make a very significant contribution.

Ms LENEHAN: Can the Premier provide some information at a later date about the figures for employment and the multiplier effects?

The Hon. J.C. Bannon: Yes, we can provide that information.

The Hon. B.C. EASTICK: I have just deposited with the Premier a ministerial statement that he made to the House on 27 October 1983 relating to the Adelaide railway station redevelopment. Can the Premier advise the Committee of any variations that exist relative to the claims and statements made in that statement as they apply today to the redevelopment program?

The Hon. J.C. Bannon: I cannot do that off the top of my head. Substantial variations have taken place over that time, some of which I have outlined. For instance, it refers to a car park for about 800 cars, whereas car parking capacity is now 1 200. There is a substantial variation on that element for a start. A number of other figures are given in 1983 dollars over particular time periods based on interest rates then predicted, and so on, all of which have been subject to change over time. If I was to make a similar statement, I guess there would be substantial variations to it.

The Hon. B.C. EASTICK: Will the Premier make available to this Committee a document to be submitted before 31 October for insertion in *Hansard* giving an update of that statement that would identify the variations that have taken place since that statement was made?

The Hon. J.C. Bannon: I can identify some of them but not all. In some areas, particularly where commercial confidentiality is involved, there is a problem. We are talking no longer about notional first estimates. I could not provide all the information the honourable member seeks at this stage, but he should understand that.

The Hon. B.C. EASTICK: In that same *Hansard* volume (page 1412) questions were put to the Premier and certain statements made by him. Will the Premier also seek to include an assessment of the import of the questions asked?

The Hon. J.C. Bannon: It would be more productive if we waited until the project was completed so that we were able to assess these things on current value and on the way in which—

The Hon. B.C. EASTICK: Is the Premier saying that he does not want—

The Hon. J.C. Bannon: Are these questions relating to the Casino or to the railway station redevelopment?

The Hon. B.C. EASTICK: To the railway station redevelopment. Is the Premier saying that he does not want to share with the Committee and the public of South Australia an understanding of a major project in this State's history?

The Hon. J.C. Bannon: I have done so consistently. You will notice even in that response, when we are talking about the \$140 million overall global figure, that I say, 'That is suggested that the total project will encompass . . .' It has been quite clear, as with any project of this kind, that there will be variations in the course of it. It is interesting incidentally that the very next question asked by the Opposition on that same day (as I have the volume of *Hansard* in front of me) concerns allegations that we were putting pressure on the Casino Supervisory Authority, and doubts were being cast around the Casino, etc. Really, the Opposition has been pretty disgraceful in the way that it has handled these projects.

Mr OLSEN: And you were aware that it was suggested that the former Government was taking bribes for the establishment of a casino in South Australia. It was page 1 news. You well remember as Opposition Leader that you made that accusation.

The CHAIRMAN: I would like the Committee to get back to the vote.

The Hon. J.C. Bannon: If you read the select committee's reports—

Mr OLSEN: We read what you had to say at that stage.

The CHAIRMAN: Have members any further questions?

The Hon. B.C. EASTICK: Will the Premier accept that the Opposition has not been satisfied with his answers because we do not believe that they have satisfactorily explained to the people of South Australia exactly what is now taking place? This is of interest to the public of South Australia and specifically to people who have been employees of the State and whose funds, through the Superannuation Fund, are inextricably linked to the project.

The Hon. J.C. Bannon: I think you ought to search your own hearts as to the motivation behind the question and not ask for my explanation about why you have asked certain questions. I have attempted to answer them as fully and frankly as it is possible to do in the circumstances.

Mr GROOM: In regard to support services, I notice from page 65 of the yellow book, which deals with the Treasury Department, that the net effect of issues and trends is that Treasury is continually improving and updating the flow of information. Under 1986-87 'Specific Targets and Objectives', it is to review and improve further the presentation of financial statements, including program performance budget reporting. Can the Premier or his officers provide further information on the way in which the improvement is taking place and say whether this has any impact on controlling Public Service expenditure?

The Hon. J.C. Bannon: This refers largely to the presentation of information and its availability. In fact, we have made a number of changes to the budget documents this year which, from the feedback that I have had so far, have been welcomed by members because the aim has been to make them more understandable and to ensure that, while all the information is there, it is in marketable form, in which members can refer to it without feeling overwhelmed by the volume of paper. As members know, we have adopted for our own financial statements and other documents the smaller B5 size, which reflects the Commonwealth budget papers. The tabular nature of the yellow book means that the A4 size used is probably the most appropriate, but we consolidated that into a single large volume which, I think, is welcome and which makes that book easier to use.

I hope there can be further refinements of that presentation in future years. I mentioned earlier in the Premier and Cabinet section of the estimates that the provision of annual reports by departments will assist that process because there will be a body of background information on activities to which members can refer. Some variations have been made to the financial statement which make it clearer, consolidate it better and ensure that members have access to all the information that they need but in a form that they can digest. There have been some changes in the estimates of payments area in relation to notations and variation aspects. One of the big benefits of this, apart from its being easier to use, is, I suggest, that it involves fairly considerable cost saving.

Mr Prowse: About \$20 000 was saved in printing.

The Hon. J.C. Bannon: Yes; it is suggested that about \$20 000 was saved in printing alone. I think we can do better than that. As this is an ongoing exercise, in other words, as we review it each year, I am happy to receive from members any suggested changes about or improvements in format.

The Hon. H. ALLISON: I refer to program 13, actuarial and other programs, in relation to the State Superannuation Fund. In its consideration of revised State public sector superannuation arrangements, is the Government taking into consideration comments made by the inquiry about the investment policies of the South Australian Superannuation Fund Investment Trust?

This inquiry accepted a consultant's report, which was critical of the trust's investment policies. The inquiry stated that the trust had on average substantially underperformed the results achieved by private sector funds; it was relatively inflexible in the face of future possible adverse experiences in the sectors in which it has concentrated; and both property investments and the index linked loans have relatively low marketability. Does the Premier accept those criticisms?

The Hon. J.C. Bannon: I think the investment performance of the trust over time, bearing in mind the constraints that have been imposed on it, firstly in legislative terms where there has fortunately been a freeing up both legislatively and administratively on what it can do and, secondly, on the prudence necessary because of the public accountability factor, has been good. It has certainly been vastly improved over the past few years, as the trust has increasingly looked to more productive and varied ways of financing its investment.

The working party that we have looking at the issues of the superannuation scheme is not dealing with the trust's investment policies because we do not think it is appropriate for it to do so. It has a large enough task with the scheme itself. We do not see that there is any urgency in such an investigation or inquiry. Against most measures of performance, some of the criticisms that have been made have not been correct and, as an earlier discussion on the nature of the investment in ASER has indicated, some of the figures produced in reports have been plainly wrong in terms both of exposure and the degree to which funds are locked up.

One of the investments that the trust has undertaken in index linked investment is the Law Courts, to which many a trust of that kind would love to have access because it gives an inflation plus margin of return over a very long period of time. It is a very attractive and secure investment. My having said that, perhaps the Chairman of the trust might like to comment briefly on the investment policies and the trust's assessment of what sort of performance it seeks to do, because it is obviously not an Adelaide Steamship Company or something of that nature; nor could it be, because it just does not take those risks.

The Hon. H. ALLISON: Before Mr Weiss answers the question, he might also include a response to the further findings of the inquiry that 34 per cent of the trust's assets are committed to the ASER project. I might have misunderstood him, but I thought he said 20 per cent. If so, there is a huge discrepancy of 14 per cent between the two. He also said that the inquiry group had not consulted with the South Australian Superannuation Fund before publishing that report or that they had not consulted him at all.

Mr Weiss: I said that they had not asked us any questions about our investment in ASER.

The Hon. H. ALLISON: So, with the 20 per cent that he quoted earlier and the 34 per cent which they quote in their inquiry, in fact they are wrong?

Mr Weiss: The committee never asked us any questions about our investment in ASER. I do not know how they arrived at 34 per cent. I must confess that I tried to work out how they might have arrived at it, but it is not a correct figure. In terms of the information that would have been available to anybody reading our report, which had already been published at that time, the latest report for the year ended 1985, which the State Superannuation Fund issued prior to the inquiry, quite clearly stated, first, that the form of our investment in the ASER trust at that point of time indicated a level of commitment which added up to \$100 million. Also, by the time that commitment had been entered into, the total assets of the fund were estimated to be \$500 million. So, the information was there: anybody could see

that the total amounted to 20 per cent and not 34 per cent. I cannot explain why the figure of 34 per cent was used. Further, as I have explained, a substantial portion of that 20 per cent is not in essence a commercial risk investment at all but a guaranteed indexed investment.

The Hon. H. ALLISON: In view of the extreme discrepancy between the Chairman's figure of 20 per cent and the inquiry's claimed figure of 34 per cent, could the Chairman give to the Premier for inclusion in *Hansard* some documented evidence of the fact that the investments of SAFA were in fact \$500 million rather than the \$300 million which the inquiry claimed?

Mr Weiss: That document was tabled in Parliament nearly a year ago. It is a parliamentary document. It is the annual report of the investment trust for the year ended 30 June 1985.

The Hon. H. ALLISON: Which would have been available to the committee of inquiry, anyway?

Mr Weiss: It would have been available to the committee of inquiry and was tabled in Parliament some substantial time ago.

Mr OLSEN: Referring back to SAFA and its finance trust, why are the shareholders of the South Australian Finance Trust a group of companies all on level 40, Australia Square, Sydney? I refer to the BT group of companies, a whole range of subsidiaries of BT Australia. Why is not SAFA the sole shareholder of that finance trust, and what involvement do the recorded shareholders, all of Sydney, have in the operations of the company?

The Hon. J.C. Bannon: I will ask the Chairman of SAFA to answer that.

Mr Emery: The shares in question in South Australian Finance Trust Limited are owned by certain companies in the BT Australia group. Those shares are held in trust for the Treasurer of South Australia. That involvement on the part of BT reflects several things, including the fact that there is a management agreement between South Australian Finance Trust Limited and BT Australia and various forms of assistance that that group provided in forming the whole arrangement. SAFA and its related entities have close working relationships with that group. In terms of ongoing relationships, those BT firms are not involved in the day to day decision making of the company. As I said, the shares are held in trust for the Treasurer.

Mr OLSEN: Are any management fees, commissions or dividends paid to the shareholders of that group, that is BT and its subsidiary groups? Were any paid last year, and what are the estimates for this year as identified or set down in the company's business plan?

Mr Emery: No dividends have been payable to BT, and we do not expect that there will be any.

Mr OLSEN: Page 11 of the SAFA report reveals that the finance trust is the trustee of the trust fund. However, financial statements of the trust fund and a full disclosure of its activities were not contained in the authority's report. What are the specific activities of that trust fund, and what is the source of the fund's profits?

Mr Emery: The only activities of that trust fund to date have been to purchase shares and to form several companies, in particular, two companies incorporated in the United Kingdom and one in Hong Kong.

Mr OLSEN: Is the fund liable to pay Federal taxes? If not, in which country does it pay taxes?

Mr Emery: That is a technical question relating to Commonwealth tax law, and, as Mr Weiss said earlier, there have been recent changes in that area. We do not believe that the trust funds will be liable to any Federal income tax, and the fund is not liable to any tax elsewhere.

Mr OLSEN: Has it been set up offshore to avoid those taxes?

Mr Emery: There is no question of tax avoidance. The tax fund is not operating offshore, and there is no question of tax liability offshore.

Mr OLSEN: But it is incorporated offshore. I assume the operation of the fund is audited?

Mr Emery: Yes. The South Australian Finance Trust Limited is audited by the Auditor-General.

Mr KLUNDER: What is the cost of collection of taxation, expressed in the number of cents in the dollar that it costs to collect the taxation dollar?

The Hon. J.C. Bannon: The Commissioner of Taxes tells me that in total it is .55 cents per dollar.

Mr KLUNDER: Has that varied from previous years? What is the comparison with other States?

The Hon. J.C. Bannon: I am advised that it has remained around that figure for the past few years and has not varied greatly. The tax mix in South Australia changes, and some taxes are more expensive to collect than others. There may be particular issues that can affect it, such as the tobacco franchise fees which we discussed earlier, where extra resources may be required in any one year. Because it is a small amount of expenditure, such as installing a computer system or something like that, it can make a difference of only .2 per cent or .3 per cent.

I mentioned the tobacco business franchise which requires special inspection and so on, but nonetheless, in terms of collection of costs in 1985-86, it was about .11 cents in the dollar. It looks as if, on this notional figure, the cost will increase, and that is an example of a marginal cost, based on the necessary enforcement provision. Most of our State taxes can be collected efficiently and cost effectively. There is no overhead. People paying revenue to the Government can feel confident that they are not paying for people to collect, but for the services that they are given, and we have a very efficient and cost effective office in that respect.

Mr KLUNDER: How does this figure compare with the other States in the Commonwealth?

The Hon. J.C. Bannon: I am advised that, as so often is the case, we are the only State that publishes these things in any detail. We have some figures from Western Australia which, for comparative purposes, indicate that we have a lower rate in most respects in collection but we do not have access to figures from any other State.

Mr OLSEN: I ask the Premier to table in the House the financial statements of the trust fund.

The Hon. J.C. Bannon: The trust fund is a commercial arm of SAFA. It is not in the interests of the House, the Government or the community to table them, as presently advised. However, members of the public can be confident of the probity of the operations of SAFTL because its accounts are audited by the Auditor-General and his report, in his auditing of SAFA, which is the overall holding body, will make any references as necessary. They will be lodged with the Corporate Affairs Commission in the normal way with the detail that is required.

As a matter of principle, it is important to ensure that where Government is involved in commercial operations it is not required to have more onerous disclosures of information requirements than do its commercial competitors. If we did that we would simply condemn it to be second rate and ultimately criticised. I am a strong advocate of what has been called the commercialisation of Government activities, fair competition where there can be benefit derived from it. I believe the information we have supplied today and in the delivery of our budget shows the Government as a strong believer in the full financial accountability of

public sector authorities. Provided that the safeguards in terms of operation are in place, it is dangerous to get into a standard that requires something totally different from that which the commercial sector requires.

I am surprised that the Opposition, which frequently demands a payroll tax and other payments, is trying to have it both ways. We try to have these instrumentalities operating on a commercial basis, but they should have some right to commercial protection. Obviously if the documents are lodged with Corporate Affairs in the normal way as company documents, there is no reason why they should not be made accessible to members of Parliament. I do not suggest that one should necessarily pay a fee at the Companies Office. However, in terms of the nature of the information provided, that is the basis on which it has to operate.

Mr OLSEN: For the information on the finance trust and its subsidiaries, we have had to go to the Corporate Affairs Commission and do a search of the records there. That information is not available to Parliament. We have had to undertake searches to get that information to ask questions.

The Hon. J.C. Bannon: You should have asked and I would have provided that information. That is what the Committee is for.

Mr OLSEN: That would be the first time that the Premier has provided reliable or in-depth information. He hides behind the shroud of commercial activities. I repeat that, when you are dealing with public funds, you have a basic responsibility to lay all your cards on the table.

The Hon. J.C. Bannon: The Leader should not lecture me on basic responsibility when he has spent most of the day trying to undermine a lot of the important enterprises that we are carrying out. I believe that I have an obligation to provide information, and it will be provided. The Leader of the Opposition is now saying, 'What a terrible thing it is that I've had to make company searches,' and so on, but I suggest that the annual report of SAFA has described exactly what SAFTL is doing and what its purpose is. If the Leader wanted that information (which can be obtained through a company office), I would be happy to make it available to him.

Mr OLSEN: The existence of subsidiaries of the fund is referred to on page 22 of the authority's report. What are the names of all the subsidiaries of the trust fund and the places of incorporation? I point out that, when a fund is incorporated in Hong Kong or London, this Parliament, particularly when dealing with funds of this Parliament, should have more access to information than the Premier has been prepared to provide today.

The Hon. J.C. Bannon: We can provide those names.

Mr OLSEN: What are the sources of profit for the funds?

The Hon. J.C. Bannon: I will provide as much information as is possible.

Mr OLSEN: What are the main activities of each of the main subsidiaries wherever they are based or incorporated as part of the fund?

The Hon. J.C. Bannon: I will see to what extent I can provide that sort of detail. I am certainly happy to provide as much information as is commercially feasible. I believe that is very useful, because it will certainly indicate to members who remain sceptical about the effectiveness of SAFA that it is an extremely effective instrument and that its offshore operations are being run to ensure that we get maximum advantage from them. The more new and different instruments that we can devise to maximise our return, the more we are going to do it. I give that undertaking on behalf of the people of South Australia—if you want to be pompous about it.

Mr OLSEN: This is a refreshing change: we have gone from the cloak of secrecy shrouding the ASER project and its investments to the position where we now want open exposure and access to all this information.

The Hon. J.C. Bannon: To the extent that that is commercially feasible.

Mr OLSEN: That is great. If the Premier took off this shroud of secrecy around the operation of SAFA and these other instrumentalities he would not have half the difficulties that are created by his own anxiety and concern.

Members interjecting:

The CHAIRMAN: Order! The Committee will come to order.

Mr OLSEN: At page 22 of the authority's annual report, it is stated under 'Contingent liabilities' that the financial obligations of the subsidiaries of the South Australian Finance Trust in the United Kingdom and Hong Kong are managed by guidelines approved by SAFA—and we talked about the incorporation in that just recently. What are these securities, and who manages them? Will the Premier insert in *Hansard* a detailed listing of this information? Further, what discretion does the manager have to buy and sell those securities?

Mr Emery: Perhaps I can provide a brief answer and we can provide further detailed information later, if required. There are two instances here: in one case the funds are managed by County Bank Limited, which is a subsidiary of National Westminster Bank, which is a large clearing bank in the United Kingdom, and in the other case the funds are managed by a firm called Credit Suisse First Boston Investment Management Services, which is also a very large international bank. There are detailed agreements between us and those banks relating to the investment guidelines covering credit status and matters of that kind.

Mr OLSEN: I ask, then, for a detailed listing of all the securities that are held by these instrumentalities, so that we will know where the funds are invested.

The Hon. J.C. Bannon: I will take that question on notice.

Mr OLSEN: I note that we have taken a step back from this open access that the Premier was offering just a moment ago.

The Hon. J.C. Bannon: I qualify every offer with the words 'to the extent that it is commercially feasible'.

An honourable member: A different audience—

Mr OLSEN: Yes. We note that there is now a different audience in the gallery.

The CHAIRMAN: Order! The Leader must not refer to the gallery. We are in Committee.

Mr OLSEN: What discretion do the managers, both in Hong Kong and London, have to buy and sell these securities? Do they have total discretion or do they have to refer here prior to buying and selling?

The Hon. J.C. Bannon: The guidelines are laid down for their operations.

Mr OLSEN: Will the Premier table those guidelines?

The Hon. J.C. Bannon: I will take that question on notice.

Members interjecting:

The CHAIRMAN: Order! The member for Mawson will come to order.

Mr OLSEN: In the Chairman's statement in SAFA's annual report mention is made that SAFA became one of the first semi-government authorities to offer bonds on tap to non-institutional investors. In relation to SAFA bond issue No. 2, which opened on 2 June 1986, and to which the Premier referred earlier, will the Premier advise the Committee of the total amount of funds raised for the four month period ended 30 September?

The Hon. J.C. Bannon: No, but it has been successful.

Mr OLSEN: Will the Premier indicate the average total cost of funds raised over the same period in other issues?

The Hon. J.C. Bannon: The tap loan raising has been based around a targeted amount over the year, and it will be very cost competitive over that period, if it meets its target—and it is on target.

Mr OLSEN: I presume it is on the basis of a continuous sale, which is on tap, meaning continuous sale, following the aborted initial issue that SAFA had to embark on previously when it did not meet its quota or the dollar amount that it expected to raise?

The Hon. J.C. Bannon: I do not think that the Leader understands the nature of it. The issue last year was fully underwritten on a fixed basis and went to the market in those conditions. It was successful. This particular tap issue is subject to variable rates, and is on continuous issue. It is also very successful. I invite the honourable member to invest in it; he will find it a good return.

Mr OLSEN: If I had surplus funds I would think about investing in a whole range of things. Unfortunately, I am not in that position. In relation to the total amount spent on advertising for issue No. 2, to what extent has SAFA undertaken its advertising?

The Hon. J.C. Bannon: In particular methods of loan raising, obviously one has to take into account the administrative cost and the costs involved when one assesses whether or not that method of raising is as profitable or effective as it can be. Obviously, it is cheaper to get large institutional placements than it is to invite the general public to invest. That is in terms of advertising, and that sort of cost, but there are other advantages. In fact, the advertising and administrative costs associated with this issue are all taken into account, when I said that we see this as a profitable and effective way of raising money.

There is the other aspect we should not overlook, and that is very important: until SAFA came onto the market with these tap loans there was very little opportunity—although there has been the occasional ETSA bond issue—for the general public (the ordinary person in South Australia) to invest directly in State infrastructure. Many people like these securities, are attracted to them and were putting their money in the SEC in Victoria, the Queensland Power Board (whatever it is called) and a number of other interstate areas. What we are providing—and there has been an interesting reaction to this—is the opportunity for those people who like investing in that sort of security to actually directly invest in South Australia. We have already had some quite positive comment from people who have made modest placements of their funds saying that they are glad that it is actually going into something that they know will be rechannelled in this State to provide facilities here.

Apart from the financial benefits of the tap issue fundraising that is going on, I think we have this added benefit that we are actually keeping and reinvesting money of South Australians in South Australia and not in authorities interstate. In other words, there is good policy reason to make these issues. Incidentally, I remind members that when we went to the market last year—in fairly difficult circumstances I might add—we said then that we would be approaching the market again. In fact, that is what has been done on this basis.

Mr GROOM: Page 59 of the yellow book states:

1986 Specific Targets/Objectives

The first stage of the implementation of modified procedures and accommodation in the Stamp Duties Office was introduced.

1987 Specific Targets/Objectives

To continue with improvements in the Stamp Duties Office to modify stamping practices and to reduce taxpayer delays.

I know that in times gone by there have been large queues at the Stamp Duties Office, particularly on Fridays and other settlement days. What reforms have taken place? What are the continuing improvements with regard to taxpayer delays in that office?

The Hon. J.C. Bannon: As a preface, incidentally, it is that sort of demand that on occasion has the Government employing further people, because there are reasons both in terms of efficiency and in public demand to do so. We are constantly criticised because of the level of public sector employment. In some areas that can be unavoidable. More than that, it can be quite productive in terms of the service we provide. In general terms, a lot of work has been done in this area to improve the efficiency of the tax office. I now invite the Commissioner of Taxes to respond directly to the Committee.

Mr Cornish: We have moved in a number of directions. We have reoriented counters to provide separation of those people who deal with land broker type activities and those who have more difficult work. We have extended the hours of operation during the lunch period and we have doubled up cash registers to provide for peaks. We have put in internal equipment to move some of our external statistics which perhaps are not taxpayer oriented but are beneficial to Government statistics. We have had some problems, and they will be referred to next year. We propose to install electronic cash registers to replace the old hand printing machines. We believe that that will further improve the response. We have had good reports in the past few weeks from both the Land Broker Society and the Taxpayers Association about the improved performance in recent months.

Mr GROOM: I notice that for the 1985-86 specific targets a review of the payroll tax branch was initiated and new procedures introduced. What new procedures have been introduced in the pay-roll tax branch, again, presumably to reduce delays for taxpayers or improve overall efficiency?

Mr Cornish: Primarily, they have been initiated in the internal processing mechanisms. The system is eight or nine years old and must be replaced. We have had consultants in and we have an outline of a report. In next year's program we propose to continue with that. It is intended primarily to upgrade the existing combination of a microfilm system with a computer to provide a fully computer based system. This will have specific response primarily on the counter and telephone inquiries, where people will be able to get their past history immediately. At the moment, it is a matter of wandering around the office and obtaining microfilms from various places.

Ms LENEHAN: I refer to the question of employment and how it relates to the budget. There has been a deal of media speculation that there is a blow-out in the employment figures contained in this year's budget. Can the Premier comment on that and provide to the Committee accurate information about the employment position with respect to the budget?

The Hon. J.C. Bannon: First, let us get our basis right. When we talk about employment numbers, we try to use the consistent figure of full time equivalent staff. To do otherwise is misleading. While it is desirable for the individuals concerned to be employed, whether it be for 10 hours part time or 38 hours or whatever full time, it often means that the figure of actual numbers is higher than full time equivalents. That is really what we are talking about in terms of the cost of jobs. Indeed, I think many people would welcome the way that we are providing opportunities for part time work, because it meets particular needs, flexibly and cost efficiently. Working on full time equivalents,

it is true that over the past financial year we have had an increase in FTE's in the public sector work force. However, in the break down it is very clear that we are not allowing public sector employment to burgeon willy-nilly, thus imposing a great burden on taxpayers.

In fact, in most of those areas there are imperatives connected with the actual efficient functioning of the public sector. We also have always got to analyse the content of those figures because, for instance, the very first variation—which is nearly 1 500 jobs—involves not in fact 1 500 new full-time equivalents in the public sector but simply the inclusion of a number of registered organisations with the Health Commission which formerly were not counted in that overall figure. So, we must begin by immediately deducting them because they are not new employees. They have always been there; their conditions and terms of employment have not changed; rather, they have simply been brought under this umbrella because of the registration of the hospital with the Health Commission. So we immediately begin modifying it.

Looking at the other areas where these have occurred, it is as well to recognise that we have had major demands placed on us in relation, particularly, to nurses in the Health Commission. Throughout Australia there has been considerable change in the working hours and the career structure of nurses, against a background of strong demand for nurse employment. Many people who have trained as nurses have dropped out of the work force, and people are finding it difficult to induce them to come back in to the extent, even, that there has been some direct overseas recruiting of nurses because we just do not have readily available the people with the skills.

In our case, we moved to the 38-hour week for nurses, restructured in line with the national policy of college based education and a number of other changes in the employment and promotional pattern, and that resulted in something like 1 000-odd extra people in the Health Commission, aside from the 1 400 I mentioned in terms of figure changes. There were increases in correctional services employment, because we have commissioned the Remand Centre, and obviously we need extra staff. There will also be further staff when Mobilong is commissioned.

The overall efficiencies, obviously, are an important factor in that major capital development. Unfortunately, with any capital facility that we build we have the current costs and staffing needs. We have had an increase in TAFE employment, but that is capitalising on an increase in Commonwealth funds.

In other words, there are something like 200 extra full time equivalents there, but the State was not paying for them: we are taking advantage of Federal programs. The Children's Services Office, you will recall, we made a priority during the year, and the increase that shows represents not so much an actual increase in teaching of support numbers—there is certainly an element of that—but the way in which we have taken those into account in the public sector; we did have a priority there.

In relation to police and cadets, because of the timing of cadet intakes and the increased demands there, there are 126 extra over the year. One group that I have left to last in explaining this breakdown is 493 employees, to be precise, according to this count, in commercially based statutory authorities, that is, those authorities which are either self-funding or make their own money, most notably the State Bank and SGIC.

The State Bank accounted for well over half of those because they were expanding their services and facilities. They had a very successful year and paid a greatly increased

profit to the Government. They paid increased taxation to the State Government, and they expanded their customer base, particularly in the commercial area and, throughout a difficult period, maintained their home loan program.

So, I do not mind if the State Bank increases by 200 employees a year for the next 10 or more years, provided that they are productive. That is the area, of course, where employment opportunities are opening up, because many of those people developing skills in computer operations, and so on, provide us with a skills base for a whole series of other service and support industries out of the public sector.

I do not feel in any way that there has been a blow-out in public sector employment. On the contrary, an analysis of those figures shows that we have run a very tight ship indeed and our aim is to finish this financial year, that is, at 30 June 1987, with the same number of FTEs as we began at 1 July 1986. In other words, we are keeping a ceiling on overall employment.

Within that there is going to be variation, and within that figure I am not including commercially based authorities and those elements over which our budget does not have control. I cannot direct the State Bank, nor would I want to, on how many it employs and who it employs. Also, we are excluding any changes that might take place in the treatment of particular employees, such as the Health Commission positions I mentioned a moment ago. With those qualifications, that is our target and I am confident that we can achieve it.

Mr OLSEN: On page 3 of the SAFA annual report the Chairman indicated that the authority plans to have a United States commercial paper program operational by the middle of the next financial year. Following the downgrading of Australia's credit rating from AAA to AA1 by Moody's Investment House, New York, does the Premier believe that the drop in rating level may increase the cost of SAFA's overseas borrowings? If so, has that factor been taken into consideration in framing the 1986-87 business plan? What impact does the Premier believe this will have?

The Hon. J.C. Bannon: It will not have an impact. For a start, it is short-term paper and it is true that Standard and Poor's rating of Australia's short-term paper has not altered. As to our notional credit rating, it is still at the highest and, if one looks at the performance of SAFA and its capitalisation this year, one can see that the market, if anything, would have more confidence in SAFA. There will be no effect on that particular projected operation in the United States.

Mr OLSEN: In relation to SAFA's planned United States commercial paper program, can the Premier outline SAFA's initiatives in this area? Are the funds to be repatriated to Australia for the State's capital works program, or are the borrowings to be reinvested overseas to generate revenue on the margin?

The Hon. J.C. Bannon: I would ask Mr Prowse to comment.

Mr Prowse: It can be part of the resources available to SAFA from various sources at the time. No decisions have been made and the actual application of funds and the amount raised still have to be determined.

The Hon. J.C. Bannon: We do not treat each transaction and earmark the particular proceeds or result of that transaction for a specific expenditure purpose. SAFA operates as an overall conglomerate. It is the end result that counts.

Mr Prowse: It would depend on the cost of those funds relative to the cost of funds from other sources. Whether we want to utilise that and to what extent, will depend not only on the relative cost of funds from this source but also

on the opportunities and applications that are available to us at the time.

Mr OLSEN: The decision as to whether it is going to be repatriated to Australia or reinvested on the margin will not be taken until such time as the paper is raised?

Mr Prowse: We will have the use of the funds well in mind before we raise any funds. The question of whether we raise them will depend on the cost of those funds relative to other channels and whether there are useful applications. It is a hypothetical question.

The Hon. J.C. Bannon: The advantage of having an instrument like SAFA is that we have tremendous flexibility to adjust to the state of the market at any particular time so, while a planned venture into the market and a range of transactions can be foreshadowed, they are subject to change on a weekly or even on a daily basis. I know that I have been surprised myself, looking at some of the approval that comes through, as to how opportunities for transactions arise that simply were not contemplated but in fact are very profitable and beneficial. They are seized and, if that means that you then discard something that in the longer-term plan you were going to undertake, that is fine, because the comparative value is greater. SAFA operates extremely flexibly and through instruments like SAFTL and so on has an ability to respond to the best market conditions, wherever they may be.

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

Mr OLSEN: In relation to land tax collections for 1985-86 will the Premier provide for each site value range (that is, the steps 1 to 6) for inclusion in *Hansard*, recognising that it can go in *Hansard* only if the detail is too great for a verbal response: first, the number of taxpayers; secondly, the amount collected; and, thirdly, taxable values? Will the Premier provide the same information for 1986-87 estimated collections? When I asked on a previous occasion, this information was included in *Hansard*. I merely seek again the inclusion of that information.

The Hon. J.C. Bannon: With the qualifications I explained previously, we will certainly provide the tables sought. In the budget we propose amendments to the land tax table. In fact, a Bill is ready to be introduced as soon as we resume, so the tables will be modified to take into account the impact of the proposed Bill.

Mr OLSEN: All land taxpayers within the metropolitan planning area and the municipality of Gawler are levied a surcharge of 1c for every \$20 or part thereof in respect of the taxable value of that portion of the land subject to that tax. For each year between 1982 and 1986 what was the amount raised from the metropolitan levy surcharge?

The Hon. J.C. Bannon: In fact, amendments will be made. One of the provisions of the Bill I propose to introduce will make some changes in that element of land tax. I prefer to wait until the Bill is presented to Parliament before I announce any details of it, because it is still in the final stages of drafting.

Mr OLSEN: Will there be a total or partial abolition of the metropolitan levy?

The Hon. J.C. Bannon: Some changes will be made to it and its impact.

Mr OLSEN: I assume that when that Bill to vary the metropolitan levy is introduced, in view of the fact that the Premier does not want to detail it until later, it will be perhaps incorporated in the second reading speech or at some other stage?

The Hon. J.C. Bannon: I take note of that. It will be detailed and the honourable member will have an opportunity to debate it.

Mr OLSEN: Will an estimate for 1986-87 be incorporated at that time? Will the Premier give an undertaking to review annually the effects of rising property values in land tax collections and limit growth in collections to no more than the forecast increase in the CPI for the budget period? Following the dramatic increase in property valuations between 1985-86 and 1986-87 it was necessary for the Government to announce an adjustment to the marginal tax rates in this budget.

Given recent reports of property values, however, perhaps the reverse might apply in the next year or two. Despite the announcement to provide relief, total collections will still increase some 16.9 per cent, equating 90 per cent over, I think, the last three budget periods. Will the Premier give an undertaking to review the annual effects of rising property values in land tax collections and limit growth to within CPI for the budget period?

The Hon. J.C. Bannon: Certainly, we review them on each occasion, but I give no undertaking on any automatic changes in scale. Land values can be affected by a number of things, but, like any other area of revenue collection, if it is based on economic performance, it is only reasonable that the Government, as well as the landowner and everybody else, should be able to benefit from the conditions of those taxes that are aligned to the state of the economy. Having said that, of course, I know the honourable member would be aware that we made last year very substantial adjustments, which eliminated many thousands of people from paying any kind of land tax. I have already foreshadowed again some changes. We are now moving to the system of annual valuations, which will get over some of the problems that we have had with periodic valuations, so I do not think anyone will have cause to complain about the movement of land tax over the years. While we review it at the beginning of each financial year, we certainly have no intention of introducing any automatic formula in relation to the level of that tax.

The Hon. B.C. EASTICK: Whilst the Valuation Department is not in the Premier's area, the impact of decisions made in that department are reflected in amounts to be raised in a number of forms of taxation and charges. It can be easily demonstrated that a number of the valuations abroad at present do not really reflect value. For example, I instance the situation at Streaky Bay, where the council, at the time it was to undertake its rate determination, questioned the valuation, and, with a stroke of the pen, had the valuations for the whole of that area reduced by 30 per cent—from \$100 million to \$70 million capital value.

Another example, broadcast on radio earlier today, involved two houses in the same council area. In 1985, one was valued at \$64 000 capital value, the other at \$65 000. With no further work done to them, the same houses this year were valued at \$128 000 and \$88 000 respectively. They were \$1 000 apart last year and this year they are \$40 000 apart. Another example is that of a house of which the valuation was given at \$72 000, but three weeks ago at auction the absolute maximum price that could be obtained was \$53 500. That is just in one small area, but the evidence coming in is that those anomalies are occurring right across the State with the present valuation scheme. How certain can we be that any suggestion of income which the Premier will place upon his taxing measures will bear a relationship to fair and equitable valuation from one place to another?

The Hon. J.C. Bannon: These questions really should be more appropriately addressed to my colleague the Minister of Lands, who has the Valuer-General's responsibility. I am happy to refer those questions to my colleague. There are appeal provisions to which people can have recourse if they

dispute a valuation. I know that that is done. The evidence suggests that the system of valuation, especially with computerisation and the ability to take account quite rapidly of actual transactions, is becoming more sophisticated. That has benefits and disadvantages for the people concerned but the overall system will be more accurate and contemporary and therefore must be in the best interests of people whose properties are being valued.

The Hon. B.C. EASTICK: They are computerised now, and they have made their programs sophisticated to the point at which they are making annual variations to valuations, but still they are often wrong. The department will advise the Premier that many upward valuations are being effected by a department which is supposed to be sophisticated and on the ball. That will be reflected in all manner of taxation measures but more specifically it will affect the Treasurer's income through land tax and water and sewerage rates. It is affecting private people and it will affect also the Government in areas where it pays for services. It pays water rates, including excess water charges for the Housing Trust, for example. All of this is having an effect on the community.

The Hon. J.C. Bannon: I shall refer those matters to my colleague.

Mr OLSEN: Before the restructuring of debt between SAFA, the Government and other agencies, several authorities had low interest fixed rate loans on their books. ETSA, for example, paid 6.4 per cent on its then long-term borrowings of \$160 million from the State Government. The Housing Trust and the Highways Department also had low interest loans on their books. They were all long-term loans but, through the rearrangements of public sector debt, ETSA must now pay an extra \$12 million a year in interest payments. Can the Premier give the names of organisations affected and the additional interest payments required as a result of that policy for 1984-85, 1985-86 and estimates for 1986-87?

The Hon. J.C. Bannon: I shall examine what we can provide in that area. This represents a sensible step in public financial accountability. The previous Premier said that it was a most desirable practice. Our review of Government financial management, chaired by the previous Under Treasurer, referred to this matter. Some authorities would like to have subsidised loans, or loans which attract artificially low interest rates. That merely hides the true cost of money. By using SAFA and restructuring the debt, we are reflecting the true cost of borrowing for capital works or won programs for those authorities.

That, I would have thought, is something that all members of Parliament, and indeed the community, would welcome, because it gives an opportunity to see the true cost of something. If, having done that, one finds that a particular authority is hampered in its program, or disadvantaged because it was basing much of its program on cheap loan money, obviously one has to make a conscious decision whether to reduce that program or subsidise the authority. That is being done.

In a way, we are now being confronted with that in relation to the Housing Trust in particular, because one area of concessional loans that it has enjoyed is the quite considerable allocation from the Commonwealth by the practice we have adopted of nominating all of our Loan Council concessional loan funds to housing at 4.5 per cent. That is of great benefit to the Housing Trust and its program. However, it has always been recognised that that really represents a subsidy by the Commonwealth—a contribution if you like, by the Commonwealth—of market interest forgone to the State housing program, or wherever else we

choose to allocate that money. It is now reducing the availability of those funds and the concessional scheme will be phased out.

The result of that, of course, is that the State then has to come to terms with just what support or what changes to the Housing Trust program we have to make in consequence. While that is painful to live with, I make the point that it does clearly demonstrate the extent of support or subsidy that that particular program has. I think that the principle of having all authorities on a common public sector borrowing rate is very sound. As I have said, it was fully endorsed by the previous Government, as well. In saying that, I am assuming that the Leader would adopt the same attitude.

The Hon. B.C. EASTICK: The Commonwealth has indicated that only 60 per cent of that low interest money can be used directly for housing. I believe that that was waived for 1986-87 as a result of representations made. In the answer he just gave, is the Premier suggesting that that 60 per cent is not a fixed sum and that it may in time become a lesser percentage than 60 per cent, which may be directly provided to housing and, if so, what?

The Hon. J.C. Bannon: It has been affected in two ways, the first being in the amount of money available under the scheme. We had, I think, \$131 million in 1985-86 and we have around \$100 million in 1986-87 of these concessional rate funds. So we have had a reduction of the overall amount. What the Commonwealth announced at last year's Premiers Conference was that it would phase out the 100 per cent nomination, beginning with 60 per cent this year, 30 per cent and then nil in future years.

We were able to get it by representation, as the honourable member pointed out, to put a hold on that phasing in process for this year, but in doing so it has made no commitment or given any clear idea of what it intends to do next year. We will have to argue the case again: naturally, we will still be supporting a full nomination, because it has been important to public housing to have that money available. If the Commonwealth proceeds with the limitation on the amount one can nominate as progressive phasing out, that, of course, compounds the problem that I have just described.

Mr OLSEN: Whilst the principle of true accounting is something that any accountant would agree with, most businesses that are able to secure long term loans at favourable interest rates usually use that favourable interest rate to the benefit of the instrumentality or business concerned. In relation to ETSA's case for some of its long term borrowings secured at low interest rates, there was a benefit to the consumer in the product: that is, ordinary South Australians and businesses in South Australia. With restructuring of the interest rate, what the Government is doing is using the benefit of the long term borrowing to gain additional revenue to the detriment of the consumer, and to this extent, as it relates to ETSA, it is some \$12 million disadvantage to the consumer; in other words, it is used as another form of revenue raising of government through a benefit that has been obtained in years past.

The Hon. J.C. Bannon: That is taking a very narrow view of a particular instrumentality. In fact, we indicated how we could look after the consumer last year. Such treatment resulted in ETSA being able to reduce overall tariffs by 2 per cent—the first time such reduction had occurred for very many years. This year we would hope to maintain any tariff increases at or below the rate of inflation and the trust is assessing its position at the moment.

That one-off effect nonetheless reflects true accounting. I do not see why the Electricity Trust deserves special treat-

ment as opposed to the Housing Trust or any other instrumentality. If we are talking about true cost accounting, let us do so and identify it. I assure members that a number of arrangements have been put in place in association with SAFA and the Treasury that have benefited the trust very greatly indeed and in fact shown it the advantage of that kind of relationship. So, the trust overall has benefited quite substantially.

Mr OLSEN: We could take the retrospective view of that benefit and apply the cost to consumers. That has an impact on household budgets. The cost advantage that South Australia enjoyed *vis-a-vis* New South Wales and Victoria is eroded by that policy. The advantage that South Australia ought to have, particularly its manufacturing industry, ought to be maintained and not eroded or used as a form of revenue raising. That is one step back from the public. Rather than going direct to the Government, it is raised by an instrumentality, in this instance the Electricity Trust. One can use the same example as it relates to the Housing Trust or, to a lesser extent, the Highways Department and the State Transport Authority. Has the Premier received complaints about the additional interest burden from any statutory authority and, if so, which one?

The Hon. J.C. Bannon: I cannot recall any specific complaints; that is not to say that there have not been any.

Mr OLSEN: I suggest that the Premier look at the Highways Department, the State Transport Authority and ETSA. The Highways Department and the STA have clearly drawn to the Premier's personal attention the fact that the additional interest burden is hurting them.

The Hon. J.C. Bannon: This is back in history—it was introduced in 1983. The Leader may have been right—I thought that he was talking about something recent. No doubt they have complained, and in their position I would, too. The point is that it is not as though revenue is vanishing into limbo and out of the benefit of the public. Clearly what has happened is that the authority concerned has to give a true accounting picture and that money is reapplied across the range of Government services, so there are positive benefits to consumers and to our cost advantage.

The STA is an example of the point I was making. First, you establish the true cost, and then determine what you are prepared to allocate from general revenue to maintain operations at a particular level. That is what we do. So, we provide a very substantial deficit underpinning to the STA in order to allow it to carry out its operations, but we do that having first ascertained the true cost. I do not think ETSA, Highways or anyone really complains about that. It is obviously easier if those savings are buried in their accounts somewhere rather than having to run the gauntlet of competing priorities with other authorities. To say that that is against the interests of the consumer is absolute nonsense and to say that it destroys cost advantage is palpably untrue.

Mr OLSEN: It is true that this affects the cost advantage South Australia enjoys. The Electricity Trust is a major component of the cost of manufacture of any article, and to put up the rates, as has been done, is clearly a disadvantage to South Australia *vis-a-vis* the Eastern States. The consumer price index has clearly shown that South Australia has a disadvantage in that area.

The Hon. J.C. Bannon: The consumer price index recently published shows there was nil impact of Government fees and charges on the index.

Mr OLSEN: This is a recent one. The Premier would not want to use previous consumer price index reports for South Australia which clearly indicate that taxes and charges of both State and local governments are a major component

in the movement of the consumer price index over the past couple of years. This has pushed us up to the top.

The Hon. J.C. Bannon: We have had it in another context. I can produce the figures if the Leader wants, but there is no point as he is making a political point and is prepared to choose his particular span of time. I am simply saying that, as a result of the action that we took last year, there has been a nil impact on the CPI from charges. Obviously there will be one as from 1 July because we started making adjustments, as we had to. It had a negative effect on electricity, because we reduced the price of electricity in this State. That is not a bad cost advantage, and it was generally welcomed.

Ms LENEHAN: Under the Treasury line, I wish to ask a question about the facilities and services provided to members in their electorate offices. I am sure that the Premier is shuddering when he hears this, because, whatever else I am, I am extremely persistent and he knows that for the four years that I have been in Parliament I have been consistent about this matter. Recently, I raised the matter with the Attorney-General, who told me, as only an Attorney-General can tell a backbench member, that it was not his area, and that I should raise this with the Premier. Therefore, I am doing so.

I shall elaborate on the system—I am not sure whether the Premier is aware of it—in Western Australia. In 1985, the Western Australian State Government, in conjunction with all Parliamentary Parties, commissioned a study of the requirements for an electoral management system for use by members in their electorate offices. This bipartisan approach was agreed to, and four members representing both Houses of Parliament were selected to participate in a study. I will not go through all of it, but I will outline some for the Committee's interest. I know that the honourable member for Mount Gambier has already heard some of this. The company that was chosen was Consultech, and there was an electoral management system which encompassed a range of facilities, some of which I shall describe briefly.

The first and most important was that the electoral roll was put onto a data base which contained a complete copy of the roll and was maintained on each member's system. It was interesting that separate data bases for private voter information and contact information are already maintained. That is an invaluable resource for any member of Parliament who wishes adequately to service his electorate. Separate data bases were also maintained in private voter information and contacts with voters so that, should a member leave office, these data bases could be taken off while still preserving the overall integrity of the data base concerning information from the Electoral Department.

The system also contained a research facility where members may build information on topics relevant to their own electorate or specific areas of responsibility, and search that information by any number of criteria. It also contained a telex facility. I am sure that Opposition members will be delighted to hear that.

Members interjecting:

Ms LENEHAN: We have to maintain our sense of humour in these Committees. It also contained a budget management facility, and there was a records management facility. It would seem that the system in Western Australia has been thoroughly researched and provides an adequate system for backbenchers particularly to be able to communicate with their electorates.

My question gets back to the issues that I have frequently raised in Parliament before. Does the Treasurer feel that such a system could be introduced into South Australia on

a trial basis, given a number of different electorates such as one in a metropolitan area, one or two in outer metropolitan areas and some in country areas? There would be incredible value for members in country electorates to have such a system available to them.

The Hon. H. ALLISON interjecting:

Ms LENEHAN: I am delighted that the member for Mount Gambier knows 20 000 constituents personally.

The Hon. H. ALLISON interjecting:

The CHAIRMAN: Order!

Ms LENEHAN: I have great rapport with my electorate, but I would not suggest that I know my 20 000 constituents personally. However, if the honourable member would not want to be part of such a trial, that is fine, and I am glad that we have that on the public record. Would it be feasible for money to be made available for assistance, similar to that which is available in Western Australia, to enable this scheme to be introduced on a trial basis in South Australia?

The Hon. J.C. Bannon: I am sure that such a system would be desirable, and I guess that investigations and reviews of the type that the honourable member describes would identify some need, but the cost of these things is very great. I point out that a number of investigations and studies into the resources and facilities of members were undertaken by the old Public Service Board. The electorate office system is only 13 years old, and during that period there has been a continuous increase in the resources allocated to members, the quality of offices, furniture and fittings, staff salary levels, and so on. They have all been improved year by year. I believe that current expenditure in those areas comes under the lines of the Minister of Housing and Construction, and \$2.3 million has been allocated in that regard. So, there has already been considerable expense in providing members with the support that they require to do their work effectively.

I think it is true that the responsibility for decision making in that area has been less than satisfactory, because historically it tends to fall between two stools. Being the Premier and Treasurer, I am confronted with various proposals, and I gather that that has happened for many years in relation to these things. The Minister of Housing and Construction has responsibility for electorate offices and their back-up services, and a number of possibilities have been investigated. A sum of \$25 000 has been provided in the estimates this year to assist with a pilot scheme on word processing to ascertain what can be done in that area, but when we talk about 47 electorate offices plus whatever needs the members of the Legislative Council decry as a result of increased facilities for members of the House of Assembly, the cost implications are such that we must be pretty cautious and ensure that these things are used. That is one of the other problems.

We have seen in schools that someone gets an idea that a particular piece of equipment can be very valuable: it is used and demonstrated effectively by someone, and it is decided that it should be made a standard piece of equipment for everyone. But then we find that equipment gathering dust in cupboards, not being used, because people either do not know how to use it or have tried it and do not like it, preferring other methods. The member for Mount Gambier interjected that he is happy to hand process a lot of his material, and I guess that many other members would be happy to do that. We must balance the different requirements of members when we are deciding what system or equipment to install. That is why we are approaching this very cautiously, on both cost and efficiency grounds, against a background of quite considerable increases in resources over the past few years.

Ms LENEHAN: Perhaps I did not make myself clear: when I am talking about a pilot scheme or a trial of several offices, quite obviously I mean that by way of submission those concerned would have to indicate their desire to participate. At no point would I suggest that that sort of equipment should be introduced as standard. People would have to apply and show cause why they wanted a certain computer facility, and they would have to show how they would use it.

The second point is that I understand that it is not a very expensive unit cost *per se*, that it is a one-off cost and not particularly expensive. The other side would be that, given the new fringe benefits tax in relation to electorate allowances, it may well be possible for the Government to come to some agreement with members of Parliament that part of their electorate allowance could be used for buying a printer. For example, should the hardware provided by the Government provide access to the electoral roll in the Electoral Commission, and also access to the Parliamentary Library, it may be that members could be made responsible for paying for a quality printer.

Personally, I think that that would be an excellent system, whereby members in thus using some of their electorate allowance would ensure that the system was maximised in terms of its use. I certainly agree with the Premier in relation to this matter, and I recall his statement about equipment gathering dust in cupboards; it reminded me of my first involvement with the Party in South Australia, when I made a speech to the ALP convention about this whole question of not using equipment. I am very familiar with the whole argument. However, I believe that such a system would be beneficial for members who want to use it, for members who are now currently communicating with their electors by using, as I am doing, volunteers who come in and hand address envelopes using details from the electoral roll.

The Hon. H. ALLISON: I do it all myself.

Ms LENEHAN: I do not know how the member for Mount Gambier could possibly adequately hand address in excess of 1 000 letters a month, using details from the electoral roll, and adequately service his electorate, which is a country electorate.

The Hon. H. ALLISON interjecting:

Ms LENEHAN: I am talking about newsletters, not about welcoming new constituents, for which we do get sticky labels. I am talking about communicating with one's constituents using newsletters, and I believe that it is very important to communicate with one's electorate. It seems to me that, in the middle of the 1980s, to be depending on a team of volunteers to hand address envelopes from the electoral roll—which has to be updated by hand, for goodness sake, when we are in the technological age—is really a most inefficient way of conducting one's business. Small business people who have come to my electorate office have said to me that if they had to run their small business in the way that I am expected to run my electorate office they would now be out of business. I think we must be sensible about this matter. I am suggesting not that vast amounts of money be spent but that we need to look creatively at how we can implement a system such as that which has been outlined.

The Hon. J.C. Bannon: In response to the honourable member, all I can say is that I will certainly note those points. I think that the initial step that should be taken is to refer those remarks to my colleague the Minister of Housing and Construction, which he can take into account as part of the inquiry that he is undertaking. As I said, the responsibility in this area is less than satisfactory—it has just developed that way. I will wait for the Minister's rec-

ommendations on this matter and we can then decide whether we have the resources and whether in fact increased expenditure is necessary.

Mr OLSEN: Will the Premier give estimates of SAFA surpluses for 1987-88, 1988-89, 1989-90 and 1990-91, bearing in mind that SAFA plays such an important role in the budget strategy? To what extent will any such surpluses be applied to SAFA's reserve rather than allowed to be transferred to Consolidated Account.

The Hon. J.C. Bannon: The estimate for 1986-87 is contained in the annual report, and is \$210 million. We would expect after that for there to be some modest growth in those surpluses year by year. Of course, that is consistent with the approach I was suggesting earlier, bearing in mind the Auditor-General's remarks and the way in which SAFA is managed, that we want to get from it an assured level of support for the budget so that over time we would hope to maintain a level of surplus that would allow that to occur. The estimates in years beyond 1986-87 would see modest growth in that surplus area—certainly not a reduction. Of course, particularly in these current economic times, one finds it very difficult to predict with complete certainty. However, there is a considerable safety net involved in that by the creation of the general reserve with just that uncertainty in mind.

Mr OLSEN: Does 'modest growth' operate on the benchmark of zero or \$210 million?

The Hon. J.C. Bannon: It operates on the \$210 million.

Mr OLSEN: So it is anticipated that over the next four financial years you will at least achieve \$210 million, plus growth on top of that?

The Hon. J.C. Bannon: We would hope so.

Mr OLSEN: I take it from the Premier's response that Treasury has undertaken no specific forward planning to try to identify that figure, recognising that many factors influence that decision, and looking down the track in financial markets three and four years hence is difficult. One does not dispute that. However, surely there have been some guesstimates as to forward planning.

The Hon. J.C. Bannon: Remember that, when I went through the component of the SAFA surplus some hours ago, I think I identified four main categories, the largest by far being fixed interest repayments. That is predictable and effectively guaranteed over time because they are long-term securities and long-term repayments from assured borrowers. That component is already locked in, and it is a fairly large component.

As to the other elements of the surplus, these vary considerably. Like SAFA's investment policy, there is no point in embarking on a fixed plan without having the ability to be totally flexible, and take advantage of market conditions and switch your investments and particular instruments you would use in conformity with changing economic conditions, tax treatment, and so on. Taking all those things into account we are still confident that that modest growth can be achieved.

Mr OLSEN: Does the Government have a specific policy on the allocation of SAFA surpluses to reserves rather than to Consolidated Account, in view of the comments of the Auditor-General and recognising that there has been an amount allocated to reserves this past year? Is there to be a set percentage allocated to reserves or is that figure going to be assessed each financial year?

The Hon. J.C. Bannon: There is no fixed percentage. I think it has to be very much a question of assessing the position each year. The sort of level of contribution we have this year (1986-87), which is a substantial increase on last year, represents the sort of figure that we would antic-

ipate on a recurring basis into the future: in other words, that figure represents SAFA's contribution after a period of operation which has allowed it to gear up its activities to achieve some sort of maturity and predictability. The creation of the general reserve and the policy we adopt on reserves on each year's assessment will be aimed at ensuring that that sort of figure is the contribution that SAFA makes.

If we have better years than that, the contribution will increase. But, it can be done only in relation to protecting SAFA's ability over time to keep support of the budget which will stop major ups and downs in contributions. Incidentally, referring back to the previous question, the stability and income flows assessment that we made suggests that about 85 per cent of SAFA's funding is virtually locked in. So the margin is that other 15 per cent, which represents other financial transactions.

Mr OLSEN: So, 85 per cent of expected surpluses is locked in?

The Hon. J.C. Bannon: Yes. We can accurately predict it because we know what the returns will be.

Mr OLSEN: The Premier has referred to the need for flexibility as it relates to SAFA and its operations. That is not disputed when dealing with financial markets. However, there must have been laid out in advance some business plan or some type of operation that is a guide for the operation of SAFA. Is the Premier prepared to outline the authority's business plan so that its expectations may be compared with actual results at the end of each year?

The Hon. J.C. Bannon: We outline that plan in each annual report, and its importance to the budget will show it up. Each year we will publicly disclose the sort of forward planning for the coming year. That is as far as one can go in these areas. There is certainly no point, particularly in the commercial area, in being either locked in or signalling exactly where you might be going to commercial and other interests.

I guess the other factor is that there is not much point to it, because SAFA's performance, like the Government's, has to be assessed on a year by year basis. It is a bit unfair to judge any instrument on, say, a five year basis. As I say, there is a very high level of predictability in the returns of SAFA based on the figure of 85 per cent that I just gave.

Mr OLSEN: How much has been received in guarantee fees by SAFA during 1984-85 and 1985-86, that is, specifically the guarantee component of revenue and income and from whom has it been received?

Mr Emery: It is paid by statutory authorities, such as the Electricity Trust, the Local Government Finance Authority and the Australian Barley Board, on their borrowings, and it is paid to the Government, that is, into Consolidated Account as a revenue item. That is not an item of SAFA revenue but an item of Government revenue in the budget. It is true that in addition to that the SAFA interest rate—the common public sector interest rate, as we call it—as was explained earlier, includes a margin which historically was set having regard to the guarantee value in Government interest rates. That is not a direct, specific and separate item of SAFA revenue, because guarantee fees charged by the Government are not paid into the budget.

Mr Prowse: The figure paid into the budget was, I think, \$4.2 million this year.

The Hon. J.C. Bannon: It has certainly become accepted public financial procedure to recognise the value that is involved in a Government guarantee to an instrumentality.

Mr KLUNDER: I presume that program 10, the development of budgetary accounting and reporting procedures, is the program which has the task of developing TAS, SIGL, PPB, etc. Can the Treasurer indicate the status of each of

these, that is, how many agencies have converted to TAS, how many to PPB, and how the money on this program is to be used to further the progress of TAS, SIGL and PPB?

Mr Chenoweth: Up to this stage there have been approximately 26 departments on the TAS system. Remaining departments are expected to be installed this financial year. There are approximately 27 departments on the SIGL system, and all those departments going onto the SIGL system have been converted. The old system, the CARS system, has been phased out as at the end of June. All departments are on program estimates as far as the estimates document is concerned for this year.

Mr KLUNDER: How many departments are actually fully working on programs?

Mr Chenoweth: All departments are accounting on a program basis. All transactions are recorded at program level.

Mr KLUNDER: That is during the year as well as for the purposes of the coming year?

Mr Chenoweth: Yes, on an ongoing basis.

Mr KLUNDER: In terms of the statement on page 51, where the accounting systems development is taking up the vast preponderance of the budget (whereas budget systems development and general systems development are taking up minor proposed expenditure and proposed full-time equivalent employment), is that, therefore, a direct reflection of the fact that SIGL and PPB have been taken roughly as far as they are intended to be taken, whereas TAS still needs to be developed for a number of departments?

Mr Chenoweth: Certainly, that is where priorities have been directed, yes.

Mr OLSEN: Under note 20, contingent liabilities in the authority's accounts it is reported:

SAFA has incurred contingent liabilities through the provision of guarantees and indemnities.

In the last paragraph it is stated:

It is not possible to place a precise value on the indemnities which SAFA has provided.

Will the Premier provide disclosure of all contingent liabilities for inclusion in *Hansard*, to include such areas as value of guarantee, indemnity at time of issue, SAFA's estimated liability at 30 June, the name of authorities involved in the arrangement and the purpose of a guarantee and or indemnity?

The Hon. J.C. Bannon: This is a highly commercial undertaking, and I do not believe that we are able to provide those details.

Mr OLSEN: I will persevere, despite the number of areas where I cannot get answers. Note 17 to the authority's accounts details investments totalling \$988.5 million, of which \$166.7 million or 17 per cent of the amount is classified as 'other': will the Premier provide for inclusion in *Hansard* a detailed breakdown of that \$166.7 million?

The Hon. J.C. Bannon: Yes, we can provide that.

Mr OLSEN: Table 21 on page 23 of SAFA's annual report provides a maturity profile of the authority's gross debts and financial assets. As the total has been revised to link into the definition set out in the Treasury paper on public sector indebtedness, a comparison with the table contained in SAFA's 1985-86 report is not possible, because there is no benchmark with which to compare it. Will the Premier make available a debt maturity profile as at 30 June 1985 to equate with the presentation on page 23 of the authority's report?

The Hon. J.C. Bannon: That is a bit rough; it would take a lot to do it, because we have changed the system.

Mr OLSEN: We know you have changed the system: that is what we want to do—get some benchmarks.

The Hon. J.C. Bannon: The benchmark has not been established. I suggest you look at it next year and you will see the benchmark. It can be done if you insist, but it means using resources to do it which would be onerous—

Mr OLSEN: There would be limitless resources to obtain that information.

The Hon. J.C. Bannon: What does the Leader want? What are you seeking to establish?

Mr OLSEN: As related in the question, I want a profile so that we can establish a benchmark 30 June 1985 which will carry forward to 30 June 1986.

The Hon. J.C. Bannon: Then you will want the same benchmark in 1987-88.

Mr OLSEN: I assume that you will have done it for 1986-87—it will be an ongoing thing. No additional resources are required. All we are asking is that we want to have the benchmark prior to the time you have restructured, so that assessments can be made. It is a simple request.

The Hon. J.C. Bannon: What sort of assessment? I am still not clear. If there is burdensome work to be done, I want to be sure what we are being asked to do. Why is it necessary?

Mr OLSEN: I am sure the Treasury officers picked up the import of my question, which clearly indicates the information requested.

The Hon. J.C. Bannon: I know what your question required. I am simply asking—

The ACTING CHAIRMAN (Ms Lenehan): Order! Can we have one speaker at a time, so that *Hansard* can record the proceedings.

The Hon. J.C. Bannon: All right, we will do it. My officers will—

Mr OLSEN: I thank the officers, because at least they recognise—

The Hon. J.C. Bannon: I must confess—

The ACTING CHAIRMAN: Order!

The Hon. J.C. Bannon: I must confess that I was trying to protect my officers from doing unnecessary work because I think it is just idle curiosity on the part of the Leader. He knows that benchmarks will be established. Okay, we will do it.

Mr KLUNDER: I refer the Premier to page 50 of the yellow book and program 2 on page 29 of the white pages and the total program of protection of property rights which, on the yellow pages, shows a proposed expenditure of \$30 000 and a proposed recurrent receipt of \$600 000. I assume that the \$30 000 is the payment to the rightful owners of property and that the \$600 000 is the expected income from various bits of property, money property, that got lost. I seek a breakdown of the major classes of recurrent receipts, if that is possible.

The Hon. J.C. Bannon: Yes. The receipts are entirely unclaimed money, estimated at about \$600 000. For comparison, it was \$647 000 actual last year. That is total receipts. The level of repayment fluctuates from year to year, so we make an estimate. In fact, it was slightly above our estimate last year. It could be above or below this year. We have no way of gauging it.

The recurrent expenditure in this area, in terms of repayment of unclaimed moneys, aside from salaries and related payments, is estimated at around \$25 000. The actual last year was \$27 700. That gives an idea of the income. Again, it is unclaimed moneys entirely.

Mr KLUNDER: I am curious to know from what classes of income that estimated recurrent receipt of \$600 000 comes. Is it money left lying around in bank accounts, shares unclaimed upon death, or the like? What kind of income groups do they come under?

Mr Chenoweth: It is basically cheques that are not cashed by the recipients.

Mr KLUNDER: Is that the main source of income?

Mr Chenoweth: Yes.

The Hon. B.C. EASTICK: Will the Premier acknowledge that the \$11 million he gave to ETSA in November last year was subscribed by all the taxpayers of South Australia? Will he indicate whether it is his intention to repeat the performance in this and subsequent years?

The Hon. J.C. Bannon: The answer is 'Yes', in that it came from general revenue. It represented though a remission of the ETSA levy for that year. It was done on a one-off basis because of the particular problems at that time—

The Hon. B.C. EASTICK: In an election climate!

The Hon. J.C. Bannon: No, in a climate where over a series of years—including the term of the previous Government—we saw considerable escalation of electricity tariffs. It was definitely important to try and put a hold on those and, if possible, to reduce them and also to have a plan in relation to the future level of tariffs we might have, so that remission took place on that basis. If at some stage such a remission is again warranted, it will be taken into account. When I talk about ETSA's tariffs being held at or below inflation, that takes into account all ETSA's obligations.

The Hon. B.C. EASTICK: If the situation again arises in three years time, and if it comes up in another election climate, that would be more than the public could stand. In relation to Treasury's advice to SAFA, has any other statutory organisation, or any other department of or associated with Government, been advised or instructed on how to raise a similar fund to the annuity situation?

The Hon. J.C. Bannon: I do not understand the question. Departments do not raise their own funds. All that is done by SAFA as a consolidated authority.

The Hon. B.C. EASTICK: Is the Local Government Finance Authority, for example, to embark on a program similar to that of SAFA?

The Hon. J.C. Bannon: No.

The Hon. B.C. EASTICK: What was the true balance of Government expenditure at 30 June 1986? I do not refer to the balance shown in the documents that are before us. I realise that we have a cash flow budgetary system and that figures given reflect the cash flow at 30 June 1986. I am aware also, as are many other members, that tens of thousands of dollars—probably in excess of \$1 million—of payments were withheld and those withheld payments were in a variety of departments. I highlight those in the area of housing and construction, where large sums of money were expended on the basis that they would be sanctioned, providing that the documentation was in the hands of the department by 15 June and they would be paid forthwith. In actual fact, it has been demonstrated in the House previously that tens of thousands of dollars was not paid by 30 June as promised, in many cases on contracts which had been negotiated at a beneficial price because the money would be forthcoming quickly.

On 19 June the department was advised not to pay any more of those accounts. Towards the end of July, for example, people who had provided carpeting for schools, who had performed painting tasks and who had provided other services for schools were still waiting for their money. It was only as a result of representations of members of Parliament that those accounts were paid before the end of July. When members raised this topic the comment was made that it was not unusual, because of the pressures of having to get the final end of year balance, that nothing was done about outstanding accounts. I can give the Premier copies of outstanding accounts as they apply to seven con-

tractors for work undertaken in schools like Nuriootpa, Lobethal, Gawler and Tanunda. What were the outstanding amounts held over and not paid on instruction by 30 June?

The Hon. J.C. Bannon: If there was some problem in this area, the Auditor-General would comment on it, because that is one of the matters he looks at. There was no comment or reference to this in the Auditor-General's Report. In fact, it was a very favourable report. I guess one can always find specific details of specific payments, but we are talking about massive expenditure through a year and, to make any sense of them, one has to go back to the previous year to see if there were any such changes around a financial year's end and so on. It all evens out over time. As I say, it is a matter that would be commented on if there was a problem.

The Hon. B.C. EASTICK: The Auditor-General would not have access to that knowledge until it was brought to his attention in the department's accounts. Since it was withheld from his knowledge until 30 June 1986, it would not show up—

The Hon. J.C. Bannon: No, that is not true. He has access to all of that. He has to know what are the department's liabilities, what expenditure it has incurred and whether or not it is paid. All of that must be disclosed.

The Hon. B.C. EASTICK: My interest at the moment is in relation to payroll tax. The Opposition has received correspondence from a firm of chartered accountants expressing dissatisfaction at the treatment of one of its clients by the payroll tax branch. In summary, the client has been dealing with the payroll tax branch for over 12 months regarding decisions made in relation to the grouping provisions of the Payroll Tax Act. Owing to the complex nature of the grouping provisions, we do not intend to pursue the matter during Committee but request that the Premier investigate the matter on our behalf. I will be quite happy to hand to the Premier the correspondence which I believe has been handed into his department already albeit it might not be known personally to the Premier. The important fact here is that a difficulty still prevails 12 months after it was first raised.

The Hon. J.C. Bannon: If the honourable member would like to provide me with that detail, I will get it chased up. Of course, there is also a Payroll Tax Appeal Tribunal and if the matter cannot be resolved by negotiation or discussion, that is obviously the appropriate vehicle to deal with it. I do not know whether that is necessary in this case, but I will certainly forward it to get some action on the matter.

Mr OLSEN: Note 3 to Surplus Accounts on page 18 provides details of interest income derived from the authority's investment of \$30.8 million or 22.5 per cent of total income classified 'Other'. Will the Premier treat this as he did the previous question asked in the other category and provide a detailed breakdown of the components of the \$30.8 million worth of income?

The Hon. J.C. Bannon: Yes, we can do that.

Mr OLSEN: Similarly, note 6 to the authority's accounts reveals that interest paid on inscribed stock debentures, unsecured deposits and overseas borrowings was \$145.6 million last year and \$67.8 million in 1984-85. Can the Premier provide a breakdown of the four components for those years?

The Hon. J.C. Bannon: Yes.

Mr OLSEN: Will the Premier provide in tabular form for inclusion in *Hansard* a breakdown of SAFA's overseas borrowings and investments at 30 June last year in foreign currency and Australian dollar values, including interest rates, etc.?

The Hon. J.C. Bannon: This is imposing considerable burdens on SAFA. Note 22 details a number of the domestic currency equivalents. I think that that meets the honourable member's objective.

Mr OLSEN: Not really. I am looking for further information.

The Hon. J.C. Bannon: The honourable member has looked at the table? It shows sterling, United States dollars and yen and categories under those headings. Surely that is what he is interested in.

Mr OLSEN: Not in the detail I was looking for.

The Hon. J.C. Bannon: Perhaps it would be appropriate for the Leader of the Opposition to have some briefing on SAFA's operations. I welcome his interest in it, but enormous work is involved in preparing the tables. If the Leader wants better understanding of how SAFA works, that is fine, but if every category in the report will have to become another annual report, that will impose a real burden on SAFA's staff. I want them making money not preparing lengthy tables.

Mr OLSEN: Because of the importance that SAFA has developed in the State budget strategy, we have a legitimate right to ask how it is earning its money, and how it will underpin future budgets.

The Hon. J.C. Bannon: The report sets that out fully.

Mr OLSEN: We are asking for further information so that knowledge of SAFA's operations, the direction it has taken and the direction that it will take can be complete. We are seeking information about an instrument of Government which is important to the framing of future budgets of South Australian Governments. We merely wish to have a complete picture.

The Hon. J.C. Bannon: We can arrange a full scale briefing session for the Leader and anybody else who is involved. That would be better than getting officers in SAFA compiling lengthy tables which he would try to analyse and about which he would ask another dozen questions. That is an offer.

Mr OLSEN: The offer is readily accepted and appreciated. When I wanted Treasury briefings previously, they have been denied. I assumed that one would be denied this time.

The Hon. J.C. Bannon: Fine. We will get something set up.

Mr OLSEN: In view of that offer, I have other questions, but they might more appropriately be addressed in a one to one discussion with Treasury officers or on notice.

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

Treasurer, Miscellaneous. \$4 713 000—Examination Declared Completed.

Arts, \$31 336 000

Chairman:
Mr D.M. Ferguson

Members:
The Hon. H. Allison
The Hon. B.C. Eastick
Mr T.R. Groom
Mr J.H.C. Klunder
Ms S.M. Lenehan
Mr J.W. Olsen

Witness:

The Hon. J.C. Bannon, Premier, Treasurer and Minister for the Arts.

Departmental Advisers:

Mr L. Amadio, Director, Department for the Arts.
Mr C.S. Winzar, Director, Arts Development Division.
Mr K.B. Lloyd, Senior Finance Officer.

The CHAIRMAN: I declare the proposed expenditure open for examination.

The Hon. B.C. EASTICK: Page 36 of the Auditor-General's Report shows that there was a 20.5 per cent increase in salaries and related payments in Department for the Arts administration costs during the last financial year. This year overall outlays for the arts are planned to increase by 1.5 per cent to \$31.3 million, compared with the total budget recurrent outlays growth of 4.7 per cent; in other words, the arts is downgraded in relation to the basic 4.7 per cent figure. Can the Premier explain the magnitude of the increase in Department for the Arts administration salaries last year and say what the salaries and related payments will be for 1986-87?

The Hon. J.C. Bannon: The difference to which the honourable member refers relates to special items that occur. There is a pattern in some arts expenditure; for instance, the Adelaide Festival of Arts requires a greater overall allocation in every festival year than it does in off-festival years, even though we make the grant payable over that period. In fact, it represents a special item of \$400 000 for 1985-86 specifically for the festival board's activities. If one also adds the special assistance for festival related events, it comes to about \$640 000.

There were a couple of other one-offs in accommodation charges and other minor matters, so you then end up with those gross figures to which the member referred. The actual increase in recurrent arts allocation is on that basis about 1.5 per cent. With the one-off payments removed, it is in the order of 4.5 per cent overall on the total line allocation. In terms of the administration costs, we have a remarkably good record in this State when one considers the amount of money that is disbursed to various groups listed in the payments areas and in looking at the size of our core department. We run a very tight ship and an efficient operation, which is the envy of some other States. We keep a tight control on the core staff of the Department of the Arts and try as far as possible to see them both as administering and setting policy objectives and coordination, and leaving the actual implementation, performance and so on, to the various bodies that receive funding assistance from the department.

The Hon. B.C. EASTICK: Is the Premier able to indicate what allowance has been made for the devaluation of the Australian dollar and the consequent impact on the costs incurred by performing artists or other overseas exhibitions? Has it affected the programming that the department has put forward, and is there any instance that the Premier can give where some anticipated organisation that was coming out has had to forgo that commitment because of the devaluation factor?

The Hon. J.C. Bannon: It is certainly a problem that Australia has at the moment in terms of the cost of buying events and the changing dollar devaluation if planning in advance. The other side of that coin is that it is a lot cheaper for artists to live and work in Australia in terms of currency value. No noticeable effect has been flagged to us with any of the general activities that the Department of the Arts supports, although there is concern about it. One of the

major exceptions is the Festival of Arts. The development program is well advanced by now, and in fact Lord Harewood is currently in Adelaide doing further preparation and having discussions in getting his program established. In the discussions I have had with the Adelaide Festival of Arts about support for the 1988 festival, it has specially referred to the impact of the devaluation of the dollar on the cost of the festival and asked the Government to take account of that.

However, we are not yet in a position to assess how much that will be. I have told the Festival that it is open to come back to the Government when that impact has been properly assessed. In the meantime, it should be taking all possible steps to minimise the effect of devaluation changes on its costs. At this stage, that is the only area that we have identified where it may cause a problem, but we have not been able to quantify that yet.

The Hon. B.C. EASTICK: I refer to the line relating to the grants and payments, and I particularly pick up that the summation of those figures is a reduction from \$1.576 million to \$1.369 million, if one takes the Adelaide Chamber Orchestra grant out, as it occurs in this area for the first time. That is a reduction of \$207 000 or 13.1 per cent. Why has there been such a dramatic reduction in real terms of 21 per cent in grants, and which group or groups are likely to suffer most as a result?

The Hon. J.C. Bannon: It is true that there have been reductions in some areas, in large part because we must achieve overall targets. It has meant considerable changes within various items. Some of those will not cause great hardship. As I said before about the Adelaide Festival, there is an ebb and flow of provision and the chief reason that there is such a difference is that this is a non-festival year. Members will notice under the heading Adelaide Festival of Arts grants and other payments, an actual payment of \$900 000 in 1985-86 as against \$500 000 in 1986-87. That is the agreed amount that represents a non-festival year—a \$400 000 difference. That is not a reduction but a maintenance of support for the festival.

Under a couple of other allocations, such as those for the opera and the Australian Dance Theatre, the reduction in the actual payments last year as opposed to proposed payments for this year represents a special allocation for festival production. Basically, in a non-festival year it would be expected that that amount would decrease and it has. In terms of the overall value for money represented there, we have maintained a pretty even keel. While one of the problems that we have is being locked into support for particular organisations and bodies each year, we have (within the flexibility that we have) attempted to allocate and re-allocate as required. There are no large losers or winners. Overall, we have managed to maintain a pattern of funding which represents the best level of funding of any Government in Australia.

Ms LENEHAN: My first question relates to the Bass booking system. As the Premier will be aware, I have raised with him the problems experienced by a wide range of people in the community, and there have been criticisms about the system and the times that it does not cope with the number of people trying to make bookings. Have any funds been made available in the 1986-87 estimates to upgrade the ticketing system so that it provides a more efficient and effective service?

The Hon. J.C. Bannon: The trust has operated the Bass system since 1977. We were one of the first organisations to get into that system, and some members may recall that at the time there was a rival system, the ill-fated Computicket, the collapse of which ended up with a very prominent

personality and entrepreneur spending some time reorganising the prison library in New South Wales, printing beef sale catalogues. Fortunately, we chose the Bass system, which has worked. I believe it has been an important factor in selling shows at the Festival Centre and has also been a major instrument in coping with a number of larger events. In some years, Bass has made a profit but in other years there has been a slight loss. It has always been my view that it should be a consistently profitable operation, because there is always a margin for such a centralised booking system, and the more events, the more likely we are to generate funds.

Bass was really put to the test last year with the Grand Prix: it was chosen as the selling system, and quite frankly the load on that system showed up all the deficiencies that had been talked about for some years. I do not suggest that the Festival Centre Trust did not flag that it needed improved technology and computer capacity, but we always deferred the matter because there was no overwhelming demand. It was one of those things that were put at the bottom of the list. Last year indicated two things: first, that given an event like the Grand Prix, the Bass system was having great trouble coping; and, secondly, that if we upgraded it to allow it to cope, there is no question that profitability would increase quite markedly. Therefore, we have allowed \$430 000 this year for major upgrading.

I point out that that is a commercial decision. Once the system is upgraded, sales processing will be much quicker, people will be more satisfied with the service, and there will be the capacity to expand the number of outlets and terminals. In the short term, I am advised, the number will increase by at least four to six, and there will be other carry-on benefits to the Government, because Bass, as the common ticket seller for a whole range of Government subsidised companies and so on, if it is operating efficiently, will improve their box office sales and will be available for all sorts of other events. This upgrading was well overdue, and the system finally showed that it would collapse if something was not done. We are now investing in an improved system.

Ms LENEHAN: I am delighted to hear that, and I know that a lot of South Australian people who depend on making telephone bookings will also be delighted with that news. I note that there has been an allocation for the operating expenses of the South Australian Film Corporation (page 36 of the Estimates of Payments). It could be said that the member for Albert Park, in whose district the South Australian Film Corporation is situated, like other members of this Parliament, has been very supportive of the film corporation. While I guess that most South Australians are well aware of the benefits to South Australia as a whole of quality films being produced by the corporation, will the Premier outline whether specific benefits accrue to the local area from the production of films at the corporation's headquarters? I am aware that the member for Albert Park is particularly interested in the whole question of a local generator of employment and economic activity within his district. Is such economic activity actually occurring?

The Hon. J.C. Bannon: It is a bit hard to provide a regional breakdown of that kind. I know that the member for Albert Park would be very keen to have such a breakdown, because he has certainly adopted the Film Corporation, given its location in his district, and publicised it widely. That must have some spin-off benefits to the Hendon estate (the former Philips plant) and the surrounding Woodville council area.

There is no question that, because of its geographical location, people coming over here to make films, to be

involved in the Film Corporation's work or to operate on that site will use services and facilities in the district and by so doing generate employment. A new hotel complex was opened recently on the edge of West Lakes. It is a marvellous facility, and the proprietor told me that one thing that he had noticed was the number of interstate people involved in the film industry who stay there. It is a perfect location for them, and I think it is in the honourable member's electorate. It provides ready access to the Film Corporation's facilities, a good view and comfortable accommodation. There is no question that the Film Corporation must have that sort of effect on local businesses.

Overall, one of the very pleasing features of the Film Corporation in the past year or so has been its development of facilities that increasingly are being hired out. Its sound stage is meant to be one of the best in the country—if not the best—and people come from interstate to mix sound here, because of the value of that sound stage. The other element concerns the hiring of location type facilities, the building of sets and things of that nature, which have to be done by locals. The *Beattie Bow* set, for instance, involving an elaborate re-creation of The Rocks, was done on site. The skills there can be used in other areas in South Australia. Many millions of dollars are being spent in South Australia, not directly by the Film Corporation as producer but because other producers are using the Film Corporation's facilities in South Australia as a location. Under the new film financing arrangements, which we introduced in 1984-85, the corporation itself has a much greater capacity to sponsor production, and it is doing so. Despite the tax changes that have occurred in the last few years, I think the outlook for the film industry in South Australia is very positive.

Ms LENEHAN: My colleague the member for Hayward has also reminded me that the costume hiring for Jubilee 150 events is very popular and, I guess, a revenue raising aspect of the corporation as well.

The Hon. J.C. Bannon: Yes, and the other beneficiary of that is the State Theatre Company, which runs a very successful costume hiring shop, and that helps supplement its revenue.

Ms LENEHAN: My last question relates to the provision of arts facilities in the outer metropolitan area. I cannot find a separate line referring to the outer metropolitan area, although there is a line referring to the non-metropolitan area. Very quickly, I want to raise the matter of the provision of a very adequate theatre complex at Noarlunga which the Premier officially opened last year. I understand that that theatre and the Mount Gambier theatre are probably second only to the Festival Theatre itself. The community is concerned that this theatre, while actually part of the Noarlunga TAFE College, is, nonetheless, a community theatre. It has two main roles: one, an educational role, linked with the teaching aspect of the college and, secondly, it is a community theatre for use by primary and secondary schools, community groups and entertainers. It is a venue for bands, festivals, well known musicians and singers to entertain the community in the outer southern metropolitan area.

The problem is that, for the theatre to operate effectively in terms of revenue raising, two things are required. First, a qualified technician is necessary. An enormous investment has been made in sound and lighting equipment and much skill is needed to professionally operate those facilities, not to mention, that on the question of safety, only a properly trained professional should operate that equipment. The second requirement is for a front of house manager. I am a member of the Noarlunga TAFE College Council and I

point out that for more than two years the council has made representations in an attempt to get at least one front of house manager.

Because this falls between two departments (the Department of Technical and Further Education and the Department for the Arts) the college has not been successful in achieving both those positions. It is a chicken and egg situation because until the positions are provided for there is not enough revenue to pay the people. We will require an initial input of funds to hire both those people, and then it is envisaged that the funds generated by those two professionals will mean that if there is any subsidy it will be extremely minimal.

Will the Minister and the department consider negotiating with TAFE to try to resolve this situation? I would not have raised it now except that it has come to a situation where it is becoming critical. A range of options are being looked at, including the possibility of getting in entrepreneurial people to run the theatre. Of course, the problem is that we will then have to look at excluding the very groups for whom the theatre has been constructed, because one will have to charge commercial rates, and exclude groups like callisthenics, primary schools and theatre productions.

The Hon. J.C. Bannon: I will make a general comment, and ask Mr Winzar, who has been involved in a lot of the regional developments, and so on, to comment. It is a dilemma. I would like to see one group that was not mentioned by the member, namely, the local council, involved in some way in anything that is done. Increasingly if one is going to have venues like this it is a great pity if they are dark because there are so many benefits they can provide to the community. It really has to be tackled not as something that the Government does or provides for the community but as something that the community picks up and feels some responsibility for. How practical that is I am not too sure. Our general grants area is so stretched at present that we are not able to go into the various situations and say, 'You do this and that and we will provide the money.' Certainly, the situation described should be looked at.

Mr Winzar: Certainly, no professional theatre of the ilk of that particular theatre can survive properly without a qualified technician. There is a great deal of investment and public funds in lighting and sound equipment which has to be properly protected. Certainly, a front of house manager is essential to the workings of any professional theatre. I have a feeling in relation to that particular theatre that perhaps the front of house manager could double as a catalyst in encouraging groups and other professional users to utilise the theatre more often. I would agree with the Premier that the local council should also be encouraged to assist. My division, the Arts Development Division of the Department for the Arts, may be able to assist, provided there was some expression of interest from the local council.

Ms LENEHAN: I have a supplementary question. The local Noarlunga council has indicated that expression of support. I cannot tell you the exact amount, but it is in the range of several thousand dollars. The council said it would like to be part of maximising the access of the theatre for the community, so that has already occurred.

The Hon. J.C. Bannon: Perhaps officers of our department can talk to TAFE initially and see what is possible.

The Hon. B.C. EASTICK: Page 77 of the yellow book refers to the establishment of a central arts advisory body to take place in 1986-87. When will that be established? What form will it take? What criteria have been laid down or are contemplated for such an organisation?

The Hon. J.C. Bannon: This has been a long and drawn out process because, when we embarked on it, I do not

think we realised the difficulties of trying to reconcile the various competing and divergent interests in the arts. One purpose of the concept of the Central Arts Advisory Body is to have an umbrella organisation that provides a forum for the various art forms to in a sense work out their priorities and differences and give the Government some legal guidance on just how it should approach funding policy and general policies of support for the arts. That sounds like a simple proposition. Indeed, a couple of structures were devised and people were identified who could adequately do this. It just proved to be totally unsatisfactory, unfortunately.

There was no point in going ahead and establishing a body that did not have the confidence of the arts community that it was meant to serve. So we took a step backwards from that and embarked on a consultation process. A major public meeting was held in December last year to discuss a number of proposals that already had had considerable airing but no resolution. Arising from that meeting a working party was formed to be chaired by the now Director of Local Government, Ms Dunn, who at that time was a Public Service Commissioner and also a member of the Festival Centre Trust. The working party consulted widely with organisations and persons working in the arts industry and other interested parties and a series of forums in metropolitan and regional areas took place. In fact, if you come across anyone in the arts field most of them have been to one or the other of these forums or have had access to the discussions. So that process in itself was actually quite useful, because I think it opened the eyes of many arts practitioners to the fact that they are not operating in isolation, that there are other people with competing needs and quite legitimate claims on resources and that they must have regard for that. That was quite a useful part of the process.

There was a final public meeting in July this year at which time reports were made and discussions held on a number of proposed structures. Again, no resolution came from that meeting. I then requested the working party to prepare a final report on the findings and to make recommendations representing the best case they could develop. I understand that that was completed very recently. I have not yet seen a copy of the recommendations but hope to do so very shortly. So we are almost at the end of the process. The timing is quite good because, if we can see our way clear to implementing recommendations, I hope we can establish a structure by the end of this year and certainly in advance of the intensive budgetary process for 1987-88. However, at this stage it is not envisaged that the Central Arts Advisory Body will have direct funding responsibilities. Obviously its policy priority recommendations could be important. So that is where it is at the moment. I hope that we can resolve the matter fairly shortly.

The Hon. B.C. EASTICK: I refer to page 37 of the white book and Program 2 'Assistance for establishment and operation of arts venues'. What is the future of the Festival Gallery in the Plaza?

The Hon. J.C. Bannon: It will continue as a gallery. I am not aware of the long-term plans of the Festival Centre Trust, which administers it in relation to exhibitions, and so on. There is no intention in a redeveloped plaza concept, which is a matter currently before the Public Works Standing Committee, to eliminate that space. I understand that it is envisaged that it will continue as a gallery.

The Hon. B.C. EASTICK: Referring to program 3, regarding the provision of Art Gallery services, accommodation and service costs; can the Premier—the Minister for the Arts, in this case—give the components of the accommo-

dation and service cost line for both the Art Gallery and the Museum services and indicate why there is a sharp variation in these costs as between the budgeted and actual 1985-86 expenditure, and particularly is that so with the Museum services, and as between 1985-86 actual and the 1986-87 budgeted amount?

Mr Lloyd: First, in 1985-86, with the opening of the Natural Sciences Building at the Museum, we did not know exactly what the accommodation cost would be. We obtained an estimate from the Department of Housing and Construction, and it turned out to be considerably less than that, hence the 1985-86 actual charges would actually reflect the full year costs.

In this year, 1986-87, the Department of Housing and Construction has once again had a look at the costs and has actually changed its cross charging arrangements and further reduced our department's burden for accommodation and service costs. As regards the components, I do not have them here but they would be mainly cross charges from the Department of Housing and Construction with some direct charges for power and associated costs.

Mr GROOM: Turning to page 82 of the yellow booklet, dealing with the proposed South Australian Maritime Museum: although I am well acquainted with the benefits and importance of the Sydney Maritime Museum, I wonder if the Premier could outline the benefits to South Australia of the South Australian Maritime Museum when it opens which, I understand, is about December 1986?

The Hon. J.C. Bannon: This should be seen very much in its context in the Port of Adelaide. One of the most exciting things that has happened in the past few years in this State has been the Port Adelaide redevelopment project, which has resulted in a marvellous upgrading of the Port and its environment. It has introduced new business activities—the most clear sign of which, of course, is the current construction of a megastore—it has introduced many new residents and upgrading of housing, and it has also introduced new commercial port activity, plus reinforcing the port as a site for a submarine project and events of that kind.

All of that has been done largely through an initial seeding grant which is then in a revolving fund, and in fact paid for itself from the time of the inception of the project under the Dunstan Government. When we came back into office in 1982 the redevelopment had been slowed quite considerably and it was, in fact, virtually in mothballs. We dusted it off again and got on with it. I think one of the figures that has been used is the expenditure of something like \$15 million or so in and around the Port, just based on that initial seeding money and use of land.

Part of that redevelopment is the Maritime Museum, which will be quite different from the institution planned for Sydney—far less expensive and, I suggest, more accessible and understandable to the public. It has been adopted as a Jubilee project, which is one source of its funding. It has some very interesting features, such as the lists of every passenger who has come to Australia from 1836 to 1956 on any vessel which can be recorded. All one has to do is tap up the name, whether it be the family name or whatever, and one can find any relatives, friends or others who have come out, on what vessels, in what condition, and what was their occupation.

The other point is that it has had very good sponsorship support from the private sector. The Government has been very wary about taking on yet another museum responsibility with all the recurrent costs that that implies and has put the Maritime Museum under severe strictures to get out there and raise money and, if it wants to improve facilities

and develop beyond the basic establishment, it has to find the means of doing so.

It has picked up that challenge very enthusiastically. It will be a great asset. I finish where I began in saying that it should not be looked at as just a museum celebrating our maritime history. That is fine and interesting in itself, but it should be seen very much as a part of that overall port redevelopment and restructuring, the centrepiece being the relocated lighthouse which now becomes a kind of symbol of the port and the new life that is throbbing through it. It is an asset that will earn us much tourist revenue.

Mr GROOM: Dealing with the regional arts development, will the Premier outline the level and nature of support for the arts in regional areas proposed in this year's budget?

The Hon. J.C. Bannon: That has been a particular priority. Regional theatres are now all established. Whyalla, as we know, has been opened twice, but is now effectively in operation. They certainly represent a great network of theatres, and the member for Mount Gambier will agree that, as an asset to his city and district, it is great to have a top class venue in which one knows one can put any class of production, whether community or fully professional or whatever.

In establishing those four regional theatres we have not neglected the need to upgrade the smaller areas and the Regional Arts Facilities Committee has been consistently supported in its efforts to upgrade town halls, institutes and other minor venues in small country centres. We have also provided in this year's budget a considerable increase of support to the Harvest Theatre Company which is based in Eyre Peninsula and which is enjoying considerable popular and artistic success that has justified an increase in support this year. Obviously, that is reviewed annually. Amongst other productions, Helen Morse's role in *A Streetcar Named Desire* has certainly been seen as a major theatrical contribution in South Australia this year.

Community arts offices have been established and support for the Arts Council is provided. About \$4.5 million will be spent on regional arts development in this year's budget which represents a considerable proportion of the allocation to the arts. It is certainly an area on which we have placed some priority.

The Hon. H. ALLISON: I refer to the yellow book at page 73, and this is part of the \$12.4 million allocation at page 36 of the Premier's Financial Statement. First, the Youth Performing Arts Council scored \$53 000 last year, and that increases substantially to \$303 000 this year, but I cannot identify that figure specifically in the yellow book. Can the Premier say why the increase of \$250 000 was provided?

The Hon. J.C. Bannon: That represents a consolidation of sums of money that were expended on that youth performing arts area but are now consolidated under that heading. Last year the \$250 000 was in grants and provisions to the arts, and it is extracted from that.

The Hon. H. ALLISON: From Carclew?

The Hon. J.C. Bannon: Yes. It does not represent an actual major increase in funding.

The Hon. H. ALLISON: On that same page reference is made to assistance for community art activities and assistance for local community arts officers. Those figures are down somewhat from last year. Does that mean that the Premier expects additional local community effort to fill those roles in the coming year? Will it mean fewer community arts officers becoming employed?

The Hon. J.C. Bannon: There is a phasing down. I think that the high level of activity in part would relate to the

Jubilee and other matters. Also, there is a transfer involved. The Harvest Theatre Company to which I referred a moment ago, which has been given a substantial increase in support, now has its own allocation under a different line. Formerly, it was supported to the extent of \$50 000 under that community arts activities line.

As to the community arts officers, we respond to demand and to the availability of matching funds. Normal funding is a three-way arrangement—the Commonwealth, through the Australia Council, local government and State Government—and it has worked quite effectively. That means that it depends on the extent to which those other bodies also are contributing to our overall program. I do not know the numbers involved, but I do not think that it is a substantial change from last year, because there is a contribution from those other elements which help swell the overall figure.

The Hon. H. ALLISON: At page 74 of the estimates, reference is made to the provision of art gallery services and two lines relate to gallery and regional exhibitions as well as public education travelling exhibitions. Is the development of regional art galleries being contemplated on an ad hoc basis, or does the department have a long-term program? I know that Mount Gambier, for example, has looked for assistance to establish a substantial art gallery and I am sure that other centres have done the same thing.

The Hon. J.C. Bannon: I am aware of the demand for increased art gallery facilities. A little while ago I referred to our performing arts venues and there is no doubt that we have probably the best network in the country. In relation to visual art galleries we do not compare with, say, Victoria, which has a very extensive network. Of course it is worth remembering that much of that network was established (and the collections in it) as a result of the gold rushes and the wealth that Victoria had at that time. They are old institutions.

The Hon. H. ALLISON: There have been substantial benefactions such as the Hamilton Gallery.

The Hon. J.C. Bannon: Yes, and also Bendigo. We have not had that benefit. We would like to see more of these venues developed, but the program to do that must come from our overall capital works funding. Once the venues are developed, we have to look at what sort of recurrent support we can provide. At this stage we are not able to make a commitment to the capital expenditure necessary. We are attempting to fill the gap with travelling exhibitions. Indeed, the Art Gallery has upgraded its travelling exhibition facility, without a great deal of increase in resources, in order to make it more accessible. Regional exhibitions tend to be funded or supported on an ad hoc basis, but I agree with the member for Mount Gambier that there is a shortage of adequate venues. This year the Visual Arts Board of the Australia Council and the Crafts Board are contributing, I am advised, to allow us to appoint a regional touring officer to actually organise exhibitions, and the benefits of that should show up in regional areas.

The Hon. H. ALLISON: How many touring exhibitions are planned for country areas in 1986-87? Ever since the first one, namely, the South Australian exhibition, which had quite a few S.T. Gills and others, touring exhibitions have been very well received. When rural South Australia does not have major collections of its own, the value of taking some of South Australia's Art Gallery collections out of storage and putting them in country areas is really inestimable. The gallery does a marvellous job in mounting exhibitions, to which country areas look forward.

The Hon. J.C. Bannon: At this stage the program has not been established because of the pending appointment of this individual. Having an officer with a specific brief to assem-

ble touring exhibitions and look at their placement, working from the Art Gallery, means that we should see some effects of that in the new year.

The Hon. B.C. EASTICK: With regard to program 6, grants and other payments for the development of regional museums, the figure remains the same as last year. Has the department laid down specific guidelines and, if so, can they be made available for the funding of regional museums? I ask the question against the background that most small country towns seem to believe that they can run a museum. There is some magnificent material available but, unfortunately, it is not well presented.

If there was some form of amalgamation or means whereby the equipment which is deposited in, say, five or six of these towns was effectively put together in one centre, the material portrayed would be excellent, whereas at present, in many cases one has to look under the dust, on the top shelf or behind some piece of equipment to see the real gems that are perhaps hidden away. That may be a slight exaggeration, but I am sure that other members will have experienced the same problem. Could there be within the program some coordination to bring together the best of the available material so that it really reflects an era or some historical worth to the community?

The Hon. J.C. Bannon: This program is coordinated and has been developed by the History Trust, whose program is in two parts. It is directly involved in a number of ventures such as the Maritime Museum and the Birdwood Mill, which has been referred to. Considerable regional development outside this sort of program includes the Moonta Mines Museum, the Burra Historic Town and a number of other examples.

The line to which the member points has been used effectively to fund the Museum Accreditation Scheme, which, I think, has already provided quite tangible results in terms of improvement of collections and displays in a whole series of regional museums. In fact, the people present at seminars and meetings that we have had in South Australia have spoken very approvingly of the program that has been developed.

Projects that have been approved include the following: Kadina National Trust, the Pichi Richi Society, the Maitland National Trust, the Ardrossan National Trust, Salisbury, Naracoorte, the Electric Transport Museum at St Kilda and the Millicent National Trust. They all have access to some form of grant under this scheme. Others that have benefited in 1985-86 include Kapunda, Booleroo, Whyalla, Wellington, the Moonta Mines Museum (to which I have already referred) and the Naracoorte National Trust.

The program is regionally diverse and the results are beginning to show. The idea of the accreditation scheme is to assist museums to set standards for themselves and to consider whether they might specialise in particular collections or what attributes in their district or collection makes them special as opposed to a general interest museum. The scheme provides them with some seeding funding to carry out studies or specific conservation tasks, letting local people pick up the ongoing responsibility for the museum on a more professional basis. The program has been quite successful, but we are not able to allocate increasing funds to it while we have the major responsibility of ensuring that existing and new museums such as the Maritime Museum are got into a reasonable condition.

The Hon. B.C. EASTICK: Has any specific assistance been given to the Art Gallery to offset the impact of devaluation? That matter was aired abroad a few months ago.

The Hon. J.C. Bannon: No special assistance is being provided. The gallery has been affected in regard to some

overseas purchases, but it has had to accommodate that in its budget because we have not had the resources to provide extra funds.

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

Works and Services—Department for the Arts,
\$1 876 000—Examination declared completed.

ADJOURNMENT

At 9.56 p.m. the Committee adjourned until Wednesday
8 October at 11 a.m.