

APPENDIX

HOUSE OF ASSEMBLY

Estimates Committees A and B

SESSION OF 1987-88

Third Session of the Forty-Sixth Parliament

HOUSE OF ASSEMBLY

Tuesday 15 September 1987

ESTIMATES COMMITTEE A

Chairman:

Mr D.M. Ferguson

Members:

The Hon. B.C. Eastick

Mr K.C. Hamilton

Mr J.H.C. Klunder

Ms S.M. Lenehan

Mr I.P. Lewis

Mr J.W. Olsen

The Committee met at 11 a.m.

The CHAIRMAN: The informal procedure adopted previously will continue. There is no need to stand when asking or answering questions. The Committee will determine the approximate timetable for consideration of the proposed payments to facilitate the changeover of departmental advisers. Changes to the composition of the Committee will be notified as they occur. 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 2 October.

The Hon. B.C. EASTICK: Can we be assured that the documents will be available very soon after 2 October, and not some three to four months later, as was the case following the last Estimates Committees?

The CHAIRMAN: I cannot give that assurance as Chairman of this Committee, but I will make the request to Ministers and I will make sure that all Ministers receive a note to that effect.

I propose to allow the Leader of the Opposition and the Premier to make an opening statement, if they so desire, for no longer than 10 or 15 minutes. A flexible approach will be adopted when calling for questions, based on about three questions per member from alternate sides. Members may also be allowed to ask a brief supplementary question to conclude a line of questioning before switching to the next member. Subject to convenience of the Committee, a member who is outside the Committee and desires to ask a question will be permitted to do so once the line of questioning on an item has been exhausted by the Committee. Indications of this in advance to the Chairman will be appreciated and are necessary.

Questions should be based on a line of expenditure as revealed in the Estimates of Payments. However, reference may be made to other documents, programs, estimates, the yellow book, the Auditor-General's Report, and so on. The Minister will be asked to introduce advisers prior to the commencement and at any changeover. Questions are to be directed to the Minister, not the adviser. Ministers may refer questions to the adviser for a response.

Legislative Council, \$982 000—Examination declared completed.

House of Assembly, \$1 901 000

Witness:

The Hon. J.C. Bannon, Premier.

Departmental Advisers:

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

Mr A. Schulze, Accounting Officer.

The CHAIRMAN: Does the Leader of the Opposition wish to make an opening statement?

Mr OLSEN: No, Mr Chairman, I prefer to use that time to ask questions. For the advice of the Committee and the Premier, and so that advisers can be organised, I indicate that we should perhaps deal with the Treasury lines at about 3 p.m. or 3.30 p.m., and 8.30 p.m. or thereabouts for the Arts lines.

The CHAIRMAN: Does the Premier wish to make an opening statement?

The Hon. J.C. Bannon: No, Mr Chairman.

Mr OLSEN: I refer to page 14 of the Estimates of Payments and 'Select Committees—Travelling expenses and fees of members, witnesses and reporters and sundries', which shows a substantial increase over that voted last year of \$5 000 to \$18 000 this year (while actual payment last year was \$9 563). Is there any reason for the significant increase in this line?

The Hon. J.C. Bannon: Members will realise that it is only an estimate or best guess of just what select committees will cost, because the need for them arises from time to time during the year as the House determines. So, basically, we started with a provision roughly equating last year's actual expenditure. The additional amount is to cover expenses expected to be incurred by the two select committees on Aboriginal lands.

Mr KLUNDER: I remind the Committee of a question I asked some years ago in relation to the savings that could be effected in relation to printing costs of the House of Assembly Notice Paper and the possibility of implementing changes. I note that some changes have now been made. Has that resulted in any savings and, if so, what are the savings and what are they likely to be in the future?

The Hon. J.C. Bannon: Attention has been directed to that and members would have noticed a number of changes arising without, I would suggest, any diminution in the information available. I will ask the Clerk to advise the Committee about precise details.

Mr Mitchell: There is good news and, I am afraid, bad news. The bad news is that the actual cost for the Notice Paper has increased by \$3 000 but, compared with the cost it would have been allowing for inflation, there has been a direct saving of \$6 000 per year.

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

Parliamentary Public Accounts Committee, \$201 000—Examination declared completed.

Parliamentary Standing Committee on Public Works, \$80 000—Examination declared completed.

Joint Parliamentary Service, \$5 485 000

Chairman:

Mr D.M. Ferguson

Members:

The Hon. B.C. Eastick

Mr K.C. Hamilton

Mr J.H.C. Klunder
 Ms S.M. Lenehan
 Mr I.P. Lewis
 Mr J.W. Olsen

Witness:

The Hon. J.C. Bannon, Premier.

Departmental Advisers:

Mr G.D. Mitchell, Clerk of House of Assembly.
 Mr A. Schulze, Accounting Officer.
 Mr H.F. Coxon, Parliamentary Librarian.
 Mr K.R. Simms, Leader, Hansard.

Mr OLSEN: I note that the Parliamentary Library has an allocation of \$345 000 for this year, yet at page 15 the allocation is shown as \$314 000, wound down to about \$240 000: why the discrepancy between the actual and proposed figures during the last financial year?

The Hon. J.C. Bannon: The problem is one of comparing the Parliamentary Library statement on page 15 with the new Joint Parliamentary Service divisional method of presentation on page 16. If one looks at the \$239 601 on the previous page for the Parliamentary Library, and adds to that the \$88 668, that ought to give some basis of comparison between the two. Actual expenditure was nearly \$330 000, so it is about a \$15 000 increase.

Ms LENEHAN: Are there any proposals this year to try to address the ongoing problems, first, of storage and, secondly, of meeting the increasing demands placed upon the library by the users, namely, members of Parliament?

The Hon. J.C. Bannon: I will ask Mr Coxon to deal with that question.

Mr Coxon: The question of storage has been concerning us for some time. Obviously, the library has a finite amount of space. At the same time, materials are constantly being added and, at some point, we ran out of space. We have made application to the Treasurer for the past two or three years for a fairly small level of funding to be able to rent some storage at the university joint store at Bedford Park. We have not been successful in getting any funds for that and, in the meantime, the library has had to adopt rather more critical measures in relation to materials it receives.

We have had to reconsider whether we want to keep everything we get. We have been putting holding policies on a number of serials, for instance, so that, instead of simply getting a journal forever, we would simply maintain collections of the past 15 or 20 years. That kind of cycle means that there should always be a certain amount of space for a particular periodical. That is quite a long job. When I started it, I anticipated that it would be a single recess job, but it has been undertaken over the past two or three winter recesses and we are still continuing. So, it is a very lengthy job.

Ms LENEHAN: Is the level of staff allocation adequate to service the needs of Parliamentarians?

Mr Coxon: Yes. However, the library deals with a commodity which is infinite, and the kinds of demands we can have made on us by members are enormous. We would like more members of staff, ideally, and would like to increase the level of specialisation and research services, so that members have some degree of confidence in the level of service they are getting from us.

There have been long-standing negotiations all through this year with the Treasurer to obtain additional funds to simply maintain the position which we had for a short time in 1985 and which was occupied by Mrs Graham. It has

not been possible to provide funds to even maintain that level of staffing. We have, in fact, fallen back.

Mr LEWIS: By way of explanation, at the outset and without taking an undue amount of the Committee's time, I would like to say that I think it rather quaint that the Parliament, which is supposed to be sovereign, finds itself subject to the whimsical inclinations, at least in theory, of the Premier of the day in Executive Government. It seems to me to have turned the notion of the procedures to be followed under the Westminster model of democracy on its head, where it is the prerogative of the Executive Government to decide what the Parliament will get in the way of resources as opposed to the Parliament deciding what the Executive Government will get.

Having made that point, I ask the Premier why he considers it necessary to continue with the practice of accepting the responsibility as Treasurer for the Parliament as opposed to allowing the Parliament, on a motion received as a report from the Joint Parliamentary Services Committee, to appropriate for its purposes the funds necessary to run it and thereby, theoretically and in practice, remove the odium of any inaccuracy or misjudgment from himself and leave it where it properly belongs, if that can be shown to be the case in some hypothetical situation—with the Joint Parliamentary Services Committee. I wonder then whether the Treasurer has considered a rearrangement of that relationship between himself as Treasurer and the Parliament as the institution that breathes life into the Executive Government.

The Hon. J.C. Bannon: It is a complex question. The expenses of Parliament, of course, are an expense on the State and ultimately on the taxpayer. We do not have an infinite income; we have a finite amount of money, that we are attempting to disburse overall, and we must have regard to the various priorities of expenditure. Therefore, the more we spend on our Parliament or, if you like, on ourselves, and the operations of Parliament, the less there is to provide services in the community. There must be some balance. I agree that we have never really satisfactorily achieved that. Certainly, the Executive Government, in addressing some of the requests for expenditure and so on, must have regard to the needs of Parliament, and I believe that we have been pretty responsive overall. There have been a number of changes and developments that have improved the workings of this place. Considerable expenditure has been undertaken on various aspects of refurbishment, facilities, and so on, and that will continue.

However, I believe that the proposition that I understand the honourable member to have made—that the Joint Parliamentary Services Committee and ultimately the Parliament should, without any kind of reference to the overall pattern of expenditure, determine what it believes it needs and that funds be voted accordingly—could result in considerable difficulties. While that may be sound constitutional theory, I do not think it would be very practical, but I have certainly had that situation under consideration because, obviously, I do not want to spend a lot of time trying to deal with those things and there should be greater autonomy for the Parliament to determine its pattern of expenditure. What would ultimately concern me as Treasurer is the bottom line, and, the greater flexibility we can introduce into the expenditure on parliamentary services by the Parliament itself, the better.

Mr LEWIS: In that vein, and acknowledging the validity of the Premier's statement about the necessity for what is spent here in Parliament to be accountable, just as anywhere else, and for money to be spent efficiently, now that we have a Joint Parliamentary Services Committee would the

Premier be willing to consider placing the total responsibility for management and monitoring of what goes on in the way of functions in the Parliament with the Joint Parliamentary Services Committee rather than leaving the functions spread amongst the ministries, as is the situation at present, where that involves not only the Treasurer in relation to this material but also cross commitment of expenditure through the recording service with the Attorney-General's Department?

In addition, there is some cost commitment of expenditure to make it possible for Parliament *per se* to function from the Minister of Housing and Construction. So, it is not really possible in the first instance for members to identify exactly who is responsible for what in an authoritative sense and, secondly, it is not possible for the Joint Parliamentary Services Committee to efficiently address its responsibilities because it has to interact with a number of other public servants advising other Ministers. Since we are talking about a Joint Parliamentary Services Committee, which this House and another place set up to do the job, as a matter of principle can the Premier, in the interests of efficiency, indicate whether it would be his inclination to leave the responsibility for the entire running of Parliament with the Joint Parliamentary Services Committee, which its Act envisages will be the case?

The Hon. J.C. Bannon: We are moving to that position. The Parliamentary Reporting Division, as I understand it, is no longer under the jurisdiction of the Attorney-General. The transfer has been effected. Electoral offices and the maintenance of Parliament House itself is with the Minister of Housing and Construction. That is probably a fairly practical way of handling it. For the purposes of this discussion, we are talking about Parliament House and not members in the electorate, although the two are related. I do not believe that the system has been in operation long enough to make any firm decision about what degree of autonomy there should be. Now that we have a Joint Parliamentary Services Committee and a number of these divisions, certainly it has become much more possible to move in the direction the honourable member suggests, and I think progressively that will happen.

Mr HAMILTON: To what extent are the research facilities of the Parliamentary Library used by members in terms of specific projects?

Mr Coxon: They are used to the extent that staff in the Research Service are run off their feet. That is as much demand as can be handled.

Mr HAMILTON: Can Mr Coxon give a breakdown of the extent that the service was used by members of this House in 1986-87? I do not expect him to have those details now, but I would like to know the extent of utilisation of those research facilities.

The CHAIRMAN: I ask members to address their questions to the appropriate Minister, who can then decide whether he wants to answer or whether he wants someone else to answer.

Mr Coxon: I suppose that the Research Service can be divided into two essential groupings. There are the high levels of research service offered by the senior staff. There is then the basic level of service offered through the information desk by a whole range of staff. As to the service offered on the information desk, the figures are interesting. In 1986-87 almost 2 500 questions were answered at the desk. Members asking or leaving a question at the desk are often unaware of the total load of inquiries of which their query represents a part.

The breakdown between members and other users is perhaps a significant element. Of the 2 456 queries that were

recorded, 974 came from members and 1 482 from other users. Some of those other users may be perfectly legitimate users: they might be retired members or officers of the House. However, it draws attention to the fact that a significant demand is made over the phone on the resources of the library by a wide range of other people who might be in the Public Service or are members of the general public. That is a significant drain on the resources of the library. The high level of research offered by senior staff is available only to members of Parliament and there is no question of anyone undertaking any significant long-term research project on behalf of any other outside person.

Ms LENEHAN: Do the 974 questions from members include the staff of members or is it only specifically from members?

Mr Coxon: It depends on how it has been recorded at the desk and how it comes through. Perhaps some of those 'others' might be from members but they have been recorded under 'others' because they come from electorate secretaries. Obviously, some queries from electorate secretaries on behalf of members involve a matter of judgment by the person who receives the query as to which category it is recorded under: it might be a grey area.

Ms LENEHAN: If we are to look at the biggest users of the library, if a staff member from an electorate office rings to get information for the member, it would be important to ensure that that went under 'members' because it is actually for the use of members and not for the use of anyone extraneous to the parliamentary process. To me that seems quite different from a public servant or former member ringing up and wanting information. Perhaps we should look more closely at keeping those figures, otherwise we could have a distorted picture.

Mr Coxon: There is some concern among the senior researchers about some of the queries that come from members' electorate offices. Sometimes it is unclear whether it is on behalf of members in pursuit of their duties or whether it comes from a constituent and is simply passed on through the member. While, so long as the question comes from the member we feel that we have an obligation to deal with it, we feel that perhaps some questions are really accepted on behalf of constituents, and if members were aware of the extra demand that that is placing on the library they might think twice about making that request or passing it on.

Mr LEWIS: What did it cost to change over from the old antiquated non-functional telephone system to the new one? Who made the decision about which phones would be placed where?

The Hon. J.C. Bannon: That is part of the responsibility of the Minister of Housing and Construction, and the question would be better directed to him.

Mr LEWIS: To illustrate the point I have been trying to make, that is, that it is stupid to have a lot of Ministers involved in the decision about who gets what in Parliament House, does the Premier have the prerogative to appoint his own staff who work in Parliament, elsewhere in his office or in his electorate office, or is he also subject to the same direction given by the Minister of Housing and Construction that he has to take staff from a pool of clerical staff available? Members have been instructed that any electorate assistance they want in future has to come from the Public Service.

The Hon. J.C. Bannon: The member is talking about the recent communication from the Minister referring to the Government's redeployment policy and freeze on increasing Public Service numbers. What the Minister was indicating was the policy of the Government in saying that it should apply as far as possible to members of Parliament. Very

often it simply means testing the field and seeing if someone who would be appropriate is available. Some flexibility would certainly be exercised in that area because I recognise that, in relation to personal staff particularly in the research area, members may be able to make a case for having some particular individual so selected. That is a matter that could be taken up with the Minister and I think that you will find he is fairly flexible in that area.

Ms LENEHAN: Page 18 lists fuel, light, rates and cleaning costs. I draw members' attention to the amount of \$248 000 that was voted and the amount of \$173 130 actually paid. I note the significant saving of something like \$74 870. Will the Premier explain the reasons why he believes that that significant saving was made? It is my view that it may have something to do with the cessation of the number of late and all night sittings.

The Hon. J.C. Bannon: The honourable member is right: it is directly related to the much greater efficiency with which we are now conducting our business, particularly under the revised Standing Orders. All members would agree that they are working very well. We are getting through our business with much greater despatch and efficiency, nonetheless allowing for quite adequate time for debate on all measures as necessary. The system of agreeing a program at the beginning of the week is working very well, particularly as it means that members are not pinned here until all hours of the day and night. I think that that is appreciated by members on both sides of the House. It has obviously improved their efficiency within their electorates and in relation to their other duties. That has been done with an increase in private members' business, allowing a considerably greater opportunity to private members to move motions and speak and to attend to things such as Question Time, the number of questions asked having increased quite substantially. I hope that we can ensure that that remains so.

One wonders why this was not done many years ago. This Parliament, in particular, can congratulate itself on having taken these steps at last. All of that having been accomplished, we look at the bottom line and find that there are considerable savings because we are not into long hours where fuel, light, overtime and all those other things are incurred: there are substantial savings there. Somebody said that if members of Parliament are looking for some offset in relation to a 4 per cent productivity rise this is probably one example of it: over this last year we have been able to achieve quite considerable efficiencies in the running of our business without any detriment to the rights of debate and proper consideration of legislation.

The Hon. B.C. EASTICK: While appreciating what the Premier has had to say, I point out that he is really looking at a set of figures that are not relative because the other figures on pages 16 and 17 take up a lot of that leeway. Will the Premier provide by 2 October details of the amount paid for light and fuel for the year 1986-87?

The Hon. J.C. Bannon: I take the honourable member's point. I was addressing the general situation that was raised. In actual amounts, for instance, under the fuel and light specific areas, it was \$1 500 less than the amount that was voted, which is still a saving worth making.

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

State Governor's Establishment, \$657 000—Examination declared completed.

Premier and Cabinet, \$6 390 000

Chairman:

Mr D.M. Ferguson

Members:

The Hon. B.C. Eastick
Mr K.C. Hamilton
Mr J.H.C. Klunder
Ms S.M. Lenehan
Mr I.P. Lewis
Mr J. W. Olsen

Witness:

The Hon. J.C. Bannon, Premier.

Departmental Advisers:

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

Mr J. O'Flaherty, Director, Administration and Finance, Department of the Premier and Cabinet.

Mr E. Kageler, Chief Administrative Officer, Department of the Premier and Cabinet.

Mr OLSEN: On a point of clarification, I refer to the program title 'Coordination of major urban development projects' at page 12 of the yellow book. No specific line in pages 20 to 25 covers that program, but I assume that we are talking about a salary component which could come under any line. With the concurrence of the Committee, I will ask questions relating to that line in order. For example, in the yellow book it appears between 'State disaster planning control and relief' and 'Administrative support to Governor'.

In relation to the Department of the Premier and Cabinet programs, one of which is the heritage conservation program, average employment last financial year was 121.2 full-time equivalents compared with 128.8 the previous year. However, despite that reduction, the Auditor General's Report at page 154 reveals that salaries, wages and related payments for the Department of the Premier and Cabinet officers last financial year increased by \$61 000 to \$4 million. Can the Premier explain why the decrease in employment, brought about mainly I presume because of the conclusion of the Jubilee 150 activities, did not have an impact on salary payments and why in fact we saw the reverse?

The Hon. J.C. Bannon: You would have to trace the various staff movements and the associated severance payment components, long service leave paid out, termination payments, and so on, which would raise the actual figure in that year.

Mr OLSEN: I refer to 'Ayers House operating expenses' and I note in the budget papers tabled that the Government budgeted for rental of \$100 000. However, only \$80 000 was received, despite the fact that the Premier indicated during last year's Estimates Committee that the current lease agreement was commercially sound. Was there a shortfall on the budgeted rental and, if so, does that suggest that patronage of Ayers House has fallen off, or is it due to Federal taxation measures, such as the fringe benefits tax, affecting the turnover for Ayers House?

The Hon. J.C. Bannon: I think that there is no question that the fringe benefits tax affected patronage of Ayers

House, particularly the silver service part of its operation which caters mostly for the high level business expense area. However, that downturn is shared by a number of restaurants catering for that part of the market. Of course, that is not the only type of dining on offer at Ayers House: the Conservatory, general functions, and so on, have continued quite successfully through the year.

There was a significant loss of patronage when the alterations were carried out, which meant that a rental adjustment was made. Following that, it was agreed that an amount outstanding would be frozen in the books on the understanding that progressive repayment of the amount would take place during 1987-88, and an initial repayment amount was set. At this stage the current lessee has indicated that tenders are being called for her lease, as she wishes to relinquish it. Obviously any transfer arrangements made for the lease (which are currently being negotiated) will include any rent liabilities as part of the transfer price.

Mr OLSEN: They will not be written off but will continue?

The Hon. J.C. Bannon: Yes, they will be repaid under the arrangements to be agreed and will not be written off.

Mr OLSEN: The yellow book indicates that the Government's involvement in the Grand Prix also comes under this program title. At page 238 the Auditor-General's Report states:

After staging two events, the board has an accumulated deficit of \$3.1 million. If deficits continue to be incurred at the same rate, the board will need additional capital funds or be faced with a funds deficiency before the expiration of the current agreement to stage the event.

Can the Premier say when it is expected that the Grand Prix organisation will turn that deficit around?

The Hon. J.C. Bannon: First, I make the point that apart from the \$1 million grant to the Jubilee 150 Board to establish the Grand Prix, the Grand Prix board has had no money from consolidated revenue, despite the fact that we have talked of a \$1.5 million to \$2 million loss being underwritten. By agreement with the board, rather than calling on that as an allocation from the vote, I have asked the board to finance it from borrowings (from SAFA, as it happens), which will be serviced so that if in time we reach a break-even point it will be a true break-even; in other words, there is no extra subsidy or allocation to the Grand Prix Board.

The board is budgeting for a deficit for the third event, which is to be held this year. If all goes well, it may reach a break-even situation on its operating expenses in the next year. The board is also writing off its very large capital acquisitions within those accounts. The aim is that all of that will be written off and paid for by the end of the series, and that no Government subsidy will be involved.

Mr OLSEN: That is provided the Grand Prix Board can generate a cash flow that will not only service SAFA borrowings but can be used to repay the capital, which I understand was about \$5 million at the end of 1986.

The Hon. J.C. Bannon: It is able to do that at this stage, and is budgeting on the basis that it will continue to do so.

Ms LENEHAN: At page 6 of the Program Estimates there is mention of future issues and trends in relation to Ayers House, with a statement that there is a continuing need for ongoing promotion of the complex as a major South Australian tourist attraction. No funds are specifically allocated for the promotion of Ayers House as a major tourist attraction. Can the Premier say whether the Department of Tourism is actively involved in the continuing need to promote Ayers House as a significant tourist destination?

The Hon. J.C. Bannon: I will have to take that question on notice. I am not sure whether any specific activities aimed at promoting Ayers House have been undertaken. I am aware of an interest on the part of the Department of Tourism in doing so. Ayers House is the headquarters of the National Trust in South Australia and opens some rooms to the general public on that basis. There are obviously aspects of Ayers House which have a definite tourist drawing potential. I will obtain that information for the honourable member.

Ms LENEHAN: I note that there will be a continuing monitoring to ensure that the historical significance of Ayers House is maintained in light of the proposed development of the East End market, and it seems to me that here is an ideal opportunity to use the fact that people will be attracted to that development to mount a promotion of Ayers House and to perhaps channel people to it. To what extent is the Department of Tourism involved in considering the promotion of that end of North Terrace?

The Hon. J.C. Bannon: There is no question that, if the North Eastern Adelaide Redevelopment Scheme proceeds, it will have a great enhancing effect on Ayers House and will introduce a lot more people to and around that area, which will benefit Ayers House.

Ms LENEHAN: The amount voted for the Jubilee 150 was \$3.5 million, but actual payments came in below that figure, resulting in a saving of \$222 636 on the amount voted; in other words, the allocation for the Jubilee 150 came in well under budget. Will the Premier explain to the Committee how that came about? An enormous amount of unrelenting criticism of some Jubilee 150 events has led the general public to form the impression that there was a massive loss by the Government in promoting the Jubilee. I was most surprised to find, as I am sure other Committee members were, that this significant Jubilee celebration came in substantially under budget.

The Hon. J.C. Bannon: It was regrettable that, while attacks were made on a very few individual events that did not live up to financial expectations even though in most cases they were staged successfully, that overshadowed the fact that what was important was the bottom line: if you are running many thousands of events some will succeed and some will not be so successful. If people concentrate on those that are least successful one can draw the impression that, somehow or other, the whole operation has not gone well. In fact, the opposite was true—it was an extremely successful year both financially and in all other respects.

A combination of factors, such as successful events which came in above budget and which were not heavily subsidised, the control of costs, and as the year developed the cancellation of events before financial problems loomed in relation to them (and there were one or two such examples) helped the board to stay within budget. The successful sale of sponsorship, licensing and other material yielded about \$2 million, \$1 million more than was budgeted for. Those factors along with the success of the sponsorship program, meant that, in fact, the Jubilee 150 was a very healthy financial operation.

Members of the public could be forgiven for thinking that the Jubilee was some kind of financial failure when it was the opposite. I said repeatedly during the year leading up to the Jubilee, and during the Jubilee year itself, that we should look at the overall event and at the end of the year, when the board rendered its account for what it had done and what it had spent, it should come in on balance. In fact, it did better than that, and the board should be congratulated. Some of the statistics relating to the Jubilee 150 are quite staggering and I will put them on the record. The

overall cost (not to the Government but for all events, sponsorships and everything else) is conservatively estimated at around \$85 million, of which the Government contributed less than 14 per cent, the balance coming from fundraising activities, sponsorship, help in kind and other sources.

Attendances at Jubilee activities were estimated to be nearly two million persons. Major hotels sold an extra 76 000 guest rooms during 1986 compared to 1985, generating an extra \$8 million in revenue. The Adelaide Convention and Visitors Bureau calculated that more than \$70 million was spent directly by delegates and other participants during 1986, generating a further \$190 million by way of indirect expenditure. The promotional value of that interstate and overseas was enormous. I have heard, in fact, that Adelaide, South Australia, showed the second largest growth rate of any city in the world registered under the international bureau's assessment processes in 1986. A lot of that was due to the Jubilee. That was also before we had a convention centre.

So, one can just see what a major impact it made and, in that, I am not referring to a whole series of longstanding and permanent things which will be with future generations in South Australia: the Maritime Museum, the Burra development, Fort Glanville, Moonta mines, Lady Nelson Park at Mount Gambier, the Mortlock Library, the Disability Information Resource Centre, the book publication program of Wakefield Press, the floral clock, the Stockport Observatory, Carrick Hill, the restoration of the *Falje*, and so on. That year was an amazing success, and it is a pity that the undue publicity afforded to one or two events which did not live up to their financial expectations tended to cloud that picture.

Mr OLSEN: Following my previous question in relation to the Grand Prix and its financing, will the Premier indicate to the Committee how much money was paid to FOCA in 1985-86 and what is the proposed amount for that event in 1987?

The Hon. J.C. Bannon: I do not have the detailed Grand Prix account information with me. I did not expect a question on it under this heading, but I will certainly seek to obtain what information I can. I would, of course, refer the Leader to the Grand Prix Board report which has been tabled in the Parliament in relation to the 1985-86 year.

Mr OLSEN: I am aware of the Grand Prix Board report. I was seeking to know how much was paid to FOCA in 1985-86 and the proposed payment for 1987—whether there is to be a renegotiated fee to FOCA this year on the basis of the cost of staging the Grand Prix going from a deficit to a credit position, and whether there has been a renegotiation of that, and also to the Confederation of Australian Motor Sport in 1985, 1986 and 1987. Given the Premier's indication to supply that information to the Committee, I would appreciate that. Is the contract with FOCA written in US dollars and, if so, have currency fluctuations increased the liability of the Grand Prix Board and by how much?

The Hon. J.C. Bannon: I will have to take that question on notice and see what information I can get.

Mr OLSEN: The yellow book at page 2 shows that recurrent receipts from the Jubilee 150 last financial year were \$1.78 million compared with an estimated \$170 000. Would the Premier like to explain the variation?

The Hon. J.C. Bannon: Receipts \$3.7 million proposed, as opposed to \$4 million actual: that is largely accountable for by the sale of merchandise, sponsorships, and so on, which generated considerably more than had been anticipated.

Mr OLSEN: That accounts for the \$170 000 instead of the \$1.78 million—the receipts, not the expenditure column.

The Hon. J.C. Bannon: That is largely sponsorships, I am advised. The \$1 million shown there was in fact the \$1 million the Jubilee 150 Board paid back, if you like, to the Government—in other words, money allocated to it which it then, in consequence of its overall financial success, did not use. The extra \$600 000 or so would be for sponsorships and things of that nature.

Mr KLUNDER: I note on page 21, program 3, that the Australian bicentenary spending was intended to be \$410 000 recurrent for this financial year, and there is also a sizable capital outlay of some \$6 767 000 which is mentioned on page 183. On page 2 of the yellow book I note that there are no average full-time equivalent staff allocated to the expenditure of this program. Can the Premier explain in which ways it has been found possible to expend this money by, presumably, handing it over to other people to do on top of their normal duties?

The Hon. J.C. Bannon: The people employed to conduct the bicentennial program are the staff of the Australian Bicentennial Authority Office. That has a staff complement of 10 officers, headed by the State Director, Mr Klaffer. They are employed by the ABA, not by the South Australian Government and, as such, no staff figures show against the program. We contribute 50 per cent of the salaries and operating costs of the South Australian office; the Commonwealth contributes the other 50 per cent.

Mr KLUNDER: I note particularly that, during the Jubilee celebrations of the State, country people took up the challenge with a great deal of enthusiasm and benefited to a very large extent from their participation in those celebrations. Can the Premier indicate to what extent country people will benefit from the State's injection of funds into the Australian bicentennial celebrations?

The Hon. J.C. Bannon: They will benefit quite substantially from a range of events. Something like \$100 000 worth of special grants have recently been made by the ABA Board. Just looking through the list I can see grants to the Riverland for a multicultural festival; Eyre Peninsula field days being supported; the Clare Valley; the Hawker birthday fair; Streaky Bay Bicentennial Week; the Afghan camel trek from Port Augusta to Birdsville; and the great sack truck race commemorating the original tramway from Hoyleton to Port Wakefield; the Kimba balloon challenge; a river ramble; a paddle boat race, and a number of other things, so I can assure the honourable member that there is plenty of country involvement in activities, that is, support for activities that the local communities have put together.

In our major capital works programs we have also attended to regional interests. The River Murray Interpretive Centre at Goolwa is well under way and the Port Augusta Visitors Centre at Wadlata is also being developed, so they also will see access by our regional areas to ongoing bicentennial activities.

Mr OLSEN: There was a budget allocation of \$5 million last year for bicentenary projects, yet \$1.6 million only was spent. What is the reason for the underspending in that category?

The Hon. J.C. Bannon: Basically, that expenditure was related to capital programs which did not require the money in the course of the year. The program of a number of those capital projects was changed, most notably, of course, the Botanic Gardens conservatory, where the original tenders came in above the sum allocated. We simply asked them to go back to the drawing board and produce something that did come within the appropriate sums, and indeed they have done that. Members will be aware that yesterday Cab-

inet approved the proposal and budget for the calling of tenders for that project.

Mr OLSEN: Is that the only project that accounts for the discrepancy?

The Hon. J.C. Bannon: No, I think there were reductions on all projects. An amount of \$1.2 million was actually spent: the breakdown is \$157 000 for the Port Augusta Wadlata project; \$959 000 for the Goolwa Signal Point project; and \$125 000 for the Port Adelaide Railway Museum. All of those sums were less than the budgeted sum, but that expenditure will be caught up in the coming year.

Mr OLSEN: Were any projects cancelled during that period?

The Hon. J.C. Bannon: No.

Mr OLSEN: The yellow book (page 12) states that one of the objectives for 1987-88 will be as follows:

Jubilee Point—negotiate an indenture in association with council and the developer for Cabinet consideration; prepare enabling legislation; proceed to implementation.

Does that suggest that the Government is determined that that project will proceed?

The Hon. J.C. Bannon: No, not under any conditions. We have made quite clear in our response to the environmental impact process in communication to the proponents that a number of conditions must be satisfied. What has frustrated any progress of recent months has been the attitude of the Glenelg council, which moved from a position where it was prepared to negotiate with the proponents on aspects of the development, and appoint a special coordinating officer to deal with the matter to a position where it was not prepared to be involved or cooperate in any way. In consequence, the proponents approached the Government again and said that they have reached a stalemate, a blockage, in terms of local government participation, and the Government has had to take that into account. Our original agreement to enter into an indenture stage was based on those points being satisfied, but at this stage we do not know the extent to which they have been satisfied.

Mr HAMILTON: Can the Premier provide the Committee with a report on the access cab scheme and indicate what problems it has encountered since it began operating earlier this year? I have taken up a number of requests to Richard Llewellyn in terms of problems encountered by constituents in my district, for example in relation to three wheel buggy access to the Falcon stretch wagons and the need for the doors to open at a right angle. That is an example of the problems that one of my constituents encountered in relation to access cabs. I would also appreciate information about the utilisation of access cabs in the past financial year and an explanation about why people under the age of 16 years, I understand, cannot utilise access cabs.

The Hon. J.C. Bannon: The access cab scheme has certainly been enormously successful and very well received. One of the most gratifying things is the way in which the drivers involved in the program have become totally committed to it, and, indeed, the response to those drivers from the disabled people has been very positive indeed. It has proved to be a marvellous two-way process, an effect that we did not anticipate. At present, there are nine vehicles on the road. The problems referred to by the honourable member which involve modifications are being addressed. One vehicle is being modified with a 90 degree opening door, a new ramp and a speedier securing system. If those modifications work, they will be carried out in other vehicles. A further 10 vehicles are planned for 1987.

One of the problems is that the current Ford model that has been used is going out of production and there is some difficulty in identifying another suitable vehicle. Indeed, the

disabilities adviser was doing work and having discussions with motor car manufacturers to see whether or not a particular vehicle could be produced that would have this flexibility or versatility and thus suit this market. However, that is for the future.

At present I am told that there are about 1 500 user enrolments for the scheme, and certainly very full use is being made of it. One criticism is that there are delays, sometimes of up to one hour, but this is largely a question of logistics. An example was put to me by the Disability Adviser: a lady in the southern districts hired a cab to go to have her hair done, which, in itself, was a marvellously liberating thing because that individual had not been able to do that prior to the access cab scheme coming into operation. She had experienced great difficulty. The cab was to drop her at the hairdresser and pick her up afterwards. In the meantime, the cab had a job on Le Fevre Peninsula somewhere and, as a consequence of the driver trying to do that job and get back, there was a delay. That is one of the logistics problems that some people experience with the system. The extra cabs will certainly help that situation, although we imagine that extra cabs will also create extra demand.

I understand that the age limit is purely an attempt to keep some control over the size of users in terms of those who have most immediate and pressing needs and not many other alternatives. People under 16 years of age are very much better placed in terms of alternatives—through various centres, special schools, and so on. They can usually obtain access to some kind of transport in a way that the isolated individual at home cannot. I believe that is the main reason why there are some restrictions at present, but they are fairly limited and will be reviewed as the service continues.

Mr HAMILTON: Can the Premier advise how the social justice strategy will be funded and state the reasons why it is located in the Department of the Premier and Cabinet rather than with the Minister of Community Welfare? Finally, how will it redress inequality and disadvantages?

The Hon. J.C. Bannon: The Social Justice Unit is being located in the Cabinet Office as a very conscious decision and in recognition of its whole Government responsibility. In other words, it is usual to think of social justice in a limited way, that is, applying it specifically to the health, community welfare or possibly education areas.

We can see it going right across all the areas of Government service and their application. One way to emphasise that is for it not to be the possession of a particular agency but to locate it in a central agency. In the Cabinet Office it will be working directly to the Cabinet Subcommittee on Human Services, chaired by the Minister of Health and Minister of Community Welfare. The committee comprises of fellow Minister in specific human services areas but, in saying that, I am suggesting that we are not limiting the Social Justice Unit and its function even to that committee. We will just see how its work develops.

In terms of its funding, rather than just providing an allocation for it so that it sits in the Cabinet Office and is funded in the normal Cabinet Office lines, the allocation has been made by requiring each agency to make a contribution from its budget so that notionally it is recorded that a contribution from each department goes to provide \$35 000 in contingencies of the operating expenses of \$150 000 for the unit. For the interest of members, the contribution is made on a sliding scale. Those departments with recurrent funding of less than \$20 million contribute \$1 000; those with funding between \$20 million and \$100 million pay \$4 000; and those with current funding exceeding \$100 mil-

lion pay \$12 000. There is a sliding scale of contribution and there is also an allocation by the Minister of Community Welfare of the salary cost of one project officer seconded to the unit. We hope that by that means we are not only demonstrating a whole Government function and its location in that office but, by that contribution, indicating to agencies that they have a direct stake in and some right of access to the Social Justice Unit.

Mr HAMILTON: Dealing with overseas representation and visits, the Japanese market is recognised as one that is highly sought after by all Australians. How well does the Premier think that South Australia is prepared to capitalise on the potential that it offers, both in terms of trade and in attracting tourists?

The Hon. J.C. Bannon: In fact, considerable priority has been paid to the relationship with Japan and the Japanese market. Most of that effort is funded through the Department of State Development. We have an agency relationship with a representative, Mr Toyo Tanaka, who is well experienced in South Australian matters. In fact, he was resident in this State, did his tertiary training here and has had a long-term involvement in representing Australia in Japan.

The Department of Tourism also has some responsibilities there in expenditure priorities. We have had a number of successful missions to Japan, the most recent one of course being that which I undertook in particular pursuing some of the South Australian Government Financing Authority arrangements with the Japanese money markets from which we secured a very favourable credit rating and which is yet another way in which we relate to Japan and the Japanese. We had a major impact on the Amaya trade mission that toured Australia, a very influential delegation which published its reports in May, and considerable space was devoted to South Australia in that report which raised considerable interest, because we were only a subpart of its overall program and we got undue attention for some of the things going on in South Australia.

Finally, in terms of the Premier's Department itself, you will recall the deputation or group from the Okayama prefecture which took part in our State Jubilee 150 celebrations. While we have no formal sister prefecture relationship with Okayama and we are in no hurry to enter into such a one-to-one relationship in Japan, nevertheless, Okayama expended much time and energy very generously in South Australia in forging links, and we agreed in consequence to participate in the Seto-Ohashi Bridge Expo in April to September next year. This is a major project linking two of the main islands of Japan in the south.

A massive celebration is planned around it, including a commercial and trade expo. We are currently working with a number of South Australian firms which will be participating actively in promoting South Australian products there. We intend to have a delegation from South Australian business, Government and the community at the expo for a few days. We have not finally decided when that attendance will be, but it may well be some time in April at the start of expo. It is fair to say that our profile in Japan is high in terms of the respect of South Australia. Its business, Government and industry are well developed, and certainly we are putting a lot of resources into pursuing that relationship.

Mr OLSEN: I come back to Jubilee Point, the possible indenture and the project's proceeding. If ultimately the Glenelg council maintains its opposition, is it the Government's intention to override the council? I refer to the ASER project, where, in the final analysis, the Government made the decision to proceed. Would the same criteria apply to

Jubilee Point and Glenelg if that council maintained its opposition?

The Hon. J.C. Bannon: It is not analogous. The ASER project did not involve local government approval in the formal sense. The project—

Mr OLSEN: There was a lot of opposition from the council in regard to planning requirements. You legislated to overcome that.

The Hon. J.C. Bannon: The project was undertaken on Government owned railway reserve land that was not subject to the provisions of the council, so we did not have to override those specifically. Certainly, in order to facilitate the project, we introduced enabling legislation that allowed total control over that site, and I guess that is desirable for any project of that size and scope. So, it is not analogous.

What I have said about Jubilee Point is that a project of that size and complexity is difficult to accomplish if there is a hostile local government body. For the Government to step in and take control—it has been done on a number of occasions by ourselves and by predecessors in deadlock situations—is fairly drastic action if it seems to be overriding the community government. The problem we have with the Glenelg council is that there has been a considerable shift in opinion and there is certainly a marked division, a polarised attitude, within the council which, I guess, reflects a polarised attitude within the community. So, it is not a cut and dried issue. While certainly the majority of the council is opposed to the development and I doubt that they will change their view in the short term, anyway, there are significant sections of the community and members of the council who believe that something should happen.

We are addressing those issues at the moment and I hope within the next two or three days to be able to indicate exactly what action will be taken. Cabinet has given me and the Deputy Premier that responsibility. The Deputy Premier has the main carriage of it and obviously, when we are in a position to do so, we will say how we intend to tackle that very delicate question, particularly the question that the Leader of the Opposition has raised.

Mr OLSEN: I take it that the developers cannot wait for ever for the council to make up its mind. Therefore, in the final analysis, a decision will have to be made by the Government as to whether or not the project goes ahead. Last week in replying to a question in the House the Premier indicated that within a couple of days he would be making an announcement. We anticipated that that would be last weekend or before. Have you set a specific time frame on which you will be making a decision in relation to that project?

The Hon. J.C. Bannon: The announcement I am talking about should be made in the next two or three days, in other words, before the end of the week. It was our hope that it could be done by the end of last week, and when I answered that question in the House that was certainly the intention. The Deputy Premier in fact had to go to a meeting of Ministers of police and correctional services in Melbourne on the Thursday on the issue of the Aboriginal Royal Commission into Deaths in Prison, and that was something we had not contemplated in our planning. That has meant that it has gone a few days out. I certainly agree with the Leader of the Opposition: the developers need to know and need to know pretty soon whether any sort of project is a goer or whether they should simply abandon all the work that they have done. We are conscious of that, and we have kept in touch with them.

Mr OLSEN: Given that there is about a three-year delay in the original timetable for Jubilee Point, has the Government received advice from the Department of Environment

and Planning that the project should not proceed because of problems associated with sand management?

The Hon. J.C. Bannon: The delay in proceeding with the project does not affect the problems of sand management: they are there now, they were there when it was conceived, and they will be there in the future.

Mr OLSEN: I am talking about the three years in the report.

The Hon. J.C. Bannon: The three years has provided some very intensive study of some of those issues. I do not think that there is a three-year delay in the project as such. The first proposals were being developed in 1983-84 and the idea was to commence the project in 1986. In fact, that has not happened but an enormous amount of work was done on it. However, the environmental impact statement made specific and detailed reference to the sand management problems. They are certainly one of the core issues that has to be determined. A number of solutions to the problems of sand management have been identified, and that is one of the issues that is being addressed. The short answer is 'Yes', there are problems in sand management. They were well identified and defined in the EIS, and in the communication by the Government to the proponents the Government required that certain concerns in that area should be satisfied before any approval could be given to go on to the indenture stage.

Ms LENEHAN: I address my questions to program 4, the equal opportunity for women part of the Premier's portfolio responsibility. During the Address in Reply I spent some time giving a brief analysis of the report of the South Australian working group on Women in Apprenticeships that was prepared by the Employment and Training Equity Unit of the Office of Employment and Training and released as recently as July this year. In my analysis of some of the statistical findings in the report I noted that in the five-year period since 1981, when 1.2 per cent of all apprentices were female, the grand total has increased to 4.1 per cent and that, of these apprentices who are female (of the 4.1 per cent), in fact 76 per cent are in the traditional female area of hairdressing.

Page 9 of the Program Estimates refers to the broad objectives to advance employment opportunities and training programs for women with a view to expanding economic opportunities. Page 44 of the Impact of the Budget on Women refers to the fact that from Year 9 onwards girls do not undertake studies in mathematics, science, technical studies, and technology at a level anywhere near that of boys. Further on in the women's budgetary papers on page 124, I note that one of the specific responsibilities of the Women's Advisers Office is the development of a women's employment strategy and mechanisms for its implementation in liaison with the Office of Employment and Training and other agencies to provide a new focus on women in industry policy and labour market planning. Has the Women's Advisers Office (in conjunction with the groups I have just outlined) developed any programs that will target redressing the imbalance of young women who are entering the area of apprenticeships and specifically those non-traditional areas of apprenticeships?

The Hon. J.C. Bannon: The problem that is highlighted by the honourable member is certainly one that is persistent, and has been difficult to overcome. A large part of the problem, and it ebbs and flows a bit, is the attitude of women to taking up these opportunities when provided: in other words, one can have the most enlightened and best scheme in the world but those to whom it is directed have to also want to participate in it and offer themselves for such participation. That has been a problem where, I think

in the past, the problem has tended to be perhaps the attitude of employers who were not prepared to open those opportunities to women. That has changed quite considerably, even though it is only a small percentage as the member points out. Nonetheless, there have been women now in some of these training areas (non-traditional employment), and they are examples that can be shown to other employers to encourage them to open up opportunities.

That process has been quite well developed, although work is still to be done. It now appears that the barrier is less those employer attitudes but perhaps a more basic social attitude, which tends to steer these women away from such employment. That is a more difficult issue to grapple with, but work is going on. The Women's Advisers Office, for instance, is coordinating the development of a women's employment strategy this financial year that is going to look at things such as industrial policy on training and retraining the workforce, and various programs that can be specifically adapted to try to encourage women seeking opportunities in some of these non-traditional areas. Of course, the hoped for effects is that the more people who go into these areas, develop skills and demonstrate their success, the more others will be encouraged to follow them. The production of good role models is very necessary away from the traditional role model in employment. Work is being done. Obviously, the Office of Employment and Training and other areas has a major role, but the Women's Advisers Office is devoting much of its energy to this area.

Ms LENEHAN: I have a supplementary question. I concur with what the Premier has said. I noted from the report 'Women in Apprenticeships' that the major factors influencing girls against going into non-traditional apprenticeships were parents, their peer group, and the community generally. I would be delighted to see some programs targeted at parents and the age group of the girls to overcome what has been a traditional barrier, not only in the minds of employers but also more specifically minds of young women and their parents.

The Hon. J.C. Bannon: I take the member's point.

Ms LENEHAN: In the section concerning equal opportunities the yellow book under 'Broad Objectives' states:

To promote legislative change and community education, to counter the incidence of rape, sexual assault, and domestic violence perpetrated against women and children.

Given that we are talking about three very significant areas of oppression for women and children (namely, rape, sexual assault, and domestic violence), will the Premier outline the sort of programs aimed at community education specifically?

I am aware of the Government's commitment to legislative changes, but I am not quite so aware of the community education programs developed by the Women's Advisers Office. I would also like to know the extent to which those programs have been designed in liaison with, for example, the Attorney-General's Department in the collection of statistics about rape and sexual assault and with the Department for Community Welfare in relation to domestic violence against women and children. I think it is important that these programs are designed to represent the expertise and input of departments and special interest groups which are specifically involved in these important and major issues for the community.

The Hon. J.C. Bannon: This has certainly been seen as an area of priority for the Government. The establishment of the Domestic Violence Council has been a significant step forward in this area and, in turn, it has commissioned an extremely wide-ranging examination of all the issues in a number of areas including legal, education, training, prevention, and so on. A large volume containing findings and

an analysis of this question has been submitted to the Government and is being considered. Members of the council are looking at aspects of it prior to the whole issue being generally raised publicly.

I think we have a pretty good record in this State in recognising problems in this area and moving to do something about them; for instance, the women's shelters that have been established in this State now number 13. We have certainly led the way in Australia in the way that those shelters have been developed, and so on. Notwithstanding the problems that develop—and a recent example would be the controversy surrounding the Noarlunga shelter—there is no question that there must be financial accountability in direct proportion to the resources provided. Legal aspects, such as restraining orders for the protection of victims, have been in operation in South Australia for four years. Other States are only just getting around to introducing measures of that type. We want to maintain that kind of priority and lead in this area. The Domestic Violence Council report that I referred to is a response to that.

While at this stage we are not in a position to say just how the various recommendations will be handled, the Department for Community Welfare budget has a specific allocation this year of \$100 000 for a community education campaign to counter domestic violence and to inform women of their choices and about the assistance available to them. In a sense, that commitment has been made ahead of the broader consideration of a number of quite detailed recommendations. One thing that stands out very clearly is an urgent need for education in this area, as the honourable member said. Funds have been allocated accordingly to get that under way in this financial year.

Ms LENEHAN: Is there a time frame for the release of the report and the recommendations from the very detailed work of the Domestic Violence Council? I note that it has completed its work and has no budget allocation for next year. I suppose that I would be speaking on behalf of many interested people in the community when I ask whether there is a time frame and, if so, what is it?

The Hon. J.C. Bannon: Preparation of the report has taken longer than expected, partly because of the enormous detail and complexity of the problem. I think it was bigger than many people realised as they embarked on the exercise. The report itself is extremely detailed and comprehensive and is now with the Attorney-General, the Minister of Health and Community Welfare and members of the council to look through and make final comments and suggestions. In other words, we would like to release it not simply as an open-ended document to pass around the community but to accompany it with a statement of intent or some direction on how we will handle the various recommendations. That is taking place at the moment. When Cabinet approves its printing and release, obviously there will be much wider discussion on the issue, and I hope that that occurs within the next month or so. I would not like to place an exact time on it because, as I say, it is a rather large undertaking. I would certainly hope that the report is made generally available within the next six weeks.

Mr OLSEN: I note from the yellow book that there has been an increase in employment up to eight people in the Premier's Office for major urban development projects. I assume that that increase relates to the Jubilee Point project and, if so, has a draft indenture been drawn up for consideration by the respective parties?

The Hon. J.C. Bannon: No, it does not relate to the Jubilee Point project but to the Port Adelaide redevelopment project. The Special Projects Unit has also handled a number of *ad hoc* matters on behalf of the Government

where its particular expertise is appropriate, and I refer to Victor Harbor, Jubilee Point and informal aspects of the redevelopment of the east end of Adelaide. However, its primary role has been with the Port Adelaide redevelopment project which has been going through a crucial stage of maturity over the past couple of years—and hence the employment needs in this area.

Mr OLSEN: Has a draft indenture been prepared for consideration by the parties in relation to the Jubilee Point project?

The Hon. J.C. Bannon: No.

Mr OLSEN: I refer to the Social Justice Inquiry as mentioned at the bottom of page 22 of the Estimates of Payments with an allocation of \$35 000. When will the inquiry begin, who will undertake it, and what are its terms of reference?

The Hon. J.C. Bannon: The social justice strategy statement has been released and fairly widely disseminated, and the unit is in the process of being established and a number of officers are in place at present.

Mr OLSEN: I refer specifically to the \$35 000 allocation for a Social Justice Inquiry.

The Hon. J.C. Bannon: It is a contingency allowance for the unit that is part of the Social Justice Inquiry which has carriage of it.

Mr OLSEN: So, no specific inquiry as such will be established?

The Hon. J.C. Bannon: No, not that I am aware of.

Mr OLSEN: As part of the social justice strategy the Premier or the Government has said that funds would be made available in 1987-88 through the Department for Community Welfare to enable non-government financial counselling services to improve their assistance to people in desperate financial circumstances. How much money will be made available to honour that commitment, and perhaps, more appropriately, will the Premier make available for incorporation in *Hansard* a list of the organisations that will receive funds and how much has been allocated to each?

The Hon. J.C. Bannon: That program is under the jurisdiction of the Minister of Community Welfare, and I suggest that the question would be better directed to him.

Mr OLSEN: Who is administering the social justice strategy? Is it the Premier's Department?

The Hon. J.C. Bannon: The unit is located in the Premier's Department in the Cabinet Office. It reports to the Human Resources Committee of Cabinet, which is chaired by the Minister of Health and Community Welfare. That Minister, through the committee, is in charge of the Social Justice Unit's program. The allocation to which the Leader refers is to be administered through the Department for Community Welfare to non-government organisations. Details of that can be obtained from the responsible Minister.

Mr KLUNDER: I understand that there has been a considerable change of direction in the activities of the Agent-General's Office. Has that produced any tangible benefits for the State?

The Hon. J.C. Bannon: Very much so. There is no doubt that the appointment of Mr Geoff Walls has given our whole European representation an enormous shot in the arm. I use that word advisedly, because Mr Walls' brief extends well beyond his activities in London and Britain. That is appropriate. It is a trend set by his predecessor which has been very much consolidated under the current Agent-General, who is maintaining a high level of contact and reporting. One of the problems that has been identified is that Agents-General inevitably seem to begin to lose touch

with the local scene and the people that they need in terms of resources in South Australia. That certainly has not been the case with Mr Walls, who has been a very active communicator.

In the course of his operations he has taken very much to heart the need to conserve the costs of operation of our office, which always run the risk of burgeoning very sharply, and is in fact working to change the role of his staff and the pattern of operation while at the same time reducing staff numbers. There are currently 11 staff members. A few years ago there were 14 or 15 people plus the Agent-General. It is envisaged that the level will be reduced by two or three people this year; this will be done by non-replacement of retiring staff.

It is also true that opportunities will be provided to restructure the staff to better relate to the departmental and other developmental functions that the office should serve in a whole range of areas. Some of the subjects covered in the latest report are wine; horticultural products; computer hardware and software; technology; contacts with Sweden; and the business migration program. They have had considerable success. Assistance has been given to Mr Walls in carrying out his job by State Development, which is working very much more closely with the Agent-General than has probably happened in the past. Mr Tom Kent, former Chairman of British Aerospace Australia, has also been appointed as aerospace consultant in the UK for the South Australian Government. He and the Agent-General have made presentations to a number of chief and senior executives of leading British defence and aerospace equipment and systems manufacturers, most of whom have offset agreements with Australian Government departments and statutory authorities.

We hope that at least some of those will bear fruit in the coming year. There have been some quite tangible activities going on. Our presentation in London will be very much better. I have not in that context mentioned our tourism program, which has been well coordinated through the Agent-General's Office.

Mr KLUNDER: Following his recent visit to China, can the Premier indicate whether he is in a position to give an idea of the value of our relationship with Shandong Province?

The Hon. J.C. Bannon: We will have a better idea shortly when the Minister of State Development and Technology provides a report on his mission to the province which concluded last weekend and in which a number of South Australian businesses took part. I have had one report of tangible benefits in terms of merino sheep sales, and other matters are being pursued by various businesses from this State. I think that the relationship is developing very well. One must have patience in establishing links of trust and confidence, and that has certainly been happening. This was most notable during a recent flood emergency in Jinan, the capital of Shandong, and surrounding areas, where the Minister was on the spot and able to offer not just condolences but some monetary assistance. It was a token amount, but the feed-back from that was very positive indeed, that we had obviously responded on very much a friendly basis that went beyond the sorts of trade ties that we have been trying to develop.

Underpinning this whole exercise is the trade potential. One of the biggest blocks is still the lack of foreign exchange access in China, but there are many ways in which that can be overcome. I think that the classic example is the Simpson-Tianjin operation that I opened in July. Simpson-Email of South Australia has devised a marketing strategy which sees it producing washing machines of a particular size and

type for the Chinese market and using that as a base for export into other surrounding countries, thereby earning foreign exchange while complementing production in Australia for the export market. In other words, the reputation that their brand name gets and its presence in the marketplace can be addressed both from Adelaide, where the larger, more sophisticated models are produced, and from China, where the smaller, more basic machine addressed to the lower cost market can be produced. The two-prong effect of that produces tangible benefits here. There are many such opportunities, but they take time to develop.

Mr OLSEN: Was the Premier's Department involved in providing advice to Cabinet in relation to proposals for the Timber Corporation to invest in the IPL timber venture in New Zealand?

The Hon. J.C. Bannon: Not in a departmental sense. Obviously the Cabinet Office reviewed some of the submissions that came before Cabinet and the Director obviously has been consulted on various aspects of the IPL relationship, but basically it has been a matter for Treasury, the Department of Woods and Forests, and SATCO.

Mr OLSEN: So, negotiations in relation to investment in IPL were undertaken solely by the Director of Woods and Forests, and not jointly with the Director of Premier and Cabinet?

The Hon. J.C. Bannon: No, it was a SATCO operation but undertaken under Cabinet authorisation.

Mr OLSEN: Will the Premier reveal the total cost of the full page insert in the *Sunday Mail* of 31 August promoting his view of the 1987-88 budget? I stress 'his view', because it differs from mine.

The Hon. J.C. Bannon: This is something we have done for some years. It is also the practice in other States—a sort of ready reckoner to enable people to understand what the pattern of expenditure has been. I think it has been widely welcomed as a lift-out supplement. I do not have the detail to hand, but I will certainly provide it.

Mr OLSEN: Will the Premier provide also the details for the 1986-87 insert as well as the 1987-88 insert in the *Sunday Mail*?

The Hon. J.C. Bannon: Yes.

The CHAIRMAN: This is an appropriate time to adjourn. I congratulate the Committee on asking 15 more questions than were asked in the first session last year.

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

Mr HAMILTON: At page 12 of the yellow book, under the heading '1987-88 Specific Targets/Objectives' the following appears:

Overview and/or management of the following major priority tasks:

Port Adelaide Centre Project—continue to direct and manage the redevelopment to ensure satisfactory resolution of the Government's urban program with a view to identifying and encouraging private investment in housing/tourist/commercial related projects, particularly in the inner harbor and waterfront areas.

Regarding the work on this project, does the Premier contemplate a situation similar to that applying at Fremantle, where eating houses are well patronised? For many years I have believed that at Port Adelaide a situation could apply as applies at Fremantle, which has a harbor that is visited regularly by people from all over Western Australia.

The Hon. J.C. Bannon: The Special Projects Unit core activity is not the only thing in which the unit is involved. The skills that have been developed on the redevelopment of Port Adelaide have also been used in advice on other projects and operations. I have previously mentioned some of those projects, which include the Bowden-Brompton redevelopment, the Living Arts Centre proposal, and Town

Acre 86. However, Port Adelaide is the core activity, the unit's source of funds, and the reason for existence from which have flowed these other activities.

The Port Adelaide redevelopment has been successful indeed. The Maritime Museum, for instance, in its first six months of operation has attracted about 83 000 people. The spin-off effect of introducing so many people into the area has benefited surrounding hotels, restaurants and any other activity that can be developed. So, there is that strong tourist element to that heritage redevelopment that makes the honourable member's reference to Fremantle especially appropriate. However, it goes further. We are not trying to create merely some kind of museum city out of Port Adelaide. The Port is an active and operating port with commercial, retail and other activities. One of the big successes of the redevelopment project is the Super K-Mart, which was opened less than 12 months ago and which has indicated that a strong commercial element, as well as restored heritage buildings, and so on, needs to be injected in that area. For it to work successfully, there must be population and the Port area is one of the key urban consolidation targets that we are considering.

There are other exciting proposals, including the harbor-side quay operation on the edge of the old Port canal in the Port Reach, where private expressions of interest have been called and a prime developer has been selected to develop a private residential development of more than 300 units in addition to the many residential units already built there by Devon Homes for the South Australian Housing Trust. So, there is a strong housing development component which will reinforce the area generally and add to the marine and maritime focus without detracting from the functions of the Port. I see that as reinforcing and supporting the West Lakes area, in which the member for Albert Park has a special interest. We are seeing in that part of Adelaide a whole range of attractions and activities which will make it a key hub for commercial, recreational and other activities in the future.

Mr HAMILTON: Also under the heading '1987-88 Specific Targets/Objectives' appears the following:

Overview and/or management of the following major priority tasks:

Inner Western Suburbs—assist in facilitating the implementation of Government housing and industrial policy in the Bowden/Brompton/Ridleyton areas.

For many years, I have believed that the Bowden-Brompton area could be redeveloped similarly to the way in which North Adelaide has been redeveloped, albeit not to the same extent. Having looked at other major capital cities, I believe that the redevelopment of this area, especially as regards housing, could be similar to the redevelopment of many other Australian cities. As it is only a short distance from the heart of the city, the Bowden-Brompton area is ripe for residential development, especially given recent indications from the Deputy Premier about the redevelopment of the metropolitan area. Has the Premier further information on this matter?

The Hon. J.C. Bannon: Again, that is a key part of the urban consolidation strategy. It is interesting to note in the documents recently produced by the Deputy Premier on future population projections that most of the inner suburban local government areas show a decline in population, not so much because of a decline in the availability of residential dwellings, but in large part because of the demographic factors relating to the number of persons occupying each dwelling. We must try to arrest that trend.

One inner city council area (Hindmarsh) stands out in the predicted declines. Because the project referred to by the honourable member identified large parcels of land

partly used for industry and partly not developed, we have been able to get a coordinated program in conjunction with the council, residents, and industry and established a steering committee assisted by the Projects Development Unit in order to get major development under way. Some industry has been relocated into more appropriate industrial parts. Footersville is a good example of a business which, having been located there for a long time, has transferred to Regency Park, and there are other enterprises that will have a long-term presence in the area.

The redevelopment has been undertaken not to force industry out, because one benefit of having industry in the inner city area is its accessibility for those people employed there. The old style which saw the creation of suburbs such as Kilburn across the road from the railway workshops, tube mills and other business enterprises can be successfully duplicated in areas such as the Bowden-Brompton area without degrading the residential component. Up to the present, 190 housing approvals have been given and it is projected that over the next five years 1 000 dwellings will be completed there.

That shows how large a size it is in terms of inner city redevelopment. Such redevelopment has attracted in turn other investments. The Housing Industry Association of South Australia plans to establish its new premises in that commercial district. The South Australian Gas Company is expected to commence a \$13 million relocation program some time this year. So, there will be a consolidation of business activity, as well as residential redevelopment, in that area. This is one of the most exciting developments and indicates how that comprehensive treatment of an area can yield tangible results in a short time.

Mr HAMILTON: That is very welcome news from my point of view and that of all members. Can the Premier indicate what investigations have been carried out by his Economic Committee of Cabinet or within his department to specifically look at commercialisation opportunities? The Premier will recall that earlier this year I wrote to him about the question of sponsorship and advertising on Government vehicles—excluding, of course, ministerial cars.

The Hon. J.C. Bannon: I am a strong supporter of getting the maximum commercial return from every asset the Government owns. It is in the taxpayer's interest, of course, because of the way in which one can apply revenue so derived to offsetting deficits. It is in the community's interest because idle resources or resources not being fully used are a drag on the economic development of the State. It has to be carefully done, because we also have to take account of community interest and community benefit, but there are many opportunities which we are only just beginning to explore.

Advertising space is obviously one area we ought to look at, but I think that already we have demonstrated some success in a number of programs. One is that we are trying to ensure that we do not have idle assets in terms of land-holdings. We have to define fairly quickly what we will need in the future and use those resources, either for a productive use or, if we do not have a productive use for them, to dispose of them and plough that money back into other tangible assets. But that always has to be the key: I do not think that we should be squandering public resources on short-term programs or propping up recurrent budgets. If we are going to dispose of assets, we ought to be putting that money into the creation of other more appropriate assets. Certainly, that is the basis of our commercialisation policies.

Mr OLSEN: I want to ask some questions about the Wakefield Press and the State Promotion Unit. The Deputy

Director gave advice to the Government on the sale of the Wakefield Press which the Premier approved on 23 January: will the Premier indicate whether it was before or after the approval of sale that he was provided with a detailed statement of the assets and liabilities of the Wakefield Press?

The Hon. J.C. Bannon: In August the balance sheet for the operating period to 30 June was made available to me, indicating the progress being made by the press and what sort of deficit was involved. It was on the basis of that assessment that I believed that, while it would be desirable to keep some public press in operation, it could not trade profitably and an ongoing subsidy would be required. As the estimate was of the order of \$300 000 per annum, I had two decisions to make. One was to say, 'The Wakefield Press is finished and just conclude the program as it is—we will obviously reduce to the greatest extent possible any further liabilities; books not finished will remain unfinished,' and call a halt there; or (and this was vigorously put to me) there may be people interested in picking up the press, in taking over some of those liabilities and in giving it an ongoing future.

That seemed more desirable than simply letting it go to waste and finalising it, so I said that we would find some expressions of interest and see who might be interested in taking it over to ensure that it continued. There was nothing in it for the Government because, as I say, it was a losing venture, reasonable enough in a Jubilee 150 context but not otherwise. The balance sheet, final accounts for the three-year period, work-in-progress list, stock list for Wakefield Press books and agency books were received in October, and an advertisement was placed on 24 October, after receipt of those documents, asking for anyone with an interest in the project to come forward. That is essentially how things went.

In other words, a stocktake balance sheet and those other documents had been completed by October. It was subsequently refined because there were some discrepancies in the records. Some books were supposedly contracted for, but contracts had not actually been signed. I think it is fair to say that the previous publisher (Mr Walker) left the press in some disarray in a number of respects—but I do not want to go back over that history. The fact was that, to the extent possible, the work was done and the rest, I think, is on the public record.

Mr OLSEN: Why was the *Adelaide Review* given a commission of 25 per cent for the sale of Government books when the normal rate is 12.5 per cent?

The Hon. J.C. Bannon: That was part of the negotiated settlement of the takeover of the press under which the Wakefield Press, as the new owner, would get 25 per cent of the wholesale price on agency sales, that is, 15 per cent of the recommended retail price. I understood that that was a reasonable commercial deal based on the overall sale contract.

Mr OLSEN: It is about double the normal rate for which, I am sure, any bookseller in town could vouch.

The Hon. J.C. Bannon: If other booksellers had been interested, they would have come forward with propositions. I make the point that this was not a normal agency situation. The Government basically was cutting its losses and getting out of the press, and that is what we did.

Mr OLSEN: In other words, we are talking about a hidden subsidy to the *Adelaide Review*.

The Hon. J.C. Bannon: There was no hidden subsidy because, as I said—

Mr OLSEN: The 25 per cent must be a hidden subsidy if the normal rate is 12.5 per cent.

The Hon. J.C. Bannon: The *Adelaide Review* bid was well in excess: others were offering to take it off our hands virtually on the basis that they were given it lock, stock and barrel. I hope that everyone understands that. They said, 'Yes, we will be happy to do this. We will take it off your hands, but we want everything.' In fact, the *Adelaide Review* deal was far better.

Mr OLSEN: Perhaps the Premier would like to release details of those offers so that we could put the matter in its proper perspective.

The Hon. J.C. Bannon: I do not know whether the people who made the offers would do it. It is on the public record, I think. Bedford Industries indicated an interest. They did not proceed to a documentary stage. The Advertiser Group expressed some interest, looked at the position and decided not to bid. You can see what sort of asset we have from this. A group called Book Agencies made an offer for \$4 000 including all assets: they would take over all assets for \$4 000. The *Adelaide Review* lodged a bid which was \$20 000 for some assets and an agency with unsold stock being theirs, and this was obviously far superior to any other offer, and was refined in the final contract.

Industrial Publishers, again, had preliminary inquiries and investigations but decided not to bid. The Government Printer was also interested in operating the Wakefield Press as a subagency, and I looked at that. That was obviously one of the options, but that would have left the Government basically still with the responsibility, and the decision was made that we should have no further responsibility. So, that is the full list.

Mr OLSEN: Mr Chairman—

The CHAIRMAN: I will allow this question, but I am being fairly generous. This will be about the sixth question the Leader has asked.

Mr OLSEN: I think there have in fact been three.

The CHAIRMAN: We will not argue. I am allowing the question.

Members interjecting:

The CHAIRMAN: Order! The Committee will come to order. The honourable Leader has the floor.

Mr OLSEN: Is it true that a number of authors, including Bruce Swann and David Elder, who wrote *The Art of William Light*, for various reasons do not wish the *Adelaide Review* to proceed with sales of their works?

The Hon. J.C. Bannon: I have already answered that question in writing to the member for Light. Perhaps he could show his correspondence to the Leader of the Opposition; that might answer some of these questions. Some authors did not wish their work to be handled, and that proved to be acceptable. The one instance I can recall involved the book entitled *Propinquity*, whose author believed that he could do a better marketing job than the *Adelaide Review* and who is, in fact, marketing that book himself. There was no problem with that.

Ms LENEHAN: I would like to place on the record that my questions were all prepared by me and written in my own hand. It does not further the work of the Committee if members accuse people of things that they have not done.

Mr LEWIS interjecting:

The CHAIRMAN: Order! The Chair will determine whether or not questions are in order. The Committee has been progressing very well so far, and the number of questions asked has been excellent. Let us keep up that record.

Ms LENEHAN: Thank you, Mr Chairman; I will certainly do that. I refer to program 5—equal opportunities, for the disabled (page 10 of the Program Estimates). The coordination of planning, priorities and equity of Commonwealth, State, local government and non-government

services and funding over the whole disability area is one of the issues and trends. I believe that this is one area where it is vitally important that coordination be attained if we are to maximise the availability of resources for people with disabilities. Therefore, can the Premier tell the Committee to what extent the coordination of these areas has taken place through the office of the Adviser on Disability, and what priority has the office placed on this role of coordination for the coming year?

The Hon. J.C. Bannon: Clearly, the position was created to provide the disabled and others in the area of disability with a direct voice within Government. I have seen the Disability Adviser on a regular basis, and he reports to me on matters that have arisen, keeping me in touch. Of course, he is also working very closely with a number of other Ministers in their jurisdictions, agencies and groups. That is the starting point for coordination. One of the things which the Disability Adviser commenced in 1986-87 and which has been very successful is a monthly forum to enable various Government and non-government agencies to share information and provide some input from, in effect, consumers. This action was undertaken with a view to increasing community services for people with disabilities. The office also publishes a periodical newsletter called *Ability*, which provides information about those issues. Those forums have been a very useful feedback to Government and its programs.

The office also compiled a directory of services that are available to people with disabilities, and obviously it will keep that updated. That directory is used primarily as a reference for Government offices so that people know which groups and services should be contacted. It will certainly be valuable in assessing levels of funding. Any amendments to Acts as they affect the disabled—or, indeed, if we are to take into account the needs of the disabled—such as the private parking legislation, the Equal Opportunity Act and the Education Act, are part of the Disability Adviser's functions. He has had a key role in the access cabs program development. The Department for Community Welfare established a disability services coordination project chaired by Rosemary Wighton to exam the coordination of State-Commonwealth services. Again, that is something that the Disability Adviser's office identified as a particular need and it has played a leading part. There are examples of a range of things where it has been very useful and important to have a central person and office coordinating, keeping an eye on things, and acting as a catalyst in this area.

Ms LENEHAN: The State Government initiated a combined Commonwealth-State information flow with respect to the employment of people with disability. I am aware of agencies such as the Vocational Resource Agency, which operates in the southern community and which could be seen, if you like, as an outreach of the programs, information and training established under this joint Commonwealth-State information flow. That resulted in the production of a kit. I wonder whether other outreach programs have been developed, perhaps in other parts of Adelaide, and, if so, how successful they have been.

The Hon. J.C. Bannon: I am not aware of any specific programs, but that does not mean that there are no such projects. I would imagine that those projects that have been established are coordinated through the community welfare area and the Home and Community Care program, or programs of that kind. The IDSC (the Intellectually Disabled Services Council) also has a prime role in this area, and I guess it would be more appropriate to direct those questions to my colleague the Minister of Community Welfare.

Ms LENEHAN: The Premier referred to the role of the Home and Community Care program, and I note at page 10 of the yellow book that one of the specific targets for 1987-88 is to monitor the Home and Community Care programs and policies. Can the Premier obtain information—or it may be more appropriate to ask the Minister of Community Welfare and Health—on whether the Disability Adviser believes that the HACC program is currently meeting the needs of people with disability? I refer specifically to such services as the provision of respite care for families where children have severe disability or where an adult is disabled in some way and the care giver requires access to some form of respite. That is one aspect of the Home and Community Care program. Are the provisions under the HACC scheme meeting the needs of disabled people in South Australia?

The Hon. J.C. Bannon: As the program develops there will obviously be gaps, and special needs will be identified. The program is not under my jurisdiction, and therefore these questions would be better directed to the Minister of Community Welfare and Health, who has responsibility for the HACC program and its development. We are putting in extra resources this year, and certainly the Disability Adviser has been closely concerned with the way in which the program is carried out. For instance, HACC provides some of the finance for the access cabs scheme, and there are other areas where it could be involved.

Mr OLSEN: Is the Premier in a position to say whether on 20 July, the day before the Government's contract with the *Adelaide Review* was finally signed, there was a fire on the premises of the *Adelaide Review* in which stocks of Wakefield Press books were damaged? If that is accurate, can he reveal the extent of damage and loss of books involved?

The Hon. J.C. Bannon: I am not aware of any damage being done to books or the circumstances of that. Perhaps the Leader could provide more information.

Mr OLSEN: Perhaps the Premier would like to obtain the information for incorporation into *Hansard*.

The Hon. J.C. Bannon: If the Leader has the information, I am not sure why he asked the question. Does he want to know how the damage occurred or why?

Mr OLSEN: I wish to know the extent of the damage and how many books were lost.

The Hon. J.C. Bannon: I am not aware of that situation. I do not recall it.

Mr OLSEN: If the Premier has no information—

The Hon. J.C. Bannon: The books are in the care and control of the Government Printer; they are in storage.

Mr OLSEN: I refer to the day before the Government's contract was signed. Perhaps if the Premier does not want to indicate that he will obtain the information, I will place the questions on notice.

The Hon. J.C. Bannon: Sure.

Mr OLSEN: I refer to the provision of advisory services to Government agencies. One of the targets and objectives is as follows:

Foster appropriate contacts in the Federal and other State Governments for timely and discerning intelligence, so that South Australia can influence the decision-making process where necessary.

As that project and objective relates to the proposed Australia card, can the Premier say whether the South Australian Government has given a commitment to the Commonwealth Government that, if the legislation proceeds through Parliament, the South Australian Government will cooperate?

The Hon. J.C. Bannon: Negotiations on the Australia card are conducted through the Attorney-General. We made a

submission to the Senate committee inquiring into it and suggested 14 areas of concern about the Australia card and the way in which it would operate. Also, we have been involved collectively with the other States in attempting to ascertain what sort of value we can attach to the birth, death and marriage records, which the States hold and to which the Commonwealth would seek access. We were seeking to determine under what conditions it should have access and what value it should pay. All of that has come to a halt and will not be considered again until the legislation is passed or abandoned. Therefore, the Government has given no undertakings of any sort. We will resume negotiations if and when it is appropriate to do so.

I am certainly not of the Bjelke-Petersen school in this area, believing that a State Government has some right to resist to the very end legislation legitimately passed by the Commonwealth Government, particularly when that legislation was the subject of a double dissolution, constitutionally granted to enable the Government to gain passage of it. I am not going to enter the debate about the pros and cons. We will wait and see what the outcome is, and we will then determine what our attitude will be.

Mr OLSEN: Given the Premier's response, I take it that should the legislation pass South Australia will cooperate.

The Hon. J.C. Bannon: It depends entirely on the circumstances of its passing, the framework of the legislation.

Mr OLSEN interjecting:

The CHAIRMAN: Order! A question has been asked. I ask the Committee to allow it to be answered.

The Hon. J.C. Bannon: I believe that it is not in the interests of this State to act as some sort of resister to legitimately accomplished Commonwealth legislation. That is not to say that there would not be a number of questions that would have to be resolved. This is all hypothetical and, until it ceases to be hypothetical, I am not willing to make any further comment.

Mr OLSEN: It is not hypothetical at all. The Premier has said that if the Commonwealth passed the legislation, which was the subject of the double dissolution, and if it passes the Parliament, South Australia would not resist. There is only one conclusion: if the legislation passes through the Commonwealth Parliament, South Australia will participate with the provision of records and the like for the Australia card.

The CHAIRMAN: Order! We will take no interjections. The question has been posed to the Premier, and I ask him to respond.

The Hon. J.C. Bannon: I heard the Leader of the Opposition make a statement about what we would do. It does not conform strictly with the answer I gave. An agreement would have to be entered into with the States. I am not willing to enter into the nature of our attitude to the agreement until such time as there is legislation, and that is not yet.

Mr KLUNDER: I refer to program 7 on page 22 concerning Government awards to citizens of South Australia. I assume that the money allocated under this line is for a State filtering, as it were, of people who are to receive federal awards. Presumably, the State does some work for the Federal Government in this matter. I suppose that it is a matter of many are called and few are chosen. Perhaps the Premier can take my question on notice, but I seek information about the ratio between the number of awards made and the number of citizens that State officers consider for those awards.

The Hon. J.C. Bannon: I do not know that it is possible to provide a ratio of the number that officers look at with the number of awards, because nominations from this State

can be forwarded directly to the committee or through the State. I imagine that they would run into some tens. What counts is the success that South Australians proportionately have in obtaining honours. In the figures that I have we do quite well in the overall honours list. We have had consistently something like 14.5 per cent of the awards in the past few years, which well exceeds our total population share. In terms of awards granted we have done well, but I do not know what the proportion is between those whose names are submitted and those who do not receive honours. I am not even sure that we have that information.

Mr OLSEN: The yellow book reveals at page 16 that a strategy was developed last financial year to deal with areas of possible Commonwealth/State overlap or duplication in administration. The program information also makes reference to the abolition during the year of the Advisory Council for Inter-Government Relations. In this respect, the former Chairman of the council, Mr Terry Purcell, had something to say about the attitudes of the respective States. I quote from a report in the *Weekend Australian* of 31 January-1 February where he is quoted as saying the States were not prepared to bite the bullet when it came to making difficult decisions. He said the States had not backed one of the council's reports outlining ways to reduce duplication. Referring specifically to a move by the South Australian Premier to raise the question of duplication at this year's Premier's conference, he said.

Bannon was just sniffing the wind a bit earlier than most. It's rubbish to say they [the States] are concerned about duplication.

Given those comments, does the Premier reject these criticisms by the Chairman? Can the Premier explain to the committee why South Australia supported the abolition of the Council on Inter-Government Relations? Further can he table any report that has been prepared identifying opportunities for a reduction in duplication.

The Hon. J.C. Bannon: The motive of the Chairman in making those comments relates to another part of the Leader of the Opposition's question, namely, the withdrawal of support from the council because, quite frankly, it was useless. It was publishing a series of fairly academic, obtruse papers to which no-one was paying any attention and certainly not making any changes to their administration as a consequence. The money and time we were putting into it was wasted, and we did not particularly mourn the death of that organisation.

However, contrary to just sniffing the wind, we have taken a number of quite serious initiatives. I have raised the matter by way of detailed presentation at Premiers' Conferences and by letter to the Prime Minister. We have tried to keep the issue at the top of the agenda. It was quite gratifying to see in the recent rationalisation of Commonwealth portfolios that the Prime Minister announced after the recent election a number of initiatives that we had already taken: that is, the bringing together of health and welfare, putting employment, training, further education, and economic development together.

The Prime Minister wrote nominating work that should be done in six areas: Aboriginal affairs, veteran's affairs—hospital integration into our system—rehabilitation services, pathology laboratories, legal aid, and arts funding, and work is going on in all those matters. My concern about the Commonwealth is that this exercise should not be seen as an excuse for the Commonwealth to withdraw support from programs leaving the States to pick up the burden. It has to be a general rationalisation consistent with the Prime Minister's statement that his motives were not to reduce funding levels but to ensure that funds are better spent.

If that is so, fine, but one always gets the feeling that it is often an excuse for withdrawing. That has certainly been our experience. We indicated a desire to focus on major areas such as education, community welfare, and health, especially because there are a number of specific purpose programs in those areas. We are talking about streamlining the administration and improving services, and not having checking and double checking on various programs. Some of these will be more appropriately done by the Commonwealth, but in many cases it is better to give the States the entire responsibility in these areas. The work is continuing. We have responded to the Prime Minister's nominating further areas for review, and I shall be pleased to provide further information of our response to the Leader of the Opposition.

Mr OLSEN: Can the Premier identify any areas where duplication has been eliminated?

The Hon. J.C. Bannon: I will have to take that question on notice. Some progress has been made, but it is certainly not significant. I hope that the restructuring of the Federal portfolios and departmental groupings will provide an opportunity because, prior to that, there was no question that many Federal departments wished to hang on to the responsibilities they had and there was no serious attempt at devolution. There has been some rationalisation in employment programs, but there has been no significant changes in my view.

Mr OLSEN: The Auditor-General in this year's report referred to the level of administration and support service costs recorded by some agencies as unallocated to programs. The Auditor-General's Report stated that some of these costs appear high in relation to the direct program costs of those agencies. I am referring to some of Mr Sheridan's introductory comments to his report concerning the Premier's Department. The yellow book identifies the following details relating to the services not allocated to programs for 1987-88: total proposed recurrent expenditure is almost \$2.3 million; number of staff employed 41.05 average FTEs.

The comparable figures in 1982-83 were for recurrent expenditure \$1.1 million and for employment 33.7 FTEs. These comparisons show that in the Premier's Department since the Government came to office recurrent costs not allocated directly to programs will increase by 109 per cent, while staff involved will increase by almost eight FTEs if the current budget estimates are met. In these circumstances does the Premier believe that the Auditor-General's concerns about high administration costs apply to his department?

The Hon. J.C. Bannon: It depends on how one interprets the Auditor-General's comments. I think one will find that in other sections he comments favourably on, for instance, the work that has been done in the Health Commission in large part in response to his promptings to reduce the central office component. Considerable work has also been done in the Education Department. In the case of the central departments, inevitably there will be functions like this. For instance, the creation of a Social Justice Unit adds numbers to the Premier's Department. The resources are identifiably taken on that sharing basis I was explaining earlier from existing expenditure programs of departments, and the function is an across Government one, the aims of which are all fully diminished.

There is the other question of cross-charging which is caught up in those remarks, and there is a point at which it probably costs more in time and effort to do that than simply to adopt a service provision philosophy. I guess one area is that of legal services and legal advice where we could move to a fully costed approach. In other words, every time

Crown Law provides advice to a department it renders an account which is charged out to the department within our internal system, and the revenue going to Crown Law is taken off the departmental client. So far our investigations into that show that it would be enormously costly and time consuming to set up those administrative structures, and what one gains in the end is a little hard to determine. We have moved in this direction in a number of areas. For example, security services are now being charged out to departments specifically. They were always covered under the general area and we are paying for that, and that is included. There has been work on the energy program and energy costs. A major program is underway to identify true costs and allocate them to programs. We have made enormous progress.

Notwithstanding what the Auditor-General says, I do not know of any other Government in Australia that is as far down this track as we are. We are recognised as the leader in this field, and that is something that I certainly intend to maintain. However, it is true of our general information provided for budgetary and estimate purposes which goes well beyond anything you will get in any other State. I defy anyone to try to understand the Queensland budget and its net borrowing requirement, the structure of its capital works program, how it is being financed, and so on, because it is not in the documents. One simply cannot find it. All of that is set out in ours. The Auditor-General is setting a very high standard, and he is quite right to draw attention to these things. However, I am satisfied that we are making progress.

Mr HAMILTON: Page 12 of the yellow book states:

Port Adelaide industrial land—maintain involvement in assessment of redevelopment options for the Port industrial land.

As that is important not only to the western suburbs but also to all of South Australia, what is happening there? What future projects are in the pipeline? The Woodville industrial park (where I foresee this redevelopment taking place) is also important to South Australia and the western suburbs. In relation not only to the workforce but also to business houses it is necessary to have this information for future planning.

The Hon. J.C. Bannon: There are two aspects to it. Certainly, there is the opportunity that the Woodville exercise has provided where quite a large factory area has become surplus to requirement, and one looks for new uses and ways of getting value out of it. Indeed, that is happening. There are exciting developments with the Centre for Manufacturing and various other things on that site, and this Port Adelaide industrial land draws attention to that particularly. There is also a horseshoe of land stretching from Technology Park down the peninsula that is virtually undeveloped and has enormous potential for a whole range of industrial uses.

In fact, if properly developed it would provide us with a sufficient supply of low cost accessible land for the next 30 years. A committee headed by Dr John Mayfield is doing an intensive exercise on that area at present. Certainly, the submarine project provides a very good springboard, because that is at one end of it. However, many other ancillary businesses will be established that would like to be in some sort of proximity to that project. We now have the opportunity to see the area developed in an orderly and sensible way. The land has been locked up for a while, it is time to unlock it and work out a systematic way of how it might be available. I do not know of any other city in Australia that has that opportunity in terms of undeveloped land with access to transport routes, population, and so on, that we have. We are going to try to make the most of it over the

next few years. I cannot be specific about future projects at this stage, but there are several in the wind.

Mr HAMILTON: Does the Premier see the submarine base as an ideal tourist attraction, apart from the amount of employment it creates? Also, at some stage I believe that a sign should be erected in Port Adelaide or on the Port Road indicating the extent of this contract; that is, the amount of money involved, the number of workers to be employed, and other essential details of the submarine contract. I believe that the Port Road median strip, perhaps closer to Port Adelaide, would be an ideal location for a board of that description.

The Hon. J.C. Bannon: Certainly, as part of the Port Adelaide redevelopment, signage has been on the agenda for a while and provision is made in this year's budget to implement a program, but at this stage I am not sure whether it will extend right back along Port Road. However, there is no reason why that cannot be looked at. I guess there is a concept of the submarine project as a tourist attraction, but that must be qualified by the security aspects of a project like that. It is a highly sensitive security area and most of the construction will take place under cover for that reason, in similar fashion to other projects like flare towers where one likes to show them off. I think there is no question that the industrial activity taking place at Port Adelaide and the factory visits, and so on, in that area will be part of the tourist offering. The high profile of the project will ensure that people remain interested for a long time.

Mr OLSEN: I refer to the unbudgeted item of capital expenditure and the \$185 000 allocated for intra-agency support services last financial year as identified at page 4 of the yellow book. How was this expenditure incurred?

The Hon. J.C. Bannon: I will take that question on notice to obtain a qualified response.

Mr OLSEN: I refer to recurrent spending incurred by the Premier's ministerial office last year. Can the Premier indicate, first, the amount of salaries and, secondly, the amount for entertainment expenses incurred by ministerial staff?

The Hon. J.C. Bannon: My advice is that there was considerable under-expenditure in this area and we made quite major savings. I will have to take the question on notice, but I can indicate that the savings in my office totalled \$42 000 this financial year, and that is a considerable saving.

Mr OLSEN: The Premier will still provide the two figures?

The Hon. J.C. Bannon: Yes.

Mr OLSEN: I refer to the recurrent expenditure under 'Executive, professional, technical, administrative and clerical support' where actual expenditure was \$1.502 million, or \$227 000 in excess of the budget allocation. Why was there an increase in spending in this area?

The Hon. J.C. Bannon: I think this relates to office automation and new machinery and equipment such as word processors. Mr O'Flaherty will provide further information.

Mr O'Flaherty: An amount of \$283 000 was spent on the acquisition of hardware and software for phases 1 and 2 of office automation in the department for word processors and a computer system.

The Hon. J.C. Bannon: That was within budget and funded from savings within the department.

Mr OLSEN: I would like clarification of that point. Last financial year \$283 000 was spent on the purchase of office machinery and equipment, although there was no budget allocation for that purpose. There is a further allocation of \$100 000 this financial year. Why was the program started without budget allocation?

Mr O'Flaherty: No specific provision was made for the \$283 000, mainly because we had not gone to tender at that stage. We went to tender in December 1986. We had done some preliminary estimates about what the cost might be, but until we had gone to tender we did not know the sort of total allocation that we would need. The \$100 000 allocated this financial year actually brings forward expenditure that we had planned to make over the next three years. We have actually accelerated the implementation of the program within the department.

The Hon. J.C. Bannon: The point should be made that the expenditure on this program was funded from internal savings. In other words, the decision to proceed was based on tenders having been let and the exact cost ascertained. That also depended on internal savings being identified to ensure that there was no overall budget increase—and that was the case.

Ms LENEHAN: I refer to program 10 on page 23 of the Estimates of Payments and the \$45 000 voted for It's our State Mate Inc. with actual payments of \$45 000. This year there is an allocation of \$80 000. I notice on page 16 of the yellow book a transfer of \$40 000 from the Department of State Development and Technology, but I cannot find that amount under that budgetary line (although perhaps I am not looking in the right area). Is that \$80 000 made up of \$40 000 from the Department of State Development in the previous year plus an allocation of \$40 000 this financial year to make a total of \$80 000 or is it an actual increase from \$45 000 last year to \$80 000 this year?

The Hon. J.C. Bannon: No, it is a consolidation of the two. It does not appear in State Development probably because it is now part of a larger program. We have now consolidated them and there is no allocation from State Development; it is made from the one source. I think previously the Premier's Department provided a basic administrative type grant and State Development was looking at more specific project type funding. We have now consolidated that into a direct grant to the organisation, which, of course, runs the 'SA Great' campaign.

Ms LENEHAN: How effective does the Premier think the 'SA Great' campaigns have been? Are there any specific directions that the campaign will be adopting in the coming financial year?

The Hon. J.C. Bannon: In answer to the first question, the program has become increasingly relevant. My criticism of it in the past was that it tended to use a scattergun approach rather than one based on market information and how matters should be presented. That is something that the committee has taken up. It has done a deal of research and targeted its message much more effectively.

The effect of that relates to the second question, which is the response that they have had. The number of corporate subscribers to the 'SA Great' scheme has increased greatly as part of a recruiting drive over the past six months or so. There has been a positive response to that and the number of participating companies has increased. The series of advertisements, and so on, has continued to appear. I am not quite sure what plan 'SA Great' has formulated for this year, although I am sure it would be easy enough to obtain that information. The general aim of raising consciousness and visibility of South Australian business and activities within our economy and community is being well achieved. This is helped by strong media support, which provides in kind considerable air time to get the message across. Without that, I do not think that the campaign would be anywhere near as effective as it is.

Mr OLSEN: Returning to the subject of automation in the Premier's office, what sorts of machines were purchased and for what functions?

The Hon. J.C. Bannon: I will ask Mr O'Flaherty to answer that question.

Mr O'Flaherty: The machines purchased were the Unisys brand, the old Burroughs company multifunction work stations. They run word processing, as well as being capable of operating in stand alone mode. We intend automating our registry correspondence area in the department.

Mr LEWIS: Stand alone mode for what?

Mr O'Flaherty: They can operate as part of the total system throughout the department, or they can operate like a PC—one can run spreadsheets and that sort of things on them. One is connected to the Presscom Advertiser service at the moment. We intend, also, installing a tracking system for Cabinet decisions as well as for the administration of Cabinet itself for the production of agendas, and so forth. It is intended that in the next 12 months we should be able to link straight into the telex network via those terminals, as well as facsimile at some time in the future. Other features to be loaded on are things like electronic mail for directing things around the department.

Mr OLSEN: It would be nice to have some of that equipment installed on the second floor of Parliament House.

Ms LENEHAN interjecting:

Mr OLSEN: I am not arguing about the effective nature of Government, most Governments provide the same facilities to Oppositions, as well.

The Hon. J.C. Bannon interjecting:

Mr OLSEN: I suggest that the Premier check his facts, because the Department of Housing and Construction has not yet provided the wordprocessors budgeted for two years ago because of arguments with the Minister about allocations to my office. I would be pleased if the Premier would intervene and have the matter fixed forthwith.

The CHAIRMAN: Order! I call the Leader of the Opposition to order. The questions he is asking are not properly within the budget line that we are discussing, even though the Chairman might agree that he would like to see some equipment in his electorate office. However, I cannot allow that sort of questioning to continue. I ask the Leader to return to the budget line before the Committee.

Mr OLSEN: I was merely correcting an inaccurate statement made by the Premier. I turn to the matter of the improvement of organisation of management practices within Government departments and agencies. At page 27 the yellow book reveals that last financial year the Government Management Board reviewed the role effectiveness and efficiency of the Government Computing Centre. Can the Premier reveal the findings of that review? Is he in a position to table a report and, if not, why not?

The Hon. J.C. Bannon: I ask the Chairman of the Government Management Board, Mr Guerin, to answer that question.

Mr Guerin: There has been a continuing examination of the Government Computing Centre over an extended period of time. When the Government Management Board took on responsibility for this as from the beginning of this year it gathered up what had been done and is now working closely with the Computing Centre to redefine its role. Of the reports prepared (and I think there are two), the more recent one has been summarised and distributed within the Government. That could be made available if the Leader wishes to see it.

Mr OLSEN: During the Estimates Committees last year the Premier revealed that an objective for the Government Management Board in the last financial year was the devel-

opment of practical approaches to assessing the potential for a productivity improvement and to work with at least two agencies on a pilot program to improve office productivity. That objective becomes particularly important in view of the pressure for wage rises under the second tier and the Government's decision that that must be paid for by productivity improvement offsets. What has been achieved through the pilot program, and what agencies were involved?

The Hon. J.C. Bannon: I will ask Mr Guerin to answer that question.

Mr Guerin: The main focus has been on central agencies and specifically work between the office of the Government Management Board, the Department of Personnel and Industrial Relations and the Premier's Department. In fact, some of that work was reflected in the outcomes about which Mr O'Flaherty spoke in relation to office automation. It was able to identify things that could be improved and methods that could be introduced to reduce the overhead there. The other effects that are being seen are in the Government Management Board and the Department of Personnel and Industrial Relations and identification of a previous overlap of activities now that the people involved are being directed to other work.

The Hon. J.C. Bannon: On a point of order, the office of the Government Management Board and its program is a separate line. Have we concluded 'Premiers'?

The CHAIRMAN: We have drifted away from the budget line before us, but now the question has been asked it would be better to finish with it and then, if we can return to the budget line before the Committee, that would be appreciated.

Mr Guerin: The final point is that in the relationship between the Government Management Board and the Department of Personnel and Industrial Relations we are looking to see whether there is a possibility to reduce staffing, or to at least free them to do higher priority tasks. That work is proceeding, so it would be later in the calendar year, I expect, that we would get a result from that. We are hoping that by looking at some of these internal procedures we can establish some things that will subsequently be able to be introduced into other departments.

Mr KLUNDER: The Public Accounts Committee of this State has just completed a series of reports on replacement of the State's replaceable assets which has considerable economic and budgetary implications for the South Australian Government. That series of reports also indicates that there are only a limited number of years left in which to do the planning and preparation for the large increase in the replacement bill. What steps has the Government taken to begin this planning and preparation process?

The Hon. J.C. Bannon: A task force led by the Government Management Board has been established to work on the questions that have been raised by the Public Accounts Committee. That task force is due to report in November. Its Chairman is Mr Cossey, who is also Director of the Office of the Government Management Board.

Additional Departmental Adviser:

Mr W.R. Cossey, Director, Office of the Government Management Board.

Mr Cossey: The task force includes representation from the major agencies that are affected by the asset replacement issue identified by the Public Accounts Committee. It includes representatives from the E&WS Department, the Highways Department, and the Department of Housing and Construction. We are really considering certain issues asso-

ciated with the problem and, primarily, the strategies being considered are whether there are ways of reducing the asset replacement cost and also of deferring the asset replacement cost by extending the economic life of the assets. So, the task force is not re-doing the work of the committee: it is considering specifically ways and means of addressing the problem so that it is minimised in the years to come.

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

Works and Services—Department of the Premier and Cabinet, \$6 767 000—Examination declared completed.

Premier, Miscellaneous, \$85 000

Chairman:

Mr D.M. Ferguson

Members:

The Hon. B.C. Eastick
Mr K.C. Hamilton
Mr J.H.C. Klunder
Ms S.M. Lenehan
Mr I.P. Lewis
Mr J.W. Olsen

Witness:

The Hon. J.C. Bannon, Premier.

Departmental Advisers:

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

Mr J. O'Flaherty, Director, Administration and Finance, Department of the Premier and Cabinet.

Mr E. Kageler, Chief Administration Officer, Department of the Premier and Cabinet.

The CHAIRMAN: I declare this vote open for examination.

Mr OLSEN: I refer the Premier to page 156 of the Auditor-General's Report, which shows that \$26 000 is still outstanding from the World Three Day Event. Does the Government expect to recoup this sum? What agencies are involved?

The Hon. J.C. Bannon: This sum is certainly not being written off.

Mr O'Flaherty: This sum comprises mainly debts of overseas participants and we are still awaiting a financial statement from the Chairman of the authority (Mr Fricker).

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

Office of the Government Management Board,
\$2 139 000

Chairman:

Mr D.M. Ferguson

Members:

The Hon. B.C. Eastick
Mr K.C. Hamilton
Mr J.H.C. Klunder
Ms S.M. Lenehan
Mr I.P. Lewis
Mr J.W. Olsen

Witness:

The Hon. J.C. Bannon, Premier.

Departmental Advisers:

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

Mr W.R. Cossey, Director, Office of the Government Management Board.

The CHAIRMAN: I declare this line open for examination.

Mr OLSEN: Did the pilot program in productivity improvement offsets address such areas as flexi-time?

Mr Guerin: No. That matter is dealt with by the Commissioner of Public Employment, and it is part of his personnel administration responsibilities.

Mr OLSEN: What scope does the Premier see for productivity improvements to provide cost savings to offset the 4 per cent second tier increase?

The Hon. J.C. Bannon: I think quite considerable scope, depending on how intensive is the exercise. I was concerned at an assumption that it was not a case of finding offsets but merely that the money was in the bag and waiting to be awarded. That is not the Government's position, as I made clear in the budget statement. In saying that, I concede that there are areas in which it is more difficult than others to provide these offsets. Indeed, it is obviously easier in a production line situation than in some other support services areas, but intensive negotiations are proceeding. I understand that the unions are preferring certain things and the Government is responding. I am not handling this: the Department of Personnel and Industrial Relations and the Minister of Labour have responsibility in this area.

Mr OLSEN: Yes, but I assume that the policy direction comes under the jurisdiction of the Office of the Government Management Board, which reports to the Premier. Have any areas been identified where offsets or savings could be achieved and, if there are any such areas, what percentage has been identified in those savings so far?

The Hon. J.C. Bannon: This matter is subject to industrial negotiation, so no final position has been taken. Obviously, there is a way to go before we can reach agreement. I ask Mr Guerin to respond.

Mr Guerin: The word 'productivity' is being interpreted in two different ways. The 4 per cent issue has been dealt with by industrial negotiation and through the budget simply by requiring that that sum will be saved without specifying that it will be done in a specific way in a particular agency. The Government Management Board is looking at wider productivity possibilities and is dealing with a series of agencies on some specific things, but they are not linked in as a means of saving the money to counterbalance the 4 per cent payment: that is a separate management oriented activity.

Mr OLSEN: Is an area of exploration or discussion on productivity agreement similar to that introduced by the Victorian Government?

Mr Guerin: There are some similarities, but we have not adopted the Victorian agenda and tried to apply it here. What we have done is look at local circumstances. For example, in one area we have looked and are currently looking at the arrangements for communications for telephones and data transmission, replacement of PABX facilities and those sorts of arrangements, and we expect that quite considerable savings will be made as a result. The Victorian Government also happens to have had a look at that, and other Governments have done the same thing. However, it has not been specifically adopted from Victoria.

The Hon. B.C. EASTICK: I refer to page 26 of the Estimates of Payments and page 27 of the yellow book, which states that one objective of the board in this financial year involves improving productivity through a range of projects, one being reducing overheads, a matter addressed in some detail in the Auditor-General's Report. One of the recommendations that he made is that careful consideration needs to be given to negotiating individual separation packages, and he then went on to quote as an example the arrangements entered into by the State Transport Authority of Victoria in seeking to replace 1 000 people in the current period.

I believe that this matter was referred to the Commissioner on 12 June this year, and I pose the following questions. Has the South Australian Government examined the scheme? Is it the Government's intention to make greater use of redundancy schemes such as this, recognising that there have been redundancy schemes in the past? What response, if any, has the Commissioner for Public Employment made to the Auditor-General? Will the Premier arrange to have this response made available to Parliament?

The Hon. J.C. Bannon: This question should properly be directed to the Minister of Labour, who has delegated responsibility in this area and, of course, the Commissioner will be available in his Committee for examination. I suggest that this question would be appropriately asked there. Certainly, there is some examination of severance types of scheme, voluntary retirement and such matters. The scheme in Victoria to which the honourable member refers, that of the Victorian State Transport Authority, is a pretty expensive one. Their problems are very big and their deficits are enormous, so one can see them attempting to tackle that, but I am not in a position to further elaborate because those matters which essentially relate to staffing levels and contractual arrangements are the prerogative of the Commissioner.

The Hon. B.C. EASTICK: As the Commissioner will be available on another occasion, would the Premier prefer that comments relative to redeployment be addressed to the Commissioner rather than to the Premier?

The Hon. J.C. Bannon: Yes, that would be more appropriate.

The Hon. B.C. EASTICK: One figure that the Commissioner cited on a radio program yesterday appears to be of vital significance. When questioned, the Commissioner indicated that 109 274 public servants were on the payroll as at, I presume, 30 June 1987. I recognise that the Public Service is a little wider than was envisaged in the past, taking up hospital employees, teachers, and everyone else. For the purpose of his argument yesterday, the Commissioner said that there were 109 274 employees. Is the Premier aware of that figure and the comparative figures for the previous four financial years?

The Hon. J.C. Bannon: That question would have to be directed to the Commissioner. I am not sure what he included in that. It does not sound like full-time equivalents; it sounds like persons, those employed in public sector activities, and not public servants on the payroll. That could well include bank employees and such people. I have no dissection of those figures. That question could be directed to the Commissioner.

Ms LENEHAN: I refer to program 3, Management Education Fund; \$101 000 is proposed. At page 27 of the yellow book I note that a specific target and objective for 1986-87 relates to the Equal Employment Opportunity Unit. It is stated that the EEO ran 19 awareness seminars for chief executive officers and their senior staff. They were held in conjunction with the DPIR. How successful does the Pre-

mier believe these seminars are, and is a similar number proposed for the coming financial year? Am I correct in assuming that the allocation of \$101 000 relates to that area, or is there a separate allocation elsewhere?

Mr Guerin: I will answer the last part first. No, that is not the source of funds. The Management Education Fund involves a series of amounts of money made available to support management education; for example, at the University of Adelaide and the Institute of Technology. The money for those EEO seminars comes under the next line, Management Improvement Fund—incorrectly labelled in the yellow book as Management Information Fund. Recently, the Equal Opportunity Adviser in the Department of Personnel and Industrial Relations who has had responsibility for running those seminars reported to the Government Management Board about the outcomes of the seminars. While we cannot say that there has been an overnight revolution in attitudes and activities, we were quite concerned by the amount of commitment to doing something practical in this area.

There has been a bit of a tendency in the past for people to work up policies rather than practical programs, but in all the areas where chief executive officers have been involved in seminars there are activities committed, and some have been started in one way or another. Some are currently at the stage of defining what they will do, and others are already following the active course. On that basis, the board has indicated that it will support completion of the run of seminars with remaining agencies, but we feel strongly that there must be a much more practical focus on these subjects, and instead of more and more seminars we want to focus activity within the departments, with less emphasis on awareness raising and more emphasis on practical programs. That will be pursued this year.

Ms LENEHAN: My next question relates to the reply that has just been given, although the information might have to be obtained for the Committee, as it might not be at hand. How many Government departments are involved in the implementation of equal opportunity employment programs? In the past years I have asked this question of individual department heads who have appeared before the Committee, but I wonder whether it is possible this year to obtain an overview of how many Government departments are actually involved in these programs. The Premier has just alluded to implementation of policies rather than developing policies and awareness programs. How many departments are looking at implementing those policies?

Mr Guerin: A fair amount of information is available from the budget document 'The 1987-88 Budget and its Impact on Women'. There is a reasonable amount of descriptive material. I would be happy to arrange for the summary material that was prepared for us to be made available to the honourable member. That material depicts what is happening in the various areas.

The Hon. B.C. EASTICK: The Premier has said that the Commissioner will be able to provide information at a latter stage but, because my question is premised on statements that the Premier himself has made, I put it to him that in the presentation of the 1984 budget he promised that the Government would tackle very firmly—and they were his words—the problem of an undue concentration of so-called fat cats in the Public Service. Specifically, he promised 'to achieve a substantial saving in salary terms over the next two to three years in the overall number of persons in the executive and administrative officer classifications'. Last year before this same Estimates Committee (page 285 of *Hansard*) the Premier stated:

... 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 . . .

The official documentation that has now been made available from Treasury by the Premier himself shows that at June 1982 the number of people classified at administrative officer level was 545 and at June 1986 the number was 833, an increase of 288. In the same period, the number of executive officers increased from 230 to 237. Even if we take the period in relation to which the Premier made this promise, that is, 1984, we see that the increase in the number of AO officers between 1984 and 1986 was 121, while the number of EO officers reduced by two. Can the Premier explain why the promise he made in 1984 was not fulfilled?

The Hon. J.C. Bannon: In fact, there have been reductions in a number of departments and areas. For instance, there have been considerable steps taken in relation to deputies within departments. Now they have been allocated to specific on-line divisional responsibilities, not just being a stand alone position. There have also been new functions and various special projects undertaken by government. In terms of the numbers and analysis of the statistics, it would be better to refer that question to the Commissioner who has that at his disposal. The program is still ongoing.

The Hon. B.C. EASTICK: It seems that there are more people purring. That is the end of the questions to this line, but I would like to take the opportunity of raising a matter of a procedural nature with the Premier and the Director-General of his department for the benefit of the Committee. At pages 25 and 26 we see that program 1 is not expected to function in 1987-88. That related to the improvement of organisation, etc. The major thrust of the work is taken over by program 3, the improvement of organisation and management practices, etc. Can we be assured that when the documents are produced next year all those functions will remain as program 3 and not revert to program 1, which is now vacant and available for reallocation?

Members of the Committee and members of the Premier's Department will appreciate how difficult it has been with the changing circumstances to chase all of the detail that one might want to look at to get a proper perspective of what changes have taken place. It cannot go on indefinitely, otherwise one would be up to program 103, with nothing in between. Hopefully, it would appear that there is some plan in the departmental structure to allow a better opportunity to consider programs in the future.

The Hon. J.C. Bannon: This is a transitional period following creation of the Government Management Board and the abolition of the former Public Service Board. Program 1 essentially represented a Public Service Board type function, and there was also the information data processing area, which was also a separate function. They have now been consolidated and, at least in the immediate future, they will remain consolidated. That will make it easier to do those cross-references next year.

Mr KLUNDER: Under program 3 is a reference on page 27 of the yellow book to the 1987-88 specific targets and objectives, and on reading them I realised that they were comprehensive and covered many matters. Is there an intention to try to fulfil all of those, or is there an order of priority for the Government Management Board in its forthcoming year? If so, what is it?

The Hon. J.C. Bannon: They are all aimed at various areas of improvement, and obviously some programs will be able to be pursued more intensively than others. I will ask Mr Cossey to draw out some of the priorities attended to in this financial year.

Mr Cossey: There are two major priority areas: improvements in productivity and improvements in service deliv-

ery. Many of those areas listed are in either one of those camps or even in a combination of both. It is fair to say that there is already work in hand in every one of those areas. Some of the work is in specific departments and other work, such as communications infrastructure and the asset management work, is covering a whole range of agencies. It is our expectation that we would work on each of those areas this year.

Mr KLUNDER: It would appear that the best place to attempt to make significant improvements would be by dealing with people at the very top, the CEOs of the various agencies. They are not mentioned specifically in the 1987-88 targets or objectives. Is there something specific being done to improve management skills of the top executives of the Public Service?

The Hon. J.C. Bannon: That point is well taken: the key to many of these changes will depend on those leading the departments and, of course, the Act imposes increased responsibilities on them. That is one of the whole purposes of accountability, which has been written into the Government Management and Employment Act. In consequence, there is an executive management program which has been devised and which is targeted to existing senior executives. The first course will commence in October. Unlike other programs of this type it will not take people away from their day-to-day responsibilities. At some stage of management development, the live-in courses, and so on, can have their value, but there is very much an attempt to see executives becoming more effective in their organisation, and a lot of the course content involves the building of skills, undertaking improvement activities on the job, and assessing those changes and improvements. It is quite an innovative program, and it is going to be interesting to see how it goes. Fifteen executives will be involved in this first course. We will monitor it, and the board will determine whether it is moving in the right direction. Yes, that problem is being addressed specifically.

Mr HAMILTON: I refer to page 27 of the yellow book and the following comment:

Direct purchasing assisted the Department of Housing and Construction in implementing direct purchasing of materials.

Is the Premier able to say how successful it was in that regard, and what cost savings were implemented, or should that question be directed to the department?

The Hon. J.C. Bannon: This was a project undertaken by the Government Management Board in association with the department. The direct purchasing procedures aim to reduce staff by 60. I am advised that as at 30 June, a 30 person reduction had been achieved, so it has proven to be successful and seems to be meeting its aims—

Mr HAMILTON interjecting:

The Hon. J.C. Bannon: Clearly, 30 positions probably costing an average of \$20 000 or so with support staff at a bit more is quite significant. That is written in to the base as an annual saving.

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

Treasury, \$510 899 000

Chairman:

Mr D.M. Ferguson

Members:

The Hon. B.C. Eastick

Mr K.C. Hamilton

Mr J.H.C. Klunder

Ms S.M. Lenehan
Mr I.P. Lewis
Mr J.W. Olsen

Witness:

The Hon. J.C. Bannon, Treasurer.

Departmental Advisers:

Mr A.R. Prowse, Under Treasurer.
Mr J. Hill, Assistant Under Treasurer.
Mr I.S. Weiss, Chairman, South Australian Superannuation Fund Investment Trust.
Mr J.R. Wright, Acting General Manager, SAFA.
Mr R.G. Chenoweth, Manager, Accounting Operations.

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

Mr OLSEN: Several weeks ago Treasury officers were made available to us to give us a background on the operations of SAFA, and I put on record that we appreciated the courtesy with which that meeting took place and the manner in which those officers approached it and responded to the various queries we had about the operations of SAFA.

In view of the escalation of capital cost of the ASER project, what now is the Government's estimate of the revenue concessions it has offered to the developers which involve, first, the forgoing of stamp duty, water and sewerage rates for five years after the opening of the hotel and, secondly, the forgoing of land tax for a period of 10 years after the official opening of the hotel?

The Hon. J.C. Bannon: These things apply from the time of opening and, therefore, do not run until then. In the nature of the project we would not be receiving any income until such time as these facilities opened, so we are not in a loss situation; we simply do not receive anything until they open.

Mr Weiss: The member mentioned two heads—stamp duty and land tax. There is a third relevant head, indeed, the biggest one: ordinary rates and taxes. Stamp duty is really unaffected. The exemption from stamp duty essentially related to stamp duty that would otherwise have been payable on the various documentations which went to make up the total ASER complex. Those documents have in essence been exempted, and the subsequent development of ASER has no effect on what the stamp duty on those documents would have been if it had been paid.

As far as rates and taxes are concerned, we have a situation where, without the development, there would have been no rates and taxes. We will not pay rates and taxes for the first five years of the development. We will now be paying, as a result of the much higher value of the development, much higher rates and taxes thereafter than was envisaged when the ASER scheme first started.

Mr OLSEN: How much higher?

Mr Weiss: I will have to take that on notice to give a precise answer. Certainly, I would say at least twice as high, basically because rates and taxes are based on estimates of market income, and market income will be much higher than was originally envisaged.

Mr OLSEN: Is market income directly related to capital cost?

Mr Weiss: Market income is related to revenue that you earn.

Mr OLSEN: But does it bear a relationship to the capital cost?

Mr Weiss: Rates and taxes are assessed on annual value. If what you mean by your question is what sort of relationship exists between the change in income and the change

in capital cost, the answer is that the income has increased by significantly more than the capital cost and the rate of return that SASFIT, as one of the shareholders—and of course the other shareholder in ASER—is getting on its equity is substantially higher than was projected when we first went into the scheme.

Mr OLSEN: What is the current projected completion cost of the project?

Mr Weiss: It must be appreciated that SASFIT is not putting up any buildings. The ASER Property Trust, which is a private commercial financial vehicle, is carrying out a range of activities, including the erection of buildings and the subsequent operation of businesses thereon. SASFIT, apart from indexed funds specifically provided for certain Government facilities, will now simply be providing equity money. It obviously is a matter of relevance and is a matter on which SASFIT has reported in its accounts as to how much money it will be investing in ASER. It does not see that the actual overall activities of ASER in terms of gross expenditure on building costs is a matter which it ought to make public or which it legitimately needs to make public.

We have made public how much money we will be investing in ASER and we have carried out the most reliable and up-to-date estimates of what rate of return we can expect on that money. We will now be receiving a very much better rate of return on the money that we have invested than we would have received previously. A great deal of water has flowed under the bridge since the original signing of the takeover agreement and this has meant a whole series of decisions to carry out more work and, therefore, the partners recognised that they would be putting in more equity. We now perceive a maximum contribution by way of equity or subordinated debt (which in practice has the same character of equity) of \$34 million instead of \$15 million.

When we first went into the scheme the projected rate of return on the \$15 million which we perceived from the various feasibility studies that were carried out was, in terms of projecting the whole of the operations for seven years after the development was completed, an internal rate of return of 20 per cent per annum. We now, on the basis of the most up-to-date independent projections for each of the elements of ASER, estimate that on our \$34 million we will be receiving an internal rate of return over the same period of 30 per cent per annum.

Mr OLSEN: Earlier, Mr Weiss stated that there was no need to disclose the completion cost of the project. I point out that the Auditor-General does not necessarily agree with that and referred to that in his recent report about commercial confidentiality and its abuse. He also went on to say that, in terms of rent lease fees, etc., and based on 6.25 per cent of the capital cost of the project and the latest information available to him, the completion cost in his view would be about \$254 million.

Mr Weiss: I do not know where he said that.

Mr OLSEN: It comes from the Auditor-General's Report.

Mr Weiss: I have not seen that. We have provided the Auditor-General with absolutely total details of the projections to which I have alluded, including the sources of all the figures making up those items. The only comment from the Auditor-General that I am aware of relates to our own accounts where I gained the impression that the Auditor-General was satisfied with the information that we gave him and that he did not appear to judge this as one of those areas where, in the public interest, he needed to provide more information.

The Hon. J.C. Bannon: This reference to commercial undertakings, and so on, has been quite misrepresented in

the Auditor-General's Report. He certainly did make some statements about that, and the Government has taken note of it. However, the Auditor-General did not single out the ASER development or say that there were problems in that area. If he did, I would like some evidence of that because he certainly has not communicated that to me.

Mr OLSEN: The Auditor-General made clear which body he was exempting, that is, the Electricity Trust of South Australia, in relation to leasing deals for our power stations. He applied no exemption to SATCO or ASER. That was a deliberate and specific action of the Auditor-General in a letter to the *Advertiser* in the past few days.

The Hon. J.C. Bannon: The Auditor-General was responding specifically to some misleading comments in an article, and he particularly wanted to draw attention to the ETSA situation. The Auditor-General has also said that, if he believes that it is in the public interest that commercial confidentiality should not be protected, he will not protect it. I think we need have no fears about that aspect or about the Auditor-General's views on it.

Mr KLUNDER: On pages 29 to 35 of the Estimates of Payments I notice that programs 1 to 13 have been concluded and programs 14 to 19 have been started. What is the rationale behind this?

The Hon. J.C. Bannon: I will ask the Under Treasurer to respond to that because, as the honourable member points out, there has been considerable reorganisation and expansion of the number of programs from, I think, 13 to 20 this year—not with any view to making it difficult to interpret, but with the opposite intention. Mr Prowse will speak to this.

Mr Prowse: The programs on which Treasury has been operating until this year were in the original format that commenced with the introduction of program budgeting. Over that period most agencies have realigned their programs into structures which are more meaningful in terms of their management activities. We decided that it was time to make our programs more relevant and meaningful in terms of what we actually do in managing Treasury. Therefore, we have reduced the number of programs from 13 to 7, first, to make them more relevant to our management operation and, secondly, to recognise the changes that have occurred in the six years since the original classification was put in place: for example, the growth of SAFA is a major activity, the growth of the Treasury Accounting System, changes in budget processes, and so on. When they were originally introduced the objective was somewhat theoretical and our structure was designed to harmonise with the broad classification adopted for program budgeting as a whole. In the meantime other agencies have been encouraged to take on board more meaningful program structures.

We have now followed our own advice and the programs running from 14 to 20 we believe much more accurately reflect what we spend our time on in Treasury. A number of the older programs—2 and 3, for example—are increasingly trivial and unimportant to us. On the other hand, some of the older programs—No. 6, for example—encompassed in the one program some very major functions, including State taxation, SAFA and Commonwealth-State financial matters. So the purpose is to produce a more meaningful, informative structure more closely aligned with what we actually do. Subject to further review by the Treasurer, the intention is to produce our program information in coming years in terms of the new programs numbered 14 to 20 and to discard the original programs numbered 1 to 13. It is possible to indicate the cross-relationships between those programs, the new and the old, and we will do that as we discuss the individual programs.

Mr KLUNDER: The Under Treasurer has indicated that the work of Treasury is more accurately reflected by working under the new programs and that the activities are described in a more meaningful, relevant and informative fashion, and presumably gone through in a more relevant, meaningful and informative fashion. Is it possible to indicate what efficiencies, benefits, savings, and so on, occur as a result of these changes?

Mr Prowse: We have found that considerable time is required to move the appropriation material into the programs after budget decisions are made. For example, one problem is the very fine distribution of the time of officers between various programs and subprograms under the old structure. The clear import for cost and productivity has meant that much more time is required to prepare the program budget and there is much less ability to use it as a management tool, and the costs are not quantified. I suppose we could do that, but it would be a very detailed and time consuming task in itself.

The Treasury Accounting Branch, whose task it is to allocate funds to the programs, certainly would be able to say in terms of man weeks and man days what would be involved in the changeover from the old structure with the difficulty of allocating real expenditures to programs, and what will be possible under the new structure. I suppose we would all have the ideal in mind that eventually we would have the program budget available when the financial statements are presented to the House. One reason for the delay is the simple difficulty in allocating spending and physical resources to programs which are not realistic in terms of what managers are doing from day to day.

Treasury believes that, under the new program structure we have in mind, we should be able to get very close to doing that, particularly if it was possible to build a bit more time into the budget timetable and in particular between the presentation of the statements to the House and the final decision making processes of the Government. But there would always be some little difficulty allocating funds from trust accounts and special deposit accounts to functions.

Mr KLUNDER: I appreciate what I am hearing, that there is a benefit. If I am misquoting the Under Treasurer, I will be pleased for him to correct me. I appreciate that time will be saved, which will be a benefit, and that the new system is a better management tool that will increase efficiency. I would expect both of those matters to be reflected in the employment level in the department. I also appreciate the comment that such cost effective measures are often difficult and expensive to measure, yet the difficulty in which the Parliament finds itself is that, unless it can be assured through evidence that there have been increases in efficiency, effectiveness, and so on, we are taking the word of public servants that each successive change makes life better without ever reaching nirvana. Consequently, I am very much in favour of changes provided they can be clearly costed and shown to be effective rather than it merely being stated that they will be effective. I would like comment on this matter.

The Hon. J.C. Bannon: I will ask the Under Treasurer to reply.

Mr Prowse: We entirely agree with what the Chairman of the Public Accounts Committee says. What management is striving to do in the public sector (and I believe in the private sector also) is reduce the cost of what it does. This year the program budget document cost less to produce than it cost a couple of years ago and will cost less next year—there have been real money savings. Production in my department will consume less time from now on, so there

will be time for other things to be done in depth, or for new tasks that are brought to us.

The objective is the same whether one is managing manpower resources or spending money on computer equipment, a matter in which the Chairman of the Public Accounts Committee is very rightly and properly interested. If he thinks that it will be valuable to him to have this information, we will endeavour to clarify the savings in terms of man-hours that this new system will produce, particularly how the aggregates under the new structure will relate to the actual aggregates with which management in Treasury works and therefore what net efficiency gains will be available. Mr Hill might like to add further comment.

Mr Hill: I make the point about this specific area that resources that are being saved in the accounting area are being used to finance a major new initiative in Treasury accounting policy, where we have lagged behind the other States. I am sure that the Chairman of the Public Accounts Committee would be aware of the interest that Victoria in particular has shown in rate of return reporting and such issues. Treasury has not in the past had the resources to do what it thought should be done in this area. Some of the savings that will be achieved in relation to the matters to which Mr Klunder refers will enable us to take initiatives in that area.

Mr Klunder: I make the point in general terms (and not specifically in terms of Treasury and this particular activity) that one would expect any changes to be costed beforehand and then be compared later with the expected cost. As the Under Treasurer mentioned that the cost of producing the yellow book has dropped, I cannot resist asking him to give me the relevant figures.

Mr Prowse: The actual cost of producing the Program Estimates in 1985-86 was \$23 669; we estimate that the cost this year will be \$16 000, and are confident that it will be much less next year.

The Hon. B.C. Eastick: If we move down the track opened up by the member for Todd relating to accountability and better presentation of facts, because of a cash flow budgeting arrangement that has existed in Government for many years it is suggested that, if we are to have a more meaningful understanding of the State's accounts, there ought to be an indication of the value of stock on hand as at 30 June and an indication of outstanding debits and credits. Has consideration been given to seeking out that additional information when preparing the State's accounts, if not for general publication in the first instance at least for internal use so that there is a better understanding of precisely what is the situation of the State's funds?

The Hon. J.C. Bannon: I will ask Mr Prowse to answer that question.

Mr Prowse: The presentation of relevant and appropriate accounting material is basic to financial management. A general and important issue in which we in Treasury are very much interested, and in which Mr Klunder's committee among others is interested, is the correct concept of the accounts. In particular, we believe that full cost accounting, that is to say with the use of accrual accounting where appropriate in the quasi commercial areas of the service in particular, ought to be used more extensively than it is used presently.

This whole area of accounting principles sometimes gets shorthanded in terms of rate of return accounting, and so on, which has been mentioned here as having been more fully adopted in Victoria and elsewhere. It is the hope (at least in Treasury) that over the next year or two we can more fully apply rate of return accounting in its various elements than we have done so far. Two important devel-

opments in the budget this year that the honourable member will have seen are the treatment of the STA deficit—where non-cash items have been brought into the deficit of a substantial amount, which will produce a significant change in the look of their balance sheet in the coming years—and in the E&WS provision for depreciation where substantial non-cost elements have also been fully accounted for. That is part of an approach that we certainly want to see developed further.

The proper valuation of assets is a further step. It is possible, if assets are properly valued, that one can then implement appropriate financial objectives by which management can be assessed, and so on. There is a great deal of interest in it on our part, and certainly on the part of other institutions in Government. Many of our agencies are very interested in it. The E&WS Department has been applying it fairly extensively for some time—not merely in the budget agencies, as I have said, but in the STA, and the Electricity Trust, which I think has applied financial principles superior to those of any other electricity authority in Australia in the way in which it provides for depreciation of its assets on the basis of replacement cost. So, we do have a great deal of sympathy with the point of view underlying the honourable member's comment. He made specific reference to information on debtors. I will ask the accounting manager and Mr Hill whether they wish to add anything on that matter. It has been pointed out to me by Mr Chenoweth that the Auditor General already supplies a comprehensive list of outstanding debtors.

The Hon. J.C. Bannon: Pages XVI and XVII of the Auditor-General's Report contain a passage devoted to accrual accounting, some of the pros and cons of this presentation and the way in which it should be tackled. I understand that the Treasury has adopted those principles and that approach, so it might be worth examining that to get some idea of what is going on.

Mr Prowse: The resource has been made available to progress that desirable activity.

Mr Hill: That was my point in reply to Mr Klunder. These are the areas into which we will push as rapidly as we can now that we have oriented our affairs to free up these positions.

Mr Prowse: The implementation of the Treasury accounting system will also free up resources that have been devoted to that task, so we can now move into the more policy oriented kind of issue and issues of principle.

Mr Olsen: Last year, the Premier was reported in the *News* as saying that he was looking at the system of having the consumer price index automatically applied to a whole range of Government charges and that such action would be considered within the next 12 months. This, according that the Premier, would get over the hassle of looking at each fee individually. Has the Government considered such a system and, if it has, what has it decided and will it proceed?

The Hon. J.C. Bannon: Yes, we are interested in proceeding to such a system. Even now, despite the close attention that has been paid to having a regular indexing or adjustment of these areas, we still see things coming forward that have not been considered for some years. Therefore, the first task is obviously for departments to identify all areas of Government charges and to ensure that they are kept under systematic review. Although this is being done well in some cases, it is not being done comprehensively in others. Once we have a proper consolidated list, this process will be much easier. This year, the Electricity Trust applied an increase from 1 July, which brings it into

line with Engineering and Water Supply Department and other charges.

The idea of bringing these charges into a more specific period of the year has been considered because that will raise the question of automatic review. It may be that in some instances adjustments need not be made but it is difficult in the case of a minor charge that is increased greatly after some years of languishing in value and we see a horrified headline such as '200 per cent increase in charge'. However, there is no reference to what has happened over a long period of time during which no increase has been made. These sorts of issue are being addressed, and I hope that over the next 12 months we can do much better than we have done so far in this regard.

Mr OLSEN: Therefore, it is expected that in a 12 month time frame you will be on a system where there will be an almost automatic CPI adjustment of a whole range of charges?

The Hon. J.C. Bannon: I do not think so. It is a far more complex issue and the pattern of fees, charges, and so on is so varied that it would be difficult to achieve. We are trying as much as possible to get a regularity of review. Whether that then leads to a regularity of adjustment depends very much on the circumstances.

Mr HAMILTON: On page 54 of the yellow book, under the heading '1986-87 Specific Targets/Objectives', the following appears:

Work continued on developing and installing improved financial budgeting and control procedures and techniques within the department.

What were those developments and improved procedures and techniques? The document continues:

Further progress has been achieved, particularly in the development of internal control and reporting procedures using micro-computers.

I seek more information in that area.

Mr Prowse: Within the department, concerning our accounting responsibilities to the Government sector as a whole, we would see perhaps the most important achievement as being the full implementation of the Treasury accounting system on which all agencies are now operating. There has been a major improvement. This has meant, for example, that the program budgeting application can be done with much less manual adjustment and *ad hoc* analysis. The system is programmed to produce, for example, all the program material as well as the accounting material. This would, I suppose, be the most important progress that we have made in terms of maintaining control and reporting procedures.

We are therefore in a position now to focus much more on the development of the policy analysis of the financial statements and the budget. In particular, it is a target of Treasury this year to develop comprehensive guidelines for consideration by Government on general rate of return reporting and the accounting principles that underlie that. Within the program budgeting area itself, the thing which I hope we will be able to make progress on in consultation with the management board will be the development of performance indicators and performance measures. I think that members of the Committee would recognise that the deficiency in our program budget now is that it has not gone to the second or third stage; that is, we have developed programs which can be measured and quantified, but we have not really got the measurement targets.

What we should have next are indicators for every program of what is to be achieved and what will be regarded as success or lack of success, and I think that we would like to see that as a further stage in the program area. All of that would lead to much improved reporting to Parliament,

much better and more useful documents. There will be other technical progress made, I hope. For example, we aim to be able to produce the Treasurer's statement in house on our program basis. Budget monitoring is much improved and will be further improved so that monthly reports to the Treasurer on the budget can be produced much more readily in much more coherent form.

Mr HAMILTON: Page 53 states that one of the 1987-88 specific targets is to promote the introduction of better insurance arrangements within the Government sector. Can the Committee be given an indication of what were the deficiencies in the insurance arrangements of the past, and how is this to be addressed?

Mr Prowse: The insurance field has been an area of a good deal of interest, particularly in the past year or two. In very rough terms, the situation in the public sector has been less than ideal, because there was really no comprehensive overall policy which agencies followed with regard to what was insured, what risks were insured against and with whom, and against what sort of guidelines. It was difficult for us to even know what was being spent on insurance, and what things were being insured, whether that insurance was effective or costing too much, and so on. Of course, the Government insurance broker places insurance on behalf of the public sector, but I think that it is an area where some review and rethink was overdue. We have begun that and, indeed, taken it quite a long way.

The area of workers compensation insurance is a separate issue, but the development is very well known, I believe. The insurance against other kinds of risks that departments incur in their general operations has been dealt with *ad hoc* and in a rather disorganised way, I suppose. In addition to the workers compensation development, what we hope can be done in the general insurance area is to introduce what Treasury will refer to in shorthand as insurance pooling arrangements, where the Government sector itself will operate internal or in-house insurance for most of the risks incurred, with disaster insurance being placed outside with the industry through the broker.

The pool would allow proper allocation of cost to agencies for consistently insured risks as between agencies with consistent premiums and with a pool being operated centrally, possibly by Treasury but subject to a committee of very concerned agencies; for example, Marine and Harbors and E&WS would possibly be members of the committee overseeing a professional manager who would run an insurance pool for all of the budget sector, for example, which would act as an in-house or self-insurance operation but with departments acting against a consistent set of rules, where they would all be looking to insure the same kinds of risks to the same degree and allowing the pool to decide when external disaster level insurance would be undertaken.

Mr OLSEN: In the financial statement, when introducing the budget to the House the Premier referred on page 12 to substantial savings of some \$42 million which had been achieved. Will the Premier arrange to have tabled in *Hansard* details of which departments have made those savings and in what areas?

The Hon. J.C. Bannon: I think it is in the published document, although I cannot point to precisely where. There is a table of savings appended somewhere, but I will certainly endeavour to get that information. It can be done.

Mr OLSEN: Before the Estimates Committee last year, the Chairman said on page 306:

We are estimating that just under \$100 million in cash will be provided by SASFIT.

However, the latest Auditor-General's Report indicates under notes to SASFIT's account on page 394 that its total com-

mitment will be about \$127 million. What is the reason for that escalation in the past 12 months?

Mr Weiss: The ultimate cash commitment of SASFIT will in fact be less than stated in the Auditor-General's Report. If you look at the Auditor-General's general comment on ASER, you will see that he refers to SASFIT as having \$34 million of equity in ASER after refinancing. The particular arrangements between the joint venture partners involve a refinancing as part of a much broader change to the structure of ASER on completion of the development.

During the course of the construction of that development, we have agreed to carry on advancing in the short term more money than we will have in it once the project is completed, because that was more practicable in terms of the operations rather than to attempt to draw down that money from a facility which might not be used, because the precise final arrangements are still a matter of examination between ASER and its financial and legal advisers in light of various tax changes which have taken place in the past year or so. So, we have a situation where the Auditor-General's Report shows that as at 30 June loans of \$110.2 million had been made.

It refers to a further \$17 million which, indeed, we will provide as cash over a relatively short period of time during this financial year. Both of those amounts will, of course, attract a certain amount of additional interest, because they are all interest-bearing loans. When ASER is completed, the effect of the refinancing arrangements will mean that about \$28 million will come back to SASFIT at that time. In fact, the net movements in our own commitment to ASER have varied, in comparison with the previous year, only to the extent that our index loans have increased to a certain extent, and I believe that that relates to the statements that the Premier made earlier about increases in the cost of that element. In our previous years' accounts we refer to the fact that we anticipated having \$34 million of equity in ASER, and we have continued to have \$34 million of equity in ASER. The only other investment we will finish up with in ASER is an index loan, which is totally matched by the Government leases of particular components which the Government is running.

Mr OLSEN: I understand that that index loan will be repayable upon completion of building on site.

Mr Weiss: No. During the course of construction, the vast bulk of the moneys that we and Kumagai are putting in is put in by means of short-term bridging loans. Each of us has put in just over \$1 million of equity at this stage. Therefore, at completion there will be a large range of loans made by us together with accumulated interest thereon and loans made by Kumagai with accumulated interest thereon. There is an overall reconstruction of the finances at that time which converts this temporary arrangement during construction into a permanent, long-term capital structure.

That reconstruction, according to present estimates, would involve a return to SASFIT of about \$28 million, and it would leave SASFIT essentially with only two investments in ASER: first, the index loan of something over \$70 million which applies to the financing of the Government element and which is entirely matched by the leases that the Government has taken of those elements and, secondly, what we broadly describe as an equity investment of \$34 million, although its format will be a mixture of 'equity' and 'subordinated debt', but subordinated debt really has the same character as equity but it simply has a slightly different convenience factor in a financing structure.

Mr OLSEN: Is it possible to separate the increase or escalation of the costs for the project because of design alterations?

Mr Weiss: No. It depends what you mean by 'design alterations'.

Mr OLSEN: There are many components. I refer to design alterations that added costs. The Premier has referred to the fact that, in relation to the Convention Centre, there were design alterations that added to the final cost of the project. There are other cost components related to the site, such as labour costs and a whole range of other matters. I want to differentiate between the two or three different facets.

Mr Weiss: It certainly would not be possible to provide any realistic segregation without a very detailed case study after the event. I imagine that, in theory, we could do that—after the event. It would still be premature to do it right now. But I emphasise again that costs are incurred by ASER; investments are made by us and by Kumagai into ASER, which is a separate corporate structure. As a separate corporate structure, it incurs gross costs on the one hand, it earns money at various rates because various projects come on stream at various times, it receives various loan funds, and it has a net equity investment.

What we are saying, quite simply, is that the level of equity capital that has had to be put into ASER has risen substantially. Certainly I can relate that to a number of important business decisions, the first of which involved the casino which was not, of course, envisaged when the Tokyo agreement was signed, the second being a decision, which followed on the decision about the casino, to upgrade the Hyatt to an absolute top of the market situation. The words 'five star hotel' are bandied about commonly these days and they cover a range of substantial situations.

Our business decision to build a hotel, as we were finally advised, with larger rooms than originally designed to establish a much higher standard has been absolutely supported, in particular by the latest feasibility studies that we have received from independent hotel consultants, who emphasise that they perceive in the marketplace an outstanding flagship hotel in any capital city to be one which will be able to enjoy a market precedence over all the other hotels in the area and one which does not have to join in any occasional tariff wars that may occur with other hotels. Indeed, one of the major elements in our very much improved income flow comes from the higher forecasts of income that we are now receiving in respect of the hotel from hotel experts.

Mr KLUNDER: I refer to program 14, the administration and enforcement of State taxation legislation. Now that I have got previous questions off my chest, I am happy to admit that this is a reasonable way of subdividing the programs, or on the surface at least. Is this, in effect, the program that measures the cost of collecting revenue?

The Hon. J.C. Bannon: Yes, that is correct.

Mr KLUNDER: So things like the cost of collecting FID are included under this program?

The Hon. J.C. Bannon: Yes.

Mr KLUNDER: It is a bit difficult to get hold of last year's figures under this sort of heading, so I will ask the question without really asking for last year's figures. I assume that extra expenditure was required in the past 12 months to collect the business franchise tobacco tax. Was that cost provided from within budget?

The Hon. J.C. Bannon: The answer is 'Yes' to both questions. The establishment of record consumption licences on tobacco purchases, for instance, involved a cost as a result of problems in collecting that tax.

Mr Hill: It was necessary to direct extra attention to the enforcement of the Tobacco Products (Licensing) Act;

inspectors and other senior staff in the State Taxation Office redirected their attention away from other areas.

Mr KLUNDER: Have both the income and expenditure under the tobacco products licensing legislation now returned to a normal pattern?

Mr Hill: I would prefer to ask the Commissioner of State Taxes to answer that question.

Additional Departmental Adviser:

Mr Peter Cornish, Commissioner for State Taxation.

Mr Cornish: The revenue is being maintained at about the same level as it was before the introduction of the new legislation. The costs are slightly more expensive, about \$50 000 a year in total is being diverted from other resources and we expect it to be continued during the budget allocation for this financial year.

Mr KLUNDER: Is that extra expenditure or transfer?

Mr Cornish: It is a transfer.

Mr OLSEN: In May last year, the Premier released the report of a committee of inquiry into the State's superannuation fund. He told the Estimates Committee last year (*Hansard* page 305) that 'in broad terms we would like to see a new scheme ready to be operational by 1 July 1987'. Why has there been a delay in the implementation of the new scheme and when now does the Government expect the scheme to be introduced?

The Hon. J.C. Bannon: Extensive negotiations have gone on concerning the development of the new scheme. It is still anticipated that we will introduce legislation in this session, although I am not sure exactly at what stage. This whole issue got caught up with the 3 per cent superannuation award made by the Commonwealth Conciliation and Arbitration Commission. We have attempted to keep the two issues separate in terms of negotiation. Of course, that has not always been easy in trying to set off the cost of a new scheme against the expectations of a 3 per cent superannuation scheme applying to persons not in the fund as well as to superannuants. An offer made on that question is under consideration now, and it has been taken into account. The actual details of the superannuation scheme are still being negotiated with our task force and the unions concerned. I think that progress is regarded as being quite satisfactory, but it is a very complex matter.

Mr Prowse: The budget does make provision for the cost of the introduction of the new scheme.

Mr OLSEN: Does the Government face additional costs in superannuation contributions because of the delay in the operative date? If so, can that be quantified?

The Hon. J.C. Bannon: I would not have thought so. We certainly anticipate over time that considerable savings will be made. Probably there will be an initial cost up front because of the changed arrangements, but that is one of the things we are working on: a method of financing that so that the direct budgetary impact can be dissipated over the time in which the new arrangement is applied. The savings down the track will be very substantial indeed.

The Hon. B.C. EASTICK: It is indicated in the various documents made available recently by both the Treasurer and the Auditor-General that there is an exposure of the Government in respect of superannuation for those people who were State employees and who have subsequently been taken over by the Commonwealth, for example, in the colleges of advanced education and probably the universities. A suggestion that the Commonwealth may be seeking to retire from the education field will put those employees back into the area of State responsibility without there having been a clear negotiation of superannuation entitlements

that those people will have enjoyed as Commonwealth employees. They may eventually be the total responsibility of the State. Has the Superannuation Board or the task force looked at this possible responsibility of the State? I admit a certain interest in this question because of my interest in Roseworthy CAE.

The Hon. J.C. Bannon: Certainly, it is a matter that has been addressed, but it has not been settled. It is a fact that the Commonwealth's contribution is not funded and it has a capacity to withdraw or reduce support. We had a negotiation of course over the railways employees who were transferred to the Commonwealth. The new scheme should be able to handle those issues on a clear basis, and I would expect the Commonwealth to meet its obligation under that as far as accrued rights are concerned.

Additional Departmental Adviser:

Mr Peter Emery, Deputy Under Treasurer and Executive Officer, South Australian Financing Authority.

Mr OLSEN: SAFA's annual report identifies that the authority has, on its own behalf and on behalf of semi-government authorities, borrowed almost \$1 billion in Australian dollar equivalents in pounds sterling, United States dollars, Japanese yen and European currency units. This amount increased by just over \$300 million during the last financial year. Given the substantial borrowing in foreign currency, will the Premier arrange to have incorporated in *Hansard* information that identifies the benefits in interest savings of overseas borrowings made by SAFA and changes in the Australian dollar value of borrowings and investment in those foreign currencies?

The Hon. J.C. Bannon: That information can be made available.

Mr OLSEN: How difficult would it be to look at the last three years in achieving that?

The Hon. J.C. Bannon: You wish some elaboration on the tables appearing at page 22 of the report?

Mr Prowse: Table 21 taken back in time?

Mr OLSEN: Yes. Will the Treasurer move to ensure that in future significant loans made by SAFA be disclosed through the Consolidated Account so that prior scrutiny of Parliament can test the nature, purpose and relative priority? The Auditor-General's Report (pages 4 and 5) recommends such a procedure. Because the Government depends so heavily on SAFA making a surplus to fund its Current Account, it should be careful how it makes loans and avoid direct loans that are in high risk areas. I think that parliamentary scrutiny will assist that process and that is something in which the Auditor-General concurs. For example, loans were made in 1986-87 to Government agencies direct by SAFA to an amount of \$104.5 million, and this included the *Troubridge*, SATCO and the Central Linen Service. The case of SATCO not being able to meet its interest commitments to SAFA is a case in point, where interest due to SAFA by SATCO in 1987 was capitalised, and that is now at some \$5.9 million.

The Hon. J.C. Bannon: I have noted the reference made to this matter by the Auditor-General and we still, I think it is fair to say, have not fully finalised the guidelines we would adopt in these cases. I remain convinced that there are instances where it is quite appropriate for the loan to be made directly by SAFA. I point out that it is subject to scrutiny and that all those loans are published in the SAFA annual report and are referred to by the Auditor-General. Therefore, it is not that parliamentary scrutiny is missing; I do not understand that point.

Secondly, and more importantly, too little regard is being paid to the fact that SAFA was established as a central

borrowing agency for semi-government authorities and the volume of loans made directly by SAFA to such authorities (and it is within its brief to do so and was envisaged it would be doing so) is certainly significantly lower than was the level of borrowings undertaken by authorities directly from the capital markets prior to its establishment. In other words, since SAFA's establishment a very great deal more of the State's borrowing and subsequent allocation of funds to agencies for capital purposes is channelled through Consolidated Account.

Massive strides have been made, and I give some examples. In 1982-83, \$242 million went through Consolidated Account capital payments, out of a total of \$624 million. That represented 39 per cent on Consolidated Account and 61 per cent outside it. That was in the 1982-83 budget brought down by the Tonkin Government. In 1987-88 (this current budget) we estimate that, of \$783 million capital outlays \$617 million will be made through Consolidated Account: that is, 79 per cent, leaving 21 per cent outside of Consolidated Account. Therefore, there has been more than a total turnaround in that area: we are up to nearly 80 per cent as opposed to just under 40 per cent in 1982-83. That is major strides forward in terms of those treatments of levels.

As I say, too little regard is given to that. I am constantly amazed at criticisms being made about the Government's secrecy on these transactions and its accounting practices when, for instance, changes like that can take place. I assure members that there is no problem there at all. The operation of SAFA as a central borrowing authority eliminates the risk of authorities borrowing more than they actually require and diminishes the possibility of them borrowing beyond the level they can service. In other words, it is acting as a policeman in a way that did not exist when these authorities were going directly to the markets themselves. Any non-commercial agency's loans are channelled through the Consolidated Account and we brought in all the Commonwealth capital payments as well. There it is all laid out. However, where there is a case for some commercial arrangement being made or some commercial reason for it I believe that it is quite appropriate for SAFA to act as a direct loan authority, and that will continue.

Mr OLSEN: The Premier responded that having a central coordinating authority like SAFA does not allow the various agencies or authorities to borrow too much. It would seem that the investment through SATCO to IPL is a case in point: it cannot even meet its interest component and has to capitalise that. I just make that reference. The presentation of the Premier then as to general objectives does not seem to be met in that case, because there is a case in point where an instrumentality has erred and has not met its interest payments to SAFA so avoiding over-borrowing, extension or investing in an instrumentality or a project that has not been properly assessed prior to the event can still happen.

The Hon. J.C. Bannon: Certain assumptions are being made, one of them being wrong. It was assessed prior to the event. For instance, in relation to the New Zealand operation, certain misleading information was provided to an extent that we are taking legal action in consequence, so I do not think that that can be seen as a cavalier decision. However, I take the point. Some of these business commercial ventures will be more successful than others, but that does not cut across what I am saying in response to the Leader of the Opposition's questions about SAFA and its responsibilities, nor the accountability that is present in these areas. There is total accountability, even with that particular transaction. It is reported in a number of instances.

It is in SAFA's accounts and in the accounts of SATCO, and in the Auditor-General's Report. It is laid out and obviously it is subject to the scrutiny of the Parliament. If it was not, then what were all the questions from the Opposition during Question Time over the last few weeks?

Mr LEWIS interjecting:

The Hon. J.C. Bannon: Yes, it is quite properly under the scrutiny of Parliament and no doubt when the Minister of Forests appears before the Committee there will be further questions, too.

Mr OLSEN: It depends on getting answers to the questions too. Given the comments the Premier has just made about investment and the Timber Corporation investment in the New Zealand timber venture, what independent advice did SAFA seek in relation to that investment?

The Hon. J.C. Bannon: SAFA was in receipt of the advice, the figures and the assessment made by SATCO. A chartered accountant analysis of the figures was also provided prior to the actual investment going ahead.

Mr OLSEN: So, in effect, SAFA took the presentation of the agency authority, in this case the Department of Woods and Forests, rather than seeking independent advice on that investment.

Mr Prowse: It is not the case that SAFA will seek independent advice on all its activities related to departments and authorities, but it is the case in this IPL investment that Treasury became involved very early in the piece and was instrumental in the intensive review of the proposal that has taken place over quite a long time, part of which was the obtaining of the consultants' independent reports, of which there were three.

Mr OLSEN: I take it that the review took place after the original investment decision.

The Hon. J.C. Bannon: Yes, the three studies referred to by the Under Treasurer took place after that investment, and when it became apparent that some false and misleading information had been supplied about the New Zealand operation the Auditor-General flagged his concerns and action was taken. Independent advice is certainly sought where it is appropriate in these cases.

Mr OLSEN: What precautions does SAFA take to ensure that recipients of SAFA loans have the ability to pay the interest commitment on their loans?

Mr Prowse: The point has been made by the Treasurer in comment earlier on the operation of SAFA that part of the benefit in having a central borrowing authority is that it has a monitoring and policing task. Agencies are discouraged from seeking funds for which they will not have current revenue to sustain that borrowing. That is part of our purpose, and it is part of the integrated budget operation that borrowing by commercial entities is subject to a capacity to service that borrowing. Much of SAFA's funding goes to non-commercial operations to finance capital and public works, and so on.

Mr OLSEN: Has SAFA turned down any proposals put forward on the basis that it did not consider them to be good investments?

Mr Prowse: Yes.

Mr OLSEN: SAFA was not involved in any discussions relating to the investment in the timber company until after the initial investment had taken place and then there was a 'rescue' mission for the original investment?

Mr Prowse: No, we were aware of the purpose of the advance to SATCO.

Mr OLSEN: The initial investment?

Mr Prowse: Yes.

The Hon. J.C. Bannon: The initial investment received Treasury scrutiny and Cabinet was in receipt of advice

across the board when approval was given, which was made conditional on a special assessment being made by an independent accountant. A study was made and it transpired subsequently that the accountant was not given some of the material that should have been forthcoming. That is what this legal case is all about and, therefore, I cannot go into the details, as members would understand. The decision to invest was based on the commercial ground that it was in SATCO's interest to be involved in this venture for various sound commercial reasons.

After what the Leader of the Opposition described as a rescue operation, we hope that, in so far as the New Zealand sector of the operation is concerned, we will be able to protect our investment and, if the most favourable outcome derives, we will be in a profitable situation. I assure the Committee that there will be occasions when, as occurs daily in business from some of the biggest and most respected institutions, financial expectations are not fulfilled: that is the nature of the market place. We would be foolish to turn our backs on these things purely on the basis of risk. If that was the case, we would certainly not have a Grand Prix in South Australia.

The Grand Prix was a major risk, its implications were fully assessed and the bottom line loss was looked at. It could have resulted in a loss for this State, and the Opposition would have jumped up and down in triumph saying, 'There you are, we told you that it was a stupid thing to pursue. Look at what you've done to this State.' However, it turned out to be the opposite. I point out that, unless South Australia is prepared to risk using all the skills and expertise available to minimise that risk, we will get nowhere. I would like to see more of that sort of spirit in our private sector in South Australia, otherwise this State will suffer.

Mr OLSEN: The private sector might have bankers that would run these things through a slide rule before making an investment to begin with.

The Hon. J.C. Bannon: I would say that the assessment made by Government in ventures such as this is far more detailed than the assessment made by bankers. The days of some of these development funds, and so on, have gone and the assessment is now very rigorous: I can assure the Committee of that.

Mr OLSEN: I take it one step further. Having had the review referred to, SAFA now has an investment and interest that has been capitalised because it has not been able to be met by the instrumentality. Is there a commitment that this year's interest will not be capitalised, and has SAFA set bench-marks over the next financial year to check performance to ensure return so that we do not go on *ad infinitum* capitalising the interest component of this debt? In other words, will we face up to the fact that, if it is unsuccessful—whatever the loss might be (and it seems to me to be substantial)—that loss will be cut and we will pull out?

The Hon. J.C. Bannon: As Treasurer I indicate that that is what this whole plan and exercise is all about. Earlier this year I would have cut our losses immediately, but it was established to my satisfaction and to the satisfaction of our advisers that to do so would be far more expensive than to work through and keep trading. We have done that and so far the results have vindicated that decision, but we are not yet out of the woods. The Under Treasurer will now comment on the monitoring procedures.

Mr Prowse: As has been stated, a business plan has been adopted and it involves minimum acceptable performance targets, including cash flow for both IPL Australia and IPL New Zealand. The timber company will provide Treasury and others with progress reports against those targets every

eight weeks. If the minimum acceptable targets are not achieved, the decision to continue will be reviewed. Even if the companies achieve the minimum standard or improve on the minimum targets (which are not by any means the lowest scenario that could have been set), I believe that the Government would want to review its investment at the end of 18 months or two years.

The advice and information available to the Government—and this point needs to be recorded—does not indicate that the investment is lost: it indicates that IPL Australia potentially is a very strong and profitable body which will be paying interest in the near future, and that IPL New Zealand will also have the capacity to service its debt by 1988-89. To discard the investment now would involve selling in a disorganised condition, and I do not think that one should easily assume that this investment will prove to have been a disaster. Indeed, it may very well turn out to be a very satisfactory investment.

I think it is important to remember the broad context in which SATCO made the investment. I am sure that the Leader is aware of this but, for the record, we were faced with the consequences of the disastrous 1983 bushfires in the South-East which destroyed a very large part of our capacity to supply saw logs to the industry which is so important to the regional economy in the South-East. Part of the attraction of the New Zealand investment was access to high quality logs in New Zealand to sustain the flow through our own sawmilling industry here in this State. That is part of the difficult environment for SATCO and the Woods and Forests Department, and it is part of the reason for the general capitalisation of interest. I believe that the investment in a forest in this State has produced an asset with a market valuation of more than \$500 million.

Mr OLSEN: Will you clarify the date by which you indicated the New Zealand based company would be trading profitably; was that the end of 1988 or 1989?

Mr Prowse: The Australian company APLA will be trading with a cash surplus this financial year. I will have to check this, but I think the New Zealand company will be paying interest by the financial year 1988-89.

The Hon. B.C. EASTICK: In essence we established that the system broke down in relation to the assessment of the IPL investment.

The Hon. J.C. Bannon: I presume that this is a privileged proceeding. The information that we were given did not match the actual facts of the situation. It was not so much a breakdown of the system, and the legal action that we are taking suggests that it was more than that. I do not think that I can say anything more on that point. The system was good. The procedure was that the proposition was put up and the various economic reasons behind it mentioned by the Under Treasurer had to be taken into account.

The broader context was that we had to maintain some reasonable level of activity because there would have been massive loss of production and unemployment in the South-East. We had to identify another source of timber, so we entered into this venture. All of that was done and the final decision by Cabinet to authorise SATCO to go ahead was coupled with a proviso that there would be a final assessment by an independent chartered accountant looking at the finances. That being satisfied, the investment was made. It subsequently turned out that those accounts did not stand up, and that matter is the subject of legal action.

Having identified that situation, we took urgent action and put a lot of resources into it. The position now is as the Under Treasurer has outlined, that a business plan is being enacted which has minimum targets. Those targets will be reviewed on an eight-weekly cycle and if they are

not achieved at any time, or if they are and we think we are wasting our time long-term, we will get out of the investment. That is exactly how any business, whether Elders IXL or anybody else, would treat the situation in which we find ourselves. The end result could well be a profit.

The Hon. B.C. EASTICK: I make the point that SAFA had had an input into this particular matter, but we have heard evidence that on a number of occasions SAFA has advised the Government not to proceed with initiatives.

The Hon. J.C. Bannon: There is a Treasury assessment of these sorts of proposition. In the case of most propositions relating to expenditure by departments, Cabinet is in the possession of an independent Treasury assessment; or, if not an independent one, Treasury has been involved in the development of the proposition and has therefore had an input in that way. Therefore, there are within the system checks and balances and assessments made.

The Hon. B.C. EASTICK: Is the Under Treasurer able to indicate two or three examples of initiatives that have been denied?

The Hon. J.C. Bannon: No, I do not want to canvass those matters.

Mr LEWIS: I enter the debate briefly (on my behalf if not on behalf of the Opposition) to disabuse the Under Treasurer and officers at the table of my understanding of what accountability means to the Parliament and to ask whether they understand my perception of it. Let me explain. In reply to a question asked by the Leader about accountability of business ventures by Government and the way in which SAFA was involved as the central authority in that process the Premier quite properly put his view that there was accountability and referred to the various papers from which information could be obtained, and to the fact that the Opposition sought information by asking questions in the House. I want the Premier to assure me that he understands that that process is *ex post facto*, to use a commercial lawyer or economist's term: after the event.

However, I believe that accountability and scrutiny is all about *ex ante*—to begin with—and that is why we are sitting here today, scrutinising a proposed expenditure for the new financial year so that the public of South Australia, through the process of reliance on the Parliament, can understand why Government has chosen to collect revenue before allocating it to programs of expenditure. In the case of SAFA, especially where it is involved in business ventures, what the Premier has not understood about my concern (and I am sure the concern of other members of the Opposition—and maybe members of his Government) is that SAFA gets involved in these ventures without there being any *ex ante* analysis or scrutiny of what is going on. Therefore, the taxpayer is liable to pick up the tab for risk ventures to go bad after the event, without ever knowing from any source that the venture was to be entered into or that a proposed expenditure was envisaged.

I do not want to know in advance the names of the businesses involved, or the names of other businesses, but if it is seen by the Government as a good idea to get involved in a business venture of some kind surely it is a good idea for the Government of the day to tell the Parliament that it thinks it ought to get involved in that industry or venture as a matter of principle and then go about its business after debate on that decision and on the extent to which the public purse is likely to become committed and liable. That is, after all, what an analysis of the budget is about—in this instance, for the public instrumentalities for which we are appropriating revenue.

My view about this matter happens to be the reason why I, as somebody from a very poor background, believe that

Governments ought not be involved in the provision of goods and services to society at large where there is a risk that can be met best by an individual or group of individuals, in a corporate sense, from outside the function of Government but controlled by the laws made by it; in other words, the private sector.

I do not have any vast fortune to protect, or any philosophical hang-up, but I see it as being more efficient for Government to encourage individuals or groups of individuals to take those risks. I want the Premier to understand that our concern is that we do not know what SAFA will invest in next—what kind of industry it will be, or what part of the private sector it will make a joint venture deal with or enter into. Does he understand that that is the basis of our concern?

The Hon. J.C. Bannon: The latter part of what the honourable member said was really an ideological statement with which I do not happen to agree. That is fair enough; that is why I am in the Labor Party and he is in the Liberal Party. That is part of the community debate. On the question of accountability, I think that, ultimately, all these authorities are—and the pattern of public expenditure is—accountable to the Parliament, and must be. The question of whether it is *ex post facto* or in advance is often not as relevant as what particular responsibility an agency is charged with or what particular powers it has been given by the Parliament under its Act. That is really the crucial point.

If the honourable member wishes, for instances, to constrain SAFA or any other agency in a particular way the way to do that is to write the Act so that they are so constrained. In fact, in all these cases those constraints are not in the Act because the Parliament of the day has deemed for good and proper reasons, for instance, that if SAFA is managing our finance it must have some commercial flexibility and must be able to operate in money markets and elsewhere.

That is its purpose and that is envisaged and embodied in its Act. It is Parliament's prerogative to withdraw that authority from SAFA if it so wishes. So, to the extent that the honourable member complains about some of these executive actions of authorities or even of the Government itself, these actions have been sanctioned by Parliament and envisaged as part of the charter of the organisation.

This approach has been a bipartisan one. While the structure of SAFA is certainly wider (indeed, its area of operation is much wider than was envisaged in the original Act), the first Act to establish such a central borrowing authority was introduced by the Tonkin Government. So, the concept of having an authority to do some of these things was shared by both sides of the House. This matter ultimately rests in Parliament's control. However, it is not just a matter of what Parliament appropriates: it is how Parliament draws the Act authorising a body to fulfil its functions.

Mr OLSEN: What proportion of interest payments on SAFA's debt is fixed and what proportion is variable? A debt maturity profile is published in the Auditor-General's Report, but no such profile of liabilities showing the interest rates is available in the documentation. I ask this question because it is important, given that there may be fluctuations of interest rates in the foreseeable future, as to whether they are fixed or variable.

The Hon. J.C. Bannon: I think that we can provide that information and we will undertake to do so.

Mr OLSEN: There are about \$3.183 billion and \$3.3 billion between Government and private sector borrowings of SAFA making up the total amount approximately. To get the maturity profile, the liabilities, the interest rates, and the graph would be valuable from our point of view.

Mr Prowse: There is no problem in providing the debt maturity details. Indeed, the Auditor-General has been supplied with that information. We had it available last year, although I am not sure whether it is available today. As to what proportion is fixed and what proportion is floating, that information is not so readily available, but it can be established.

Mr OLSEN: What were the common public sector interest rates charged by SAFA each quarter of the last financial year to departments and semi-government authorities? In my budget speech, I referred to the rate of return and the Premier responded at the end of that debate indicating that there were variations in the rates charged to the respective agencies that affected the overall return on the total funds deployed. Could a chart be provided showing a breakdown of the figures?

The Hon. J.C. Bannon: The concessional funds are provided by the Commonwealth Government at a rate of 4.5 per cent interest and these are on-lent on that basis. We can provide those figures.

Mr Prowse: The rates for 1986-87 were as follows: September quarter, 13.2 per cent; December quarter, 13.3 per cent; March quarter, 13.4 per cent; June quarter, 13.6 per cent; and average, 13.3 per cent.

Mr OLSEN: Will the Treasurer provide, for incorporation in *Hansard*, information on which Government departments and semi-government authorities made principal repayments on outstanding loans last year?

The Hon. J.C. Bannon: I think that we can provide that information. Is the Leader interested in any specific agency?

Mr OLSEN: No. I am interested in the principal repayments from the agencies that have funds deployed from SAFA.

The Hon. J.C. Bannon: Could we have some idea of why the information is required?

Mr OLSEN: We are building up a bank of information on the operations of SAFA. This is a further extension of the discussions and briefings that we had with SAFA. If there is to be total familiarisation with the operations of SAFA, this is the sort of information that can give the background of the operations of SAFA and how it is playing its part in the accounting functions of the South Australian Government. It is basic and important information.

The Hon. J.C. Bannon: I would certainly be happy to make that information available, and I welcome this interest. It is a matter of regret that, having had detailed briefings and as we have agreed to provide further information to assist the better understanding of SAFA and its operations, the Leader still gets up and carries on in the way he did during the budget debate, effectively attacking SAFA's performance and displaying a considerable ignorance of SAFA's operations. I am happy to help the Leader understand better.

The CHAIRMAN: Order! I suggest that members come back to questions and answers on the budget lines.

Mr OLSEN: I will not attempt a point-scoring exercise. We are here to seek basic information.

The Hon. J.C. Bannon: I am acknowledging that there is a need for basic information. I just hope that the Leader understands it when he gets it.

Mr OLSEN: With some accounting background, I am sure that I will. Other members have no accounting background, such as the current Treasurer.

The Hon. J.C. Bannon: It just is not evident, that is the problem.

The CHAIRMAN: Order! I know that it is getting late, but I prefer that we come back to the budget lines.

Mr OLSEN: I will not let snide remarks like that go.

The CHAIRMAN: Order!

Mr OLSEN: Will the Treasurer provide, in *Hansard*, information showing which departments and semi-government authorities received interest rate subsidies from SAFA during the past financial year? What were the rates of subsidies and to what amount of principal were the subsidies applied?

The Hon. J.C. Bannon: No agencies received interest rate subsidies.

Mr Prowse: Only funds provided for housing attract a concessional rate from the Commonwealth Government. Otherwise, the money is borrowed at the common public sector rate. For commercial type operations, the rate is sometimes the equivalent commercial rate. So, there is no subsidy.

Mr LEWIS: My curiosity was earlier stimulated as to the interest rates paid by SAFA and, therefore, the likely charges it would make for the loans that it advanced. What is the going rate, in percentage terms, which is added to the cost of borrowing by SAFA to cover its cost of operations? In other words, how many points and decimal points of interest are added to cover the cost of SAFA's operations?

Mr Prowse: The answer is .8 per cent.

Mr LEWIS: Do any of the funds in SAFA find their way to the Rural Assistance Branch of the Department of Agriculture for lending?

Mr Prowse: For the arrangements with the Department of Agriculture that we are supporting, there are commercial type rates.

Mr LEWIS: What does 'commercial rates' mean in percentage terms for, say, the March quarter and the June quarter this year? The Under Treasurer made the point that loan funds were made available at commercial rates, and I wanted to understand what those commercial rates were for those two quarters.

Mr Cornish: There are two aspects to SAFA lending to the Rural Assistance Branch in the Department of Agriculture. One relates to the rural adjustment programs which are a Commonwealth Government initiative and which the Commonwealth Government subsidises out of its own budget. Under current arrangements between the Commonwealth and the States, the States borrow money for those rural adjustment purposes and the interest rates are subsidised by the Commonwealth, so that under those arrangements, which in 1986-87 amounted to about \$30 million, if I recall correctly, SAFA lends to the Rural Assistance Branch at commercial rates.

That branch lends at concessional rates to farmers, and the difference is made up by Commonwealth subsidy. Again I am relying on memory, but I believe that in 1986-87 the interest rate charged by SAFA to the Rural Assistance Branch was 17 per cent or 17.5 per cent, which is a Commonwealth approved interest rate based on what banks are charging farmers, as a general rule, and with a large subsidy element coming from the Commonwealth.

Mr LEWIS: Does the Commonwealth provide any capital for lending to farmers through either of the programs under the Department of Agriculture to which the officer at the table referred?

Mr Cornish: The answer in brief is 'No'; Commonwealth assistance in the past year or so has been provided through interest rate subsidy rather than capital funds coming out of the Commonwealth budget. There are some exceptions to that; for example, loans for farmers under natural disaster relief arrangements would still come from the Commonwealth as capital funds. There may be some minor exceptions of which the Department of Agriculture could give more detail but, certainly, the bulk of the lending to farmers

is now funded in a capital sense by SAFA and subject to the Commonwealth concession, as I have explained it.

Mr LEWIS: For how long does the Commonwealth undertake to subsidise those interest rates to the farmers loan by loan?

Mr Cornish: I am relying on memory here, but my recollection is that it is seven years under the current rural adjustment arrangements.

The Hon. B.C. EASTICK: Earlier we were given to understand that the on-loan interest charge was something over 13 per cent. Is the Treasurer able to identify for the Committee the maximum amount of interest that the Government is paying for any of its loans, and the average? We will not go down to the minimum, because we take it to be the 4.5 per cent which was from the Commonwealth for housing and the like, but for Government borrowings what is the maximum and the average?

The Hon. J.C. Bannion: The current rate is 13.6 per cent.

The Hon. B.C. EASTICK: What is the maximum on any loan that has been raised?

Mr Prowse: Is the honourable member asking what is the maximum rate any agency is paying to borrow from SAFA?

The Hon. B.C. EASTICK: No, what SAFA is paying.

Mr Prowse: I am afraid that I do not have that figure at my fingertips, but we can obtain it.

The Hon. B.C. EASTICK: And the average?

Mr Prowse: Yes.

Mr LEWIS: Would it be possible for the Treasurer to obtain from the officer at the table confirmation of the length of time over which the Commonwealth will undertake to subsidise loans?

Mr Cornish: I will check that. I am fairly sure of my recollection, but we will check that.

Mr OLSEN: I refer to program 17. One of the objectives of that program is to provide advice to departments and statutory authorities on Government accounting practices and procedures. In view of the qualified report made by the Auditor-General on the financial operations of the Woods and Forests Department last financial year and the Auditor-General's reference to that, what action does the Treasurer intend to take?

The Hon. J.C. Bannion: Treasury is now working very closely with the Woods and Forests Department and SATCO on their financial arrangements.

Mr OLSEN: Is it the intention of the Government to require the department to furnish its accounts in line with standards adopted by the Auditor-General? It has been pretty clear that the Auditor-General has referred to the fact that the accounts are not in an order on which he can report without qualification, so will there be a requirement on that department to bring its accounts into line?

The Hon. J.C. Bannion: The Woods and Forests Department will be expected to account appropriately. The answer is 'Yes', and Treasury will work with it to make sure that that happens.

Mr Cornish: The Auditor-General has explained fairly precisely (pages 209 and 210 of his report) where the accounts as published by the Woods and Forests Department differ from the formal accounting standards. However, as I have read the comments of the Auditor-General, he is not asserting that those accounts are misleading in any way. If I might say so, that seems to me to be a fairly important distinction.

Mr OLSEN: The yellow book reveals that significant progress was achieved last financial year in respect of Treasury office security arrangements, and that these arrangements will be finalised this financial year. Can the Premier

indicate why security in the Treasury office has been reviewed?

Mr Prowse: The Treasury office, as distinct from the Treasurer's office, is located in a public building in King William Street (the QBE building). Access is open to the public and there is a good deal of private sector business activity, insurance, and so on. About two years ago there was a major break-in in which the Under Treasurer's office was forcibly entered and cupboards and drawers smashed and damaged. The Auditor-General's office, which is in the same building but on a different floor, was violently entered on the same weekend, and on other floors of the building where Treasury operates drawers, and so on, were forced and safes smashed.

It appeared to us that there were probably people seeking cash against the common proposition that Treasury is where the cash is. We were concerned, however, that confidential material might be lost if such an occurrence was repeated, and we were concerned for the safety of staff. There is some after hours work and weekend work, and it would be very serious if staff were to intrude on a break-in. Those were the circumstances in which the building managers reviewed the security, and it has been greatly upgraded so that the building would be impossible to enter after 6 o'clock without electronic access capacity. The lifts cannot be used except for exit, and the stairwells cannot be used for exit. Safety and security has been greatly upgraded, the immediate cause being the break-in a couple of years ago. The police did conduct an inquiry, but could not accumulate sufficient evidence to apprehend or make an arrest.

The CHAIRMAN: I wish to clear up Standing Orders. I am obliged to stop this session at 6 p.m. unless otherwise ordered. If the Committee would like to move the appropriate motion, I could keep in line with Standing Orders.

Ms LENEHAN: I move:

That the Committee completes this aspect of the budget examination in relation to Treasury and resumes at 7.50 p.m.

Motion carried.

Mr OLSEN: What is the cost of the new security systems and is there a recurrent cost in maintaining those new arrangements?

Mr Prowse: The system was installed by the building owner and manager. It is reflected in the rent charged.

The Hon. J.C. Bannion: It would be desirable to consolidate our central departments, and that is certainly in the longer term something that the Government has in mind. It would be far better to have Treasury, for instance, and the Auditor-General in a Government owned building where we have total control over security rather than in a privately owned building.

Mr OLSEN: Where has Treasury in mind? The new ASER office?

The Hon. J.C. Bannion: Yes, at one stage definitely the idea was to consolidate central departments in the ASER block: Cabinet Office, Treasury and State Development. As I announced about two or three years ago, that is no longer the intention. Consolidation of public administration around Victoria Square is much more desirable.

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

Treasurer, Miscellaneous, \$84 358 000—Examination declared completed.

Works and Services—Treasury Department, \$6 387 000

Chairman:

Mr D.M. Ferguson

Members:

The Hon. B.C. Eastick
Mr K.C. Hamilton
Mr J.H.C. Klunder
Ms S.M. Lenehan
Mr I.P. Lewis
Mr J.W. Olsen

Witness:

The Hon. J.C. Bannon, Treasurer.

Departmental Advisers:

Mr A.R. Prowse, Under Treasurer.
Mr J. Hill, Assistant Under Treasurer.
Mr P. Emery, Deputy Under Treasurer and Executive Officer, SAFA.
Mr I. Weiss, Chairman, South Australian Superannuation Fund Investment Trust.
Mr J. Wright, Acting General Manager, SAFA.
Mr P. Cornish, Commissioner for State Taxation.
Mr R. Chenoweth, Manager, Accounting Operations.

The Hon. B.C. EASTICK: As to the \$6 387 000, the additional detail in respect of the purchase of motor vehicles is indicated on page 202. As to the \$4 million received from Commonwealth funds for non-government schools, are there any particular features of the disposition of that \$4 million which is different to the previous disposition of funds which tended to go direct and not come through the accounts?

Mr Prowse: This reflects the implementation of the new Public Finance and Audit Act under which specific Commonwealth purpose payments are now channelled.

The Hon. J.C. Bannon: There is no difference.

Mr Prowse: It is an accountability provision, that is all.

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

[Sitting suspended from 6.5 to 7.50 p.m.]

Arts, \$32 888 000

Chairman:

Mr D.M. Ferguson

Members:

The Hon. B.C. Eastick
Mr J.H.C. Klunder
Ms S.M. Lenehan
Mr I.P. Lewis
Mr J.W. Olsen
Mr M.D. Rann

Witness:

The Hon. J.C. Bannon, Minister for the Arts.

Departmental Advisers:

Mr L.L. Amadio, Director, Department for the Arts.
Mr P.L. Bailey, Manager Resources.
Ms W. Pelz, Manager, Arts and Policy Program.
Mr K.B. Lloyd, Chief Finance Officer.

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

The Hon. B.C. EASTICK: I refer to page 38 of the Estimate of Payments under 'Program 1—Development of

the Arts', and note that the Auditor-General's Report reveals (page 26) that the number of full-time equivalent personnel employed by the Department for the Arts as at 30 June 1987 was 181, which was the same figure as at 30 June 1986. The Auditor-General's Report also indicates a 15.6 per cent increase in salary payments over the previous year for the same number of staff. Why was there this increase in salary payments when the same number of people were employed?

The Hon. J.C. Bannon: As we have found in other areas, there is a combination of effects: the normal wage movement that takes place; terminal leave payments that are intermittent; the effect of the 1985-86 wage increase; and some sundry payments that were made, termination expenses, and so on.

The Hon. B.C. EASTICK: Last year the Auditor-General made the point that the Aboriginal Cultural Gallery (previously the Stirling and Mixed Cultures Gallery) had been upgraded in 1983 at a cost of \$497 000 but had yet to open. Although he reported then that it was anticipated that it would open late in 1986, his report this year indicates that that still has not occurred. In the interim, \$300 000 was spent on further work, so that more than \$700 000 has been put into a project which has yet to be opened to the public. Will the Premier reveal how much in total has been spent on this project since it was decided to establish it as the Aboriginal Cultural Gallery? How much more will be necessary to complete it so that it can open?

The Hon. J.C. Bannon: First, the amount of \$400 000 that is mentioned was expended basically on the fabric of the gallery—restoration and upgrading—in preparation for the installation of a major new display. The expenditure of capital funds was totally justified as part of the overall redevelopment of the museum. However, the Government made it quite clear that unless and until sufficient funds had been made available or raised there was no point in moving to the next stage, which was the design and installation of the display. As part of the 1986-87 capital works program the Government provided \$300 000 for the development of this display.

The Museum Board has been given the task of raising the balance of \$145 000. In other words, it has been estimated that \$445 000 is needed for a display that befits what is probably if not the world's best certainly among the best two or three collections in the world of these artefacts. We want it to be a real showcase. It is the first time probably since the galleries were established for these displays some 50 or 60 years ago that there has been a major upgrade. It has to be done properly, but done within the capacity of funds. The Museum Board is currently working on raising its portion of that expense, which is the \$145 000 mentioned. It is envisaged that funding arrangements and the work involved will be completed by about the middle of 1988 and the gallery reopened some time soon after that. It is definitely in progress.

When it is opened it will be one of the most exciting new displays in Australia. It will do justice on an international level to the collection we hold and obviously it will be there for many years to come. The delays are simply consequent on gathering together sufficient funds to do it properly. We could have done a cheap job—put up a few screens and a few pictures, and so on. In 1984-85 we decided to do it properly, and I think that that is the right decision.

The Hon. B.C. EASTICK: Supplementary to that, was the Strehlow collection ever likely to be a part of the Museum content?

The Hon. J.C. Bannon: No, it was not. The Strehlow Trust, for which the late Professor Strehlow assembled a

collection of materials, has been under the curating of Mrs Kath Strehlow. It was held as a private collection and always has been. The Museum has assisted at different times in identifying and cataloguing, but ultimately the relationship was with the University of Adelaide and the Strehlow Trust. A foundation was established. There has been a lot of coming and going and a bit of political playing around with it. Ultimately, the Northern Territory Government made available funds to establish the collection and house it properly in Alice Springs as it is material from that area. The material was collected in Northern Australia and it is appropriate that that is where it be located. The Museum has not had any claims on or major involvement in the Strehlow collection.

The Hon. B. C. EASTICK: Referring again to program 1, cross referencing on this occasion to page 61 of the yellow book, we find under 'Issues and Trends' the statement:

The industry's ability to raise admission/participation charges must be improved to respond to cost pressures.

Is this an indication that the Government may be considering the introduction of admission fees not only for the particular item referred to but for the Museum and the Art Gallery, and for other cultural institutions we have or may develop?

The Hon. J.C. Bannan: No, the Government has resisted, despite some strong arguments being put in its favour, the concept of general admission charges to the Museum and the Art Gallery, and as it happens the Migration and Settlement Museum which has been established in the same precinct. However, the Government does support admission charges on special exhibitions, such as touring exhibitions and those requiring special mounting and staging.

Where new facilities are being developed, again, I think quite rightly, the Government requires that the museums concerned raise part of their operating costs from administration charges. So, administration charges, for instance, have been part of the Maritime Museum's operating costs since it was first established. The Birdwood Mill and a number of other History Trust venues are in the same category, but for our basic North Terrace cultural institutions I have resisted—and will continue to resist—the concept of general admission charges. Those buildings are a public collection that has been assembled over 150 years in this State and they should be freely available to its citizens.

When I say 'freely', of course the citizens do contribute to them by subvention from general revenue, but in saying that I certainly do not suggest that there are not opportunities for getting greater revenue for expansion and development purposes from special exhibitions and by various ways and means which are being looked at by those institutions. But in terms of admission to the basic facilities, that will remain free.

The Hon. B.C. EASTICK: By the sound of it, that has already been proposed to you?

The Hon. J.C. Bannan: Yes, it certainly has been looked at on a number of occasions, partly drawing on precedent from overseas where these charges are quite common, or even just across the border where, for instance, the National Gallery of Victoria and the National Gallery in Canberra charge admission fees to the public. But, as I say, we do not intend to do that in South Australia.

Ms LENEHAN: I refer to program 2 on page 39 of the Estimates of Payments and, more specifically, to '1986-87 Specific Targets/Objectives' on page 62 of the yellow book and the detailed proposals for the Living Arts Centre and also '1987-88 Specific Targets/Objectives', which refers to exploring the possibility of private sector development of the Living Arts Centre. Given recent media reporting that

this was somehow a change of policy by the Government in terms of some kind of privatisation of the Living Arts Centre, can the Premier update the Committee on the progress of the Living Arts Centre? If a satisfactory arrangement cannot be entered into with a private developer, will the site be sold? It is important that this whole matter be clarified for the Committee and for the general public, as there has been some speculation about this issue in the media.

The Hon. J.C. Bannan: The honourable member asks a relevant question made even more relevant by an extraordinary press statement issued by the Leader of the Opposition recently indicating that he obviously has no interest or concern in the Living Arts Centre. I say that, because his statement indicates a complete ignorance of the processes that we were going through in relation to it. Apparently the Leader has discovered in September 1987 that we are trying to develop this project as part of an integrated commercial development. He has discovered that about two years after the decision was publicly announced, and certainly well after expressions of interest were called for and a lot of development has taken place. Such is the Leader's close attention to this issue that he has forgotten questions asked by some of his own front bench when the Centralia Hotel was purchased in order to add to the land available and therefore to the commercial possibilities for the Living Arts Centre.

The Living Arts Centre proposal began from two directions: first, an urgent and pressing need to provide better accommodation for the Jam Factory workshops following an assessment that the current site, apart from its leasing problems, and so on, in relation to the cost of upgrading and getting it into decent order, was not really justified and it would be better to transfer to a new location. It was also decided that there would be great value in having some sort of shopfront operation for the Jam Factory workshops in the city centre if such a site could be found. Secondly came the idea that the Old Lion site, which was being abandoned from its former use, could be used as a sort of centre for a whole series of groups involved in various aspects of the arts, an exciting concept of a centre where these groups could interact and have administrative and other operative areas.

The success of such a venture was well demonstrated when it was used for fringe activities for the first time in 1984 and again in 1986, and it will be used for that purpose yet again in 1988. So those two ideas came together. The Government purchased the site and looked at how it might finance the sort of development envisaged. When it became apparent that it was not something that we could finance directly from our capital works program on budget, the concept of packaging it up as part of a commercial venture which would assist in defraying the costs for the arts component of that site was conceived. Winnie Pclz, who is the Director and Chairperson of the Jam Factory workshops, was given the special assignment to proceed to identify the possibilities for the site and what could be done and, in turn, seek commercial interest in it. In fact, a number of proposals were received and one was presented by the Fricker Carrington Group. While that proposal did not entirely meet with all the essential requirements, it was seen as providing some major opportunities and that proposal is being developed. We have had some preliminary reports and further work is being done.

As an interim measure we are looking at the possibility of separately renovating the Old Lion building as a venue for the 1988 Festival Fringe. When we have pinned down the capital requirement necessary, we will take that step.

Meanwhile, the needs of the Jam Factory are urgent and the Government is well aware of that. But we need to base this around a viable commercial development; there is every indication that that can be done, and I hope it is possible during this financial year.

Ms LENEHAN: Is there any validity in the suggestion that the Government will sell the land if it does not find a developer?

The Hon. J.C. Bannon: The very first announcement made by me in, I think, 1983 on the acquisition of the site indicated specifically that, if we were not able to get up a viable proposal, the land would be sold. I point out that in the period that we have held the land its value has increased enormously, so there is absolutely no risk to the public purse in holding that land. Admittedly it is four years on and we still do not have the sort of proposition that I believe is appropriate for that site, but I think we are very close to it.

Ms LENEHAN: My next question relates to program 1 and the development of the arts. I ask this question on my own behalf but also on behalf of the member for Albert Park who unfortunately has not been able to be here for this part of the questioning. His long abiding interest in the South Australian Film Corporation is known to all members of Parliament and indeed to all members of the community. I pay tribute to the support and involvement of the member for Albert Park in the corporation. I refer to page 38 of the Estimates of Payments and the development of the arts program, where an amount of \$750 000 was voted for the South Australian Film and Television Financing Fund, and I note that that amount was the actual payment. What is the role of the Film and Television Financing Fund in South Australia, and how successful has it been in fulfilling its role?

The Hon. J.C. Bannon: This has been one of the most major contributions by way of support that the Government has been able to give to the film industry since the establishment of the South Australian Film Corporation during the 1970s. It marks an emerging maturity in the industry. The fact was identified that, while South Australian film makers and producers were willing to work in South Australia, and that tax deductible provisions provided under the Tax Act, other guarantees, and so on, provided incentive, there was always this gap, which was often the difference between committing to a project or abandoning it. The role of the Film and Television Financing Fund is to assist South Australian independent producers to finance their productions through the provision of the non-deductibles, that is, those parts of the film budget not tax deductible under section 10 (ba) and distribution guarantees.

During the 14 months it has operated it has had a tremendous impact. Before establishment of the fund only one independent production had been financed. Those happenings depended on the Film Corporation's direct involvement in investment. Since it came into operation there have been a large number of films taking up their share. The beauty of the fund is that it is a rolling one, in other words, an investment fund, as the financing portion of its title suggests. We hope that as some of these films are successful money will come back into the fund to provide some sort of top up or assistance for it. It is important that we have something like this, and its effect on the ability of South Australian independent film producers to operate has been very apparent.

Unfortunately, at the moment there is considerable uncertainty around because of changes in the marginal tax rate which makes filming a less attractive proposition to would-be investors. There is a well researched proposal before

Federal Treasury at the moment suggesting the establishment of a film financing corporation, and I hope that that suggestion is successful. The next 12 months will be difficult ones in this industry, but at least we have momentum established here.

We have at the core of it the Film Corporation and its reputation, both as a producer in its own right and its facilities—for instance, the sound stage at Hendon is being used for many of Australia's major independent film productions. There are also many active entrepreneurial film makers in South Australia who I think will ensure that the industry stays here.

Ms LENEHAN: My third question relates to the establishment of the South Australian Film Corporation. I notice a line showing that \$625 000 was expended by the corporation. Does the Premier believe that the people of South Australia are getting value for that money? Can he say what is the return on that investment? I am talking about such things as the value of the promotional aspects to South Australia and the direct financial benefit and employment generated. Will the Premier outline to the Committee what benefits the corporation is returning to South Australia in those three areas?

The Hon. J.C. Bannon: There is no doubt that the corporation has been a major success. In its initial stages it led the way—led Australia back, if you like, into an industry in which we have not really been involved in a big way since the 1930s. It identified South Australia very firmly with that. The promotional impact of films like *Breaker Morant*, *Storm Boy* and *Sunday Too Far Away* is very much alive and part of film history in Australia. The renaissance of the film industry can be dated from films that emanated from South Australia. That is a major plus in the promotion of this State. We are not resting on our laurels or reputation and we have had imitation, that sincerest form of flattery, of the Film Corporation in that almost every State in Australia has established something along its lines.

Meanwhile, our corporation has continued to produce features, documentaries and other work, much of it major award winning work. It has been very much involved in mini series for television. Last year, for instance, it produced the *Shiralee* starring Bryan Brown and Noni Hazelhurst. That has been presold and will be screened on the 7 network in Australia and the BBC in England. Many interstate based productions have been made in South Australia as a result of the corporation's facilities; in other words, it is not just the corporation's own program of productions but what it can offer interstate film makers.

It is estimated that work totalling \$24 million has been brought to South Australia as a result of the corporation—money spent employing South Australian casts and crews. *Initiation* had a budget of \$3 million; *The Time Guardian* a budget of \$8 million; and *The Light Horsemen*, which is being released currently, \$10 million. All were shot in South Australia using the corporation's facilities and in some cases outdoor and background scenes here in South Australia. I think we can be pretty pleased with the work that the corporation has done and the economic value it has returned.

The Hon. B.C. EASTICK: In response to a question from the member for Mawson about the Living Arts Centre the Premier said he recognised that he made statements in 1983 suggesting that a major development would occur quite quickly. Indeed, leading up to the 1985 election a statement appeared in the *Advertiser* on 1 July, as follows:

The Premier, Mr Bannon, said yesterday he hoped to be able to make an announcement within the next few weeks on the future of a proposed Living Arts Centre.

During an election policy speech later that year he said that the Living Arts Centre would proceed. That is almost two

years ago, and it is quite obvious that people are concerned because there has been no apparent action on this project during that time. One reads against that the fact that receipts detailed in the budget documents suggest that \$1.2 million will be recouped from the sale of land and buildings. People are starting to ask whether the Living Arts Centre will go ahead or whether there will be a realisation of an amount of \$1.2 million.

Ms LENEHAN: On a point of order, I just asked that very question.

The CHAIRMAN: I am afraid that the Standing Orders relating to these Committees differ from ordinary Standing Orders, so if the honourable member wishes to repeat a question he is quite at liberty to do so.

The Hon. B.C. EASTICK: I am pointing out for the benefit of all concerned, not only the member for Mawson, that there is a feeling abroad that the situation is not as cosy as the Premier has frequently announced. Therefore, a question has arisen in the public mind about what is going on and whether the sale of the hotel, for example, is a possibility. Does that involve the \$1.2 million mentioned? Is the hotel being leased back to the person from whom it was purchased? What are the precise activities occurring at the moment relative to the proposed Living Arts Centre?

The Hon. J.C. Bannon: The \$1.2 million referred to came from the sale of part of the West End Brewery site, which the previous Government acquired for an ill-fated aquatic centre which failed to proceed. The hotel is operating on an existing licence which does not expire until 1992. It was acquired to provide further access to land to increase the commercial viability of the Living Arts Centre site. So, there is no contemplation of selling any part of that site. In fact, the venture is being considered as an integrated arts commercial development in which all those elements that we talked about in respect of the Living Arts Centre can be provided. However, the actual impact on the State Government budget will be minimised by the commercial elements introduced into the project.

I agree that it has taken a while to get together and we are not there yet. That is a source of frustration, especially as we have used in a sense the benchmark of each festival to try to get something up, and I should have hoped that by the 1988 festival we could have it all in place. However, that is not to be, but I am still optimistic that we may get together a suitable proposition. When the honourable member says that people have not been advised, he stops short of another statement that I made before the 1985 election, when I said, 'This is how we are going to tackle the Living Arts Centre: by commercial development.'

That is what the Leader of the Opposition missed when he said that we were, in his words, privatising it. Those statements were made and the potential and interim users of the Living Arts Centre have been kept fully involved and advised at all times. So, they know what is going on, what to expect, and some of the problems that we have had.

The Hon. B.C. EASTICK: At page 26 of the Auditor-General's Report, it is stated that almost \$1.4 million was spent on the development of the Living Arts Centre in the current period. What specific work was done for those funds and what part, if any, was spent on the hotel? Have any capital funds been spent on or committed to an upgrading of the hotel?

The Hon. J.C. Bannon: The sum of \$1.3 million is just for the purchase of land.

The Hon. B.C. EASTICK: Which land?

The Hon. J.C. Bannon: The hotel land, which involves two parcels: the Centralia Hotel and its adjacent car park,

and the land behind it. We have two sites: the original acquisition of the Lion building and, across Register Street, the Centralia, its car park, and another parcel of land. The sum of \$1.3 million represents that purchase.

The Hon. B.C. EASTICK: At page 55 of the yellow book, the current receipts for the past financial year are shown as \$2.542 million, 40 per cent greater than the amount estimated. Can the Minister for the Arts indicate whence this additional funding came and is it likely to be a recurring benefit or merely a one-off increase?

The Hon. J.C. Bannon: The increase is \$732 000, comprising \$55 000 from Carrick Hill receipts, \$523 000 from the Art Gallery, \$212 000 from the South Australian Museum, and an amount of \$58 000 less than expected receipts from the Conservation Centre (CEP grant). So, the major contributor to that total was the Art Gallery.

Mr KLUNDER: At page 38, program 1, \$750 000 was made available and spent last year on the production of Government films. How many films were produced and how have they been used?

The Hon. J.C. Bannon: I do not seem to have that information with me, but I can provide it for the honourable member. This refers to the Government documentary program which, under the previous Government, was slashed to a minimal amount and which we undertook to increase to \$750 000 over time. In the course of that, we have produced some superb documentaries. For instance, one entitled *Push Start* was made this year for the disability group and will be used all around the State. We have also produced prize-winning documentaries.

I wish I had details at my disposal, but documentaries produced under this program have won major international awards both in North America and Europe over the past 12 months. Under the program for last year 70 applications were received and 14 were supported and funded, which shows the intensive culling process that operates. We have also had films made for the Department of Tourism, the Department of State Development and other organisations, so it is a useful program.

Apart from the value of the films produced, the chief purpose of the program is to give South Australian producers a chance to work in a free ranging documentary medium under the auspices of the Film Corporation but not as Film Corporation projects. This program has been successful, so we are again providing money for it during the coming year.

Mr KLUNDER: While acknowledging the great interest taken by my colleague the member for Albert Park, I indicate that I have often heard of the great value of the sound mixing studio at the Hendon studios of the corporation and the money that it has brought in, especially from other States. Has the Premier any information that may support my general belief in this regard?

The Hon. J.C. Bannon: When talking earlier about the Film Corporation's operations, I said that its value was not only in its own productions but also in the facilities that it provides. A classic example concerns the use of the sound mixing studio, which is the best in Australia and which is eagerly booked and used by film makers from other States who may not necessarily be making their films in South Australia and some of whom may be funded in other parts of Australia. Nevertheless, they hire the Hendon studios. This is a competitive business. Recently, the newspapers have reported two or three proposals to manufacture magnificent complexes in other States.

When such reports are made, it is always pointed out that in South Australia we already have top class facilities that are eagerly sought. The fact that we have those facilities under one roof and that they have been there for quite a

while, bedded down as it were into working order, gives us a considerable competitive advantage. In direct value, about \$500 000 in mixing charges was levied against interstate productions last year, so it is big business. *World Safari* brought in another \$19 000. That is just an extra operation that kept something in South Australia.

Most of the films produced through the South Australian Film and Television Financing Fund, to which I referred earlier, are mixed using the Hendon facilities, such as *Coda*, *Point of Departure*, and *Fever*, and there are other projects in the pipeline. I think the exciting thing is not that we are doing work that is based in South Australia—one would expect a good facility to attract that work—it is that we are attracting almost \$500 000 worth of interstate work as well.

Mr KLUNDER: What levels of film production are anticipated this year at the Hendon studios?

The Hon. J.C. Bannon: As I said in answer to an earlier question, the next 12 months will be a difficult time for film makers because of the tax changes. There is some uncertainty in the industry about just what level of overall activity there will be. Certainly, we hope that we can get our share of it. That will affect what the corporation itself is able to do, because it has to raise the finance for it. One of the disappointments of last year was the failure to finally wrap up the finance for a production called *Starship Home*, a children's television and film production, which those who have been associated with say will be quite an exciting venture but which was marginal in relation to the tax rates in terms of investors and, therefore, could not quite make the deadline of financing. However, that project has not been abandoned and is being pursued. If we can get the financiers for it, that will be a major production in 1987-88.

There are other South Australian productions under way or about to go into production: *Captain Johnno*, the Australian Children's Television Foundation production; *Sebastian and the Sparrow*; *The Dreaming*; and some interstate productions, including one called *Incident at Ravensgate*. Those names do not mean much now, but I hope that they will mean a lot in the future if they become successful feature films.

Mr LEWIS: Can the Premier inform the Committee where the grants for the arts will be made as detailed at page 38 under program 1? This year in these papers we see a total sum of \$7 225 000. Last year there was some breakdown of that total sum, although not a complete breakdown. Will the Premier incorporate in the record who gets what?

The Hon. J.C. Bannon: There has been a major restructuring of our grant procedures in the past year. We established an arts funding review committee which recommended that the practice of providing separate budget allocation to a large number of organisations should cease. It concluded that we were suffering from real problems of flexibility in terms of how these grants are applied and, rather than getting locked into annual funding for a series of organisations, it would be better to ensure that there was a proper annual assessment. This, of course, is not to the detriment of those ongoing responsibilities of the State Theatre Company, the State Opera and so on. That is why a number of grants which are delineated under separate programs and allocations are all now subsumed in this year's budget under that \$7 225 000.

I certainly accept what the honourable member is saying, that one should have some idea of where it is going. Of course, many of these organisations which were getting support last year will be getting support under that line this year. But what we intend to do is, in our annual report of the Department for the Arts, publish or at least give some

indication of where these grants are going and, therefore, there will be the opportunity to see what sort of expenditure is taking place. So, from now on a list of the grants will be published in a more comprehensive way, actually, than under the previous system.

Mr LEWIS: How do we come to a figure of \$7 225 000? Why was it not \$7 600 000 or \$2 400 000? Why is it \$7 225 000? How did we get to that figure? I do not want the *ex post* proposition: this is scrutiny of what we propose to spend. I do not mind if, in the fullness of time, we find that it is not proven to have been spent in that way, but there must surely be a considered proposal to finance these functions under this lump sum of grants for the arts in specific categories. Can that list be incorporated into *Hansard* so that we know who will get what, as a guideline?

The Hon. J.C. Bannon: The way in which the figure was arrived at is a fairly simple calculation. We took last year's aggregate of grants to the arts, which were all broken down. We deducted from that the statutory authorities, which will continue to be treated separately, less an inflation factor for them, and we were left with a balance. We then had to reduce our budget to provide savings, and the final figure arrived at is the \$7 225 000. We have a number of organisations and a quite elaborate structure being established in order to disburse that money, and that, of course, is the way in which we believe it can be more rationally and flexibly granted. However, I again refer the honourable member to the sorts of things that we funded in previous years because, obviously, they will be the same sorts of things to be funded in this coming year.

Mr LEWIS: So, it will be a sort of slush fund, and if you are not a good boy you will get your grant cut out. It is left to executive discretion as to who gets what. There is no intention to give anyone anything unless they toe the line.

The Hon. J.C. Bannon: It is not a slush fund. It is actually based on independent peer group assessment. While the Minister approves the funding recommendations made to him, they are made by independent committees, and we have improved our committee structure. There was a comprehensive investigation involving consultation with all of the arts communities on the proposal for a central arts advisory body. That has resulted in a structure which has been set in place, and it provides major accountability of all those arts organisations. Of course, year to year Parliament can subject that to its scrutiny.

Mr LEWIS: I will leave that matter. I am not at all happy but, if that is the way the Premier wants it, so be it. I wish to ask, under the line on page 39, Grants and Other Payments, Extraordinary Maintenance for the Adelaide Festival Centre Trust, what is the \$350 000 for this year?

The Hon. J.C. Bannon: It is for maintenance projects, one of which is the completion of the removal of asbestos throughout the complex. That is an ongoing program which will be completed this year. The other is the repair of the flying system in the theatre—the hanging of the sets and that sort of thing. The Festival Centre is now more than 10 years old and the theatre itself is 14 years old. There are recurring maintenance issues, the chief of which, of course, is the plaza rectification scheme, which involves many millions of dollars, but from time to time there are special maintenance needs which emerge and for which provision is made.

Mr LEWIS: Supplementary to that, what is the outlay for asbestos removal as opposed to the fly repairs?

The Hon. J.C. Bannon: The flying system involves \$155 000, which means that the removal of asbestos takes up the balance of \$195 000.

Mr LEWIS: What is the likely cost of maintenance on the plaza and the car park for this year?

The Hon. J.C. BANNON: That is a major capital works program; it is under the capital works. It is a total overall program of about \$10 million.

Mr RANN: My first question relates to program 1, page 38 of the white book relating to the operating funding for the State Opera. As there is a reduction in funding this year, what action is being taken to stimulate further procurement of private sector sponsorship for the opera and other arts organisations?

The Hon. J.C. Bannon: Obviously, there is a lot more pressure on all the bodies such as the Opera Company to replace the stringency of State grants by the box office. In the case of the Opera Company, it has raised its ticket price. It still involves a generous subsidy by the taxpayer for every seat. Incidentally, the increased prices, which are already operating, do not appear to have affected audience levels. They are still very good and, if the reviews for the latest production of *Sweeney Todd* are any indication, the crowds will pack into that. Indeed, I intend to go tomorrow evening myself. The response to the productions has vindicated the assessment that the market could stand a higher price, and that is probably only reasonable. That is certainly one way in which they are coping with it.

They have also found some other saving areas. For instance, as to opera costs, as from 1988 the South Australian Symphony Orchestra will be used for all State Opera productions under an agreement which will see that orchestras servicing the Opera Company, with a saving of \$27 000. There have been pressures to make savings in the staffing area, which represent about \$35 000. A full-time marketing person has been employed in order to gain sponsorship. The salary for that person will be met by their fundraising, plus whatever else they can raise, which we hope should be fairly considerable. The Opera Company is certainly addressing the need to raise more revenue from its own resources. I do not believe that the cutback in Government support will affect in any major way its program or viability.

Mr RANN: My second question relates to program 3 on page 39 with reference to the funding for the Art Gallery. Some time ago the Government announced that the Art Gallery was to sponsor travelling exhibitions to country areas. How is this program proceeding, and are there any plans to incorporate outer suburban areas in such a program?

The Hon. J.C. Bannon: There has been the development of a travelling art exhibition, mainly in country areas. Unlike Victoria, we do not have a network of regional galleries, with the exception of one or two. Naracoorte has quite a good gallery and Mount Gambier is developing one at the moment. There is not much else around. Regional cultural centre trusts on occasion mount exhibitions, so this mobile facility is an important part of the gallery's outreach program. I do not know what attention has been given to seeing it in outer suburban areas of Adelaide, but that is certainly a useful suggestion that I will convey to the gallery.

The Hon. B.C. EASTICK: In the last financial year \$100 000 was provided in grants for regional museums (page 38). The program was initiated some time ago, and I seem to recall discussing with the Premier last year precisely—

Members interjecting:

The Hon. J.C. Bannon: The Leader of the Opposition had the luxury of not having to be present in the Estimates Committee while he responded to the Federal budget. I have to do it while sitting here because of a bit of a lack of courtesy, but that is all right.

The CHAIRMAN: Order!

The Hon. J.C. Bannon: He is even able to get on the telephone. He will be praising the budget, I suggest.

The CHAIRMAN: We are on the Estimates now, Premier.

The Hon. B.C. EASTICK: The \$100 000 was spent on regional museums and I recall discussing it in the Estimates Committee last year, when the Premier referred to possible rationalisation, to ensure that those regional museums granted funds were regional museums of value rather than funds going to persons who merely claim to have a regional museum. I am fully in accord with the approach, but this financial year the program appears to have been submerged into the general development of the arts, with no specific line of allocation. Is there to be an allocation in this area? What are the criteria? What are the bases upon which the funding will be made available?

The Hon. J.C. Bannon: Yes, it has been a very successful program. It will continue and there will be an allocation of about \$100 000. Along with a number of other programs it is subsumed in the general line—the \$7.2 million that was referred to—and the same disbursement procedure will operate, that is, it is under the auspices of the History Trust, a committee which assesses the needs of regional museums. The program will certainly continue in this coming financial year.

The Hon. B.C. EASTICK: I refer now to page 56 of the yellow book, where I note that \$3.5 million in recurrent spending has been allocated to the performing arts this financial year and just over \$600 000 to the visual arts. It has been suggested to the Opposition that the balance between the two is out of kilter. Has any attempt been made to discuss with the two areas the adequacy of the funding in both instances and perhaps the apportionment of the total funds as between the two branches of the arts?

The Hon. J.C. Bannon: Yes, this was in fact the subject of a detailed briefing that I gave to administrators and others involved in the arts area about four weeks ago at the Festival Centre. We went through the outlines of the arts budget, the new funding arrangements. I put before them certain material indicating the pattern of funding. For instance, if you exclude the Art Gallery from the visual arts area—which of course is unreasonable, because it makes a significant contribution—there might be a number of people who would say that it is really an art museum rather than an art gallery in the sense of the direct effect on commissioning works or exhibitions of contemporary painters, and certainly that is part of the Art Gallery's program, but it is not the central core or its work, which is to preserve and maintain the great State heritage collection in the arts.

If one sets that aside, it is clear that the performing arts get very much the lion's share of the arts budget allocation. Part of the new arrangements we are making under this more flexible arrangement is to attempt to give greater priority to areas like visual arts, literature and creative writing which probably have suffered comparatively as against the performing arts. I think I was able to demonstrate to the satisfaction of those present that we were going to move into this area.

I make the point that prior to 1970 and the new arts policies that the Dunstan Government initiated, there was virtually nothing provided to the performing arts; all of the State's cultural allocation went into things like museums, and so on. Our intention this coming year is to try to ensure that those other art forms get an increase and on the sort of notional funding we are looking at, based on preliminary assessment by the Arts Finance Advisory Committee and the pattern of expenditure, we will see in the coming financial year a reduction of a few per cent in the proportion

provided to performing arts. We will see an increase in the visual arts, crafts and design sector. We should see a bit of an increase in one or two other areas, but not of any major moment. Literary arts is one that will certainly get a very considerable increase.

They were the two I mentioned a moment ago that had not received as much of a share. Multicultural arts is another one that is getting some special attention and, because it is a festival year, the Festival of Arts in 1987-88 will be getting more. We are attempting to adjust that balance. It is something that I believe is well worth doing, but it is only possible if we have a flexibility in our funding.

The Hon. B.C. EASTICK: Having regard to inflation, devaluation and valuation balances between various currencies, is there any evidence that next year's Festival of Arts will be adversely affected by the current world situation in relation to funding?

The Hon. J.C. BANNON: No, there is no problem. We provided a quite substantial basic grant. We have provided, for the second festival in succession, a challenge grant which will encourage the fundraising efforts of the festival, and last time it was a very successful approach. The festival can feel that it has been pretty well dealt with. In fact, the grant of \$800 000 is an increase of \$300 000 from last year's grant, which is the general purpose grant totalling \$1.2 million over the two years, plus the challenge grant which will be paid this year for any funds raised in excess of \$650 000. With those challenge targets set I think that we will certainly see good funding.

The one area that the festival is a bit concerned about is the changing dollar valuation—the currency fluctuations—that can affect the cost of overseas artists and acts. At one stage, until the dollar stabilised around its current values, it looked as if that was going to provide a real problem. At the moment I do not believe that it is a significant problem but I have said to the festival that if it emerges as such they can come back and we will look at that. I believe that the festival is happy with its allocation and is going full steam ahead with planning for what is going to be a bumper festival in 1988.

Ms LENEHAN: I refer to page 40 of the Estimates of Payments, program 6, and page 66 of the Program Estimates. My question relates specifically to the History Trust. I draw the Premier's attention to 1986-87 Specific Targets/Objectives where it mentions the Migration and Settlement Museum's permanent galleries which were opened and also the South Australian Maritime Museum's main galleries and waterfront site which were opened during that period. As I have visited both establishments on a number of occasions and have taken interstate and overseas visitors to them, I publicly congratulate the History Trust on the Migration and Settlement Museum because I believe it is an interesting and exciting museum, and I also congratulate it on the South Australian Maritime Museum. Both establishments are excellent educational resources for the youth of our State. I am sure that the Education Department is making sure that schools and teachers are aware of these tremendous teaching facilities. I know that the History Trust is now some six years old. What is the future of the History Trust in South Australia on a general level? Specifically, will the Premier provide the Committee with figures that would indicate the attendance at these museums that have been established under the initiatives of the South Australian History Trust?

The Hon. J.C. BANNON: The History Trust was established in 1981 with primary responsibility for the Constitutional Museum (now the Old Parliament House), which had attendances in 1986-87 of just under 90 000 people. This

was a slight reduction on the previous year. The Old Parliament House is obviously in need of a major refurbishment, particularly the 'Bound for South Australia' exhibition, and we are planning to do that in this coming year. The Birdwood Mill, also operated by the History Trust, has been in operation for some time. It is a very successful museum and 110 000 people visited it in 1986-87. Of course, the highlight of that year was the fantastic Bay to Birdwood rally that took place in our jubilee year. There is no question that it is performing very well.

In relation to the two new museums that are mentioned by the honourable member, the Social History Museum and the Migration and Settlement Museum, which opened in 1986, in the first full operating year (1986-87) 113 000 people visited it. That is a lot of people. Of course, no admission fee is paid. In the case of the Birdwood Mill an admission fee is payable. The Social History Museum is one of those institutions where it is not. In 1985-86 the Lighthouse was opened and about 1 200 people visited. It opened in December 1986 and the 1986-87 figures already total 101 000 people in seven months, which is a remarkable performance. Again, that is a museum for which admission fees are charged. It has raised quite a lot of sponsorship. There is no question that it is very successful.

Unfortunately, the one unsuccessful venue has been Schubert's Farm, at the old Monarto site, which has neither attracted the numbers nor been viable. It has been subject to a fairly intensive investigation and the History Trust is making recommendations on its future. The trust is also working with other organisations to develop the Port Adelaide Railway Museum, which is one of the stipulated jubilee projects. We see that as reinforcing, because of its location at Port Adelaide, the Maritime Museum in its attendance numbers.

In administrative terms, following the recommendations of the Arts Financing Review, we have incorporated the History Trust and its finances in the departmental budget lines. It makes more sense because that lines it up with the Art Gallery, Museum, and so on, and it is the nature of those things. As with the Art Gallery and the Museum, which both have boards administering them, similarly the History Trust is still in operation. It has its trustee responsibilities and we are not currently proposing to do anything about that. There is no question that, apart from the general success by acceptance of the public, these museums have added greatly to tourism potential. The Bay to Birdwood rally is a classic example of people from all over Australia and other parts of the world. The jubilee certainly provided a great impetus to these museums, and we hope that that will continue. There is a definite tourist and economic function as well as a recreation function. That public acceptance is a very good sign that the History Trust is delivering the goods.

Ms LENEHAN: I did not have an opportunity earlier to say how delighted I am with the Premier's answer about the attendance figures at the Migrant and Settlement Museum and the Australian Maritime Museum. It is nice to have one's opinion confirmed by thousands of South Australians. I now move on to something slightly different but nevertheless still significant in terms of financial commitment. Can the Premier say when work on the Festival Centre plaza will begin, and I am particularly concerned with the effect this might have—

The CHAIRMAN: Order! That question should be left until we reach the next section.

Ms LENEHAN: Very well, Mr Chairman, I place that question on notice and will ask it when it is appropriate.

The Hon. B.C. EASTICK: At the last State election the building of an entertainment centre was really the linchpin of the Government's arts policy. I know what has been publicly stated but can the Premier indicate what now is the Government's objective? Has any deadline been set for the Grand Prix Board to formulate advice to the Government on the establishment of the centre? Does the Premier have any deadline in mind for the project other than the broad basis that, having regard to capital funding, it will probably be well into the 1990s? Is it Government policy that the Hindmarsh site is the only location that will be considered for the establishment of the centre, having regard to the interest being shown by some entrepreneurial groups for the establishment of a centre not necessarily on that site?

The Hon. J.C. Bannon: Provision for this actually involves capital works under the tourism line. However, I am willing to respond.

The CHAIRMAN: The Chair is always very generous in these matters.

The Hon. B.C. EASTICK: I look on it as a program—assistance for establishment and operation of arts venues.

The Hon. J.C. Bannon: It is an entertainment venue not an arts venue, although I have no doubt that some very artistic events will take place there. No specific deadline has been put on the consideration. In fact, we have still to talk to the Grand Prix Board about the precise terms of reference for the operation and, in fact, until the Grand Prix is over for this year it will not be able to devote its full attention to this area. I hope that we will have a fairly clear idea in time to see what will be necessary in the 1988-89 budget.

I hope that before the end of the financial year we will have some form of recommendation from the Grand Prix Board. I believe that Hindmarsh is the best site. It was identified after a fairly exhaustive process and has all the elements one requires for an entertainment centre venue of that kind, things such as accessibility, proximity to the city, and so on. The fact that the site has been assembled and is ready to take a project such as this is obviously important. Quite clearly, those matters will be part of the equation, but it is not restrictive. If, in fact, a proposition comes forward that can be clearly demonstrated as providing everything necessary and it is based around another site, the Grand Prix board is not precluded from looking at it or from suggesting to the Government that it ought to be picked up.

That poses no problems in terms of disposal of the site that we have acquired, because it is centred in that Bowden/Brompton redevelopment area with which Hindmarsh council, the Government and other organisations are involved. That area is certainly becoming extremely desirable as various projects progress. At this stage I think that it would be hard for anyone to identify a better site for an entertainment centre in the city of Adelaide.

The Hon. B.C. EASTICK: The Estimates of Payments at page 39, program 2, refer to the Auditor-General's Report, page 226, where the audit review of the catering operations of the Festival Centre revealed 'an unsatisfactory level of budgetary and financial control'. This highlights the fact that spending on catering during the last financial year was \$3.6 million and income \$3.9 million. Is the Premier able to quantify the financial loss to the Festival Centre as a result of this situation? Did the review suggest any impropriety? What specific action has been taken to rectify the situation in future?

The Hon. J.C. Bannon: I point out that the Auditor-General says that two years ago, before new catering arrangements came into operation, the Festival Centre was

forced to subsidise its catering operation as there was a \$50 000 loss. That was converted to a \$300 000 surplus. The catering, banquet and other activities at the Festival Centre have been very successful.

I think that the Auditor-General is saying that they could be more successful if certain controls were introduced. The Auditor-General notes that the trust has been advised that improvements in the area of budgetary cost control and financial support have been affected. I do not believe that there could have been any substantial loss of potential profit. One of the areas of concern was Luke's restaurant, particularly its lunchtime trade and trade at times when the venues were not operating. A decision has been taken to close that restaurant as a consequence of the financial assessment made.

I turn to the point that the catering operation of the Festival Centre has proved to be very successful in the past couple of years in contrast to the problems that it was having. There is no reason to believe that it will not continue to be profitable.

The Hon. B.C. EASTICK: As this question is much broader and goes across all Ministeries, I ask what action the Minister for the Arts is taking relative to the Auditor-General's statements on the whole range of the departments he has reviewed? Taking this one as a case in point, where the Auditor-General has questioned the operations of the catering division, we have established that the results of those operations are not as bad as they were in the not too far distant past. However, there is a clear direction that the results should be better than they are. What notice is taken of directives generally in the Auditor-General's Report?

The Hon. J.C. Bannon: All the Auditor-General's suggestions and recommendations are taken into account and action is taken on them. I believe that a regular report is provided on progress and the Auditor-General reviews that at the end of the year. Some things he identifies and notifies departments of in the course of the year and one would expect action to be taken on them. Others appear in the annual report and are taken up then.

In the arts area, the example used by the honourable member is a good one because the Auditor-General reported that an audit review found certain problems and he now advises that improvements have been effected in consequence of that. That is a clear example of the trust in this case responding to the Auditor-General's review. We also have the mechanism of the Arts Finance Advisory Committee, which is a key body in considering the expenditure patterns of statutory bodies and other areas of the arts, and that has been upgraded as functions have developed and there are new arrangements. Among other things, that committee will take on board anything to which the Auditor-General refers and will see what can be done about it.

The Hon. B.C. EASTICK: The Minister has been able to identify that action has been taken. We use the general thrust of the Auditor-General's reporting on departments, to which I have referred previously. Frequently, the Auditor-General advises during the following three or four years that the suggested action has not been taken. What directive has the Minister, as Premier, given his Ministers to heed the Auditor-General's directives?

The Hon. J.C. Bannon: I disagree. It is not so frequent. Certainly, there are occasions when a problem arises and the Auditor-General refers to it more than once, but such occasions are rare indeed. By and large, issues that are picked up by the Auditor-General are responded to rapidly by the department for the good reason that no-one wants to be singled out for comment or adverse criticism. So, it is in the department's interest to respond as nothing is to

be gained by ignoring a recommendation and doing nothing about it. Therefore, there is usually a prompt response to the Auditor-General's comments.

Mr KLUNDER: At page 39, program 2, a number of items appear under the heading of 'Debt Servicing' to make up a total of about \$4.5 million. Does that debt servicing service only the interest on debts or does it also help reduce the size of the debt in each case?

The Hon. J.C. Bannon: It represents only interest repayments.

Mr KLUNDER: Why in most cases are there minor variations between what is voted and the actual payments. That seems to occur in all cases except the Northern Cultural Trust? I should have thought that the one thing that would be known fairly accurately at the beginning of each year would be the payments on the interest servicing of a debt.

The Hon. J.C. Bannon: Interest rates vary during the course of the year. Estimates are made, but there are usually slight variations which are reflected in those figures.

Mr KLUNDER: So, the interest rates are in effect market rates and vary upwards and downwards?

The Hon. J.C. Bannon: No. The loans are with SAFA, which has consolidated all the debts of the cultural centres. This is the first year that they have been put through our consolidated budget as well.

Mr KLUNDER: So they are below market rate but they fluctuate according to market rate?

The Hon. J.C. Bannon: As the honourable member knows, the public sector interest rate does vary quarterly by a point or two, and that is the rate at which they are paying. It is at that public sector borrowing rate.

Mr KLUNDER: Could I finally have some indication as to why the Northern Cultural Trust variation is of the order of \$50 000 to \$60 000, whereas all the others appear to be within a few thousand dollars?

The Hon. J.C. Bannon: There was an adjustment of the interest being paid. Apparently, a particular adjustment had not been communicated to the trust, and it had paid at an old rate and had to make up those payments in the course of the year, hence that rather larger variation.

The Hon. B.C. EASTICK: What is the timetable for the development of the second art museum at 203-207 North Terrace?

The Hon. J.C. Bannon: Well developed discussions are going on at the moment with a number of parties. As with aspects of the Living Arts Centre, the proposition is that any development should be at least cost to the Government. It has to be matched by the operating expenses, the rent interest repayments have to be matched to the greatest extent possible by admissions, merchandising, sponsorship and so on. We have been working to interest developers in developing a proposal which will allow the gallery to satisfy all its needs and, at the same time, relieve much of the burden of debt and operating expenses by a commercial component, because it is obviously a prime site.

At the moment, most of the estimates do not leave us at what we think is a reasonable Government limit. We are looking at a \$300 000-odd annual contribution as being a fair annual allocation from Government, which means that the rest of the development—which could total in overall operating and rent expenses and so on around \$1 million—will have to be met by these other means. There are a number of interesting commercial propositions being looked at, and I hope that they will come to fruition within the next few months.

Meanwhile, we are holding the properties. In the period during which we have held them their value has risen very

substantially and, of course, as heritage buildings they are subject to the new arrangement of transferable floor space rights which the City of Adelaide is introducing under its new Plan. That has certainly increased the commercial viability and, therefore, the prospect of a successful project either on that site or close to it.

The Hon. B.C. EASTICK: In relation to program 3, in the last financial year just over \$2 million was expended on the purchase of buildings for art gallery purposes. Is the Premier able to reveal the location of those buildings?

The Hon. J.C. Bannon: That is 203-207 North Terrace.

The Hon. B.C. EASTICK: And only those?

The Hon. J.C. Bannon: Yes. That was the purchase price, and we are holding them until such time as this feasibility study is completed.

The Hon. B.C. EASTICK: In relation to program 4, it was indicated that last financial year the admission charges to Carrick Hill were budgeted to recoup \$110 000 but fell almost \$35 000 short. This financial year the estimate is \$85 000, that is, there is an inbuilt reduction. Does this suggest that public response to Carrick Hill is not as great as was anticipated, or is there an arrangement in train to try to advance Carrick Hill as a stopping off point for tourists and/or other people interested in the arts?

The Hon. J.C. Bannon: The visitor numbers that we have got for 1986-87 show 38 500. That is a reasonably substantial number of people, but it is fewer than the estimate on which that budget figure was based. I do not think that it is a cause for major concern, because Carrick Hill is still undergoing its development phase. We are eagerly awaiting the outcome of the select committee of the Legislative Council into the sale of land because, with access to those funds to develop the sculpture park proposal, obviously the amenity and facilities of Carrick Hill can be improved greatly, and this will in turn encourage greater admissions.

I am very optimistic that that could happen and certainly the long-term development plans of Carrick Hill suggest that we have got to attract more visitors and generate more income and sponsorship. There has been some success too in special functions, which is quite encouraging. There is limited scope for special boardroom functions for major companies. It is a superb setting. I know of one company that has hired it during the Grand Prix week and that function business will be quite a good income supplement for Carrick Hill.

So, there is obviously a lot of scope and now we are coming into the spring period we will clearly see a rise in visitor attendance. Currently, Carrick Hill has not got a Director. The new Director, when appointed, will be someone, I hope, with great entrepreneurial skills, but we are not prepared to move to the appointment of a new Director until we know the outcome of the select committee and the land sale proposition. It would be unfair to hire someone on the basis that they would have these development funds at their disposal and then find that they have not. We must see on what basis Carrick Hill is to be developed before we can proceed to the appointment of a Director.

Mr RANN: Following the question on Carrick Hill by the member for Light, what action has been taken to develop the proposed sculpture park at Carrick Hill, which has also been flagged in terms of increasing public awareness and interest in this exciting project?

The Hon. J.C. Bannon: The sculpture park proposal hinges largely on the outcome of the select committee's deliberations, and the revenue that can be derived from that proposition that will be established through a fund on which the trustees can draw will allow ground development and the purchase of art works. It will really put the sculpture park

on the map. There are some reasonably substantial sculpture holdings already. The Haywards themselves were collectors, particularly of Epsteins and, in 1988, there will be a special sculpture display which the Bicentennial Authority is assisting. That will give people an idea of just what enormous potential Carrick Hill has in this respect.

In regard to the earlier question about visitor numbers, while the house itself is certainly a fascinating and attractive place, it is limited in the numbers it can accommodate at any one time. The great growth potential is in the grounds and gardens. For instance, a maze has been developed and various other ground developments are taking place but, with the sculpture park established, the drawing power of Carrick Hill will be increased enormously. That is certainly a key to future development plans. We will wait and see whether the funds will be available for that development. If funds are not available, obviously we will have to reconsider how we handle Carrick Hill in the future.

Mr RANN: Could there be any consideration of further private sector involvement in Carrick Hill? For instance, I notice that the maze is being sponsored by Coca Cola.

The Hon. J.C. Bannon: Yes, there has been a good response. Santos is another sponsor. It contributed greatly to the refurbishment of the interior and, in return for that sponsorship, got some assistance in kind. In other words, it is able to use the venue on a specified number of occasions for boardroom functions and or things of that nature.

So there is that attraction to a sponsor—that it is a marvellous facility which is open only for a limited time and as a key sponsor one can obtain access for special occasions. I think that it has great potential and it is still relatively unknown. It is on some of the tourist bus brochures and on some tourist circuits but by and large, as a relatively new acquisition still in an undeveloped state, it has not yet reached its full potential. It is the sort of thing that corporate sponsors will be attracted to. There has been sponsorship, for instance, for some aspects of the sculpture park in anticipation of its development.

Mr RANN: I turn now to page 66 of the yellow book and the line dealing with the History Trust Act. I note that over 350 000 visitors attended museums and sites under the auspices of the History Trust. I am aware that Old Parliament House is in the process of upgrading its audio-visual program, which is obviously its centrepiece. Is the Premier pleased with the ongoing public response in terms of visitor numbers to Old Parliament House?

The Hon. J.C. Bannon: Visitor numbers have dropped as between 1985-86 and 1986-87, not substantially but nonetheless they are static at around 90 000. The figures for 1986-87 have probably been helped by some special exhibits, and so on. I think that everyone would agree that there is much greater potential for Old Parliament House which is not being realised because basically it has been static since its opening. There have certainly been some interesting exhibitions, and as an example I refer to the recent exhibition entitled 'Drugs, Devils and Witchdoctors' which attracted a very good following. However, the core of the Constitutional Museum, as it was, was the 'Bound for South Australia' audiovisual presentation, which was first screened in 1980 and has been in virtually the same format ever since. So, the trust is now looking at upgrading that presentation and then doing many things to rejig the image of Old Parliament House and look again at the admission fee policy. At the moment admission is charged only for the 'Bound for South Australia' presentation, and there may be a case for changing the basis of admission charges, while still preserving Speakers Corner and the bookshop aspects of the museum.

We have authorised a loan for SAFA because it can be offset against the commercial revenue raising activities of Old Parliament House, to embark on this refurbishment program. I hope also that the Government Film Committee will be able to assist in the new audiovisual program. I think it is an appropriate use for some of those moneys. So a new look Constitutional Museum with a broader charter is well on the way—and not before time. I think that that will have a drastic effect on the attendances and on its financial viability. Old Parliament House is very well located, but it has probably exhausted the sort of casual interest and regular school visits to an extent and we must now look for an entirely new market. As a tourist asset it is obviously in a prime position to be fully developed.

The Hon. B.C. EASTICK: My last question in this area before dealing with capital expenditure relates to page 55 of the Estimates of Payments, which really shows that recurrent funding for arts has risen by only 1.2 per cent or has actually fallen in real terms in 1987-88 by about 6 per cent. This is in sharp contrast to overall spending, which increased in monetary terms in 1987-88 by 6.5 per cent, just under the projected 7.5 per cent rise in inflation. If one takes the result after removing the additional sum made available to the Festival of Arts, the figure available for the arts is considerably worse than the 1.2 per cent to which I have referred. Bearing that in mind, does the lack of any financial commitment in 1987-88 indicate that the Government has shelved plans to proceed with stage 2 of the museum redevelopment, or with any consideration of the long term progress of that redevelopment?

The Hon. J.C. Bannon: On the last point, the decision to defer stage 2 of the museum project was made and announced in 1983, so that is certainly not new. We recognised then that we just did not have the funds to proceed at the pace suggested. It has been deferred until we can assemble those funds. It is true that there has been a reduction in general funding for the arts. It is not one about which I am happy, but in each of the years that we have been in Government there has been a substantial increase in allocation to the arts. We have also had to absorb new venues such as museums and have had the acquisition of Carrick Hill, and so on.

We reached a stage where we could not continue to increase our expenditure willy-nilly. In fact, the overall difference between 1986 and 1987, if one compares actual payments and takes one-offs into account, represents an increase of 2 per cent. If one takes one-offs into account, that reduces to 0.1 per cent. Certainly, the arts have played their part in general cuts that the Government has had to make in recurrent expenditure, but I repeat, not to the detriment of arts programs. In terms of venues, and so on, because of sponsorship, box office and other means there will be increased money available. Cuts this year were partly in recognition of the fact that we had been increasing expenditure in this area at a great rate over the past few years.

Mr KLUNDER: Referring to page 38, program 1, about halfway down the page under 'Purchase of Art for Public Places', I ask the Premier to explain why the budget for this line was exceeded.

The Hon. J.C. Bannon: Only the Chairman of the Public Accounts Committee could ask a question like that. We exceeded the amount by \$1. I am told by Mr Lloyd that the Treasury accounting system requires a balance on the bottom line and that is where the dollar appeared from. I might ask the Committee to donate a dollar at the next meeting to make up this terrible deficiency.

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

Works and Services—Department for the Arts, \$1 829 000

Chairman:

Mr D.M. Ferguson

Members:

The Hon. B.C. Eastick

Mr J.H.C. Klunder

Ms S.M. Lenehan

Mr I.P. Lewis

Mr J.W. Olsen

Mr M.D. Rann

Witness:

The Hon. J.C. Bannon, Minister for the Arts.

Departmental Advisers:

Mr L.L. Amadio, Director, Department for the Arts.

Mr P.L. Bailey, Manager Resources.

Ms W. Pelz, Manager, Arts and Policy Program.

Mr K.B. Lloyd, Chief Finance Officer.

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

Ms LENEHAN: Can the Premier tell the Committee when work on the restoration of the Festival Centre Plaza will begin and say what effect that will have on the 1988 Festival of Arts given that if the two things are proceeding concurrently there could be inconvenience to the public? What work will be undertaken; when will it commence; and what effect will it have on the festival?

The Hon. J.C. Bannon: This allocation is made from the Department of Housing and Construction line, although obviously it is a direct expenditure on the arts area. We are certainly conscious of the need that any work shall not disrupt the 1988 Festival of Arts. In fact, the Festival Centre Trust has emphasised that it must keep the Festival Centre operating with minimum disruption during the course of this major work.

The festival will be held from 4 to 26 March, and only minimal site work can be carried out during that period, and then only by agreement with the Festival Centre Trust. The car park must be kept fully operational during that period, and I understand that the works program being devised will ensure that. Work will proceed immediately, so that in some key areas it can be started and completed before the Festival of Arts. The progressive work will be planned around keeping maximum access during that period.

It is certainly a major project, costing as it will \$10.7 million. This represents naturally the rectification work, but the opportunity is also being taken to upgrade and improve the aesthetics and general appearance of the plaza in order to make it more accessible, welcoming, and less of a vast open space, so that it will preserve the integrity of the Hajek sculpture, which some argue is better viewed from the air than from the ground, although many people like to play around it. Perhaps, as with most artistic tastes, in 15 or 20 years it will be seen to be state of the art again, having gone through a period of unfashionableness, if it ever was fashionable. Opinions on the sculpture have always been divided.

It has been accepted that parts of the plaza do not work, especially as a grand entrance or a draw into the Festival Centre. It is hoped that these changes will improve the general presentation of the festival and the general box office ability to advertise and promote its functions and shows.

The end result will be good indeed, even though the circumstances in which such a large sum is being spent are to be regretted. The project has gone through the full gamut: investigation by the Public Works Committee; the calling of tenders; the reception of tenders at an acceptable level; and the renegotiation of some tenders. However, the No. 1 tender is satisfactory, the overall construction management consultancy has been let, and the work is commencing immediately.

The CHAIRMAN: In view of the time, I will take one question from either side. The honourable member for Murray-Mallee.

Mr LEWIS: I have a question but it is not on this line. However, you have accepted one question out of order and I do not suppose that you would really mind if you accepted quite a few.

The CHAIRMAN: I cannot accept a question out of order.

Mr LEWIS: Then why did you accept the last one?

The CHAIRMAN: The honourable member for Mawson.

Ms LENEHAN: I have a short question. Under the line 'Upgrading of Bass booking system', \$430 000 was spent last year, whereas nothing has been allocated for this year. I raised this issue with the Premier some time ago. Is he happy that the system has now been upgraded to his satisfaction? How well is it currently working in view of its tremendous importance not only to South Australians but also to tourists who wish to avail themselves of this important booking facility?

The Hon. J.C. Bannon: Basically, money was provided as part of the 1986-87 allocation for modification to the telephone queuing system and for new hardware and software. The telephone system work was completed—those funds were expended in 1986—but the purchase of hardware and software has not been released; a purchase has not taken place. At the time the trust sought funding, the system had only just been developed and was not in operation in any part of the world. There were a number of orders in the pipeline, of which ours was one. It has since been installed and some faults have emerged in its operation.

This installation was built in Florida, in the USA, so we are probably lucky that we had not actually made the commitment and were able to see the new approach to the Bass system working. I understand it has been installed just this month in Auckland in New Zealand, so we are monitoring that. If, as the developers of the system claim, those bugs have been overcome and it can be seen to be working properly, the trust can go ahead and purchase the system based on the money that was provided in the 1986-87 budget.

If, in fact, the trust is not satisfied that it is working properly, then we will hold off and re-examine the situation. In a sense, I think it has been fortunate that, although the upgrading of the system will be delayed by this method, it is probably a good thing, because it has allowed the new system to be looked at. One of the great demands that has been placed on the BASS system, apart from the general level of activity, which has been huge, has been the Grand Prix business. The telephone queuing system and those improvements have certainly helped overcome problems in that area, but the next step will be this new hardware and software. Until the trustees are satisfied that it is working, the money will not be expended.

Mr LEWIS: What engineering advice was sought by the Premier, or whoever is responsible, about the most satisfactory way to address the structural problems that exist and continue to plague the Festival Centre car park and

plaza? I see, whether others notice it or not, that the prestressed concrete plinths, beams and piers, as well as the plates, are exploding. The reinforcing material in the concrete has electrolysed and, for the life of me, I cannot understand how we can continue to apply millions of dollars in bandaids maintenance and expect that it will solve the problem. Has the Premier had recent engineering advice on how best to rectify that fault, and would it not be better right now to cut the painter and start again—let the current structure sink, pull it down and rebuild it?

The Hon. J.C. Bannon: No. All advice is that it can be fixed. It is expensive to fix and it will require major changes, but nonetheless it can be fixed. When problems were identified we went back to the original engineers and said, 'You ought to be doing something about this'. In fact, Crown Law advice was sought as to whether a cause of action and a requirement of rectification could be established and, while some options remain open on that, it is very hard to collect tangible evidence that there was some negligence involved in the construction.

Two separate consultants were employed to make an analysis. The Department of Housing and Construction has taken over the supervision of this area, and its experts are recognised as assessors. Its engineers' opinions have also been called on. Amdel has done analytical work as part of that process, so some quite detailed testing has been done on stresses and things of that kind in a scientific environment. So, we are satisfied that we have had pretty compre-

hensive advice. The honourable member may recall that, in fact, parts of the plaza were actually lifted in a major exercise to look into the structure and assist in that testing. All of that left us with the conclusion that the deterioration and the problems were not so great as to warrant tearing it all up and starting again. There are changes that can be made which will ensure that for the expenditure of the money the problems can be overcome but the basic integrity of the structure will still be preserved.

Mr LEWIS: What is the likely cost of that work?

The Hon. J.C. Bannon: It is a \$10.2 million project overall. That includes inevitable maintenance expenses that would have been incurred, some of which of course was brought forward. It also allows us to do some upgrading, as I was describing to the member for Mawson a minute ago. The time scale on which we are operating is 2½ years, so it is hoped that we will see it completed in time for the 1990 festival.

The CHAIRMAN: In view of Standing Orders, I am obliged to declare the examination of the vote completed.

ADJOURNMENT

At 10.2 p.m. the Committee adjourned until Wednesday 16 September at 11 a.m.