

HOUSE OF ASSEMBLY

Wednesday 20 September 1989

ESTIMATES COMMITTEE A

Acting Chairman:
Mr K.C. Hamilton

Members:
The Hon. R.K. Abbott
Mr D.S. Baker
Mr H. Becker
The Hon. Jennifer Cashmore
Mr M.R. De Laine
The Hon. J.W. Slater

The Committee met at 11 a.m.

The ACTING CHAIRMAN: The procedure will be relatively informal. There will be no need to stand to ask or to answer questions. Changes in 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 inclusion in *Hansard* and two copies must be submitted no later than Friday 6 October to the Clerk of the House of Assembly. I propose to allow the lead speaker for the Opposition and the Minister to make an opening statement, if they desire, which statement should be about 10 minutes but no more than 15 minutes in length.

There will be a flexible approach to questions, being three from each side, and members may be able to ask supplementary questions. Subject to the convenience of the Committee, members outside the Committee will be given the opportunity to ask questions once the questions on that item have been exhausted by the Committee. Questions must be based on lines of expenditure as revealed in the Estimates of Payments. Reference may be made to other documents such as Program Estimates, the Auditor-General's Report, etc.

State Development and Technology, \$21 619 000

Witness:

The Hon. Lynn Arnold, Minister of State Development and Technology.

Departmental Advisers:

Mr R. Hartley, Director, Department of State Development and Technology.

Ms S. Eccles, Deputy Director.

Mr I. Withall, Manager, Finance and Operations.

Mr H. Oh, Manager, Assistance Branch.

Mr G. Haddow, Director, Industry Development Branch.

Mr D. Mitchell, Executive Director, Defence and Aerospace.

Mr C. Johnson, Deputy Manager, Finance and Operations.

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

The Hon. JENNIFER CASHMORE: There has been a real cut in the encouragement of investment from \$10.385 million actual in 1988-89 to a proposed \$10.349 million in

1989-90—a 7.5 per cent cut in real terms. There has been an even greater cut in the encouragement of regional development from \$6.35 million actual last year to \$6.295 million in proposed spending this year. With State development of such critical importance to South Australia's future economic well-being, why has there been a real cut in spending?

The Hon. Lynn Arnold: The point that needs to be looked at with respect to the State Development budget is the overall budget of all activities of the program and the relative balance between, for example, the development fund and other activities. The total outlays of the program need to take into account that the Government three years ago made a decision to phase out the payroll tax rebate under the regional program. That has represented a net saving to the budget each year. Therefore, the overall State Development figure appears not to have grown by quite as much previously as has been the case because there has been some return of that money to consolidated revenue and summary allocation within the State Development Department.

It is important to look at several other programs to support the first comment I made that the overall budget needs to be taken into context rather than individual lines pulled out. If we look at trade promotion, it can be seen that there has been a real increase in the program. Likewise, the figure proposed for the technology promotion, transfer and revitalisation of industry has increased in real terms. Under those areas these comments need to be taken into account. I ask the Director to comment.

Mr Hartley: In terms of the resources and funds at our disposal within all the activities of the department aimed at the attraction of new investment, we have considerably increased resources and funds. We find confusion sometimes in looking at the various lines, but the sum of the resources available to us has substantially increased, especially with regard to our activity overseas, in other words, the attraction of foreign investment into the State.

The Hon. JENNIFER CASHMORE: I refer to a deed of agreement signed in March this year by the Minister, Tribond Developments Pty Limited, members of the Abel family and the Ellspan Company. That deed of agreement required the company and the Abel family to keep confidential all information relating to that agreement. On whose advice did the Minister require the confidentiality clause to be inserted in the agreement; why is it contained in the agreement; and is the Minister now prepared to release members of the Abel family from this obligation to allow them to make public information they have about the scrapping of the project?

The Hon. Lynn Arnold: As a question of clarification, to what budget line is the honourable member connecting this question?

The Hon. JENNIFER CASHMORE: I refer to the Auditor-General's Report, page 6.

The Hon. Lynn Arnold: It is important that we keep to the budget deliberations. I have made statements to the House and indicated that the clause that appears in that agreement is a standard commercial-type clause. It is simply part of a wider agreement signed between the parties. There has been some misconception that it is a secrecy deed. That is not the case but rather it is an ordinary agreement signed by all parties and has within it a standard commercial in confidence clause. With respect to amounts paid out to the parties signatory to the agreements, subject to their consent I made known to the House the amount of moneys paid out on that after having received their consent.

I have serious problems with respect to any further releases from that particular agreement, because commercial agreements that are being signed with companies all the time are

put at risk, I believe that the precedence problem that could be posed by the compromise wanted in this situation could be very serious indeed. I do not believe it is appropriate for me to undertake that when the ramifications are much wider than just with respect to the parties to the agreement cited, and with respect to other parties who are also affected by the agreement. Because of all those circumstances, I will not release the full agreement.

The Hon. JENNIFER CASHMORE: The Minister did not answer one aspect of that question. On whose advice did the Minister require this confidentiality clause to be inserted in the agreement?

The Hon. Lynn Arnold: My advice is that it is an entirely common practice for such clauses to be inserted, and that would be the advice received from the Department of State Development and Technology based on previous experience, and also from Crown Law.

The Hon. JENNIFER CASHMORE: By letter dated 15 September legal representatives for Grant and Margaret Abel sought the Minister's permission to respond to comments he made—on the ABC's *7.30 Report* of 5 September—which reflected on their reputation and implied that they were responsible for the failure of the Marineland redevelopment. The letter sought a reply from the Minister by today. Has the Minister replied? If so, will he say whether he will allow Mr and Mrs Abel to respond to those comments, notwithstanding the deed of agreement regarding confidentiality? If the Minister will not give the consent requested in the letter, will he explain why not?

The Hon. Lynn Arnold: To the extent that these matters are relevant to budget analysis, I will comment. First, the Abel's solicitors quite properly identified that there are two issues: one is the deed of agreement or the heads of agreement that have been entered into; the other is with respect to comments reported on the *7.30 Report*. The Abels wanted the right to respond to these particular comments and, to the extent that they may impinge on the deed of agreement, wanted my reaction. They have not yet received a reaction to that from me; but they will in due course. I make the point that a press statement released by those parties stated as follows:

Mr Arnold, amongst other things, said that Tribond were not able to fulfil the commitments they said they would fulfil, so they fell through as a proposal.

The important point to note is that that comment simply reiterated comments that were made well before the signing of the deed of agreement or the heads of agreement. I draw the honourable member's attention, given the fact that the deed of agreement or the heads of agreement was signed on 23 March this year, to *Hansard* of 14 February when, in response to a question from the member for Hanson, I made the following point:

The Tribond corporation was not able to mount a viable financial proposition for the creation of a marineland at that site.

I also refer the honourable member to press reports of 22 January this year, when it was stated:

It became clear the proposed \$9 million Marineland development was doomed to failure.

They were not my words but part of the text of a press report. Likewise, questions about the viability of the project were raised again by the member for Hanson on 8 September last year and responded to by me in this place. Indeed, the question that is asked by the Abel's solicitors is whether or not they can respond to that area of concern, and that is an area of concern that in fact had been aired in this place and elsewhere before the signing of the heads of agreement or the deed of agreement. So, at any stage since those comments were made, they could have responded to that. However, quite properly they are asking that it be

taken into account in the context of the deed of agreement, and that has been separately examined and will be separately responded to.

Mr De LAINE: I have a particular interest in the submarine contract. I recall that during last year's Estimates some issues were raised about the benefits of the submarine project to South Australia. Considering the expenditure of time, money and effort in winning that contract, and in light of the efforts concerning the frigate and projects such as the development of Woomera, it would be interesting to know the return that this State is getting from the submarine project. Of course, a number of benefits will flow on as the project proceeds. Will the Minister outline the benefits that have been achieved to date?

The Hon. Lynn Arnold: I am able to give information on this matter. It is very significant for the honourable member's electorate and for South Australia at large. The ASC has substantially relocated its entire headquarters to its new submarine construction facility at Osborne, which is due to be opened officially in November. The ASC currently employs over 400 direct staff and has commenced production work on the site. The company has commenced hiring production workers and this number is expected to peak at 350 by 1992. The company's total direct work force in Adelaide is likely to be about 750 to 800.

In addition, a number of South Australian firms have won significant design, development and production contracts for various subsystems let by ASC and by the Rockwell Ships Systems Australia, which is ASC's combat data systems subcontractor. These include British Aerospace, which has won contracts for the weapons discharge system, sonar suites, multi-function command and control systems and submarine galley equipment; AWA Defence Industries, which include power conversion units, weapons data system, periscopes, electronic support measures; and Perry Engineering, which include power thrust shaft bearings and production handling equipment.

As a result of the project being based in Adelaide, a number of major subcontractors have located, or announced their intention to locate, their operations in South Australia. Strachan and Henshaw of the United Kingdom, the weapons discharge system contractor, has established its Australian headquarters at Technology Park, while Pacific Marine will establish its submarine battery plant, at a cost of \$6 million and employing 40 people, at Osborne in early 1990. Several local companies have either submitted quotations or are waiting on the ASC to release tender documents for various minor equipment and supply contracts, and local industry could benefit further as these packages are released.

Mr De LAINE: Also in relation to the submarine contract, can the Minister tell the Committee how much State Government money has been expended on all aspects of the Australian Submarine Corporation's operations in South Australia?

The Hon. Lynn Arnold: We will have to take that question on notice to take into account all the different aspects. As members know, there are various aspects; for example, the ship lift which has been dealt with in previous budgets, and various aspects relating to ASC more directly.

Mr De LAINE: In relation to defence and aerospace, I note that recent media reports relating to the frigates and other defence related projects have indicated Government support for firms winning or bidding for such work. Can the Minister outline some of the initiatives covered by the budget which have contributed to our efforts in this regard, and what has been the outcome in the past 12 months?

The Hon. Lynn Arnold: The fact that we have a position of Executive Director, Defence Branch, is indicative of the

attention that is being paid to this matter. For some time we have made the point that the Federal Government's \$25 billion program offers significant opportunities for Australian industry, remembering that it was the South Australian Government that first pushed the message about Australia's being able to do a lot of that work. We have been involved in promoting this area from within the general resource allocation to State Development and Technology for some years. We have fined that down with the creation of the Defence Branch, as I mentioned earlier. The other point that needs to be noted about the department is in respect of project orientation. As particular projects seem to be on the horizon, we gather together the necessary resources within the department, because we are attempting to have maximum flexibility to move resources around within the department to address a particular project. Therefore, at any one time we could be involved in quite a number, and I can identify a few which are relevant to defence and aerospace.

The Pacific Dunlop joint venture with Varta Batteries was commenced on a project management basis within the department. We provided significant support for the development of that project. Our support of further contracts included the submarine project and the Laser Airborne Depth Sounder contract awarded to a consortia of local companies including British Aerospace and AWA Defence Industries. Again, that was assisted by that kind of approach. The Australian Aviation College, based at Parafield, is another one.

The substantial slice of the Anzac ships project work that will come to South Australia is a result of that kind of approach from the Government and the department in particular. Under that project, I can identify the Bofors Electronics proposal to establish a facility at Technology Park, to design and develop the command and control system for the frigates. This will mean an entirely new company that could lead to the creation of up to 200 new jobs in South Australia. CSA will be subcontracted by BEAB to perform the software development. British Aerospace and AWA Industries will also gain.

In addition, we expect engineering work and fabrication work to the tune of \$150 million to be available to South Australian industry. Then we have Thomson-CSF teamed with British Aerospace to manufacture civil radars for world markets. Eglo Engineering is competing on an order won late last year for the design and building of four survey ships. Additionally, we are currently working actively on a proposal for the commercialisation of the Woomera Rocket Range as was identified in the media again yesterday, and that project could bring substantial benefits to the State. Further, AWA has won a contract to supply 21 wiring harnesses for the Army's new Blackhawk helicopters. They are the sorts of things that are the target of much of the department's effort.

Mr D.S. BAKER: At any stage after the Building Trades Federation placed bans on the aborted Marineland redevelopment last July, did the Minister or any other Government Minister or representative of the Government ask the union to lift the ban and, if so, who made that request, when was it made, was it made in writing and, if so, will the Minister table the relevant document? What was the response of the union and, if no request was made, why was it not made?

The Hon. Lynn Arnold: I know that the questions asked by the member for Coles related to the Auditor-General's Report. I ask the member for Victoria the reference for his questions.

Mr D.S. BAKER: On page 70 appears a line for Marine-land, \$5.9 million.

The Hon. Lynn Arnold: There is nothing in connection with that line relevant to the question that has been asked.

Mr D.S. BAKER: Does the Minister decline to answer the question?

The ACTING CHAIRMAN: Order! I will just take advice on this matter. The advice I have is that, if there are no departmental resources involved in this matter, the Minister may decline to respond to the question.

The Hon. Lynn Arnold: Thank you, Mr Acting Chairman. That is a point that needs to be noted here. There are no resources in my budget lines connected with this matter. On 8 September last year, I intimated to the House, in answer to a question from the member for Hanson, that the consideration I and my department were giving to this matter involved the financial viability of the proposal and, as appears on page 740 of *Hansard*, I said:

I am not even sure that, at this stage, there is a ban on that project, but I can say that we are sure that we are following through all the figures that have been provided to us on the ongoing viability or otherwise of that project.

In subsequent discussions with alternative potential investors, all of those potential investors were cognisant of the undertakings given by the Government with respect to the keeping of Cetacea.

The Hon. JENNIFER CASHMORE: On a point of order, Mr Acting Chairman, I point out that the Minister has virtually just confirmed that departmental resources are being used in respect of this project for staff resources. Page 7 of the Auditor-General's Report, which comes within the ambit of Estimates Committee questions, makes several references to this program and that aspect of it. Page 150 of the Program Estimates deals with the encouragement of investment and, therefore, covers this in the broad scene. I also point out that during the Health Estimates Committee debate, the Chairman permitted a question from the member for Albert Park on a pamphlet which had dropped out of a newspaper on that very day. This is infinitely more relevant to the budget lines than were questions asked in other Estimates Committees. The Minister has confirmed that departmental resources have been used.

The ACTING CHAIRMAN: I am not here to respond to what another Chairman in Estimates Committee A or Estimates Committee B may have said previously. What I said to the Committee yesterday and today was that, when members ask the Minister questions, they may refer to the Auditor-General's Report, but the question must be linked to those lines that are being examined.

The Hon. Lynn Arnold: If the honourable member later reads what I said, she will discover that I have answered the question, albeit that I made the point that it is not related to the budget lines, because the resources of my department have not been involved in any dealings with unions on this matter. Our efforts have been turned towards investment attraction. The honourable member asked whether or not I or my department were involved with unions on this matter and the answer is 'No'.

Mr D.S. BAKER: The whole financial viability of the Marineland project depends on these bans, which I believe are at the root of Marineland's financial problems. Is the Minister refusing to answer the question?

The ACTING CHAIRMAN: It is up to the Minister to either respond or not respond: that is a decision for the Minister. The Chair ensures that the proceedings of this Committee are carried out in a proper manner.

The Hon. Lynn Arnold: As I understood the question as it is relevant to me, it was whether I or my department were involved in discussions with unions with respect to alleged bans. I have indicated that the departmental resources have been dedicated to the question of investment attraction

and investment enabling. I further indicated that we have not been involved in discussions with unions as to any alleged bans. That is the third time I have made that statement and I do not believe that the member for Victoria asked a question; rather, he made a statement about what he believes to have been the case. He is entitled to his own opinion on that matter, but I have made many other statements about the financial viability of the project to which I draw his attention.

Mr D.S. BAKER: I will rephrase the question, because the Minister has skirted around it: did he or his department ask the union to lift the ban—'Yes' or 'No'?

The Hon. Lynn Arnold: I am not aware of formal bans being placed on this project. However, I am aware of union comments as reported in the media. I said previously that neither I nor my department have been involved in discussions with unions on this matter. We are involved in investment attraction and the enabling aspect, and that is the work in which we have been involved.

The Hon. J.W. SLATER: I refer the Minister to page 152 of the Program Estimates, under the heading 'Issues and Trends':

Under the Regional Industry Payments Program, 500 new jobs of a full-time or seasonal nature are anticipated to be created in 1989-90 (in 1988-89, 435 jobs created, capital expenditure of \$20 million).

Will the Minister give the Committee further information on the Regional Industry Payments Program for last year, and say what is anticipated for the forthcoming year?

The Hon. Lynn Arnold: I have the breakdown of those figures. To an extent, some of that information will not be specified because it will compromise the position of some activities that are taking place. This is indicative of our changed approach to regional development. From 1980 to 1986 all substantive support for regional industry was being absorbed by the payroll tax rebate scheme, which was only available to companies of a size which required them to pay payroll tax. Any company smaller than that did not obtain any benefit from that scheme.

Secondly, it was paid to all such companies above a certain threshold size regardless of whether or not they would have operated in a regional area. It did not, therefore, pay particular attention to those firms which needed to be kept in a regional area, otherwise they would be lost to the region and go to some metropolitan area in South Australia or out of the State. We retargeted that, and it is the retargeting of a significant portion of that program which has enabled us to deliver these results.

The South Australian Development Fund contains a component which has been used for regional development, and the allocation for 1989-90 indicates that we anticipate that, from the fund, the Regional Industry Payments Program will consume \$2.658 million. Examples of some of the regional projects that would be included in those employment figures are the upgrading of the Mount Gambier spinning mills and the relocation and establishment of a cheese-processing facility at Murray Bridge. We are actively involved in other discussions anticipated to result in activities being established in other parts this year. The Boral aluminium extrusion plant at Angaston is another example, and I will give a more detailed report to the honourable member stating as far as is reasonable from the point of view of the parties concerned the breakup of that figure in the Program Estimates.

Mr BECKER: Will the Minister make available to the Committee the minute from the Department of State Development and Technology to the Treasurer dated 30 May 1988 which was referred to at page vii of the Auditor-General's Report? The Auditor-General has quoted part of

this minute, which appears to have contained some important information related to the department's assessment of the viability of the proposed redevelopment of Marineland. Will the Minister table the whole minute and, if not, why not?

The ACTING CHAIRMAN: Can the member for Hanson link this up to a budget line?

Mr BECKER: As I see it, the Department of State Development and Technology is there to advise. On page 150 of the Program Estimates we see 'Encouragement of investment'. That is the whole purpose of the department: to assist anyone with an idea to develop it.

The Hon. Lynn Arnold: I am not prepared to release that document to the Committee. This was a document from the Director of State Development to the Treasurer, and I do not think it appropriate to release it. The honourable member's question details aspects of the viability of the project. We have made a response to the Auditor-General about those comments, indicating how the viability assessments were made, and stating, for example, that the question of the viability of the \$9 million proposal and the Price Waterhouse assessment on the \$7 million proposal were really looking at two different things. Also, we indicated that the figures we used in advice to the Industries Development Committee (IDC) were gained from a number of sources, including the Department of Tourism. I have already provided much information on the matter of the department's viability assessment of this particular project.

Mr BECKER: Will the Minister table the full reply the Department of State Development and Technology made to the Auditor-General following Mr Sheridan's reference to matters relating to the Marineland project? Page viii of the Auditor-General's Report indicates that on 19 July this year Mr Sheridan referred to the department matters relating to the department's assessment of the viability of the proposed Marineland redevelopment. The report indicates that the Acting Director of the department made a response to the reference. Will the Minister provide the full response to the Committee and, if not, why not?

The Hon. Lynn Arnold: In answer to a question from the member for Hanson in the House of Assembly, I gave a detailed report on the matter of the Auditor-General's Report. The key matters cover a number of points. In responding to the Auditor-General the department advises me that discussions were held, one area of concern being the quality or objectivity of the submission given by the Department of State Development and Technology to IDC in 1987.

The Department of State Development and Technology submitted a detailed and comprehensive report to IDC, and I indicated in this place that that report was one of the most comprehensive that had been made available to that committee from the department. The department sought expert advice on key risk variables, namely, the achievable attendance and dollar expenditure per visitor from the Department of Tourism, from a similar park in Western Australia and from other local tourism facilities. The department concluded that, while the Tribond projections were somewhat optimistic, a more conservative projection still indicated at that time that the project was viable.

The department's report to IDC included a break-even analysis which was considered achievable. To ensure that IDC had all the necessary information and understanding of the project, the department arranged for IDC members to tour the facility and obtain first-hand knowledge of the proposed redevelopment. I understand that this was undertaken by some members of IDC (including the Chairperson) some weeks before the proposal was formally considered by that committee.

The next issue of concern was the department's visitor projections versus the Price Waterhouse report on Tribond's revamped Marineland proposal. As indicated above, expert opinion was sought as to the key risk variables on the revamped proposal which was submitted when the original proposal was floundering financially, which was approximately 13 months after the IDC submission.

Price Waterhouse was asked to assess a subsequent revamped proposal when Tribond was seeking substantial working capital advances under the guarantee, and consequently downgraded the facility by some \$2 million to a \$7 million proposal. The revamped proposal claimed higher attendance projections for a smaller facility. It was these higher projections which Price Waterhouse, Tourism SA, and the Department of State Development and Technology assessed as being overstated.

On the question of equity, the advice I have is that there are two elements to this issue: first, that the report given by the department to IDC and the report of IDC to the Treasurer made clear that additional equity was required for the project. My advice is that the IDC recommendation made no mention of any minimum equity required, but pointed out that it was the view of that committee that it was unrealistic to expect Tribond to attract the required equity until redevelopment had been completed. The IDC recommendations of guarantee assistance in advance of equity commitment from outside parties was conditional upon Tribond shareholders injecting sufficient further equity to demonstrate their commitment to the project.

That was done by a cash injection as well as a consultancy in kind injection. The important point to note is that the IDC terms were not breached. Further, the Auditor-General makes comment about the guarantee and the payout under the guarantee to Tribond and other creditors. The points there have already been identified in my answers to the House previously and are canvassed within the Auditor-General's Report. He adequately comments on the matter.

The other point I make, which is useful for the operations of the Committee at this stage, is to indicate that the Auditor-General has contacted me about comments made by me in order to clarify his views on these matters. I share that information with the Committee. I commented on this matter on 6 September and indicated that the break-even attendance was a range submitted by Tourism South Australia in its letter, which was an appendix to the submission made to the IDC, that the range was 242 000 to 292 400. I commented that only the higher figure was quoted in the Auditor-General's Report. Secondly, I noted that the figure of 250 000 was considered achievable and Tourism South Australia concluded by saying that the department therefore supported the concept.

The response on that matter from the Auditor-General, which he will subsequently make available to the House on that point, stated that Tourism South Australia quoted the break-even figures drawn from the Tribond report. The figure of 250 000 quoted in his report is the conclusion reached by the Director of Tourism in his minute of 25 May 1987 to the Director of the Department of State Development and Technology. That point naturally tallies with what I have said. The break-even figure of 292 000 was referred to in his report simply because it was the break-even figure used by the Department of State Development and Technology in its submission to the IDC in support of a guarantee of \$9 million.

I have identified that the appendix we included showed the range involved. Secondly, the Auditor-General points out that he noted in his report that the Price Waterhouse assessment was on the reduced scale project, and I acknowl-

edge that point. The statement there is that an examination of the Price Waterhouse report of 9 August 1988 shows that the patronage projections referred to and contained in that report are identical to the patronage projections in the original Tribond report on which the \$9 million guarantee was based. The progress report on Marineland, prepared by Tribond in July 1988, also used the same patronage projections.

Mr BECKER: On 30 June 1989 the Government made payments in advance amounting to \$5.1 million arising out of the failure of the Marineland redevelopment. Provision exists in the budget for \$863 000 this financial year. I refer to page 70 of the Estimates of Payments. Will the Minister itemise the proposed payments this financial year to show how much is for operations at Marineland until the facilities are closed? Of the remainder, will the Minister specify the major elements of the spending? How confident is the Minister that the budget allocation will cover the Government's outstanding commitments to this final project? How much has already been spent this financial year on this line? In making the estimate of spending for this financial year, what assumption has the department made for the final closure date for Marineland—is it within the next few weeks, before Christmas, or when?

The Hon. Lynn Arnold: With respect to the expenditure this financial year, the expected total expenditure of \$863 000 is made up in anticipation as follows: maintenance of Marineland and upkeep of the animals from 14 February to 30 September this year, \$423 000; trade creditor payments \$240 000; and receivers fees \$200 000. To date of that \$563 000, a total of \$530 000 has been spent this financial year, leaving a balance of \$180 000. Further funds will be required for maintenance and upkeep of the animals, and that will also be dependent on when the animals are relocated. Relocation costs are still to be determined, but it is believed that they will be within that envelope of available resources. I cannot give a definite answer on that as it is contingent upon a final date yet to be made available to me.

The other point is that I know the honourable member has talked about the failed project. It concerns me that he consistently refuses to consider that, while there has been a failed proposal, we have a residue of a project going ahead. I would have thought that the honourable member ought to be pleased, rather than making critical comments, about the fact that a hotel project is proceeding for that site. It will be a multi-million dollar investment and will enable the area to have a significant tourism development that will be a plus for South Australia. The fact that we have been able to do that against heavy negative views expressed by a small group should result in a tribute to the Government rather than criticism.

We had a situation in which the previous proposal was not able to proceed but which did not allow everything to disappear and nothing to be resolved, as could have happened. It would have seen an ultimate exposure to the Government much greater than the exposure we are facing now, and without gaining any net benefits. This exposure to the Government is identified in the terms of last year's figure and this year's figure of \$6 million which needs to be seen against the benefit of the community at large, including benefits for employment and development and to representatives of the communities including Government at various levels (State Government and Government agencies and related statutory authorities such as the West Beach Trust), which will benefit to the tune of about \$95 million over an extended period. All those things taken into account indicate that we have a positive project that needs to be

fully supported by all who want to support development in this State.

As to the last question asked by the honourable member, I repeat that the timing of this is entirely dependent upon the relocation of the animals and that matter is in the hands of the receiver and those who are doing the testing at present. It is clearly under my colleague the Minister of Environment and Planning.

The CHAIRMAN: The member for Hanson asked a question which comes under the miscellaneous lines. He received most generous support from the Chair in allowing him to proceed with it. I ask members to refer to pages 68 and 69. I ruled out of order a question by the member for Gilles.

The Hon. R.K. ABBOTT: I refer to the north west shelf project. I note that the Prime Minister yesterday launched the project worth some \$6 billion. Some concerns have been expressed by the Minister, some trade unions, and even some employers that there should be more Australian content on the project. I understand that several South Australian companies were contenders for some of this work. Whilst it may be too late in relation to the Goodwyn project to ensure higher Australian content, how can we overcome this problem in future resource projects, and has the Department of State Development a strategy on this matter?

The Hon. Lynn Arnold: It is a timely question because the Goodwyn project received some publicity yesterday when the Prime Minister spoke about its great national significance. From the State point of view, we have actively supported this project. Indeed, we have been in close consultation with employer groups and unions on this matter, and the department has supported all those efforts. The department has funded a position to allow an officer to concentrate on trying to develop opportunities for South Australian companies on projects such as the Goodwyn project. That officer is Mr Jerry Johnson. In respect of the Goodwyn project, we have spent considerable time working with Transfield and Eglo to assist their efforts to become involved, including assistance for upgrading their operations. I recently visited Transfield in Whyalla to have a better idea of its capacity to assist in a project such as this, in order to help us achieve our call for a greater Australian content for this project.

I admit that we have a problem with respect to a requirement that at this stage is in place—we are still working on this—it requires all such large shipments to go over the top of Australia rather than allowing passage across the Bight. If that requirement stays in place cost penalties will be attached to it. We are continuing to examine it with respect to this project. More significantly, we are looking at it with respect to future projects so that we can overcome what we think is an unnecessary requirement because there are sufficient ways of handling this matter.

We made a submission to the House of Representatives Standing Committee on Industry, Science and Technology which is inquiring into the Goodwyn project, and recommended consideration of two proposals to cover the particular question of future resource projects. The first is a resource-use plan for all major projects worth more than \$50 million, and this would require prospective developers to outline how they propose to maximise local participation before the projects receive development approval. The other is an expansion of the focus of the Heavy Engineering Project's Corporation to develop consortia to bid for local as well as overseas projects.

The Goodwyn platform is valued at \$1.6 billion; and the third train to take the gas supplies will boost the total project value to an amount of \$2.53 billion. One can see that it is

well worth going for this particular project. In a couple of instances, with respect to sub-elements of that project, South Australian companies or companies with a significant focus in South Australia are not only the best placed Australian companies they are, in a couple of instances, the only Australian companies. If the project does not come to an Australian company it would then go overseas.

The Hon. R.K. ABBOTT: The Minister has already indicated a considerable increase in resourcing to specific overseas trade officers. Will he outline the role of the officers and what they are expected to achieve?

The Hon. Lynn Arnold: We have representatives in several places. Members will know that we have closed the Los Angeles office. We have the Agent-General in London and his position is funded by Government but in particular primarily from the Premier's lines. There is attached to that an officer who is funded by State Development. We have representative status in Hong Kong, where Standard Chartered Bank of Hong Kong represents us; and the proposed expenditure for 1989-90 is \$346 000, which is a significant upgrade in activity to address the business migration potential that we see for Hong Kong. That recently resulted in an officer from the South Australian department, Mike Sullivan, going to Hong Kong for a period of some months to support the work of our representative, Angie Tze. In addition, we have our Japan representation through the auspices of Elders, and Mr Toyo Tanaka is our representative there; and we estimate the expenditure this year will be \$427 000.

In Singapore we are represented by a company referred to as Asiaco, and the principal, Mr Tay Joo Soon, has represented South Australia for many years; and the proposed expenditure this year is \$76 000. The State Development component of the Agent-General's work in the United Kingdom is \$238 000. More recently, we have had the opening of representation in Bangkok, Thailand, through the auspices of Loxley Bangkok Limited; and the proposed expenditure this financial year is about \$60 000. We think we are not only the best placed of any Australian State in terms of overseas representation but also we do it most efficiently. So that we do not result in large freestanding offices in all those sites, we make use of much more efficient models to do that.

The Hon. JENNIFER CASHMORE: Will the Minister provide an itemised list of payments made last financial year to the creditors of Tribond under the Government guarantee? Will the Minister also provide an itemised list of payouts for this purpose so far this financial year, with the list identifying to whom the payments were made, the amount of the payments, and the reasons those costs were originally incurred?

The Hon. Lynn Arnold: I will to take this question on notice, because several factors are involved. One which worries me most of all and which I want to consider very carefully is the implications of this on any assistance given by the department in any other contractual arrangement or otherwise under the South Australian Development Fund. I would like to consider much more carefully the creation of a precedent in this circumstance rather than just making a quick response now.

The other matter that has been pointed out to me is that in this situation a receiver is in place with respect to Tribond, and it is for the receiver to provide us with his advice on that matter because it is actually his business. The broad question of whether or not it is appropriate for me as a Minister to be releasing such information needs careful consideration, and I will come back with a considered answer before 6 October.

The Hon. JENNIFER CASHMORE: I point out that we are talking about taxpayers' funds released under Government guarantee. It is scarcely for a receiver to determine what Parliament is told in respect of matters involving taxpayers' funds. I believe that is the responsibility of the Minister and the Parliament. Certainly, the Opposition would expect that those documents be made fully available. That would be done under page 150 of the Program Estimates, which states that one of the objectives of the program is the evaluation and administration of Government guarantees. The Opposition seeks this information under that line. I take it, Mr Acting Chairman, that the Minister and his officers are aware that that information should be in the hands of *Hansard* by 29 September.

The ACTING CHAIRMAN: The Minister is very much aware of that.

The Hon. Lynn Arnold: The member for Coles corrected me. I said 6 October was the correct date.

The Hon. JENNIFER CASHMORE: The date of 29 September was given to other Committees; has that been changed?

The ACTING CHAIRMAN: The first date of 29 September was given but we add an additional week for this week's sitting and it is now 6 October.

The Hon. Lynn Arnold: I note and accept that we are talking about taxpayers' funds. I am certain that the honourable member would agree that there are circumstances where expenditures are made by the Government in various areas where there are genuine reasons for concern with respect to the releasing of specific details by means of Estimates Committees or in the House. One can think of many examples, including payouts to those who have given advice to the police leading to the apprehension of criminals. These payments are made from taxpayers' money. It is accepted that this should not be made public. Disclosure of information with respect to the bills paid for the installation of security alarm systems in schools would clearly be improper. The question that I want to check is the impropriety of this information being made available by this means, and I will respond within the time constraint that has been mentioned. We would be happy to make that information available if we could be satisfied that there is not the wider complication of legal ramifications. I know that the honourable member would accept that general premise.

The Hon. JENNIFER CASHMORE: I seek even further information in relation to such payouts. Will the Minister provide an itemised list of payouts made so far on the receivership and winding up of Marineland relating to the development costs of the proposal, including costs associated with planning and design, the list to identify the purpose of each payment, to whom it was made and the amount?

The ACTING CHAIRMAN: Before the Minister responds, will the honourable member link that with a line in the Estimates of Payments?

The Hon. JENNIFER CASHMORE: It is supplementary to the previous question. It comes under 'Evaluation and Administration of Government Guarantees', on page 150 of the Program Estimates.

The ACTING CHAIRMAN: The Chair does not want to confuse members in relation to the miscellaneous lines, and we have to be careful in relation to the payments.

The Hon. Lynn Arnold: Essentially, my answer is the same as to the previous question. However, I would point out that on 3 August, in a letter to the Leader of the Opposition, I said, 'I therefore offer you the opportunity to be briefed personally on a confidential basis about the issues

which you have raised.' Whatever may be the final answer to the question, that offer is repeated. If, for various reasons, it is not considered appropriate for this to be made public—we will deal with that in the answer that I give—that offer for a briefing is maintained. I wrote to the Leader saying, 'If you wish to take up this offer, please contact my office to make arrangements.' I understand that the Leader responded on the same day and rejected my offer. However, as far as I am concerned, the offer remains open.

The Hon. JENNIFER CASHMORE: How much did the department pay out in receiver's fees in the last financial year associated with the scrapping of the proposed Marineland redevelopment, and how much does the department estimate it will spend for this purpose in this financial year? The Minister referred to a sum of \$200 000. How much of the \$200 000 is for this current financial year, how much for the last financial year, and what is the total amount so far paid out in receiver's fees and the estimate?

The Hon. Lynn Arnold: The advice I have is that we have not paid any receiver's fees in the 1988-89 financial year. All those fees have been within the 1989-90 financial provision. Of that figure of \$200 000, payments to date to the receiver are \$52 000.

The Hon. JENNIFER CASHMORE: That is \$200 000 in total estimated for the current year?

The Hon. Lynn Arnold: Yes.

Mr De LAINE: On page 151 of the Program Estimates, under 'Trade Promotion', and in relation to the 1988-89 specific targets, what were the major overseas and interstate promotions undertaken by the department in 1988-89, and did the results justify the large Government expenditure?

The Hon. Lynn Arnold: The Government expenditure has been well and truly justified. The promotions that were undertaken included the major trade mission, led by the Premier, to Sweden and West Germany. There was a trade mission, led by myself, to Thailand, which was the largest trade mission ever to leave South Australia. In terms of interstate missions, following the significant successes of the Premier in the missions to Sydney, Melbourne and Brisbane, there was also the one this year to Canberra. All were very successful missions, and we define success in terms not only of the expressed views of those who took part in the delegations, but also of the commercial returns that we are being advised are coming out of these activities.

The mission to Sweden and West Germany was carried out in conjunction with 20 local business leaders. Seminars were held in Stockholm, Malmo and Munich to reinforce the mission objective, which was to increase trade, investment and joint ventures and to promote South Australia as a sophisticated base of operations in the Asia-Pacific region. Over 150 business leaders attended in both Malmo and Munich, with over 200 in Stockholm. This was a clear indication of the interest being shown by European business leaders. Major companies, such as SATT Communications, Philips Electronics, Ericsson Radar Electronics and SAAB Scania were some of those which expressed real interest in establishing local links, joint ventures or the sourcing of components in South Australia.

The major achievements to come out of the mission included the establishment in South Australia of Bofors Electronic Industries to produce the command and control systems for the Anzac ships in association with CSA. This project will create a new industry, employing over 100 persons in South Australia. There was finalisation of arrangements for increased container shipping links between Europe and Port Adelaide. Leading banks in Sweden and West Germany expressed interest in increasing their involvement in South Australia. Automotive giants, BMW,

Mercedes-Benz, SAAB and Volvo are looking to South Australia as a source of components, and follow-up discussions have been held by the South Australian Agent-General's Office on this matter. The department's Executive Director has been invited to visit SAAB and BMW for further talks in November. These discussions are targeting components companies to locate in South Australia to supply the South-East Asian and Australian markets. The Swedish Wine and Spirits Corporation has advised that it would increase its Australian wine imports by 20 per cent this year. Many of the private sector participants have indicated real and immediate successes and actual sales.

With respect to the Thai mission, again this attracted large support from local industry and commerce. Over 30 local business people, chambers of commerce and State Government representatives participated. Over 100 Thai Government and business leaders attended a seminar arranged in Bangkok as a prelude to the many meetings which were to follow during the week of the visit. Real achievements included the signing of the heads of agreement for a \$40 million project, involving an Adelaide engineering firm, with the potential for further orders; and work estimated at \$3 million a year for another Adelaide engineering firm. Sagric International has been invited to undertake an economic feasibility study into a \$100 million high speed guided busway for Bangkok. Teknis International Railroad Systems has been considered to supply a major railway, telecommunications and signalling system in Thailand as a demonstration project for a United Nations organisation.

There has been a big response to a proposal by the State Government and the private sector funded software exports centre to establish a joint venture company called Australian Gateway to market South Australian computer software in Thailand. There has been the appointment of a legal group, Mollison Litchfield, to represent a leading Thai company in Australia and the establishment of links with law firms in Thailand. There is to be possible South Australian involvement in establishing an industrial technology park in Thailand.

As a result of the success of the overseas missions, and following earlier successful seminars to advise Australian industry of South Australia's advantages, the Canberra mission took place and a number of outcomes have come from that. Some immediate results and contracts resulting from those presentations were that the Swedish Embassy included Adelaide in its itinerary for a visit by the Parliamentary Defence Standing Committee, and that visit took place on 14 September.

The Ambassador of Norway offered to bring a defence investment mission to South Australia later this year. Prior to the presentation of the mission, that had not been planned. The Charge D'Affaires of Uruguay was made aware that there were opportunities for South Australia in biotechnology, agricultural technology and dry-land farming, and they are to be explored further. The Korean commercial counsellors invited further discussion on including Adelaide in the September 1989 visit by the Australia/Korea Business Council. The visit was planned to take place on 5 September but unfortunately was cancelled due to the pilots' dispute. An EEC delegation will now encourage more business missions to South Australia, and other activities are being further pursued. That is the outcome of the missions interstate and overseas in this past financial year.

Mr D.S. BAKER: On or about 26 January this year, did Mr Henry Oh, an officer of the department, give any advice to a representative of the Tribond company that the Department of State Development and Technology had approved a share sale agreement between Tribond and Zhen Yun?

The Hon. Lynn Arnold: My advice is that we were never asked to approve a share sale agreement. Maybe the member could clarify his question.

Mr D.S. BAKER: The question is quite simple: did Mr Henry Oh, an officer of the department, give any advice to any representative of the Tribond company that the Department of State Development and Technology had approved a share sale agreement between Tribond and Zhen Yun?

The Hon. Lynn Arnold: It was not within the aegis of the Department of State Development and Technology to give approval or otherwise. The answer is 'No'.

Mr D.S. BAKER: I refer to a telephone conversation which took place on 2 February this year between an officer of the Department of State Development and Technology and Mr Lawrence Lee of Zhen Yun. Details of that telephone conversation are recorded in a fax dated 3 February from the department to Zhen Yun. The fax reveals that two major issues were discussed:

That given perceived construction and operational difficulties with the Marineland redevelopment, it may not prove viable and therefore it may be in Zhen Yun's interests not to proceed with the redevelopment . . .

Who initiated the telephone call on 2 February—was it the departmental officer or Mr Lee? Who first made the assessment that the project was not viable—Zhen Yun or the department? Did the Minister or the department at this time receive anything in writing from Zhen Yun stating that the project was not viable? Was the question of viability at this time determined following any detailed independent analysis and, if so, who made that analysis? Will the Minister provide any written report?

The Hon. Lynn Arnold: I have previously quoted details to the House of the fax that confirms the telephone conversation of 2 February. That was part of a series of ongoing discussions between the department and Zhen Yun, involving me, because it detailed a telephone conversation I had with Zhen Yun. As to who generated this particular phone call, it was clear that it was important for discussions to take place between me and Lawrence Lee. Those discussions had not been possible earlier in the week, so finally I rang Mr Lee and spoke to him about these matters. As to the advice, I repeat what I have said previously: it was the decision of Zhen Yun not to proceed with a Marineland component of this proposal. It was clear that it was being kept fully informed of all aspects of the development proposal and the situation within South Australia concerning the viability of such projects and, indeed, the international viability of such projects. Over that period, when there was significant contact between the parties, the speed with which Zhen Yun came back with a proposal that did not contain a Marineland component indicates that it had already done some significant work on that proposal which it then presented to the Government.

Mr D.S. BAKER: Part of my previous question was not answered. Did the Minister or the department at this time receive anything in writing from Zhen Yun stating that the project was not viable?

The Hon. Lynn Arnold: The key point here is that there were many telephone conversations between the parties, and the fax confirming the telephone conversation indicates there were written communications between Zhen Yun and the department. The first written communication after that event included a detailed proposal for a development without a Marineland that had obviously been the subject of considerable work by the Zhen Yun company prior to the conversation of 2 February.

Mr D.S. BAKER: Had the Minister received anything in writing from Zhen Yun stating that the project was not viable—yes or no?

The ACTING CHAIRMAN: Order! I reiterate what has been said before. It is not for the Chair to determine whether the Minister will answer in a specific manner or even whether he will answer at all. The way the Minister responds to questions is up to him.

The Hon. Lynn Arnold: I do not have any letter on file from Zhen Yun that specifically states 'We will not proceed with the Marineland.' We do have letters from Zhen Yun stating, 'This is our proposal and the proposal is not of a Marineland.'

Mr D.S. BAKER: The second major issue referred to in this fax of 3 February was the future development of the site. The fax stated that the Government should encourage Zhen Yun to develop a hotel and convention centre at West Beach and the South Australian Government would address the question of the future of Tribond. Were these decisions made by Cabinet prior to the telephone conversation between the department and Mr Lee on 2 February this year and, if so, when; had Cabinet made a decision that the redevelopment of Marineland was not viable; and if the decision by Cabinet was not made on this date, when did Cabinet agree that the project could not proceed? In making this decision, what written advice did Cabinet have before it; did that advice contain any detailed assessment of the viability of the project and, if so, by whom?

The Hon. Lynn Arnold: The Government did not determine any position on this matter prior to the receipt of advice from Zhen Yun of a proposal that did not contain a Marineland component. I will take on notice those other matters detailing some specific aspects of the project.

The Hon. R.K. ABBOTT: There has been considerable interest in recent days in the very considerable exodus of East Germans into Austria and West Germany. Is there any capacity in the budget to respond to this in terms of developing initiatives to encourage some of these people to migrate to South Australia?

The Hon. Lynn Arnold: I have previously raised this matter with officers within the Government to ensure that South Australia will be as well placed as possible to attract migrants from East Germany. A number of very skilled people will look for places to settle and we are concerned that previously South Australia has not obtained as high a share of the migration intake that our population justifies. As a consequence, I raised this matter with departmental officers and we have undertaken some exploratory work in the intervening period.

I can confirm that the Agent-General for South Australia (Mr Walls) is currently in West Germany and some hours from now he will meet with the senior immigration counsellor of the Australian Embassy in Bonn. I have been in communication with the Australian Embassy immigration officials in Vienna and the considered advice of both the Vienna Embassy and Mr Walls is that, on the face of it, our emphasis should be on West Germany with respect to trying to attract a proportion of the East German settlers to South Australia. They are using Austria as a transit place, because they have valid visas and passports to work in West Germany but that is not the case for Austria.

We are also examining the best way to promote South Australia as a destination amongst that group of people, so the question of publicity is being examined separately. We have moved very quickly on this matter, because we believe that a number of these people will want to resettle in South Australia and, as a result, we could benefit from their skills.

The Hon. R.K. ABBOTT: Will the present budget allow for such an activity to be undertaken?

The Hon. Lynn Arnold: Our budget allocations have the capacity to undertake this activity and, to the extent that

any East German resettlers in West Germany decide to leave West Germany, we are concerned that South Australia obtains its fair share.

Mr BECKER: I refer to information given to the Estimates Committee last Thursday in relation to Zhen Yun's proposal to develop a hotel on the Marineland site. The Acting General Manager, Planning and Development, for Tourism South Australia (Mr Rod Hand) stated:

Our advice to it [Zhen Yun] was that the market place was not ready for an international style hotel in that location and that was not the standard that it should aim for. We recommended strongly that it undertake a market feasibility study to identify both scale and type of development.

Will the Minister table any written advice his department has received from Tourism South Australia on the viability of the proposed hotel? Will the Minister explain the conflict between the advice of Tourism South Australia and the statement he made announcing this project on 13 February this year in which it is stated:

Mr Arnold said the development comprising a 300 room international standard hotel and conference facility would be built on the site of the old Marineland complex at West Beach.

In that statement the Minister also stated:

In addition to the investment in the facilities, the Zhen Yun Corporation will pay the West Beach Trust a rental over the initial 50 year period which will return directly to South Australia more than \$100 million. Total payments over the life of the project will be very substantial.

Are the returns referred to by the Minister based on the trading results of the hotel? If so, on what basis did the Minister make this statement; did he have projections on the profit and viability of the hotel; has Zhen Yun undertaken the feasibility study recommended by Tourism South Australia; if so, has the Minister seen it and what are its major conclusions?

The Hon. Lynn Arnold: The honourable member raises a number of points. We will carefully examine all the questions that have been asked by members of the Committee. In many cases, the questions are multi-barrelled and therefore I may miss some of them in my answers. If that is the case, I will undertake to respond to those questions in the time allocated.

It must be understood that the Special Projects Unit of the Department of the Premier and Cabinet is handling the progress of development. I assume that the member for Hanson addressed questions about reports of viability at the appropriate stage and to the appropriate Minister. It would be useful if I read into *Hansard* a release of 19 September by my colleague, the Minister of Tourism, who stated that claims by the Opposition tourism spokesperson about the Zhen Yun hotel proposal were not correct. The press release states:

Contrary to . . . claims, TSA has not at any time reported adversely on the commercial viability of the project. Ms Cashmore's negative, bulldozing attitudes to tourism are well known, and any comments she makes . . . can no longer be taken seriously. There is no conflict between Tourism South Australia and State Development about the Zhen Yun proposal. In February the Minister of State Development announced Zhen Yun would develop an international standard hotel on the site and I understand that is still their intention.

There are many types of hotels meeting international standards. In early discussions on the hotel proposal, as is normal practice, Tourism South Australia recommended Zhen Yun undertake market research to determine what type of hotel would make best use of the Marineland site, and which market segments it should target. TSA believed the proposed hotel's proximity to the beach, West Beach recreational facilities, Glenelg and the airport could give it domestic as well as international appeal, and a development catering predominantly for the 5-star international corporate sector might not be the most appropriate use of the site. Zhen Yun undertook market research as suggested and has developed its plans accordingly. There is no ambiguity or conflict between TSA and State Development on this issue.

Earlier this year the Department of State Development and Technology also advised that Zhen Yun should undertake a market feasibility study in relation to that proposal. It could be called somewhat gratuitous advice, because a major investor would undertake that work and I can confirm that it did undertake such a study.

Mr BECKER: As a supplementary question, I refer to my query about the 50 year period which will return \$100 million in benefits to the State. What projections of profit and viability of the hotel has the Minister been given?

The Hon. Lynn Arnold: The figures of \$100 million refer to estimates of rental receipts that will be paid by the development. The developers are discussing with other relevant investment sources the aspect of the profitability of the project, but I do not have the profitability figures. As I have stated before, Zhen Yun has already placed \$9 million on deposit.

Mr BECKER: Has the West Beach Trust signed a lease agreement with Zhen Yun Australia Hotels Pty Ltd to allow the hotel to proceed on the former Marineland site and, if so, when was the agreement signed and when will work begin on the project? If the lease has not been signed, why not, and when does the Government now expect the lease to be signed and work to begin on the project?

The Hon. Lynn Arnold: The lease agreement between Zhen Yun and the West Beach Trust is not directly under my ministerial aegis but, rather, it comes under the aegis of the Minister of Local Government. However, after consulting with my colleague on this matter, I will provide a detailed answer. Lease agreements have already been detailed between Zhen Yun and the West Beach Trust, but I want to ensure that I give the most accurate information possible to the Committee as to the exact dates and details. As to when the project will proceed, I refer the honourable member to my answer earlier today indicating that it will happen after the animals have been relocated.

Mr BECKER: One thing that worries me is that the Department of State Development and Technology becomes involved in a project but does not follow it through. I should have thought that the department would continuously monitor all its projects to ensure that everything that is promised is being done. That is why I am concerned about the lease. Do the terms of the lease between Zhen Yun and the West Beach Trust specify any particular date on which the site must be made available to Zhen Yun for the project to proceed? If so, what is that date? Does the lease contain any penalty clause providing compensation to Zhen Yun if the site is not available on that date? If so, will the Minister specify the details of that clause?

The Hon. Lynn Arnold: I note the point made by the honourable member, but it is not really an appropriate use of resources for one department to take on board the many aspects of investment projects once they are attracted. They should be referred to the appropriate departments which have the authority and, indeed, the legal requirement to handle those matters. It would be quite impertinent for the Department of State Development and Technology to presume upon an Act of Parliament that is committed to another Minister. We continue to take an active interest in this matter and monitor what is happening, but without the approval of the other parties it would be presumptuous to take over these things, and would be an inefficient use of our resources.

The Special Projects Unit of the Department of the Premier and Cabinet is an expert body for handling such matters, particularly matters of real estate development, and is the body that drives many of these projects. Some projects are handed on to the Department of Environment and

Planning as the appropriate authority. I have given this Committee an undertaking to ensure that when I report back with an answer, that answer has been checked with the appropriate agencies and Ministries with which it should be checked in order to ensure that the information is correct.

Mr D.S. BAKER: The previous question was not answered. Is there any particular date on which the site must be made available to Zhen Yun in order for the project to proceed and, if so, what is that date?

The Hon. Lynn Arnold: I answered the question when I said just now and earlier this morning that it would be when the animals are relocated. To repeat a third time, my advice is that the West Beach Trust and Zhen Yun have negotiated an agreement which allows for some work to proceed before the animals are relocated but that the substantive work will not proceed until the animals are relocated.

Mr D.S. BAKER: Is there a penalty clause for compensation to Zhen Yun if they cannot get on site on a specific date?

The Hon. Lynn Arnold: The advice I have is that they have reached agreement, therefore, that is not a barrier. With the appropriate consultation I can give a more detailed response, but I am not aware of any penalty clause.

Mr D.S. BAKER: In his press statement of 13 February announcing the proposed development of the Marineland site by Zhen Yun, the Minister said of Zhen Yun:

The corporation has international experience in hotel development and management.

Zhen Yun Limited was incorporated as a company on 28 August 1987—just two years ago. What has the company done in that time to justify the Minister's comment on its international experience, and will the Minister specify the developments in which it has been involved?

The Hon. Lynn Arnold: Zhen Yun have hotel, manufacturing, shipping, restaurant, transportation and other property interests. They have a development project under way for a 300-room hotel in Tokyo and interests in a shipping line to the tune of \$US300 million. Whether that figure refers to annual turnover or to capital value, I am not sure, but I will have it checked out. They have property and manufacturing investments in Hong Kong of the order of \$100 million and two hotel projects in the People's Republic of China, one of 200 rooms and one of 400 rooms.

Mr D.S. BAKER: Zhen Yun Limited has two equal shareholders: the Lianyungang Economic Joint Development Corporation and the Lianyungang International Trust Investment Corporation. These corporations in turn are owned and operated by the Government of Jiangsu Province of the People's Republic of China. I am advised that this Government fully supported the recent Tiananmen Square massacre and was itself involved in the violent suppression of democratic movements in Shanghai and Nanjing. Will the Minister explain how the South Australian Government's encouragement of Zhen Yun to invest in South Australia is consistent with the tears Mr Hawke has shed over recent events in China and the break in trade and investment ties which these events have caused? Was the Minister aware of the approach by the head of the Premier's Department (Mr Guerin) to the Chinese Embassy in relation to Zhen Yun, and will the Minister say precisely what was the purpose of Mr Guerin's approach?

The Hon. Lynn Arnold: Mr Guerin does not come under my ministerial expenditure lines. I understand that matters related to accusations made with respect to activities in China and the company in question are separately the subject of potential legal action (not involving the Government). I have seen copies of correspondence but do not

wish to prejudice that legal action. We have had a very forthright statement from South Australia as to the events which took place in China in June: the most forthright of any statement from any State in Australia. The advice we have from the authorities in Shandong province is that ours was the most forthright statement of which they were aware.

It is important to note that the Jiangsu province is simply that—a province and not the national Government. Zhen Yun operates as a separate commercial entity under Hong Kong company law and its activities are commercially based. The Premier, in his statement on relations with China, indicated a suspension of official visits at that time, but intimated that trade relations would still continue. The view is that not much is to be gained by economic isolationism. Indeed, the outcome of economic isolationism may be much worse than any other kind of strategic approach. The question asked about an office under another area of the Government should be dealt with separately. There has been some significant misreporting of events in these circumstances. On 3 February this year I made available publicly information on the company itself which also identifies that it is jointly owned by the Lianyungang International Trust Investment Corporation under the Lianyungang Economic Joint Development Corporation.

Mr D.S. BAKER: I am not aware of any legal action. Will the Minister enlighten us?

The Hon. Lynn Arnold: The statement was not made by me, but I understand that a member of this place is in receipt of a lawyer's letter as a result of certain statements made purporting to link events in China with Zhen Yun—a Hong Kong company operating under Hong Kong law.

The Hon. JENNIFER CASHMORE: Who will be responsible for the demolition of existing buildings on the Marineland site? If it is the West Beach Trust or any other Government agency, what is the estimated cost?

The Hon. Lynn Arnold: The advice I have is that the developer will be responsible for the demolition of the buildings on the Marineland site.

The Hon. JENNIFER CASHMORE: At what estimated cost?

The Hon. Lynn Arnold: I do not have an estimate of the cost.

The Hon. JENNIFER CASHMORE: A report prepared last year identified the need for a major asbestos removal program before the buildings on the Marineland site can be demolished to make way for the proposed hotel. What is the estimated cost of the asbestos removal program, and who will bear that cost?

The Hon. Lynn Arnold: I am unable to report upon the status of that asbestos removal program. My advice is that Tribond had started work on the removal of the asbestos. The extent to which it has been completed I am uncertain, but I will obtain further advice for the Committee. The obligations on any uncommitted work at the moment are the same as given in my reply to a previous question with respect to demolition costs.

The Hon. JENNIFER CASHMORE: What is the estimated cost of removing the villas from the Marineland site, and who is responsible for meeting that cost?

The Hon. Lynn Arnold: The removal of the villas has been a matter of discussion between the Zhen Yun Corporation and the West Beach Trust. Various figures and configurations of deployment of the villas have been discussed, and the agreement reached previously was that it was the responsibility of the developer, Zhen Yun Corporation.

The Hon. JENNIFER CASHMORE: Will the proposed hotel for the Marineland site be subject to an environmental

impact statement and, if so, can the Minister advise when it will be published and, if not, why not?

The Hon. Lynn Arnold: I will obtain a more detailed response to that question. The development of the project is being handled by the Special Projects Unit.

The Hon. JENNIFER CASHMORE: Has Zhen Yun appointed an operator for the hotel on the Marineland site and, if so, which company has been appointed?

The Hon. Lynn Arnold: In my discussions with Zhen Yun over time, I have been advised of ongoing discussions with international hotel chains and operators. I am advised that those discussions are continuing and are focused on large international hotel operators.

The Hon. JENNIFER CASHMORE: Given that the Minister has had the most direct responsibility for Government policy in relation to Marineland, does he endorse the comment made by the Deputy Premier to a constituent in a letter dated 17 April this year referring to the fact that the dolphins will have to be relocated? The Deputy Premier stated:

I have to conclude by reiterating that there is no prospect that they remain at West Beach. This has nothing to do with lack of Government support. Indeed, the Government has already supported Mr Abel with that aim in mind, but got its fingers burnt.

Does the Minister agree with the Deputy Premier that the Abel family is responsible for the failure of the project?

The Hon. Lynn Arnold: I do not believe that that is what the Premier is saying in that letter. He is saying that a proposal involving one set of private sector investors or principals, also involving the Government, did not succeed or proceed. That happens from time to time. In the many projects with which the Government is involved, some do not succeed. The Department of State Development has a total of seven projects out of 284 with which it has been involved and which have not been able to proceed successfully. One could therefore define that as having our fingers burnt. To say that is not a reflection upon the principals involved, because various other circumstances apply in different situations. Despite best endeavours the Tribond proposal was not able to fulfil the expectations of the proposal that went to IDC. Naturally that is equally of concern to the Abels as it is to the Government. The Deputy Premier was not making reference to the Government's fingers being burnt at the expense of or cause of the Abels.

The Hon. JENNIFER CASHMORE: In relation to the Marineland redevelopment, Essington Developments Limited submitted a proposal to the Government which would have incorporated a marine park. In the *Advertiser* of 24 January this year the General Manager of Essington Developments, Mr Ross Mallett, was quoted as saying that the company planned to spend \$30 million on the project and would have it completed by late 1990. However, only three weeks after the statement the Minister announced that the Marineland redevelopment was being scrapped. Why did the Government not pursue negotiations with Essington in view of that company's confidence in the viability of a marine park, as was reflected in its statements to the *Advertiser* reported on 24 January?

The Hon. Lynn Arnold: We never received a firm proposal from Essington for a development at that site. Several concepts were given some publicity, and there had been discussions between Essington and the West Beach Trust over the months prior to that period, but these never led to a firm proposal. Given that this matter was leading on financially for many months, it was clear that decisions had to be made. Finally, when there was a firm proposal before the Government (and in the absence of any other firm proposals before the Government) a decision was made. While publicity was given to a proposal from that corpo-

ration it never reached a firmed up stage. Discussions with other parties were held but none of that reached a firm proposal that was put to the Government.

The Hon. JENNIFER CASHMORE: Did the Government ever request a firm proposal?

The Hon. Lynn Arnold: The discussions that had taken place prior to this were between proposed developers and Tribond. Last year the Government indicated that it would assist in trying to attract investors to have discussions to take over the Tribond proposal: to have discussions with Tribond to enable the taking over of that proposal. Again, no firm proposal from Essington was ever in question.

Mr BECKER: Has the Minister seen a letter written by the Deputy Premier to one of his constituents about the Marineland development? Does he or does he not agree with its contents? The letter, written to Ms D. Charlton of O'Sullivan Beach, states:

Thank you for your recent letter about the dolphins at West Beach. I am not sure why you link it with your association with Karawatha, and I can only assume that you feel that some how I am the decision-maker in this matter.

In fact, as what follows will make clear I am not involved directly in any way, and indeed the Government is hardly involved any more.

Marineland was run for many years by the West Beach Recreation Trust, a body which is generally supported by the councils in that area and the State Government. Sadly, it never had sufficient public support to be able to make the sort of money that is needed in order to upgrade the facility. The building is old, cracked and generally in a bad state of disrepair, and for some time it has been losing money.

A gentleman called Mr Abel came forward a couple of years ago with a proposition to upgrade the facility at his own expense, and for him to run it as a business. Sadly, he was not successful in raising the required funds, and indeed some of the assistance given to him by the Government in order for him to make a success of it, will never be repaid.

The people who are now interested in building a motel on the site initially showed interest in some sort of marineland but have now backed off because of the costs involved.

You will thus see that the decision to relocate the animals to another place really has nothing to do with the unions, very little to do with the State Government, but a lot to do with finances. The Government has given an undertaking that the animals will not be 'put down'.

There are three possibilities. One is the Wildwatch proposal for Granite Island at Victor Harbor. This might work but it will be subject to a great deal of scrutiny before there is any chance of it being approved. These animals would die if released into the open ocean, and there is some chance that the Wildwatch proposal, though it provides for an enclosure, would also place them under considerable stress.

The second possibility is Port Pirie, where a similar type of facility could be installed. However, as you know, Port Pirie has processed lead for nearly 100 years now, and we fear that the water is contaminated, at least beyond the level which would be recorded as tolerable for these animals.

The third possibility is that they be transported to an oceanarium in another State, where they would be properly cared for in company with other animals. At this stage that is the most likely proposition.

I have to conclude by reiterating that there is no prospect that they remain at West Beach. This has nothing to do with lack of Government support, indeed the Government has already supported Mr Abel with that aim in mind, but got its fingers burnt.

The sad fact is that Marineland has never received the sort of public support which would enable it to be a viable proposition. Thank you for putting your point of view to me, and I would be happy to discuss the matter further with you if you so desire.

The Hon. Lynn Arnold: I was asked by the honourable member whether I was aware of that letter, and the answer to that is 'No'. Picking out one of the phrases that this matter has nothing to do with this, this or this, it has nothing to do with this Committee as to whether or not a member of this place is writing to a constituent in response to an inquiry. I repeat the answer to the previous question about this matter, that it has nothing to do with this Committee.

Mr BECKER: I gained the impression that the Minister did agree with part of the letter, in that the Government got its fingers burnt. That was my question: does the Minister agree or not agree with the contents of the letter? There is no point in saying that it has nothing to do with the Committee because the development division supported an application for the redevelopment proposal at West Beach at a cost of \$9 million, and Mr and Mrs Abel wanted to use \$1.5 million of that Government guarantee to get on with the job. They started buying materials and incurring costs, and there were considerable costs in keeping the place going. Had they been allowed to use the \$1.5 million of that guarantee, it would have saved the Government \$6 million and possibly another \$750 000 before those animals had to be got rid of.

The Hon. Lynn Arnold: This matter is clearly being used as a vehicle for grandstanding by the member for Hanson.

Mr BECKER interjecting:

The ACTING CHAIRMAN: Order! I call the member for Hanson to order.

The Hon. Lynn Arnold: As this letter was written by my ministerial colleague in his capacity as a local member and not as a Minister directly responsible for this issue, I have to examine the settlement costs that come under my line. I assure the honourable member that nothing in my financial lines is responsible for my colleague's mail costs. I have answered the matter previously. I am endeavouring to answer any question related to my areas of involvement in this, and will continue to do so. However, it is bizarre for this Committee to now expect me to examine the letters of members of this place and to comment on whether or not I endorse them.

The Hon. JENNIFER CASHMORE: In July 1987 the Minister announced, when opening the Simpson washing machine factory in Tianjin that two or three major projects were being developed in China. How many of these projects got off the ground? What happened to the Simpson factory after the riots?

The Hon. Lynn Arnold: I did not open the washing machine factory; the Premier did. I did not make that statement. The question is not properly directed. However, I was in China in April this year before the riots and at that stage the plant was operating. After 4 June we were in contact with all companies in China that had South Australian activities, and asked for their reports. We understood that the plant in Tianjin was still operating straight after the riots, though I believe there may have been some removal of expatriate staff for a while. I am not sure how many expatriate staff are still there, because there was significant local staff involvement.

My advice is that that plant is still operating. Earlier this year, when I visited Simpsons in South Australia, I saw part of the first batch of washing machines sent to Australia for quality assessment: they rated very well, and the company was pleased. With respect to other activities in China—the other ventures that I guess were referred to by the Premier at the time—the Bundy Tubing (Bundys being a subsidiary of Tubemakers) joint venture in Qinhuangdao was still operating soon after 4 June, though it had been closed for a short time.

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

The Hon. Lynn Arnold: I was talking about Tubemakers and Bundy Tubing at Qinhuangdao. The Qinhuangdao facility was not operating at full capacity for a period for reasons unrelated to the riots. However, it is now back to full operational capacity: indeed, there has been an expansion

of that site and discussions are continuing for a second plant in China by Bundys.

Another South Australian company which has not varied in its activity is Gerards, in its facility in Guangzho. That is still operating at previous levels of activity, and it has not noticed any impact from the riots of 4 June. The other company that was affected is Sola Optical. In the week before the problems in Tiananmen Square of 4 June—I refer to them as riots, but riots is not the right term because there was a peaceful demonstration taking place—it had finally reached agreement after a significant time to enter into a joint venture for plastic lens manufacture within the People's Republic of China, but I am not certain about the status of that proposal. Immediately after 4 June it was put on hold, and it may still be on hold.

Mr D.S. BAKER: I refer to an answer that the Minister gave this morning about a proposal for Zhen Yun to buy the shares of Tribond to allow the Marineland redevelopment to proceed. The Minister said that it had not been the business of the department to approve this arrangement and it had never been approved by the department. However, I have evidence that Tribond entered into a share sale agreement with Zhen Yun on 22 December last year that required the approval of the Department of State Development and Technology before it could proceed. Can Mr Henry Oh, the departmental officer, recollect whether on 26 January this year he had a telephone conversation with Mr Grant Abel about this agreement? In that discussion did Mr Oh advise Mr Abel that the department had provided Zhen Yun with its consent to the share sale agreement?

The ACTING CHAIRMAN: Order! Questions will be directed to the Minister.

The Hon. Lynn Arnold: That is correct. It is not for an officer to be called upon by the Committee to respond. On 23 December 1988 the Department of State Development and Technology had some correspondence with Zhen Yun responding to a letter from Zhen Yun about this matter. The departmental response states:

The department notes your statement that you believe the project for the redevelopment of Marineland, including hotel and conference facilities, is expected to cost between \$35 million and \$45 million. We note your proposal that 25 per cent of the project cost will be equity and 75 per cent debt. Of the equity, we note your proposal that Zhen Yun will take 70 per cent subject to satisfactory arrangements.

It then refers to the IDC, and states:

We would be pleased to recommend and make introductions to appropriate local investors, including those associated with the Government whom you may invite to take up equity. We understand that you have negotiated an in principle agreement with the shareholders of Tribond. We believe that further discussion will be required concerning the number and identity of nominees for the board of the company. The proposals are subject to FIRB approval and you will have our support in seeking such approval. We will act in good faith to pursue the above understandings and commitments.

The only points where a verb is chosen which is a definitive action verb is in relation to the Government guarantee covering advances to Tribond Developments. The letter states, 'We will require discharge of the guarantee as a condition precedent to the above.' The operative verb there is 'require'. All the other verbs in that letter indicate that it is not a matter of approval relevant to the department's capacity to give. We understand that a clause may have been inserted by Zhen Yun, but that was without the knowledge of the department. Indeed, the department was not asked to give that approval, and the answer that I gave this morning stands.

Mr D.S. BAKER: Did the Minister or any officer of the department see a copy of the proposed share sale agreement

between Tribond and Zhen Yun in December last year or in January this year?

The Hon. Lynn Arnold: At no stage during the drafting of any such share sale agreement was it viewed by me or by officers of the department.

Mr D.S. BAKER: I refer to the union bans placed on the Marineland redevelopment. The Minister said that he was not aware of any formal bans having been placed on the project. However, I refer him to press reports which clearly identified these bans published in the *Advertiser* on 30 July last year; in the *News* on 19 August; in the *Advertiser* on 20 August and in the *Advertiser* again on 24 January this year. In the last report, Mr Ben Carslake, Vice President of the Building Workers Industrial Union, is quoted as warning that the union would stop work on the entire Marineland redevelopment if attempts were made to break work bans aimed at stopping the establishment of a marine park. As these bans were obviously by this time jeopardising a project under Government guarantee, did the Minister discuss this matter with the Premier, and, if not, why not? Did the Minister ask the Minister of Labour to initiate discussions with the union involved to have the bans lifted, and, if not, why not? Does he believe that he has a responsibility, if a project is guaranteed by the taxpayers' funds, to ensure that union bans are not allowed to jeopardise the viability of such projects?

The Hon. Lynn Arnold: The question of bans as reported by media conjecture is something that we have not regarded as formal advice to us that a union ban is in place. I repeat the point that I made earlier: we have not been aware of formal bans being in place. There have been media reports about such matters. They are the responsibility of my colleague, the Minister of Labour, where relevant, and it is a limited set of circumstances in which there is relevance for him to be involved. The answers that I gave this morning on that issue stand.

Mr D.S. BAKER: The Minister did not answer the last part of the question. Does he believe that he has responsibility, when there is a guarantee of taxpayers' funds, to ensure that those projects are not affected by union bans and they are allowed to proceed?

The Hon. Lynn Arnold: I do not believe that question is relevant at this time. All the advice that we have had is that the project did not proceed because it was not financially viable. The point that we have pursued vigorously at all stages is to attempt to see a development proceed at that site. We have worked closely with the Tribond Corporation to enable that, and the fundamental questions of financial viability were at the core of our work. That is the issue that has and should have concerned us.

Mr BECKER: As a supplementary question, the Minister said this morning that the budget provided for spending on maintenance at Marineland until 30 September. Does this mean that the Government has been advised that the dolphins can be removed from Marineland by the end of this month? If not, can the Minister say when they will be relocated?

The Hon. Lynn Arnold: I refer the honourable member to the rest of the answer I gave this morning in detailing the actual budget figures for each of the cost elements. If he reads carefully the rest of the answer I gave, he will know that that is already answered.

Mr BECKER: This morning the Minister said that the decision not to proceed with the redevelopment of Marineland had been made following a series of telephone discussions he had with Mr Lawrence Lee of Zhen Yun. At any stage during those discussions did the Minister raise the subject of the union bans on the site or the opposition of

Greenpeace to the redevelopment of Marineland? If so, did the Minister say that, in view of this opposition, he or the Government did not believe that the project would be able to proceed?

The Hon. Lynn Arnold: I point out again that the honourable member would do well to read the *Hansard* report. I said there were a number of telephone conversations between the department, myself and Zhen Yun. I was involved in two telephone conversations with Lawrence Lee of Zhen Yun and in one of those conversations, in which he advised me they were not proceeding with the Marineland proposal, I identified that there were a number in the community who were not supportive of the keeping of Cetacea but, at all points—that telephone conversation included—the Government had reiterated its stand that it would honour the commitments to provide for the taking of Cetacea. That is, it would honour the commitment given by the Deputy Premier when he was Minister for Environment and Planning to issue a licence for the taking of Cetacea. That was repeated as late as the telephone conversation in question.

Mr BECKER: In a telephone conversation on 3 February this year Mr Lee advised Mr Abel that the Department of State Development and Technology had stated that, in view of the pressure from Greenpeace and the existence of union bans on the project, it was inappropriate for Zhen Yun to redevelop Marineland. Was this the advice the Minister gave Mr Lee or was it the department's advice?

The Hon. Lynn Arnold: Zhen Yun had already been monitoring community opinion in South Australia for some weeks prior to this. It had been doing that quite independently of any advice it received from me or officers of the Department of State Development and Technology. I was not privy to the telephone conversation referred to and I do not know exactly what was said by either party. Therefore, I can treat that information only as hearsay.

Mr BECKER: As a supplementary question, there seems to be a conflict which we must sort out. Who really called off the redevelopment of Marineland? The development of the hotel at West Beach is an entirely different project from the original redevelopment of Marineland. There are two projects: first, the redevelopment of Marineland; and, secondly, about six different plans have been put forward, one including a hotel and a redevelopment of Marineland. Prior to all this, West Beach Trust was trying to have a country club built there. It seems strange to me that somewhere along the line the developer, who was encouraged to come in and support the redevelopment of Marineland, suddenly is pulled away from Marineland and enticed to construct the hotel project. Who made the decision and was any advice given by the department that Marineland should not be redeveloped?

The Hon. Lynn Arnold: On 13 February I issued the following statement at a press conference:

Mr Arnold said that one disappointing aspect of the project was that it would not include a Marineland complex. The Minister said, 'After extensive study over a six-month period, Zhen Yun Corporation and other potential investors assessed Marineland as at best only marginally viable or simply not economically viable in the long-term'.

That indicates a decision by the Zhen Yun Corporation. On 14 February, in answer to a question by the member for Hanson, I said:

In fact, while the member for Hanson was speculating publicly about the Marineland component being dropped, that was not the case with the proposal before the Government.

At the particular time when the member for Hanson was speaking, Zhen Yun was still seriously contemplating a Marineland component. It was doing so because advice had been given by the Government late last year and again early this year that the commitment with respect to permits to take dolphins still applied.

However, the company had done its own costings and, while it felt that the hotel and conference centre components were realistic, it was not convinced that the same viability existed in relation to the Marineland component.

Then, in April this year, I think, the member for Victoria asked whether or not the Government blackmailed Zhen Yun into not having a Marineland. My answer was:

The Government did not blackmail Zhen Yun nor did the Government put pressure on Zhen Yun to change its plan to delete an oceanarium from its proposal.

Next, I was asked in August whether I had misled Parliament about this matter, and I made a statement which I will include in the answer later that indicated I had not. The honourable member indicates that there is some conflict here. I have given consistent answers on this matter since the start of this year and I stand by the answers I have given, both at press conferences and in this place. The decision not to proceed with the Marineland component was made by Zhen Yun.

Mr D.S. BAKER: Referring to 'Evaluation and administration of Government guarantees' on page 150, I ask: is the Government the guarantor of loans made by the State Bank to Manos Chickens? If so, what is the value of the guarantee and when was it provided?

The Hon. Lynn Arnold: A guarantee was given five or six years ago. I am not in a position to be able to advise the quantum of that guarantee because of the commercial in-confidence nature of these matters. However, it has not been drawn on.

Mr D.S. BAKER: When was it provided?

The Hon. Lynn Arnold: I will provide you with an exact date, but it was five or six years ago.

Mr D.S. BAKER: Have officers of the Department of State Development and Technology been having discussions with Manos Chickens about the financial viability of the business? If so, when did those discussions begin?

The Hon. Lynn Arnold: Clearly, there were discussions about the enterprise prior to the giving of the guarantee. The first discussions would have been about five or six years ago, leading up to that guarantee. More recently, there have been discussions, which started about one to two years ago, about the ongoing viability of the enterprise.

Mr D.S. BAKER: That is prior to 1988?

The Hon. Lynn Arnold: I will obtain a definite date, but during 1988.

Mr D.S. BAKER: Did the Department of State Development and Technology in February 1988 advise chicken growers who were owed money by Manos Poultry Industries that the department had agreed to plans by Mr Manos to bring all creditors back to normal trading terms?

The Hon. Lynn Arnold: My advice is that during February 1988 we did advise chicken growers that it was important for South Australian chicken processing that Manos Poultry Industries have equity involvement in the enterprise. Our involvement was to offer to find other investors to help provide the extra equity involvement.

Mr D.S. BAKER: Did Manos Poultry Industries return to normal trading terms with its creditors?

The Hon. Lynn Arnold: We will obtain a more detailed answer as to the latest state of play on the Manos chickens question. My advice is that, with respect to that circumstance applying in early 1988, the chicken growers accepted the view that was put and necessary injections of funds were made that saw the company through its cash flow problems at the time.

Mr Hartley: At the time we advised the growers that, in our opinion, it would be most helpful for the Manos business to have an equity injection. As the Minister said, we offered to help find equity partners for the business. It was

not clarified at the time as to whether that meant a minority or majority equity state. During the period when we searched for equity partners, the growers themselves took matters out of our hands and agreed to arrangements which effectively subsidised the company and thus the company was helped through its trading difficulties by the growers' own solution. I am not saying that we agreed with them at the time: they found the solution and it was taken out of our hands.

Mr D.S. BAKER: Was that early 1988?

Mr Hartley: It was during 1988, but I could not say whether it was early or mid 1988.

The Hon. Lynn Arnold: We will confirm the exact date.

Mr D.S. BAKER: What is the department's assessment of the current viability of the company and what action is the department now taking to protect taxpayers who are guaranteeing loans to the company and chicken growers who are owed millions of dollars by the company?

Mr Hartley: We do not have a professional obligation in this area, but it is quite inappropriate to give in a public place an opinion about the viability of a company that is currently trading. This could have a devastating effect on the company, its markets and its creditors.

Mr D.S. BAKER: Is the Minister aware that a debenture was put in place to protect chicken growers who were owed money by the Manos business and that this debenture was drawn up by Mr Stephen Young of Arthur Andersen and Co.?

The Hon. Lynn Arnold: I am not personally aware of that situation.

Mr Hartley: We are aware that, in the course of the growers taking the action that I have already described and taking matters into their own hands, debentures were arranged by the firm Andersen & Co., for whom Mr Stephen Young works, but we did not contribute to any of those measures. The growers decided on their own course of action.

Mr D.S. BAKER: Under the heading 'I'm backing Bannon' an election advertisement of Wednesday 4 December 1985 that was written by Mr John Manos states:

As soon as I started to expand my production from the new factory at Elizabeth and compete against the major chicken meat producers in the Eastern States, they tried to take over my company. When I refused to accept their offer, they then started a price war in order to drive me out of business.

The Bannon Labor Government recognised that when such situations arise, small businesses cannot face major disruption and challenges to their activities unless the Government ensures that they and their employees obtain full support of State and municipal Government agencies. The Bannon Labor Government provided this support, and today we have one of the largest and most modern chicken meat processing factories in Australia.

Will the Minister provide an assurance that the Government's approach to this matter is not influenced in any way by the very public support that Mr Manos gave the Labor Party during the previous South Australian election campaign?

The Hon. Lynn Arnold: Yes.

Mr D.S. BAKER: Is the Minister aware that last Tuesday night Mr Young was brutally bashed and hospitalised? Is the Government investigating any possible link between this incident and moves to force the sale of Manos chickens in order to protect taxpayers and chicken growers?

The Hon. Lynn Arnold: I am not aware of that incident and I will refer it to my colleagues, the Attorney-General and the Minister of Emergency Services, for appropriate comment.

Mr BECKER: I refer to the Minister's insistence that he was not aware of any formal union bans on the Marineland redevelopment. However, I have in my possession a letter

dated 16 August 1989 from Tribond to the Department of State Development and Technology. In that letter about the union bans that was signed by Mr Rodney Abel, he advises:

The third issue of significance related to the current union bans which apply to all development at Marineland. Those bans were imposed prior to the ALP State Convention and, again, this is a matter which could well sway the decision of potential investors. We therefore seek your urgent assistance in the commencement of negotiations with the relevant union bodies (preferably at a ministerial level) with a view to having these bans lifted.

This letter demonstrates that the Minister was formally informed of the bans; he was formally asked to take action to have them lifted. He has not answered the question: what did he do to have those bans lifted?

The Hon. Lynn Arnold: I have no record of receipt of any letter from Mr Abel to the department dated 16 August. However, I do have a copy of a letter from the department to Mr Abel that refers to two letters from Mr Abel, one of which, according to the opening paragraph, is dated 16 August. Apparently (although I do not have that letter dated 16 August), some statements were made about the way in which the department may have performed in assisting the development of the project. In its response the department stated:

Our objective has consistently been to assist a viable redevelopment of Marineland. You would be well aware of the delicate stage of the project at the time you submitted your revised proposal and of your expressed need for an urgent response. Officers of the department gave your project immediate priority and appropriate advice was sought including from the Department of Tourism. When concerns emerged as to the viability of the revised proposal Price Waterhouse and Co., chartered accountants, were commissioned to provide an independent review of the proposal's viability.

The letter then refers to insurance matters, which I do not think are relevant to the debate, and then, in answer to this letter dated 16 August, the last paragraph states:

We remain most concerned at the apparent commercial state of the project and your company and believe that events should not be permitted to drag on without appropriate remedial action.

It is clear from all this advice that the concerns of the department were, as I indicated this morning, about the commercial nature of the project at hand.

Mr BECKER: The letter from Tribond (dated 16 August) was headed as follows:

Department of State Development and Technology: re letter reference REH/JRF/2190B, Attention Mr Rod Hartley.

Is that type of correspondence or the information contained therein not referred to the Minister? It mentioned 'preferably at ministerial level'.

The Hon. Lynn Arnold: It is not normal practice for the volume of correspondence that goes to Government departments automatically to be referred to the Minister. If that were the case, Ministers would perhaps literally drown in the paperwork. Letters that come to me are those addressed to the Minister. In this matter, while the department kept the Government informed of the state of the previous Tribond proposal and the present developments—and I consequently received a copy of this letter to Mr Rodney Abel—that letter was not referred to me.

Mr BECKER: I am disappointed, because I should have thought that the Minister would be kept fully informed on this issue. The key point of this and previous letters relates to the request to use \$1.5 million out of the \$9 million guarantee for working capital on the project so that Tribond could get it going. The Auditor-General's criticism and highlighting of this issue seems valid: the department has not handled this issue well.

The Hon. Lynn Arnold: The key point being drawn to the attention of the Government by the department (in which I have full confidence) is that commercial viability

issues were at stake in this question. It was clearly understood that the community had concerns about the keeping of cetacea, and there had been significant public debate about the decision of my colleague the Deputy Premier and of the Labor Party Conference. To that extent, we were aware of the various viewpoints expressed, but at all stages my formal consideration as Minister (and the considerations of the department) have been on questions of commercial viability.

The commercial viability had to stand the test of examination on separate questions and, finally, it did not stand that test. Had the Government decided late last year that it would not honour its commitment to issue permits for the taking of cetacea, the answers would be significantly different. At all stages, in my meetings with Zhen Yun, in advice given by the Government, by the Deputy Premier and by the Premier in Cabinet, this indication was that those permits were being honoured.

Mr D.S. BAKER: In reply to the last question I asked, the Minister and, I think, the Director for State Development and Technology said that they were not influenced in any way by the very public support that Manos had given the South Australian Labor Party at the last State election. I have before me a letter sent to the United Farmers and Stockowners (UF&S) by the Director for State Development and Technology which says, in the paragraph which I brought up before:

Obviously, the circumstances concerning our discussions with Mr Manos are complex and delicate. Nevertheless, I would like you to know that a plan has been agreed with Mr Manos in order to bring all creditors back to normal trading terms within a very short time.

That letter, dated 24 February 1988, is from the Department of State Development and Technology. However, a copy of that letter was sent to the Premier. Why was that?

The Hon. Lynn Arnold: It is common practice for many pieces of correspondence that leave the department to be drawn to my attention and to that of the Premier. Many issues in which the department is involved are of direct interest to the Premier, and this is one of many issues that have been copied to the Premier and to me as Minister. There is nothing unusual in that practice: if it is considered likely that the Premier or the Minister might be asked a question in some public arena, they are given the best possible briefing. It is hardly an unusual occurrence.

Mr D.S. BAKER: The significance of this letter is that one copy went to the Premier, one to Mr Manos but, unfortunately, no copy went to the Minister. Is that normal practice?

The Hon. Lynn Arnold: I will have to check my files to see whether or not I received a copy of that letter. If I did not, it would not have been normal practice, because normal practice is that I receive a copy, normally under cover of a separate memo addressed to me as Minister and signed by the Director indicating that the following had been copied to the Premier.

Mr D.S. BAKER: Does that mean that the Premier was handling this specific case and had taken it out of the hands of the Minister?

The Hon. Lynn Arnold: It does not. It means that, if the Premier were in some public forum where he might be asked a question by an interested party about a company perceived to be in financial difficulties, he would be more likely to have the information at his fingertips to enable him to answer any questions. The other advice I have is that the growers had made direct contact with the Premier's office. It is normal practice that where that happens the department is asked for the latest information on the state of play.

The Hon. JENNIFER CASHMORE: On page 172 of the Auditor-General's Report reference is made to \$18 million being committed to a 99-year loan to assist an organisation establish and develop its operation in South Australia. While recognising the confidentiality involved with IDC applications, was this loan approved by the IDC? Why was the special assistance necessary (it seems an unusually long period for a loan)? Has the operation been developed as yet and is there any other information the Minister can furnish to the Committee?

The Hon. Lynn Arnold: The first \$18 million relates to the reconstruction and establishment of joint venture operations between GMH and Toyota. The reconstruction has been of considerable benefit to South Australia, which has gained from the rationalisation of all Commodore production from Victoria to Holden's Elizabeth plant, together with a \$500 million investment in new equipment. It was discovered that the best possible financial structure for the new joint venture would attract \$18 million in stamp duty, yet this was merely the reconstruction and rearrangement of a company structure. In other words, the basic building blocks remained the same although the ordering was altered. An application for stamp duty relief was, accordingly, made to the Treasurer. Such matters are considered on a case by case basis. Taking into account the benefits to the State's economy as well as the fact that this was merely a reconstruction of existing assets, stamp duty was excused. No cash was provided, merely a theoretical opportunity cost.

The company need not have done that: if it had not done so, there would not have been any windfall stamp duty gain. So, if the huge amount of stamp duty had been imposed, that would have hindered a positive reconstruction of a South Australian industry. The decision to excuse stamp duty had no adverse financial impact on the State. With respect to the second payment of \$18 million, this was provided to a major organisation to assist in its establishment in South Australia. The assistance was provided in the form of an interest-free loan to finance the establishment of the infrastructure necessary for that organisation to commence operations, and is supported by a detailed commercial agreement. Because of commercial confidentiality, I am not prepared to disclose the name of that organisation. The company has also requested that this matter be kept confidential. The project involved has been of enormous benefit to the State, and the original expectations associated with the proposal have been entirely realised. I will be pleased to have the honourable member briefed on a private and confidential basis about the details of the assistance provided to the organisation, if that is required. No further assistance is proposed for the future of these organisations.

The Hon. JENNIFER CASHMORE: I refer to page 177 of the Auditor-General's Report and note that South Australasia Pty Ltd holds equity investments in three companies on behalf of the South Australian Development Fund. Two of those companies have had the value of their shares written down to nil. Will the Minister elaborate on the names of the companies, the value of the shares, the reason for their being written down and any further details?

The Hon. Lynn Arnold: South Australasia Pty Ltd is a company established in 1975 to hold the State Government's equity funds. However, with the move to increase the return to the South Australian Development Fund from assistance provided, South Australasia has been used in recent times to hold equity or quasi equity taken where assistance provided has been of a very high risk nature. The policy here was that rather than provide a straight-forward grant, if the risk was considered unusual equity would be taken so that should the recipient ultimately succeed the

SADF would receive the reasonable return. South Australasia Pty Ltd is simply a vehicle whereby assistance is channelled from the SADF. It utilises loans provided to it from the SADF which are not repayable to the fund until such time as the company receives dividends or other income from the business organisations assisted.

Valuation of shares or notes held by South Australasia have been made on a conservative basis; in only one case has an actual loss been crystallised. In the other cases the companies continued to trade and employ people in South Australia, and that is what it is all about. The level of activity undertaken by South Australasia Pty Ltd mentioned in the Auditor-General's Report was that of a year ago. Since that time this type of assistance has been greatly curtailed.

The assistance provided to South Australasia last year reflected conditions in the financial markets following the stock market crash. Companies assisted in most instances have proposals for share market funding which either have collapsed or closed incomplete. Assistance was provided to enable projects to proceed, recognising the public interest balanced the commercial risks. The Department of State Development has received hundreds of requests for assistance from firms on a wide variety of projects with varying degrees of risk. If the department is to do its job properly it needs to make considered judgments in backing projects with higher than normal commercial risks in the interests of developing industry in the State. The names of companies I am happy to make available on a private basis to members of the Committee.

The Hon. JENNIFER CASHMORE: Also on page 177 of the Auditor-General's Report, under the heading 'Results for the year' under 'Operations', I note that one organisation assisted through equity is in receivership. Can the Minister advise the level of equity held in that company and any other relevant details?

The Hon. Lynn Arnold: Within the confines of the answer I gave to the previous question, it would be possible for us to give quantums. I will provide that information for inclusion before 6 October.

The Hon. JENNIFER CASHMORE: I refer to page 180 of the Program Estimates. The Program Estimates last year indicated that procedures would be established for the department to assume complete administrative responsibility for the export bridging finance scheme. What has happened with this proposal, and what is the position with regard to Commonwealth export schemes?

The Hon. Lynn Arnold: I will ask the Deputy Director of State Development to comment.

Ms Eccles: Given that the Federal Government recently announced further changes to the export market development grants scheme, we are in the process of reviewing our own export bridging finance scheme to ascertain whether any changes need to be made consequent upon those changes.

The Hon. JENNIFER CASHMORE: Do I take it that things are in a state of flux at the moment?

Ms Eccles: It is in the process of being reviewed.

The Hon. JENNIFER CASHMORE: In July 1987, under the general encouragement for investment program, the Minister announced that the State Government was encouraging Singapore business interests to buy up South Australian properties and to invest this property development. Can the Minister say how many properties have been sold to South-East Asian interests as a result of this initiative?

The Hon. Lynn Arnold: My recollection is that this activity took place in the aftermath of an investment mission that we ran in conjunction with the Real Estate Institute of South Australia. That had been held some months before,

and the statement was simply reflecting activity that had taken place earlier. The Real Estate Institute organised seminars in Singapore, and a series of meetings were organised with potential property investors.

I was involved in some meetings whilst others involved only real estate agents in South Australia. We do not keep a register of successes or otherwise in that activity. Suffice to say that it was an important opening up of awareness of South Australia as a property market. The points we made to them were that South Australia had a number of strong features as a suitable destination for property investment. First, it was not subject to quite the same wild fluctuations of property values as apply to certain other property markets in Australia. Secondly, whilst the rate of return in the short term may not be as great as it could be in other markets, it was much more stable over a longer term.

Property rentals showed consistent growth and vacancy rates were lower than in many other parts, as indeed now applies in South Australia. I do not have a collation of successes or otherwise of investment from Singapore into South Australia. It is part of an ongoing program of making other markets aware of South Australia as a destination for trade investment activity.

The Hon. JENNIFER CASHMORE: In July 1987 the Minister announced a \$30 million program to design, manufacture and further test the LADS (Laser Airborne Depth-sounder System). Can the Minister say how many units have been manufactured, how many people are employed in the manufacture of those units, and what is the state of that production?

The Hon. Lynn Arnold: I refer the honourable member to an answer I gave this morning to a question asked by, I believe, the member for Price. The Laser Airborne Depth-sounder, which has been the subject of considerable investigation in the intervening period this year, was finally awarded to a consortia of local companies including Vision Systems, British Aerospace Australia, and British Engineering and Defence Systems. That will be based at Technology Park. I had the pleasure to be there recently for the opening of the new facilities of Vision Systems—a large floor space area was set aside for the LADS program to be located. That is now underway, and I understand that about 40 people are employed on the LADS program that Vision Systems is coordinating for the other parties involved. At this stage no units have been finally delivered because the project was only just announced by the Federal Government a few months ago, following two years of exhaustive investigation by Federal authorities.

The Hon. JENNIFER CASHMORE: In May 1984 the Minister announced formation of the South Australian educational software promotions committee to capitalise on multi-million dollar overseas markets. How many packages have we sold overseas to date? I recall that in May last year the Minister expressed disappointment that only 30 per cent of firms in South Australia had shown any interest. What is the present state of the committee and the value of our export?

The Hon. Lynn Arnold: As former Minister of Education, I remember the announcement. It was recognition that we had world leading software being developed within the education sector. I am not able to give dollar values on the outcome. I will refer that question to my colleague the Minister of Education for detailed up-to-date information on the program. What was being put in place at the time was a mechanism to enable to the maximum extent possible the commercialisation of software development in the education sector in South Australia.

The State Government (through State Development) has been actively supporting the broader area of the commercialising or internationalising of South Australian software through the creation, along with the private sector, of the South Australian Software Export Centre and also the creation of this joint venture in Thailand, Australian Gateway. We see lots of potential here, as many of the software companies in South Australia—and there are over 100 software houses in South Australia—are too small to promote themselves adequately in the international arena. So, the Software Export Centre provides them with an export capacity to take advantage of the export market.

Following recent agreements between the Education Department and Micro Byte (the South Australian PC manufacturer which, I understand, is the second largest Australian designed and derived PC manufacturer), the forte education software package will be available on Micro Byte PCs that are sold to schools in other parts of Australia and, I presume, for export.

The Hon. JENNIFER CASHMORE: In May 1988 the Minister announced that his trip to Thailand had been a huge success, with contracts worth millions of dollars on the point of being signed. How many contracts have been signed? What is the value of contracts signed by South Australian companies?

The Hon. Lynn Arnold: I believe the member for Coles is referring to May 1989. I refer her to the answer I gave to a question this morning in which I detailed the success of South Australian overseas and interstate missions conducted by the Premier and me in the 1988-89 financial year.

The Hon. JENNIFER CASHMORE: I recall an answer to a question of a Government member in respect of business migration, specifically from Hong Kong, and I know the Minister has visited Hong Kong several times to encourage business migrants to come to this State. This State's share of the Australian population is 8.6 per cent. Are we getting 8.6 per cent of business migrants generally? What proportion of the overall figure of business migrants from Hong Kong to Australia choose South Australia as their location?

The Hon. Lynn Arnold: Although our population share is 8.6 per cent of the national total, this State seems to be running at about 4 per cent of the total intake of Australia's migrants, so, we are under-represented. One area where we are better represented is that of business migration. I can supply figures in relation to South Australia and Australia at large. I seek leave to have incorporated in *Hansard* a purely statistical table that shows the number of families issued with visas under the business migration scheme.

The ACTING CHAIRMAN: Does the Minister assure the Committee that the table is purely statistical?

The Hon. Lynn Arnold: Yes.

Leave granted.

VISAS ISSUED

	Approved for South Australia			Total Approved Australia		
	1986-87	1987-88	1988-89	1986-87	1987-88	1988-89
Hong Kong/Taiwan	48	63	80	395	788	1 218
Malaysia	6	12	29	83	165	240
United Kingdom	5	10	19	84	165	155
Singapore	5	6	5	63	86	123
Indonesia	—	—	1	57	55	115
Germany	3	6	4	30	48	37
Brunei	6	5	11	29	42	49

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	Approved for South Australia			Total Approved Australia		
	1986-87	1987-88	1988-89	1986-87	1987-88	1988-89
USA	—	—	—	24	31	34
South Korea	—	1	3	13	79	148
Japan	—	—	—	—	—	75
Other	3	11	7	138	393	320
Total	76	114	159	916	1 852	2 514

The Hon. Lynn Arnold: More than 350 business migrant families have settled in South Australia: that is an increase of 110 families since last year. During the year, the corresponding capital inflow increased by \$80 million, bringing the total State gain from the business migration program to about \$240 million.

The Hon. JENNIFER CASHMORE: Since what date?

The Hon. Lynn Arnold: Since 1986-87. The table shows a breakdown of country of origin, and shows that South Australia had 76 approved business migrant families in 1986-87 whereas 916 were approved for the nation at large; 114 approved business migrant families in 1987-88 whereas 1 852 were approved for the nation at large; and 159 approved business migrant families in 1989-90 whereas 2 514 were approved for the nation at large.

I have not worked out percentages on those figures, but South Australia seems to be running a bit over 6 per cent of the national BMP intake which is better than our other migration intake. We are examining ways to address the question of other migration intake into South Australia and how it can be increased. I can recall that I mentioned our increased effort in the Hong Kong market following 4 June. Indeed, we were the first State to significantly up the ante on BMP attraction in the Hong Kong market.

The Hon. JENNIFER CASHMORE: What does the Minister mean by upping the ante? Does he mean sending more staff to attract migrants?

The Hon. Lynn Arnold: Previously we had, and continue to have, the services of Angie Tze, our commercial representative, hosted by Standard Chartered Bank in Hong Kong, supported by visits from officers from Australia, in particular, Bob Brown and Tony Robinson and, from time to time, visits by me, because I include Hong Kong on my itineraries. More recently we upped the ante by stationing Mike Sullivan, an officer of the Department of State Development, in Hong Kong for six months, and he is still there. Alongside of that, in mid-October we are having a major focus that will involve the department and the private sector—agents and other business activities—and the Lord Mayor of Adelaide. He has agreed to participate in this week-long promotion activity that will take place in Hong Kong.

The Hon. JENNIFER CASHMORE: Is the Minister aware of the dissatisfaction and concern of staff in Australian South-East Asia missions because of the lack of resources for screening of all migrants, including business migrants, for health and other purposes, such as backgrounds, character, and matters of that nature, particularly relating to crime or drugs? I am sure the Minister would be aware of this, because this concern is freely expressed to all visiting MPs. Has the Minister taken up this matter with the Federal Government? Is the Minister aware of the concerns of health authorities in relation to the risk of introducing tuberculosis into Australia through a lack of proper screening? What representations has the State Government made to the Federal Government to ensure that resources are adequate?

The Hon. Lynn Arnold: Early last year when a review was under way of business migration procedures in this

country, the State Government, on advice from both the Attorney-General and me as the Minister of State Development and Technology, made significant representations to the Federal Government about the need to ensure that rigour still applied in assessing applicants to Australia. In other words, any improved efficiency that was being sought in no way minimised our capacity to chase through such things as police records and other activities.

We made representations to the Federal Government on that matter and also advised it that we would be monitoring the situation. Indeed, South Australia is the only State in Australia that has an evaluation program of business migrants. I reported to the House last year during the Estimates Committee that we had chased up business migrants who had settled in South Australia to determine the activities they had entered into, whether they were still in South Australia, how much they had invested, and other such matters. That is not something I personally followed up in the health area, and I will check with my colleague the Minister of Health on that matter.

The Hon. JENNIFER CASHMORE: Following the department's advertising on 1 July this year seeking registrations of interest from public relations agencies to act for the department for a period of two years, how many registrations of interest were received? Which company now has the contract, if one has been awarded? What is its value? What forms of public relations activity will be undertaken this year? What is budgeted for this purpose?

The Hon. Lynn Arnold: We received two applications in response to the advertisement. The company, Chris Rann and Associates, has been chosen following that process. The work of Chris Rann and Associates is to maximise the exposure of South Australia in the national and the international press. There is ongoing contact with the department on a regular basis. In addition to that, a monthly report is prepared for the department's information. That is forwarded to me and to the Premier, and it gives indications of the significant international press coverage that South Australia is able to achieve as a result of its activities.

The actual amount paid to the firm is contingent upon the actual work done, and the monthly reports that are provided to the department indicate the actual number of hours involved, and the work is therefore paid for on an hourly basis. Payment will therefore vary from month to month.

The Hon. JENNIFER CASHMORE: Is there any retainer?

The Hon. Lynn Arnold: We understand that there might be a low base retainer, but I will ensure that the relevant figures are provided before 6 October for inclusion in *Hansard*.

The Hon. JENNIFER CASHMORE: I have basically the same questions in respect of the advertising agency. How many responses did the department receive to its advertisement calling for registrations of interest? Which company won the contract? Over what period is the contract for? What is its value?

The Hon. Lynn Arnold: Some six or seven companies expressed interest in the advertising area. The company that was selected was Clemengers, and the exact details of the program to be undertaken and the cost elements of that are still subject to discussion, because the actual advertising program is still to be finalised—if it proceeds at all. As the honourable member would know, advertising accounts are paid on a commission basis, on the basis of advertising work actually done. That is still the subject of discussion.

Some years ago we were involved in some extensive advertising campaigns. We critically reviewed this matter

in 1986, and discovered that with advertising campaigns there is a danger that they can make us feel good, as we look at a nice advertisement that says nice things about us, but that they may not necessarily do anything in terms of attracting increased attention. We stopped advertising campaigns of any substance back in 1986. We have now determined that there might be some very targeted way of advertising that would be useful in some circumstances. It is that matter on which we are reopening discussions and which we are discussing with the preferred advertising agency. I will keep the House further informed as to what comes from those discussions.

The Hon. JENNIFER CASHMORE: If the information is available in time for the 6 October deadline, I would appreciate the following details. What is the budget for this financial year? What proportion of it will be spent in the first half of the financial year? For what purpose? How does that expenditure compare with last year, acknowledging that the Minister has said that there was virtually no advertising?

The Hon. Lynn Arnold: Certainly we will do our very best to provide that information, if it is at all possible. Broadly speaking, any amount of money spent this coming year will have to be greater than it was last financial year—because at that stage we were not spending any. Basically, it will be 'out of State' advertising. There is no planning for any intrastate advertising. It will all be 'out of State' advertising—if any proceeds.

Mr BECKER: In October 1987 the Government announced the formation of a committee to boost Port Pirie's future, and it was stated that \$1.2 million would be spent over three years.

The ACTING CHAIRMAN: Order! The Port Pirie redevelopment and lead decontamination program comes under the Minister of State Development and Technology, Miscellaneous vote. We will have to first complete the State Development and Technology vote.

The Hon. JENNIFER CASHMORE: It is obvious that the record high 20 per cent plus interest rates would have had a significant effect on State development in the past financial year and a projected effect. Will the Minister outline what he and his department assess that effect to be?

The Hon. Lynn Arnold: Clearly, high interest rates have had a marked effect on business activity. I do not know that we have as yet done a detailed assessment on the effect of interest rates on the general business community in South Australia. My guess is that many public comments are being made by the business community that give us evidence of that. I can say that the Small Business Corporation has been doing some work on this matter. Indeed, just yesterday the Manager of the Small Business Corporation, Ron Flavel, and the Chairman, Jack Tune, presented to me detailed information on this matter about the relative cost impact of interest rates on the actual costs of production of a small enterprise, and also the impact of provisional tax issues, the change in provisional tax policy on small business.

They qualify that at about a 2 per cent loading on the real interest cost to a small business. They have undertaken to give me more detail on that matter so that at the appropriate occasions I will be able to communicate those analyses to the Federal Government when it is considering any policy changes in this area—because clearly it has had a major impact upon small business. With respect to the department, I will call on the Director to make some further comment.

Mr Hartley: Whilst high interest rates—which one hopes will be relatively short lived—have made life difficult for small businesses, as the Minister has said, in terms of the overall economic development of the State, especially the

manufacturing economy, which is our area of responsibility, they have had no appreciable impact so far. I say that with confidence, because our manufacturing economy at the moment is going exceptionally well, and indeed better than that of any other State. Our manufacturing industry is in very good shape. It is exporting well and it is creating new jobs at a rate faster than the national average. So, there is no measurable impact for the moment.

Mr BECKER: I refer to Program 4—Encouragement of Regional Development at page 69 of the Estimates of Payments and to page 152 of the Program Estimates. In last year's Program Estimates it was stated at page 181 that the regional industries payments program would create 600 new jobs. However, in this year's Program Estimates we find at page 152 that only 435 jobs were created—28 per cent below the estimate. What is the reason for this disappointing shortfall?

Membership:

Mr Lewis substituted for Mr Becker.

The Hon. Lynn Arnold: I was asked a question about the actual job figures quoted in the Program Estimates, and I gave an undertaking to have a more detailed analysis provided by 6 October. I repeat that undertaking.

Mr LEWIS: My questions relate to Program 2—Encouragement of Investment and Program 3—Trade Promotion. I seek from the Minister some assistance regarding the rather unfortunate decision taken by the State Government that could result in a substantial number of our houseboat hire fleet to the tourist industry simply being registered interstate. What assistance can the Minister give, in that stamp duty of 1.8 per cent retrospective to the date of commencement of business will now be imposed by the Government on gross receipts of hire houseboat operators in South Australia?

Their solution is to strip their companies of any assets that they have by whatever means possible and sell the boats to a company registered in Victoria and claim that they are in home port at Mildura or somewhere like that. Will the Minister investigate the implications of this tax and the fashion in which it is being pursued because of the devastating consequences that it will have for this industry in particular?

The Hon. Lynn Arnold: Stamp duty rates come under the Treasurer, and I will ask for his comment on this matter so that we can include an answer in *Hansard*. This area also comes under the aegis of the Ministers of Marine, Transport and Tourism, and they may wish to have some input. I guess that the honourable member is saying that there is a danger of a flag of convenience problem with respect to river boats. I guess that also anticipates that stamp duty rates in Victoria are lower.

Mr LEWIS: Nil.

The Hon. Lynn Arnold: In fact, they are so low that they are nil apparently. I will certainly refer that matter and have some further advice brought down.

Mr LEWIS: It also further risks our capacity to develop the houseboat construction industry in South Australia. I turn to another matter under the encouragement of investment which involves the establishment and expansion of small business ventures. There is an expression that from small acorns come great oaks. South Australia has a number of informal community based organisations, with which the Minister is familiar, such as MEDO in the Murray-Mallee, TRADE at Tintinara, KADA at Keith and others as far away in the west as Wudinna and all over rural South Australia, seeking to encourage people with innovative

capacity to establish small businesses based on their good ideas and which they believe to be viable, and great help has been provided by the South Australian Small Business Corporation. My question relates to the funds that might be available to assist those small businesses in obtaining a common approach to marketing their products within the metropolitan area of South Australia, interstate and overseas. Could more funds than are presently available—I understand that is about \$30 000—be made available for that purpose? It would be of great assistance in the diversification of their economic base in South Australia and the encouragement of these new enterprises.

The Hon. Lynn Arnold: There are elements of the question which can be answered here and other elements which I would be pleased if the honourable member would raise again during consideration of State Development, Miscellaneous, because at that stage Ron Flavel, the Manager of the Small Business Corporation, will be able to join me at the table. The SADF has an area for regional industry development payments. In 1988-89, 15 projects were approved to the tune of \$1.478 million. Other payments for regional industry for seven projects totalling \$322 350 were also made. The honourable member mentioned local initiatives by committees such as MEDO, and I guess the Committees for Kangaroo Island, Wudinna, the Green Triangle and others. The State Government has supported a number of these. Earlier this year I had the opportunity to indicate approval for MEDO as a regional development committee, entitling it to \$20 000 a year for three years. That is the standard rate for a regional development committee.

I have recently had a question put to me by the Economic Officers Development Network, which represents a number of these organisations. It has asked us to re-examine whether \$20 000 is sufficient. On the face of it, I think it is. These local committees work best when they can attract maximum support from local communities rather than rely upon funding from State Government sources. As we only ever talk about a finite sum of money for all activities, any more money that we put into administrative support for economic development committees means that there is less money available for pro-active incentive money for enterprises which may set up in a local area. I am not immediately convinced of the merit of increasing the \$20 000.

Mr LEWIS: What about marketing?

The Hon. Lynn Arnold: In terms of the general marketing area, we believe that the best job that the Department of State Development and Technology can do with the funds available is to promote the State at large and to assist cooperatively with ventures from particular committees. If they come up with a proposal that is commercial and solid, we will be keen to work with them. I give as an example the Green Triangle which, of its own initiative, chose to go to the HOFEX exhibitions for the hotel industry, the first year in Hong Kong and the second year in Singapore. We provided support for that because they came up with a good proposal that was worth supporting. It was so good that it brought back significant benefits to producers in the primary and secondary sectors in the South-East. I make that same comment about any other area. If they come up with a sound commercially based proposal, we will want to work with them, because the job of the Department of State Development and Technology is development of the State, not just the metropolitan area. No viable proposal has failed for lack of dollars. We will work with people to develop sound proposals, and I encourage regional development committees accordingly.

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

Minister of State Development and Technology,
Miscellaneous, \$9 506 000

Acting Chairman:
Mr K.C. Hamilton

Members:
The Hon. R.K. Abbott
Mr D.S. Baker
Mr H. Becker
The Hon. Jennifer Cashmore
Mr M.R. De Laine
The Hon. J.W. Slater

Witness:

The Hon. Lynn Arnold, Minister of State Development and Technology.

Departmental Advisers:

Mr J. Withall, Director, State Development.
Mr J. Cambridge, Chief Executive Officer, Centre for Manufacturing.
Mr B. Orr, Director, Technology Development Corporation.
Mr H. Oh, Manager, Assistance.
Mr R. Flavel, General Manager, Small Business Corporation.
Mr C. Johnson, Deputy Manager, Finance and Operations.

Mr BECKER: What is the cost of the tests being undertaken on the Marineland mammals to determine their fitness to be relocated?

The Hon. Lynn Arnold: The actual administration of this area is being handled by my colleague the Minister for Environment and Planning. My advice is that we have not received the accounts from the receiver, so we will take that question on notice and provide the advice.

Mr BECKER: What is the estimated cost of transporting the Marineland dolphins to Queensland? Is this included in the budget provision of \$863 000 this financial year? If not, which department will be responsible for meeting the cost? I understand that special crates must be made for their transportation, and that transporting them by aircraft is probably the quickest way but it is proving to be extremely difficult and expensive.

The Hon. Lynn Arnold: Again, the general handling of this area more appropriately comes under my colleague's responsibility, but the costing figures are included in the \$863 000 provided in the State Development budget.

Mr BECKER: As a supplementary question, an amount of about \$240 000 was not detailed, and I assume it is in that, but that does not seem enough.

The Hon. Lynn Arnold: I am sorry, it is not part of that \$863 000. I will take this question on notice because this matter is being handled by my colleague the Minister for Environment and Planning. I am not able to give a properly advised response to this matter.

The Hon. JENNIFER CASHMORE: The South Australian Centre for Manufacturing, which I have visited and with which I was extremely impressed, was allocated \$675 000 and appeared to spend that exact amount, and very efficiently by the look of it. Why is there no proposed expenditure for this year; what arrangement presently exists;

in what way was the \$675 000 spent; and what benefits have flowed that can be quantified from that expenditure?

The Hon. Lynn Arnold: I will ask John Cambridge to comment in a minute. When the centre was established, it was agreed that it would be reviewed after three years to monitor progress and determine actual future funding requirements. That review is presently under way, and it seemed appropriate in the circumstances that no figure be put in the quantified budget lines but that that amount be incorporated more generally in the round sum allowances pending the outcome of the review. The terms of the review were: to report on the extent to which the centre has achieved its purpose as defined in its memorandum of association and business plan; to examine the extent to which the centre has achieved financial self sufficiency to date and the prospect of the centre's achieving financial independence in the future; to report on the future level of funding assistance required by the centre, if any; to establish the most appropriate mechanism for supplying financial assistance to the centre if it is required; to establish the level of resources that the centre will need to efficiently carry out its function; to report on the centre's relationship with industry, statutory authorities, Government departments and tertiary institutions; and to recommend new or extensions to existing services which could be considered by the board.

That is a wide ranging area of review and, quite clearly, it explains why we do not have a definite figure in the budget at the moment. The Government has certainly been very excited by the centre's achievements. It has played a significant part in assisting manufacturing industry. It has a continuing future. The final dollar figures to that will be resolved in the near future.

Mr Cambridge: The \$675 000 represented nearly half the Government's contribution towards the total operating costs of the centre which consisted of nearly 70 per cent in salaries. The remainder was taken up in gas, electricity, telephone charges and other overheads. I am happy to provide a detailed breakdown of how that \$675 000 was used. It is included in the annual report that will be released shortly. That money went towards delivering programs to 143 companies in the past financial year, making a total of 308 companies consulted in South Australia in the two years. We delivered 204 programs of assistance to those companies, making a total of 534 programs of assistance to South Australian companies in two years and delivering nearly \$1 million in subsidies under the national industry extension scheme for those 308 companies in the two years. I am happy to provide a detailed breakdown of the salary costs for the Centre for Manufacturing.

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

Works and Services—Department of State Development and Technology, \$437 000—Examination declared completed.

Works and Services—Technology Development Corporation, \$3 700 000

The ACTING CHAIRMAN: I declare the vote open for examination.

Mr BECKER: What is envisaged for the \$3.7 million?

The Hon. Lynn Arnold: This relates to Science Park Adelaide which is being developed next to Flinders University

on what is known as Laffers Land, the Sturt Triangle. It involves costs in terms of some road and drainage works. In anticipation of its being formally tabled in the House, I circulate to members of the Committee the annual report of the Small Business Corporation.

Mr Orr: Of the \$3.7 million, \$1.2 million is for the acquisition of land from the Education Department, the State Transport Authority, the Highways Department, the Engineering and Water Supply Department and the Flinders University of South Australia. That is for the entire Science Park development. The balance, namely, \$2.5 million, is the cost of works for stage 1 of the Science Park development, incorporating civil engineering, landscaping, mechanical and electrical services and survey information. The \$3.7 million, which is expected to be expended between next month and Christmas, is essentially for the roads and site services in stage 1 of Science Park and the acquisition of the land that will be used for further stages.

The Hon. Lynn Arnold: In addition, we have two applications before local government for the construction of facilities on site, but they will be financed separately by those companies. Any future investments on the Science Park would be financed either separately by those companies or in conjunction with such programs as the South Australian Housing Trust Factory Building Program. As has been the case at Technology Park, Adelaide, the financing of multi-tenanted buildings has been separately costed by means of borrowings from SAFA upon which return is ultimately expected.

Mr BECKER: Is this in a fault line or near a fault line, and is that problem being considered in relation to structural design?

The Hon. Lynn Arnold: I had the opportunity to visit some facilities in Silicon Valley in 1986 and, as we know, much of that site is on a fault line. It has required special civil engineering responses in the structure of buildings. Fascinating civil engineering has resulted in order to take account of this problem, so buildings actually float on the soil and thus minimum disruption is caused to them.

Mr Orr: Unfortunately, I have not been successful in my search for the evidence that was given to the Parliamentary Standing Committee on Public Works about this issue but, in summary, it is near a fault line. However, there are a number of fault lines in Adelaide and we took every possible source of advice on the safety of undertaking construction on that site. The advice that we accepted was that it was safe to proceed and that no provisions would be necessary other than those already envisaged in the Building Code.

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

Agriculture, \$61 672 000

Acting Chairman:
Mr K.C. Hamilton

Members:
The Hon. R.K. Abbott
Mr D.S. Baker
The Hon. Ted Chapman
Mr M.R. De Laine
Mr I.P. Lewis
The Hon. J.W. Slater

Witness:

The Hon. Lynn Arnold, Minister of Agriculture.

Departmental Advisers:

Dr J.C. Radcliffe, Director-General, Department of Agriculture.

Mr R.V. Srinivasan, Director, Support Services.

Ms A. Bunning, Director, Policy and Planning.

Mr G.N. Thomas, Director, Regions and Extension.

Mr G.R. Broughton, Manager, Rural Finance.

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

Mr D.S. BAKER: I have a memo from the Minister of Agriculture to the Director-General of the Department of Agriculture in relation to today's Estimates Committee hearing as follows:

Please ensure attendance by key staff. Please prepare 10 Dorothy Dix questions for pre-emptive purposes for the Minister of Agriculture to prepare answers on major issues/achievements of the department in the past 12 months and planned activities for 1989-90.

I also have a note from the Director, Policy and Planning (Anne Bunning) to the Minister's office regarding the date of the Estimates Committee hearing and asking for Dorothy Dix questions to be prepared. Did the Minister instruct his staff to write the memo, dated 22 August 1989, in his name?

The Hon. Lynn Arnold: First, the honourable member said the memo came from me. The memo is not from me but from my office. It is standard procedure that my office asks departments to advise their achievements in the past 12 months that would be worthy of note during the Estimates Committee process. This practice has gone on for many years, and I see nothing wrong with it. The memo, which was not from me, asked for what are referred to as 10 Dorothy Dix questions. If one looks at the Oxford English Dictionary definition of 'dorothy dixer' it refers to exactly that: policy achievements of the Government.

It is to be expected that members of the Opposition, fulsome as they are in their praise of the Government from time to time, might not immediately come up with all these things, and it is not unreasonable for others to think about commenting on them. I have noted the attempt by the Opposition to make some media hay out of this. I suggest that members would do very well to check out what has happened during Estimates Committees since 1981. I do not have it with me, but I have had a table produced showing the number of Government and Opposition questions asked of Ministers with whom I have been associated since 1981.

During the 1981-82 Estimates Committee under the Liberal Government, I was sitting in the position now occupied by the member for Victoria, asking questions of the then Minister of Agriculture; and since the 1983 Estimates Committees I have been in attendance as Minister answering questions. The figures (which I will supply later to *Hansard*) clearly show that during my time as Minister I have been as succinct as possible in answering questions (which has enabled many more questions to be asked of me than applied under the Tonkin Government), and the Opposition has had the overwhelming advantage of that.

The figures indicate that some years as high as 95 per cent of questions asked of me during my time as Minister have come from members of the Opposition, as I have encouraged my colleagues on my own side not to ask many questions, to enable the Opposition to ask as many as possible. I find the Opposition's attempt to make some cheap capital out of this memo pretty disreputable and does not tie up with the track record to which I can attest—unlike the members of the previous Liberal Government who did their best to be as prolix as possible in order to cut out questions from the then Opposition.

Mr D.S. BAKER: Is the Minister telling me that he did not authorise this note under the heading of 'Minister of Agriculture'? Is he saying that it was done by his staff at their own behest?

The ACTING CHAIRMAN: Before the Minister responds, can the member refer to a budget line?

Mr D.S. BAKER: This is a general question about the budget. Surely 10 Dorothy Dix questions prepared by the Minister's staff would have something to do with the budget?

The ACTING CHAIRMAN: I ask for the specific line to which the member is referring.

The Hon. Lynn Arnold: I did not ask for that to happen but I would not have been ashamed to do so. Last year I answered some 159 questions and the year before some 184, whereas in the first year of Estimates Committees under a Liberal Government the Minister answered only 65 questions. That indicates my preparedness to answer many questions. It is important that some of the achievements of the department get an airing. They will not get that airing very often during the Estimates Committees procedure, because the Opposition does not draw out the good news of departmental and Government achievements, and the danger is that they may never get a chance to be properly aired. I see nothing wrong in wanting to air some of the effective achievements of the department and of the Government. While this was not at my request, I see no problem in this information having been asked for. If we can get on to the questions, we might even have a chance of answering some of them.

Mr D.S. BAKER: Have there been any cuts, replacements or shifting of viticultural staff at the Viticulture Research Station at Nuriootpa? Evidence shows that more gains will be made in viticulture in South Australia than in any other agricultural process. Will the Minister confirm whether there have been some cuts in staff?

The Hon. Lynn Arnold: I concur with the honourable member's comment that viticulture is a very important area which has presented some real returns to South Australia over recent years. The Program Estimates on page 155 shows the proposed figure for 1988-89 as 14, the actual as 14.3 and the proposed for 1989-90 as 14.3. So, there has been no change on the actual amount last year, but there has been a minor increase in what was proposed. On the one hand, we do not indicate any cut-back in this area but, on the other hand, we are not expanding it.

By virtue of the increased marketing effort within the Department of Agriculture and the synergy with the Department of State Development and Technology, we are studying opportunities to increase potential sales of wine overseas. I am a member of the Wine Industry Forum, chaired by the Premier, in two capacities: as Minister of Agriculture and as Minister of State Development and Technology. We are working with industry at that level to try to increase the marketing profile of the South Australian wine industry.

Mr D.S. BAKER: Page 155 of the Program Estimates shows considerable cuts in expenditure for the beef industry, the sheep meat industry and in relation to quarantine. In South Australia there appears to be considerable cuts in extension work being carried out at regional centres, and in fact instructions have now been given that staff can no longer consult on a one-to-one basis. It is of concern to me that expenditure in two of this State's three major industries is being cut back, whereas I note that New South Wales has considerably increased extension work. Why has the department adopted this course of action?

Mr Thomas: By and large, the field services of the Department of Agriculture have been maintained. We had difficulty in replacing staff at Kadina, not so much because of

lack of finances but because of our inability to attract suitable staff. Private enterprise has been recruiting agricultural scientists, so there is considerable competition for good staff. In the South-East, three livestock staff resigned and we intend to replace those staff. There may be an apparent reduction in one-to-one servicing because we are placing, wherever possible, greater attention on group extension activities which allows one to service more farmers. At a time when we have been successful in retaining the level of extension staff in the field, the demand from farmers has increased significantly.

The Hon. Lynn Arnold: In relation to the beef industry, any inflationary recurrent increases have been offset by a lower than anticipated level of industry funded expenditure. I will have that matter further reported on and provide figures to the Committee by 6 October. In relation to the sheep meat industry, I am advised that there are minor increases in all fund sources that reflect CPI, and that there has been a reduction in industry funding. Again, I will obtain further information on that. Full-time equivalents in the beef industry have risen from eight to 11 and in the sheep meat industry FTE's have decreased from 10 to 7.7, due to a decrease in industry funded commitments. I will take the quarantine matter on notice.

The Hon. J.W. SLATER: The Program Estimates contains a number of references to the relocation of Northfield. I point out, particularly for the benefit of the member for Victoria, that this matter is of interest to me because it is located in my electorate; I need no prompting to ask questions in relation to it. I know that this matter will take many years to resolve. What progress has been made in respect of the relocation of Northfield and what is likely to happen in the next 12 months?

The Hon. Lynn Arnold: Some exciting things are happening with the Northfield relocation proposal which offers enormous opportunities for agriculture in South Australia. It is true that there is some community concern in the area surrounding the Waite Institute. We are addressing that by providing as much information as possible to all those who express concern. There is some genuine concern in that area; and there is also some mischievous concern in that area. The activities of Dr Williamson and Ken Moxham I find not to have been positive, mainly because I find them not to have been built on constructive debate; rather, there seems to be a tendency to misrepresent the advice given and their situation, as has been fully reported.

We are proceeding with the relocation, and consultation with residents living in the vicinity of the Waite Institute is planned to start between the middle of October to the middle of November, and will continue beyond that period. We anticipate that final proposals as to what will be developed on the Waite site will go to the Parliamentary Public Works Standing Committee in about April next year. I am not about to be presumptuous but, in anticipation of approval by that committee, the proposal would then go to tender which we anticipate would occur in May/June. In July/August we would have the opportunity to consider the tenders that we receive, with a view to construction starting in September. Construction will take place over a period of some months and it would be into 1990 before that would be completed.

The time frame for some units could be up to 2½ years (from when the decision was made back in May), before final relocation to the Waite site; other units will be relocated earlier than that. Of course, not all units will be relocated to the Waite site; a number will go to other parts of the State. That point has been clearly made already. While the land at Northfield is very good and contains

facilities, and excellent work has been done there, many of those facilities are in a very poor state. Major scientific and economic benefits will result from the 200 to 250 staff collocating with the 600 staff of the four divisions of the CSIRO and the Wine Research Institute already accommodated at the Waite Institute. No other site available to us offered those advantages.

In relation to chemicals, no broadacre spraying will occur at the Waite site; that will occur only in plots in other parts of the State. Indeed, that is inimical to the type of research activity that will take place at the Waite site which basically will be small-lot plantings where one would not obtain a benefit out of broadacre spraying, because that would work against the type of results we want.

The chemicals that will be used will be home garden type of materials and only be used on an as-needed basis. The chemical store people were invited to see at the Northfield site will not be at the Waite site, but elsewhere. One other point mentioned was in regard to traffic. There has been a concern about traffic increase as the extra 200 to 250 staff join the existing 600 staff at that site. We are prepared to work with the local council to support any effective solutions to the traffic problems of the area—problems that already exist and already need management. Whilst the 200 to 250 staff naturally add to that, some fundamental questions need to be addressed in any event quite apart from the relocation of the Northfield facility. It offers enormous opportunities for agriculture in the State. I am excited about it and pleased to note that the UF&S fully supports the proposal. Every time I meet with them they ask me how we are going and what progress has been made.

The Hon. TED CHAPMAN: In response to comments the Minister made about the apparent condition of the facilities at Northfield, will he provide a report summarising the condition of the structural improvements on that site at his or his department's convenience? Most of us are aware of the fairly ageing but solidly constructed building centrally situated at Northfield. In addition, extensive facilities were associated with the pig research infrastructure. It is important that we get clearly on the record some clarification of that description given by the Minister of those facilities.

In relation to relocation of departmental infrastructure generally, over the past several years the department has acted on various reports recommending closure of research centres around the State and relocated its staff in other office and structural premises. In recent times we have had the proposed relocation of the stockyards at Gepps Cross. We have had over a long period extensive discussions and even today mention of relocation of the department's activities from Northfield to other multiple sites. Given that background, will the Minister indicate what other relocation proposals are in the pipeline?

The Hon. Lynn Arnold: I will ask Dr Radcliffe to comment on the proposals. In answer to the question about the state of facilities at Northfield, I draw the honourable member's attention to the report to the Minister of Agriculture by the Northfield Relocation Steering Committee dated November 1988. It was a public report authored by representatives of the UF&S, the Advisory Board of Agriculture, the Waite Institute, Roseworthy Agricultural College, the Public Service Association, the Northfield Research Laboratories, and three representatives from the Department of Agriculture. That report to my predecessor on page 28, point 4.2.1 states:

It has been argued by Mitchell that there are economic advantages in retaining some small sections of Northfield, due to the cost of replacing the facilities elsewhere. However, many of the existing facilities incur considerable maintenance costs due to

their age and condition. Present calculations suggest that their replacement value has also been over estimated in the Mitchell report. These costs are dealt with in more detail in section 6.

In summary, there appears to be little difference in the cost of building new facilities at another site compared to upgrading or building facilities of the required standard at Northfield. The Department of Agriculture had plans to spend some \$30 million in replacing and extending the Northfield facilities over the next five years. Moreover, sites which the department would wish to retain are crucial ones for the developers. Their retention would incur an opportunity cost which is out of proportion to the area of land and value of facilities.

The retention of sections of the site presents a number of problems for the developers and the Department of Agriculture. From the point of view of the department, it is likely that what would remain would be a number of small, isolated enclaves surrounding by housing. Such a situation would present little flexibility to cope with future changing needs.

The committee is therefore of the opinion that it would be preferable for the Department of Agriculture to quit the site entirely, subject to the acceptance of the other recommendations in this report.

This has the advantages that it would simplify the work of the developers and would permit the department to relocate its units on the basis of logic, rather than being constrained to only considering a subset. Moreover, as noted in section 6, there appears to be little economic advantage in retaining sections of the site.

The possible exception to this is the GPARC facility. This facility would be very expensive to replace. Moreover, the land which it occupies is relatively small (15.8 hectares) and not contiguous with the remaining land. The committee is aware that there are other proposed uses for much of the GPARC site, which may also impact on the value of this land for housing development. This site is discussed separately below.

Recommendation 2—That, subject to the provision of suitable alternative facilities as recommended herein, the Department of Agriculture should quit the Northfield site entirely, with the exception of the Gilles Plains Animal Resource Centre.

That information was made available in a public document. I have made the offer to all residents of Netherby to visit the Northfield site and that opportunity is available to anyone else. I ask the Director-General to comment.

Dr Radcliffe: Several changes are being made within the Department of Agriculture, some consequent on the decision to relocate from Northfield and some decisions in their own right. The Pig Research Unit will be relocated to a site being developed by a committee composed of departmental officers and representatives of the pig industry. At this stage we are awaiting the advice of that committee as to the preferred possible site for relocation, although it may be reasonably assumed that it will not be at the Waite Institute.

With regard to the question of sheep research, we are spending a considerable amount of money at the Turretfield Research Centre. We have already established a number of commercial services for the wool industry. We are building additional laboratory facilities and a conference centre which will serve the future needs of the wool industry and surrounding regional research. We are also upgrading Holland House as an administrative centre for the Turretfield Research Centre. Turretfield has traditionally had an agronomy role and a lesser sheep role. In consequence of increasing the sheep role it has been necessary to secure additional plot land, which has been achieved by the purchase of the Kingsford property very nearly adjacent to Turretfield and gives an increase in land area. Settlement of that property was on 1 July this year.

We are transferring to Turretfield a number of sheep research officers previously located in the Grenfell Centre. They are located within the central region office in Flinders Street. With regard to the Adelaide Hills area, we are examining feasibility proposals for new laboratory and office facilities at Lenswood, and anticipate that there will be some transfer of facilities. I refer to a fruit storage extension

officer, facilities for horticultural pathology, and other research staff into better facilities and transfer of officers from Lenswood to city-based locations. It is proposed to purchase additional land for the Loxton Research Centre, and there is a substantial upgrading by Sacon at Struan House. Considerable upgrading is taking place of regional research facilities as well as the development of the new research facilities on the Waite Institute campus.

The Hon. TED CHAPMAN: What action has the Minister taken since the ban on live sheep exports became known to us in this State to recover that regular trading between the agents on behalf of South Australian, New South Wales and Victorian growers through our port here to the various ports in the Middle East?

The Hon. Lynn Arnold: I shall make some comments initially, but I will need to come back to the matter of the agents.

The Hon. TED CHAPMAN: What action has the Minister taken on their behalf since the hiccup occurred in relation to the export of live sheep to the Middle East region?

The Hon. Lynn Arnold: Were it only a hiccup: it is a serious situation we are facing. I have been in touch with Federal Ministers on this matter, both John Kerin and Peter Cook, who is now acting for Mr Kerin who is overseas. Also, officers of the department have been in touch with Federal authorities. We have decided that the most appropriate circumstance is for us to let the Federal Minister and the AMLC handle this issue with respect to Saudi authorities. There would be a danger in having too many different fingers in this pie, so to speak.

The fact that the Federal Minister and the AMLC have both been supporting visits by delegations from South Australia to Saudi Arabia to discuss this matter, has our full support. We have also been monitoring the situation as to what ships are ready for loading and what ships are at sea at present. We were concerned to see recently that another shipment was refused landing rights in Saudi Arabia. That was looking to go on to Kuwait. Until we can get a proper handle on what is happening in the area, it is difficult to know what else it is that can be done, to determine whether or not this is a non-tariff measure that is being applied by the Saudis to protect a domestic livestock industry or to determine if there is some other hidden agenda which as yet we have not worked out. We are anxiously awaiting further reports from the AMLC and the Federal authorities.

The first delegation that went across also visited other countries in the Middle East, and it found that for the most part trade prospects remained relatively secure in those countries. There have been one or two hiccups—

The Hon. TED CHAPMAN: The price has bottomed out for the livestock.

The Hon. Lynn Arnold: Yes, in a market reaction, but it should also be noted that domestic sheep prices in Saudi Arabia have gone up, as there is a shortage of head of sheep in the country for consumption. One of the things we are hoping for is that there will be some consumer pressure at the Saudi end, as consumers are less happy with paying much greater prices for sheep than was previously the case. It is hard to say whether that will take place, but, on the face of it, it should have some impact.

At present many shipments to Saudi Arabia have been suspended. They were suspended by the AMLC on 22 August, and I think it is important that all shippers honour that suspension. There is a fear that some may decide that there is a captive market, that they could race in behind the barrier and pick up a windfall opportunity. I think that

would be very unfortunate, while the AMLC tries to establish a stable market opportunity in Saudi Arabia.

In any event, anybody who does that cannot expect any backup by Federal or State authorities if they get into trouble, with many thousands of head of sheep that they cannot land because they, too, get knocked back. That really would be a case of 'be it on their own heads'. We are monitoring the situation closely. I am not certain at this stage what more there is that the Government can do to advance this issue, other than what is already happening at the Federal level.

The Hon. TED CHAPMAN: I appreciate the Minister's obvious sensitivity to this critical situation we are in, because Australia's livestock owners, and more especially, I believe, South Australian livestock owners, have geared themselves for this trade, and to have shipments suspended in the short notice fashion that has occurred in recent times is causing considerable concern. As has already been indicated, the price free on board ship here at Port Adelaide for our wether sheep has plummeted, to say the least, over this period. I appreciate also the Minister's caution about having too many people dabbling around in the discussions with the Arab community about their views on the subject.

As a State of significance in the Australian live sheep trade, I am somewhat concerned that as yet—or it has not yet been reported to be so—discussions have not been held between Government representatives and the Arab-based agents here in South Australia. The Minister might have some evidence to indicate whether that has occurred. My information is that so far discussions between the parties at that level have been minimal, to say the least. There may well be good reason for this, but I am concerned that, from a grower's point of view, at the authority level in this State the matter has not been addressed as positively as it might have been. This could well be in the category of perception rather than fact, but I would like an assurance from the Minister about discussions at the local level. I recognise the importance of his earlier remarks about not cutting across the path of his Federal colleagues and negotiators in this field, and that the proper courtesies must be extended. However, it is highly desirable that discussions at the local level be commenced. If they have already commenced, they must continue throughout this exercise. I ask the Minister to report to this House when convenient whether there is any evidence at all of disease in our livestock.

The Hon. Lynn Arnold: I can say that there is no evidence of disease in our commercial sheep flocks.

The Hon. TED CHAPMAN: To justify the action taken?

The Hon. Lynn Arnold: That is right—and we made that point clearly right throughout this. We have supported the initiatives taken by the Federal authorities and the AMLC to propose independent testing alternatives that might satisfy the needs of some Saudi authorities, so that that can confirm that we do not have diseases in our commercial flocks.

The member is quite correct in identifying the significance of this trade. Last year, Australia exported seven million sheep to the Middle East, of which Saudi Arabia accounted for half. A substantial percentage of sheep exported from South Australia went to Saudi Arabia. In 1988-89, 79.4 per cent of the 1.89 million sheep exported from South Australia were destined for Saudi Arabia. The percentage in 1987-88 was 64.8 per cent.

As to the question of meeting with the agents, I have done that myself. I will consider the question as to the advisability of doing that after we have had the chance to further discuss with the Federal authorities and the AMLC whether that is the best way to go. I can say, however, that

during the recent visit to South Australia of the Iraqi Minister we did obligingly treat with this issue, amongst many others.

I say that purposely because, as the honourable member will know from his experience as Minister of Agriculture, there are differences in business culture and the way in which these matters are best addressed. That was recently highlighted in an article in the *Financial Review* on the live sheep trade, and how best we can address that ongoing problem. While, on the one hand, we may feel more emotionally inclined to some types of responses, they may in the long term be the worst for the health of this industry. I have noted the honourable member's comments and will seriously consider pursuing them at such time as they seem the best courses of action to follow in the light of other actions that are being undertaken.

The Hon. TED CHAPMAN: My final question relates to the proposed relocation of the stock yards from Gepps Cross. Has the Minister anything of relevance to report on the progress associated with the alternative plan for stock marshalling facilities in lieu of the pending closure and dismantling of the stock yards at the Gepps Cross abattoir site? I ask that question of the Minister in two capacities: as the Minister and as local member for the district.

The Hon. Lynn Arnold: As nearby local member for the district. I am just outside the area. I have supported the proposal that is taking place, though I have indicated that that support is not of a financial nature. The Government will not be financially involved. However, there is a need in the range of sale facilities available to growers for a sale yard facility after the closure of the sale yards in 1990. I have met the company proposing the development and indicated an interest in monitoring the planning. I met Mr Savaas and Mr Gerovasilis of D&S in May or early June. More recently I have been receiving advice on progress of the matter from D&S Securities, and I appreciate the advice that I have also received from Opposition members who are interested in this matter.

As of 31 August, the Salisbury council has indicated that an expression of interest in building a sale yard had been received. There are still problems with the technical issues relating to drainage and effluent due to the area being flood prone, with local drainage moving to the environmentally sensitive mangrove area. The council has resolved to acknowledge receipt of the proposal, advised that insufficient information has been provided and that it wishes to refer the matter to the Minister for Environment and Planning for a decision as to whether an EIS is required.

I am not sure how much further that approach has gone. The proponents of the proposal have had further discussions with the council and may visit similar sale yard facilities in other parts of Australia to examine how they cope with some of these issues. I understand that is to take place in the next few days. I will keep an active interest in this matter. I should be very concerned if, from late 1990, we did not have an alternative sale yard for producers, and that is why I am maintaining an ongoing watch on the matter.

Mr LEWIS: In Program 7 we find the allocation of expenditure for, among other things, plant quarantine purposes. Last year we voted \$1.791 million and this year we spent only \$1 567 882. Therefore, we are allocating less this year although we have an increase in the seriousness of outbreaks of fruit fly, for instance. In the past 20 years we have had the introduction of other plant insect pests, such as the lucerne aphid in the South-East, which has cost the State untold millions in lost revenue and could arguably have contributed to an enormous increase in the movement

of saline ground water which is a problem in the region. As the lucerne died out, the ground water mound built up and started to shift. We are now attributing the blame, rather tritely in some quarters, to the removal of native vegetation without empirical evidence to indicate whether the native vegetation was any more or less responsible or capable of keeping the ground water mound down to a manageable level.

There is the lucerne aphid, increasing number of fruit fly outbreaks and, though not a problem for this department, a function of this line is still to try to prevent the introduction of Sirex wood wasp, for example, which has devastated our forests.

We have lost millions of dollars as a direct consequence of our failure in that regard. Therefore, to treat that line as insignificant or small or as something that does not matter is bad. I do not imply that this Minister has done that, but I am concerned about what has been happening in the last two decades. Members of the general public fail to recognise the importance of their need to respect plant quarantine if they wish to retain this State's capacity to produce primary products free of these pests and diseases.

Having said that by way of background explanation, I draw the Minister's attention to an item in the *Sunday Mail* of 27 August. At page 41 there is a heading, 'South Australia in fruit-fly battle.' It says that the State Government will launch a special campaign this summer aimed at reducing the threat of fruit-fly in South Australia, that a joint public awareness program with other States is also being considered, and that both programs, planned for November, aim at educating people about the dangers associated with fruit-fly. The article goes on to say that last summer South Australia experienced one of the worst fruit-fly seasons on record. There were nine outbreaks that cost the State \$1.2 million. The last two, at Christies Beach and Vale Park, ended only last week.

To his credit, the Minister said that he was concerned at the high levels. I am frightened out of my wits because we are losing markets as a consequence of this and we run the risk of allowing fruit-fly to establish itself here endemically if we do not put the skids under the practices which are resulting in these outbreaks. They are not a carry-over of maggots from previous years infestations. That is clear when one compares the points at which the outbreaks occur year by year with the locations from which the maggots could have been obtained in the preceding year. It is clearly as a result of the irresponsible, ignorant behaviour of people living in the metropolitan area, and we need to do something about it. It is at least as serious as some of the other education programs we are trying to tackle.

Could the Minister provide more details of the two programs mentioned in that article: the one where we are going to do something about teaching people in South Australia, as well as joining nationally in a public awareness of not just fruit-fly but all matters pertaining to plant quarantine? Would he also indicate what additional methods of reaching the public he and the department are contemplating? What other programs does the Minister believe will work?

The Hon. Lynn Arnold: The honourable member has covered a wide number of areas in his question. The actual line 'plant and animal quarantine' does not deal with fruit-fly, but I will come to that in a minute; that is separately funded, as required, from consolidated revenue. In terms of general plant and animal quarantine, the figure for 1988-89 is lower than the vote last year because of the lower than anticipated level of Commonwealth quarantine activity and, correspondingly, lower receipts from the Commonwealth; hence no impact on the State budget.

With respect to the 1989-90 vote, the level of Commonwealth quarantine activity is expected to be higher than 1988-89. The fruit-fly situation has been of great concern to me and everyone in the department. I have met with a number of industry groups on this matter, including most recently the Murray Citrus Growers Federation, which was very concerned that maybe we would adopt a low profile stance with respect to border inspections. I indicated that we were not about to lower the profile that we had. If anything, we want to raise the profile. I would like us to be in a position where Japan will do for us what it has very recently done for Tasmania, and that is declare the area fruit-fly free for the purpose of imports into Japan. It has not been possible for us to reach that status yet with respect to the Riverland but, if we are able to indicate a rigorous enough program of fruit-fly monitoring and eradication, ultimately we might be able to achieve that status which will give us a market edge in export markets.

We do have considerable expertise within our department in dealing with this matter, so much so that we are sending staff to Western Australia to give them the benefit of our expertise because of the work we have done over the years. Likewise, we will maintain liaison with other States in their activities and I will maintain liaison with the Agriculture Ministers in New South Wales and Victoria to see that we all work cooperatively together and that no-one lets the side down by taking a less apprehensive stand with respect to fruit-fly. Recently the Victorians embarked upon a program of the release of a large number of sterile fruit-flies in the hope that this will help eradicate those fruit-flies that may happen to get into the area having developed from maggots in fruit brought from interstate. The theory is that, if they mate with sterile partners, naturally there is no outcome.

This last season has been a serious one for fruit-fly in South Australia. Eradication programs have been completed in nine metropolitan areas, six of which involved Mediterranean fly and three involving the Queensland variety. The Kensington, Toorak Gardens and Christies Beach outbreaks were each the size of two outbreak areas involving 9 000 household properties in each area. During February and March, all suburban outbreaks were somewhat complicated by the *Advertiser* wine promotion, with householders wanting to donate and move grapes from within quarantine areas to outside of those areas. That indicates some of the difficulties that we sometimes encounter. Successful negotiations then resulted in the mobile crusher being brought into each of the relevant areas.

Shortly after I became Minister of Agriculture, I made the point we had to maintain vigilance in this area. This was not a case of crying wolf too often because, every time somebody spots what they suspect to be fruit-fly, they should do something about it immediately and not feel embarrassed about discovering maggots in fruit. It is important for the quality of life that they act as good citizens with a sense of pride. Home gardening is important; commercial horticulture is important; but they can both be devastated by fruit-fly.

We used paid publicity in the form of metropolitan bus advertising which helped to stimulate public awareness. Also we had advertisements in the media, in languages other than English; radio advertisements were developed and television advertising commenced in March due to the increasing number of outbreaks causing serious concern. Road block interceptions were unusually high. Since 1 July 1988, interceptions at the four road blocks were as follows: Ceduna, 18; Yamba, 13; Pinnaroo, five; and Oodla Wirra, 25; a total of 61. Each outbreak cost about \$90 000 to cover casual labour to apply the bait and treatment sprays and the dis-

tribution of leaflets, chemicals, vehicle hire, protective clothing and monitoring traps. It is very expensive, but it is pitted against maintaining our quality of life.

With respect to the program activities, the resultant costs in terms of Government expenditure during 1988-89 amounted to \$1.125 million. That funding is made available as required, so if there are more fruit-fly outbreaks the money is there. It does not impact on other areas of the department's budget.

Mr Radcliffe: South Australia is recognised as having the greatest expertise in Australia in the control of fruit-fly. Some years ago, Victoria chose to reduce the level of vigilance, and in fact the Eastern States are having more serious outbreaks, particularly in the Murrumbidgee irrigation area this year, where staff from the South Australian department were invited to provide additional advice and expertise to help bring the outbreak under control. Initially the approach in New South Wales was to have the growers deal with it, but it turned out to be beyond them, and a greater level of Government intervention was required.

Similarly, Western Australia, which has had Mediterranean fruit-fly for years but has not worried about it, had problems with the Queensland fruit-fly and asked for a senior officer from South Australia to be brought in to at least try to get that under control. Tasmania has sought area freedom, particularly in terms of citrus exports, which has been a problem for people in the Mypolonga area. We have been particularly keen to ensure that area freedom status can be maintained for the Riverland and, for that reason, the department has maintained very strong and vigilant programs.

Next year we propose to carry out a public awareness survey to determine whether there is a need to target better the current publicity and awareness programs. It is essential that the public be aware of the problems involved in bringing fruit from interstate. In addition, we are launching an awareness program in the Riverland, which is the major commercial horticultural area, to gain active support from the total Riverland community. I do not think that the commercial growers need much encouragement, but we must ensure that everybody else in the Riverland is strongly committed.

We are also investigating a joint initiative with Victoria and New South Wales that will be aimed at the public travelling through commercial growing areas in the Riverland, the Murrumbidgee irrigation area, Sunraysia and the Goulburn Valley. That three-State program is being developed with the citrus organisations in those three States.

The Hon. Lynn Arnold: In relation to the Riverland area, I previously mentioned the discussions that I had had with the Murray citrus growers, and the Director-General has also commented on this area. In addition to the operation of road blocks at Yamba on a continuous basis and at Pinnaroo in the summer months, a lure grid was installed in the Riverland in April last year. The purpose of that grid is to provide evidence to overseas buyers of our fruit, particularly those in the United States, that fruit-fly species are absent. In the event of an outbreak of fruit-fly it will also provide early detection.

The trapping system is being overviewed by the Pest Eradication Unit from Adelaide which helped with its installation. The first year of the operation was successfully completed in 1988, and that activity was funded solely by the Department of Agriculture and has continued to be operated on that basis. The grid was inspected by visiting American quarantine officials in April 1987 and it created a good impression. Industry leaders in both the Citrus Board of South Australia and the Murray Citrus Growers Coop-

erative Association are adamant that the scheme must be continued. A major Riverland public awareness program involving industry and community groups is to be launched on 21 September this year.

Mr LEWIS: Whilst the plant and animal quarantine inspectors do not eradicate fruit-fly or track down siren wasp, we hope that they prevent the introduction of karpis beetle. They are also charged with the responsibility of trying to prevent the introduction of alfalfa aphids and fruit-fly.

Will the Minister consider increasing funds spent on advertising so that we can be relatively free from these kinds of pests? I suggest that the fruit-fly problem could be advertised more frequently in ethnic newspapers, perhaps on SBS television and on ethnic radio. I have had informal discussions over the past year or so with ethnic communities, particularly those people who have arrived from various South-East Asian countries, and with people in the industry. As a result, I am convinced that, in relation to infestation outbreaks, the greatest risk stems from ethnic groups who do not read English language newspapers or watch English language commercial television programs. Some people with a South-East Asian background are not interested in our sporting activities; rather, they are more interested in establishing themselves in the community and making money.

Those people do not understand the risk involved when they illegally import cartons of star fruit that are likely to be infested. When the situation is explained to them, they take a somewhat different view. I have taken the trouble to explain the circumstances to them, but I cannot talk to everybody. However, I believe that an effective campaign using those ethnic media would be effective. Would the Minister consider increasing advertising expenditure in order to reach those groups?

The Hon. Lynn Arnold: I thank the honourable member for his suggestion, which we will seriously consider. He is suggesting that we should increase the advertising target to include those Australians for whom English is not a first language and, therefore, we should use the various non-English language media. We are already addressing that problem, but the honourable member suggests that we are not doing enough.

My general view about advertising in these areas and in areas related to my other portfolio responsibilities is that we must ensure that we target best the audience we want to reach and that can mean any one of a number of things. I am concerned about not only recent arrivals in Australia but also people who have been here for many years and who have become somewhat blasé about the seriousness of this problem. New settlers may not appreciate the seriousness of the matter, but settlers who have been here for many years have become bored with the problem.

We will examine using different forms of advertising and will decide on the most effective means. I have asked the Fisheries Department to examine the concept of installing in Riverland hotels posters that detail the new fisheries regulations so that people who go to the Riverland in order to fish will perhaps visit the hotels and see the posters. They would then know that the regulations have been changed. This concept tries to address the problem of locating where the target market may be for some of the time. The honourable member has suggested that in this case we should investigate the non-English language press, and we will consider that suggestion.

Mr LEWIS: I commend the Minister for the way in which he drew South Australians' attention to the threat to the \$12 million worth of fruit grown in home gardens. Quite

apart from other soil borne fungi and insect pests, if only fruit-fly becomes established, that home garden produce will be destroyed. That point must be further reinforced and stressed.

First, what does the Minister estimate is at risk from major pests and diseases that could enter South Australia and/or Australia if we fail to pay attention to quarantine? Secondly, what does the Minister estimate we have lost in the past two decades as a consequence of allowing some serious pests—such as the millipede, the siren wasp and the alfalfa aphid—to establish themselves here, focusing particularly on plants? The member for Alexandra has drawn attention to the seriousness of a problem which some of our importers are alleging exists in our animal industries, so I ask what could happen if the problem did exist. As an afterthought, almost, although I am very serious about it, is there any evidence at all that the relaxation of import restrictions on tomatoes from interstate, particularly from Queensland, has contributed to these outbreaks of fruit-fly infestation?

The Hon. Lynn Arnold: The Director-General reminds me that the advertising agents will be making a presentation next Monday to departmental officials in relation to the marketing strategy of the fruit-fly campaign. At present we are considering how we will deal with next season. I will take on notice the other questions the honourable member asked and ask for more considered advice to be made available. I insert in *Hansard* a table showing the gross value of agricultural commodities produced in South Australia.

GROSS VALUE* OF AGRICULTURAL COMMODITIES PRODUCED, SOUTH AUSTRALIA

	1986-87 (\$m)	1987-88 (\$m)	1988-89 (\$m)
Crops:			(p)
Barley for grain	183.7	153.1	163.3
Wheat for grain	335.3	304.1	280.0
Vegetables	98.8	105.9	133.2
Citrus	52.5	54.7	N.A.
Other fruit (excluding grapes)	67.6	65.1	130.6
Grapes	82.0	108.3	116.6
Other	155.9	172.2	187.2
TOTAL	976.0	963.7	1 010.9
Livestock slaughterings and other disposals:			
Cattle and calves	122.7	138.4	136.4
Sheep and lambs	105.5	138.8	112.3
Other	111.6	118.1	132.1
TOTAL	340.0	395.5	380.8
Livestock products:			
Wool	389.2	575.3	560.6
Other	107.4	115.2	120.9
TOTAL	496.7	690.5	681.5
TOTAL AGRICULTURE .	1 812.7	2 049.8	2 073.3

* Gross value is the value placed on recorded production at the wholesale prices realised in the market place. In general 'market place' is the metropolitan market

(p) Preliminary

N.A. Not available

Source: ABS Cat. No. 7503.4 and 7501.0

This indicates the general size of the various sectors we are talking about, and any one of these is subject to threat. It could be a 100 per cent threat, in which case it could wipe out 100 per cent of the figure shown here. There may be some base level threat that does not reduce the whole industry but debilitates it significantly. For example, one could look at the citrus industry, which was worth \$54.7 million in 1987-88. Fruit-fly there could have a devastating effect.

The other aspect, which is not measured in this table, is home garden produce. We should not underestimate the seriousness of fruit-fly in home gardens. Gardening is part of the quality of life and would be seriously affected by fruit-fly. We will have that question answered more seriously in terms of estimates, which is the best we can do, of what have been the problems in years gone by and what might be the problems in years to come.

Recently, I was speaking with staff of the Animal and Plant Control Commission who identified a number of issues of concern to them in this area. Rabbits were one issue, although not the only one. Another was the problem with golden dollar. With respect to tomatoes from Queensland, considerable effort has been made with inspection.

Mr Thomas: We recognised the risk in allowing Queensland tomatoes into South Australia, so we made sure that that product was subject to particular inspection, especially of the produce coming in to the Pooraka market. The increase in the number of outbreaks last summer was largely due to conditions interstate which favoured the breeding of fruit-fly. In some summers there will be very little activity interstate, hence not too many outbreaks in Adelaide nor too much fruit-fly in produce handed in at the road blocks. It has to do with summer rains, humid conditions and those conditions conducive to fruit-fly. In those circumstances we have to be on our mettle.

The Hon. J.W. SLATER: I am a home gardener, and last year my residence was in an area of fruit-fly outbreak. I am aware that this is an important matter for the public of South Australia who take some joy in growing their own fruit and vegetables. I listened with interest to the remarks of the Minister and the Director about what is happening in other States. Does the Commonwealth Government have any interest in this matter? What sort of cooperation occurs between the other States? What, if anything, are we doing to encourage other States to take the same actions as we take in trying to eradicate fruit-fly?

The Hon. Lynn Arnold: The appropriate area in which this should be handled is the Australian Agricultural Council, the council representative of Ministers of Agriculture from each State. The Agricultural Council budget has a provision for plant quarantine publicity. It is not a large amount of money, because it is expected that the States will do the bulk of the work themselves, but it is anticipated that the budget provision this year for the Agricultural Council for quarantine publicity will be about \$65 000, of which South Australia will be giving \$6 500. That provides a useful forum for Ministers of Agriculture to discuss the issue, and as opportunities arise in that forum I intend to make the maximum use of them.

This particular ministerial council, unlike some others, does significant work between council meetings. If there are appropriate ways of doing this work with other Ministers, I will make sure that we look at those opportunities. There is another line in the Agricultural Council budget of \$19 300 from South Australia which goes into research into fresh fruit disinfestation, which is relevant to this area. I cannot indicate the national budget for that—that is just South Australia's share.

The honourable member may have been querying how a community reacts to the program we put in place. We firmly believe that the fruit-fly eradication program needs community support. It would be a failure if we did not have that support. Sanctionary powers can be applied but, basically, we take a cooperative approach to the community. When we are quarantining areas identified as infested with fruit-fly, we make sure that we fully communicate with the affected households. It is worth noting that, with more than

30 000 households being visited weekly, only one complaint has been received by the Minister's office for the period from 1 January to 12 September 1989.

That figure of 30 000 does not mean every week of that period. There have been nine outbreaks, and each outbreak has meant 10 000 households being visited, totalling 90 000 households. Each household has to be visited more than once. Officers do not make 30 000 visits per week over nine months of the year; at the peak of the period as many as 30 000 households are visited in one week. It is a tribute to the way in which officers do their work that only one complaint was received, and I congratulate them on that.

Householders inquire about aviaries, fish ponds, dogs, pets and issues such as that. They ask whether or not they will be adversely affected and, for example, whether the trees marked for baiting will cause problems. The department has dealt with 1 717 inquiries. Out of those, one householder was concerned about management entering the property and threatened to sue; and another householder became more dramatic and threatened, in the first instance, to shoot. I guess we will always have situations like that. But, the bottom line is that, of all the households visited, only one complaint came to the Minister's office, and this indicates that officers are working in a manner that is praiseworthy.

Mr De LAINE: I note with interest that the State's agricultural exports were in the vicinity of \$2.075 billion last financial year. Clearly, the agricultural sector is an important contributor to the State's economy. What are the main initiatives in this budget to assist in the further development and growth of agriculture in South Australia?

Mr D.S. BAKER interjecting:

The Hon. Lynn Arnold: Returning to the definition of 'Dorothy Dix' in the Oxford Dictionary applying itself to Government initiatives and policy, this is a very exciting initiative and policy. I am sure that if the member for Victoria had asked this question we would so label it, too. The \$500 000 made available in this year's budget for agricultural development and marketing is for a very exciting program. It picks up the significant work that has been done in creating a very important export section of our economy.

The history of Australia's international trade was, in the first instance, based on agricultural production, and it is a significant part of South Australia's output. About half the sector's production in South Australia is exported and contributes nearly 50 per cent of South Australia's exports. Agricultural production is worth some \$2 billion to South Australia, which means that exports are worth about \$1 billion. With this new program we aim to increase the export income return to the State by creating new markets and also by getting more value out of existing markets. It has loosely been said that the \$8 billion worth of agricultural produce that Australia exports ultimately ends up with the value-added being \$880 billion worth of output. We will never get all that extra value-added in Australia, but we can get more than \$8 billion worth.

The aim is to take South Australia's portion of that and increase it from one-tenth—may be up to two-tenths or three-tenths of the maximum potential (and who knows what that potential may be)—and every time we get more of that value-added back into Australia it means more export income for the country and more direct income for growers and processors of agricultural produce.

The appointment of Hugh McClelland to the department and the creation of this agricultural development and marketing initiative is precisely targeted to: identifying and developing new market opportunities for existing products; identifying and encouraging the development of new prod-

ucts; seeking to increase value-added to all rural products before they reach the marketplace; assisting in the development of new agriculture-based enterprises; advising on marketing arrangements; advising and negotiating on infrastructural services needed for the placement of products in markets; liaising and networking with other agencies (for example, the Department of State Development and Technology, DPIE, Austrade, statutory marketing authorities and industry associations); helping to manage the Government's commitments to any overseas agreements that are agriculturally related; interfacing with consultants and project managers for the provision of departmental services for international consultancies (and two very exciting consultancy firms are involved in the agricultural area—AACM and Sagric International); and coordinating programs for international delegations and visitors.

We have been doing other things in agricultural exports. Recently I launched the 'Fresh From South Australia' brochure which looks at the various products that are available from South Australia. This well presented document also identifies to potential purchasers the availability of the various products that we can export on a seasonal basis and gives information about some aspects of South Australia generally. That is part of the strategy to help us improve the profile of South Australia as a source of exported horticulture in key overseas markets.

In the next few weeks the Director-General will go to Europe, and I have asked him to particularly examine market potential opportunities in a number of ways. First, to suss out what is happening with respect to Europe 1992 and, secondly, in the intervening period, suss out the market opportunities. He will liaise closely with the Agent-General in relation to how best to analyse market opportunities within Europe. In fact, last week while the Agent-General was here he did some pre-briefing with the Director so that we get maximum value from that trip. Horticulture alone offers great opportunities for increased sales. Recently I was pleased to note the exciting announcement of a new export deal for oranges to Japan.

Mr De LAINE: The Program Estimates outline funding for the Rural Affairs Unit. What is the purpose of that unit? What has it done in the past 12 months?

The Hon. Lynn Arnold: The Rural Affairs Unit is a very important part of the department's activities. In February 1989, two rural adjustment coordinators were appointed as part of the Government's assistance package for the Eyre Peninsula to assist farm families facing severe adjustment pressures. Coordinators work with farm families on Eyre Peninsula, but also respond to requests from northern and eastern areas of the State. They are based in Adelaide but work on Eyre Peninsula for much of their time.

The coordinators present options and develop appropriate measures for farmers in financial difficulty. These measures may include consideration of debt restructuring, financial assistance (including household support), re-establishment grants and social welfare entitlements. Coordination is achieved by working closely with farmers and lending bodies. Service is based on an approach that diagnoses farm business problems, liaising and conferencing with creditors and networking with councillors as appropriate to achieve the best possible outcome.

Coordinators have achieved the annual target for client contact of 50 farmers per year within the first six months of their activity. About three-quarters of those clients were in extreme financial difficulty, some having been rejected for debt reconstruction and others having no welfare assistance. The Rural Affairs Unit was formed in 1987 and addresses a number of areas. It concentrates on providing

special programs to meet rural needs and improving the efficiency of group services such as the Agricultural Bureau, the Women's Agricultural Bureau, Rural Youth and SARAC. It provides a focus for counselling services and special courses for rural women and rural youth; it conducts social research into the needs of displaced farm families and a rural adjustment coordination service (of which I have made detailed mention); and it also provides a rural women's information service and counter-disaster operations. A number of each of the areas I could detail more fully if members so require.

Mr D.S. BAKER: I compliment members of the department for visiting 30 000 homes a week. On those grounds there would be no criticism from us of salary increases based on productivity alone. I also thank the Minister for the support he has given to the group trying to relocate the Gepps Cross saleyards. It is important for livestock producers in this State that we have a replacement by September 1990. The Minister can be assured of any assistance from our side of the House at any time to ensure that that happens. We have had five or six good years in South Australia and if we have a bad one next year it will be very critical. I note that one of the very few departments in the white book that overspent last year and is budgeting to spend more next year is the Minister's office. One of the problems in the South-East is the dramatic increase of wingless grasshoppers which devastated many parts of the South-East last year. Can more funds be made available for research and/or control measures for this problem?

The Hon. Lynn Arnold: I thank the honourable member for his comments on the stockyards and on the door-knocking; and I note the comments about productivity increases. As our role, in the months ahead members in this place from both sides will increase their productivity in respect of door-knocking. With respect to the Minister's office, there has been a change and I do not have the figures immediately to hand. We run a lean office—an office responsible for a number of significant portfolios. I now have the smallest complement of people on deck in the ministry of any that I have had since first becoming a Minister. It was a conscious decision to have as efficient a unit as possible—an excellent team of people. It is not a large unit by any means: it is smaller than I have had in years gone by. I will obtain more detailed figures by 6 October.

SARAC approached me about the wingless grasshoppers problem, but I understand the issue predates that approach. The Department of Agriculture is planning to undertake field trials of pyrethroid chemicals in the Wattle Range area next season. The results will be available for the 1990-91 season. The assessment of economic damage caused by wingless grasshoppers is technically difficult since an extensive study must accommodate different pest density, grazing pressure, pasture composition, soils and climate. Such work is beyond the present resources available, but applications are being made to industry bodies to support the research.

Several species of parasites have been found in New South Wales where, from time to time, they influence the grasshopper population to varying degrees. Whilst it is possible to predict the occurrence of these parasites, it is not possible at this stage to manipulate them for more effective control. Unsuccessful attempts to use microbial pathogens have been made in South Australia, Victoria and Western Australia.

An interesting side point with wingless grasshoppers is that, if a farmer had the sound sense to want to plant more trees appropriate to the area and planted 1 000 eucalypts only to have all of the seedlings stripped by wingless grasshoppers, it indicates that a judicious application of some

control mechanism would have been necessary in that circumstance to help meet a wider environmental benefit. It is one example of where the debate about sustainable agriculture needs to look at a balanced approach in respect of the judicious application of controls for the best environmental and economic benefit.

Mr D.S. BAKER: How much money has been spent so far on the shift from Northfield to the Waite Institute and how much is expected from the sale of Northfield? What will happen to those funds? Will the Government give extra land to Northfield High School, as has been requested ardently?

The Hon. Lynn Arnold: Going back to the Minister's office costs, the proposed figure for 1988-89 was \$438 000 and actual was \$476 000. The vote for 1989-90 is \$487 000. The increase has been due to CPI and wage salary increases. The staffing level has gone down from 9 to 8.6 full-time equivalents. Approaches have been made by Northfield High School even as far back as when I was Minister of Education. Whilst the concept is interesting, for various reasons it has not been possible to proceed with that, so the Northfield High School proposal will not be supported. That is not to say that it is not an interesting proposal, but there are many interesting proposals around and not all can be supported at any one time in terms of the most judicious use of resources available.

With respect to the Northfield relocation, \$1 million has been set aside in capital funding in the \$4.95 million for building works for various research centres. That is for planning the relocation of facilities from Northfield, including design and documentation and other necessary costs. Clearly there will have to be more budgetary provisions in financial allocations for that area over the next two years.

Mr D.S. BAKER: How much is the sale of Northfield expected to raise and what will happen to the funds?

The Hon. Lynn Arnold: I will obtain a detailed costing of those figures for the honourable member by 6 October.

Mr D.S. BAKER: I refer to page 161 of the Program Estimates under '(Significant Initiatives/Improvements/Results Sought)'. We have to renegotiate borrowings from SAFA so that payments schedules are capable with cash flow from the RAB loan portfolio. What was renegotiated and on what basis?

Mr Broughton: Those negotiations are not yet complete—we expect that to occur by the end of the current calendar year. The point in renegotiating the borrowings from SAFA is that the cash flow into the funds for the Rural Assistance Branch is not across the year. It depends on when repayments are due. It is also influenced by when we make repayments to the Commonwealth through SAFA. We are attempting to renegotiate the timing of various payments so that they better match our cash flow.

Mr LEWIS: I noted with interest the comment made by the Minister earlier in his response to a question from the member for Price that the department and the Government were doing some quite exciting things to promote the development of agricultural enterprises in general. While what he was saying is quite commendable, it is nonetheless promoting the development of value adding to agricultural products rather than expanding the product base. The amount of expenditure was of the order of \$1 for every \$4 000 of the current total value of agricultural products. If my sums are right, that is half a million dollars for every \$2 000 million. I do not deny that that is an exciting and valuable program for South Australia in general, but it is still small beans, and I notice that in other areas there have been significant reductions in staffing levels between what

was proposed for last year and what is in fact proposed for this coming year.

One of the things which relates to the matter that I have just referred to and the problems confronting people in this time of high interest rates is farm management economics. Referring to page 156 of the Program Estimates, I point out that, if we are to make our enterprises more vibrant and dynamic and increase viability, they will need the kind of advice that farm management economists can give them. Last year the proposed number of people in this field was 10; we ended up with six; and we are proposing to have six on the staff this year. Why are we not placing emphasis on that vital area of the development of the awareness which people ought to have of the role which good, sound economics has in their management decision making? Will the Minister explain why we are reducing this emphasis in that extension service?

The Hon. Lynn Arnold: With respect to the marketing initiative, I cannot accept the comments that it is just about value adding. The terms of reference in the marketing areas included general enhancement of agricultural productivity. I guess the point I want to make is that I note, accept and appreciate the positive comment that the honourable member has made. He was, however, casting doubt upon the quantum—

Mr LEWIS: It needs to be up a bit.

The Hon. Lynn Arnold: One should say that, as with manufacturing industry, one has to work this field very delicately, very carefully, and then determine what it is that industry should be doing itself, and then trying to provide seeding money to catalyse initiatives rather than taking over responsibilities which largely should still be within the area of the private sector. Growth areas that have been identified include: horticulture, grain legumes, animal feedstuffs, floriculture, purpose produced beef and sheep meats, hide, skins and leather, pig meat, deer farming—including venison—turkeys, and non-wool animal fibres. These and other product areas are under investigation. When the investigations are complete we can determine what other kinds of activities might be needed for them, which would certainly involve industry input. With respect to the staffing question raised by the honourable member, I will ask Anne Bunning to comment.

Ms Bunning: There are a number of issues in relation to the recruitment of economists across the Government and in the private sector. Economists have skills which are quite mobile and which are in high demand in both the private and public sectors—and so they move in and out quite quickly. That is one issue that the department, like any other organisation, is facing. Another more important question relates to the nature of farm business management now compared with a number of years ago, and this involves a number of issues, not just dollar management, which economists have traditionally dealt with. However, the issues involve resource management, which obviously has a high profile these days, combined with technical aspects of their animal husbandry, agronomy, and so on, and the emphasis that we are putting on the marketing area as well.

Farm business management is a combination of a number of those factors. The best use is made of an economist not just as a farm business management adviser but as someone who can pass those skills on to a number of officers of the department, such as our agronomists and our livestock advisers. Our emphasis now is to make the extension officers more able to deal with that range of issues, including marketing, the technical aspects, resource management questions, as well as dollar management. All of those form an integral part. We are redirecting our programs in farm

business management towards that area. So, the farm management economists have more of a training role with our staff than doing one-off farm business management.

The Hon. Lynn Arnold: As to the support area and the figures referred to by the member for Murray-Mallee—half a million dollars as against \$2 000 million—the honourable member would be wise to include the amount that the department spends on research as well. Much of that research has a fundamental impact on the capacity of agriculture to be as competitive as possible, both nationally and internationally—otherwise, if the research programs were not there to help keep the viability of the sector, one would query what the research projects were doing. We will be significantly spending on research in the years ahead, in both a capital sense and a recurrent sense. So, those figures need to be added in as well.

Mr De LAINE: In relation to the war against Portuguese millipedes, I note that during the past year some native parasitic nematodes were released. Although it is early days, is it possible for the Minister to give an assessment of the effectiveness of that program, and is it intended to go ahead with the release of the predatory flies, as a double-barrelled fight against the millipedes?

The Hon. Lynn Arnold: In fact, yesterday, in company with the member for Newland, I released 10 *Pelidnoptera nigripennis* (Portuguese fly), a parasitic fly that finds the Portuguese millipede much to its liking. What happens with these flies is that they land on the millipede and, for reasons best known only to them, they lay their eggs on the millipede, and when the larvae hatch they burrow into the millipede and feed off the insides of it—a rather gory story! The result is that the millipede does not do too well.

In Portugal, some 10 per cent to 30 per cent of the adult millipede population is killed each year. We expect a much better result here in Australia, because the millipede population is in plague proportions, as opposed to an imbalance proportion—which is the case in Portugal. In combination with the nematodes, this should significantly reduce the millipede population over the next two years, to a figure that will be a balanced one, beyond which it will fluctuate moderately from year to year, but the population will be much smaller than it is at the moment.

As to the virtues of quarantine, research on these flies has been exhaustive over the past couple of years, to ensure that they do not pose any threat to other native species. I remember the concern expressed by the member for Murray Mallee about the 40 native species of cockroach that have perished due to pests. We have tested them against the native millipedes. In an interesting example of converged evolution, the native millipede is free of threat from the Portuguese fly and therefore will not be wiped out. That should not concern people who are worried about the native millipede infesting their houses, because it is much more taken with the open air.

The first batches of the Portuguese fly were freed yesterday. In total, they will be liberated at four sites chosen because of the high millipede density and habitats likely to be suitable to the fly. These sites are near Tea Tree Gully, Teringie, Crafers West and Bedford Park. Releases of various stages of the fly will continue during the next 12 months to ensure that it has every opportunity of establishment. This fly has a relatively long life cycle of one year.

During 1988 a total of 3 000 releases of the nematode were made in Adelaide and country towns. During the autumn and winter of 1989 a survey of release sites showed that the nematodes had become established in virtually all the main millipede areas in the Hills. Evidence from field data and householder comments indicated that numbers of

millipedes are falling at the release sites. However, it may take several years for the nematodes to move out from the release sites to adjoining areas. As a department, we have discontinued field releases of nematodes to householders, but householders can still obtain nematodes from a commercial operator, Mr Peter Stephens of Coromandel Valley.

Mr D.S. BAKER: I asked the Minister a question in the House about a bankrupt named Fabian who was granted a \$28 000 re-establishment loan by the department some four or five weeks after he went bankrupt. Will the Minister table the reasons for granting that loan, and will he tell us how many re-establishment loans have been granted and in which areas?

The Hon. Lynn Arnold: We have carried out a detailed investigation of the case mentioned by the honourable member and I shall be making a ministerial statement about it next Tuesday providing answers to his questions. I am not able to do that today, but I hope to be able to do so by next Tuesday.

I should like to clarify a point that might have been misinterpreted about there being any suggestion that I thought that officers in the department were guilty of malfeasance or fraud. That was not my intention, and I want that point cleared up. Any concern that was being expressed was about the activities of the applicant and the information that he chose to make available to us. Of course, there are legitimate questions as to whether procedures need to be reviewed in light of that, but I will give a more detailed answer next Tuesday.

Mr D.S. BAKER: How many re-establishment loans have been granted and in which areas?

The Hon. Lynn Arnold: In 1988-89 a total of 50 re-establishment loans valued at \$1.148 million were allocated. There were 22 in the Eyre Peninsula amounting to \$492 000 and 28 in the rest of South Australia totalling \$656 000. We will give a geographical breakdown of that by 6 October.

The Hon. TED CHAPMAN: I have five or six questions to ask on RAB and SAFA which would require some detail and probably could not be answered now. Would the Minister be averse to my reading them in at five minutes to six so that we can get on with other matters?

The Hon. Lynn Arnold: I agree with that.

The Hon. TED CHAPMAN: The Minister will be aware of the sheep population of Kangaroo Island following his briefing in the lead-up to the opening of the local abattoir recently. That figure is now well in excess of 1 000 000 on 450 rural properties and it represents about 10 per cent of the State's sheep population. According to information recently received, there is every indication that, with the reduction in cattle numbers in that community, the sheep population will continue to increase. Given those statistical factors about livestock in that region and the Minister's comments about the anticipated success of the local export abattoir (since operation commenced it is killing about 1 000 a day), is the Minister prepared to support a proposal to the Government to commence planning for the replacement of the *Island Seaway* with a smaller, more effective, no-frills, freight only vessel and, in the light of recent activities, to establish other forms of sea and air transport to carry people to and from Kangaroo Island and, indeed, motor cars, if not other lighter freight loads?

The Hon. Lynn Arnold: This matter comes under my colleague, the Minister of Marine. There are a number of complex issues involved in all this. At all stages I am concerned to see that the best possible transport services are available to and from the Island both of product from and of necessary inputs to the Island. Once the modifications to the *Island Seaway* are completed, it will represent

a positive benefit to the transport infrastructure of this State. It would be wrong to talk about phasing out that vessel with alternative means. That would be a misuse of a community resource and it would not be the way to go. That does not mean that from time to time there may not be other transport issues that need to be addressed in different ways.

I suspect that over the years we will see the development of new transport means to and from the Island that will work sometimes in competition and sometimes in complementarity with the *Island Seaway*. I shall be interested to support anything which is of positive benefit and which optimises a community resource. Ultimately, for the Government, as custodian of the community resource, that will be the only responsible course to take. I have noted the honourable member's comments. I do not think that he would expect more of me than that, because it is not within my direct ministerial area.

The Hon. TED CHAPMAN: With respect, there was no suggestion in my question that I want the Minister to interfere with or in any way lap over the functions and responsibilities of his colleague, the Minister of Marine. I raised the matter from the point of view of movement of livestock and I seek the Minister's support directly for those growers and generally for the community at large, bearing in mind that when the *Island Seaway* was planned, albeit hastily, there was no suggestion of the establishment of an abattoir on Kangaroo Island.

In fact, it is subsequent to the commissioning of that ship that a substantial bulk and tonnage of her potential loading has been diverted into the more recently established abattoir. As a result of that diversion of great weight and great bulk in the transport arena, it is important that fairly swift consideration is given to the points I make, not so that there is an overlap into any other Minister's portfolio but from an agriculturalist's point of view.

The Hon. Lynn Arnold: I have noted the honourable member's concerns and I assure him I will consider what he is saying on the basis of consultation with industry and the department to see that we are getting the best possible opportunities.

Mr D.S. BAKER: I incorporate in *Hansard* six questions on the Rural Assistance Branch which will require detailed answers.

1. How much profit did SAFA make from the RAB operations in 1986-87, 1987-88 and 1988-89?
2. How much surplus had been created by the RAB over existing Commonwealth arrangements (loans) as of 30

June 1986 before the transfer of RAB funding to SAFA as shown in the Auditor-General's Report of that year; and how was that surplus treated in the transfer?

3. Did the surplus find its way into general revenue or stay with the Department of Agriculture?
4. Are any of the commercial banks drawing on moneys administered by the RAB in a disproportionate manner?
5. During the Eyre Peninsula drought:
 - How much money was lent to the drought affected areas for carry-on; reconstruction loans; special build-up loans—\$250 000 to buy neighbour out; and commercial loans as per RAB advertised loans?
 - How many farmers applied for RAB loans?
 - How many farmers were refused RAB loans?
 - How many farmers are awaiting approval of RAB loans?
 - How many farmers received RAB loans excluding the 'special build-up' loans?
 - What was the interest rate applying to the special build-up loans, the carry on loans, the reconstruction loans and the commercial loans?
6. When, if ever, did the Public Accounts Committee have a thorough look at the RAB (particularly after comments by the Auditor-General of two or three years ago)?

Mr LEWIS: I note that almost all programs under the Department of Agriculture lines have money provided not only from the taxpayers but from industry and Commonwealth sources. Could the Minister provide a table setting out which funds come from which sources so that we know how much comes from State revenue, how much comes from Commonwealth revenue and how much comes from the rural community? I would have liked further clarification of the emphasis by Ms Bunning on the farm management and rural community support group; we find that 30 staffers deal with sociology and extension, but only another 13 or so will be busy with farm management economics, agricultural systems and marketing. That is not properly explained.

The Hon. Lynn Arnold: I incorporate in *Hansard* tables in relation to State funding, Commonwealth funding, joint Commonwealth-State funding, producer funding, joint producer-State funding, joint producer-Commonwealth funding, contract funding, departmental generated funding, other research funds and rural assistance funds.

SOUTH AUSTRALIAN DEPARTMENT OF AGRICULTURE

Expenditure 1988-89	Research	Diagnos.	Extension	Industry Serv.	Reg.	Policy	Admin.	Res. Admin.	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
State Funding									
BA Superannuation Costs	699	165	562	27	300	86	613	137	2 589
BB Salaries and Wages—General	6 507	1 449	4 553	240	3 403	697	5 095	1 109	23 053
BC Payroll Tax	333	74	233	12	174	36	261	56	1 179
BD Terminal Leave	—	—	—	—	—	—	730	—	730
BE Operating—General	1 838	493	1 095	56	920	116	2 178	356	7 052
BF Purchase of Office Machines	—	—	—	—	—	—	31	—	31
BG Employee Housing Subsidy	—	—	—	—	—	—	588	—	588
BH Workers Comp.—first 21 days	—	—	—	—	—	—	33	—	33
BN Overseas Visits	—	—	—	25	—	—	—	—	25
BS Soil Cons. Program—Op.	74	—	114	—	—	—	—	—	188
BT Aid to Herd Testing	—	—	—	40	—	—	—	—	40
BW Accommodation and Service Cost	—	—	—	—	—	—	2 439	—	2 439
BX Uni. of Adelaide—Cereal Breeding	59	—	—	—	—	—	—	—	59
CA Grant—Country Ag. & Hort. Society	—	—	—	26	—	—	—	—	26
CD Chemical Analysis	661	4	5	—	382	—	—	—	1 052
DG Special Deposits Accounts	53	—	—	7	—	—	109	—	169
DK Churchill Road Garage	—	—	—	—	—	—	1	—	1

Expenditure 1988-89	Research \$'000	Diagnos. \$'000	Extension \$'000	Industry Serv. \$'000	Reg. \$'000	Policy \$'000	Admin. \$'000	Res. Admin. \$'000	Total \$'000
DV Petrol Clearing Account	—	—	—	—	—	—	6	—	6
DZ Vehicle Hire & Petrol	—	—	—	—	—	—	3	—	3
EA Intra-Deptl Transfers	—	—	—	—	—	—	2	—	2
EF Noora Drainage Disposal Scheme	1	—	—	—	—	—	—	—	1
ET MV Irrigation & Salinity Service	8	—	—	—	—	—	—	—	8
LA Loan—Capital Works	312	32	48	10	9	—	112	6	529
LC Loan—Purchase of Motor Vehicle	838	17	487	55	612	—	174	—	2 183
WP Animal & Plant Control Comm.	298	—	478	—	1 977	—	189	—	2 942
YM Salary—Minister of Agriculture	—	—	—	—	—	—	96	—	96
	11 681	2 234	7 575	498	7 777	935	12 660	1 664	45 024
Commonwealth Funding									
BQ Sal./Wages—Murray Valley Irr. & Sal.	6	—	24	53	—	—	—	—	83
BY Operating—Murray Valley Irr. & Sal.	—	—	2	34	—	—	—	—	36
DG Special Deposits Accounts	16	—	—	—	—	—	—	—	16
DP Plant Quarantine	—	—	—	—	1 112	—	—	—	1 112
DQ Animal Quarantine	—	—	—	—	532	—	—	—	532
DR Export Field Crops	—	—	—	—	1 359	—	—	—	1 359
DS Export Livestock	—	—	—	—	308	—	—	—	308
DT Export Fruit	—	—	—	—	519	—	—	—	519
EJ Community Employment Program	4	—	—	—	—	—	—	—	4
TE Plant Genetic Resources	29	—	—	—	—	—	—	—	29
TQ National Soil Conservation	250	—	308	—	—	—	—	—	558
TX National Irrigation Research	17	—	—	—	—	—	—	—	17
TY Water Resources Council	118	—	167	—	—	—	—	—	285
	440	0	501	87	3 830	0	0	0	4 858
Joint Commonwealth-State Funding									
BJ Salaries & Wages—BTB	—	—	—	—	384	—	69	—	453
BK Operating—BTB	—	—	—	—	459	—	77	—	536
BP Restocking Assistance—BTB	—	—	—	—	107	—	—	—	107
CM BTEC Restocking Asst	—	—	—	—	127	—	—	—	127
DM River Murray Irr. & Sal. Inv. Prog.	99	—	—	—	—	—	—	—	99
DW Water Resources Inv. Prog.	6	—	—	—	—	—	—	—	6
EP Govt Car Pool	—	—	—	—	—	—	21	—	21
UE Exotic Disease O/Break Prep.	42	—	—	—	—	—	—	—	42
	147	0	0	0	1 077	0	167	0	1 391
Producer Funding									
DC Agric Chem Eval.	37	—	—	—	—	—	—	—	37
DG Special Deposits Accounts	1	—	—	—	—	3	—	—	4
EE Parafield Ind. Service Projects	59	—	—	—	—	—	—	—	59
EQ Irrigatn Crop Management Serv.	—	—	36	—	—	—	—	—	36
ES Innovative Deposit Funds	74	168	—	—	—	—	30	—	272
TU Miscellaneous Trust Funds	66	—	—4	29	—	—	—	—	91
TZ Potato Research	19	—	2	—	—	—	—	—	21
UF Mandarin Research	1	—	—	—	—	—	—	—	1
UY Barley Voluntary Levy	154	—	61	—	—	—	—	—	215
UZ Wheat Voluntary Levy	221	—	—	—	—	—	—	—	221
WB Potato Industry Trust Fund	—	—	—	—	—	—	36	—	36
WC Cattle Compensation	206	—	51	8	2 392	—	—	—	2 657
WD Dairy Industry	—	—	—	—	—	—	2	—	2
WE Beekeepers Compensation	—	—	—	—	4	—	—	—	4
WG Pleuro Pneumonia	5	—	—	—	—	—	—	—	5
WR Deer Keepers Compensation Fund	—	—	—	—	1	—	—	—	1
WS Swine Compensation	84	—	85	—	79	—	—	—	248
	927	168	231	37	2 476	3	68	0	3 910
Joint Producer-State Funding									
DD Dingo Control	39	—	—	—	—	—	4	—	43
DN Special Workshops & Conferences	—	—	12	—	—	—	—	—	12
EM Seed Services	—	5	—	—	177	—	—	—	182
EN National Murine Viral Monitoring	—	66	1	—	—	—	—	—	67
	39	71	13	0	177	0	4	0	304
Joint Producer—Commonwealth Funding									
DG Special Deposits Accounts	—	—	—3	—	—	—	—169	—	—172
TC Citrus Industry Research.	15	—	—	—	—	—	—	—	15
TD Dairy Prod. R/C	47	—	—	—	—	—	—	—	47
TG Poultry Industry Research	28	—	—	—	—	—	—	—	28
TH Cashmere Goats	12	—	—	—	—	—	—	—	12
TJ Grape & Wine Research Council	48	—	—	—	—	—	—	—	48
TK Grain Legumes Res. Council T/F	126	—	—	—	—	—	—	—	126
TL Oilseeds Research	7	—	—	—	—	—	—	—	7
TM Australian Meat Research Ctee	425	—	—	—	—	—	—	—	425
TP Pig Industry Research	23	—	—	—	—	—	—	—	23
TS Wheat Industry Res. Ctee	495	—	18	—	—	—	—	—	513
TT Wheat Industry Res. Council	416	—	—	—	—	—	—	—	416
TV Vine Variety Improvement	31	—	—	—	—	—	—	—	31
TW Wool Research	595	—	102	—	—	—	—	—	697

Expenditure 1988-89	Research \$'000	Diagnos. \$'000	Extension \$'000	Industry Serv. \$'000	Reg. \$'000	Policy \$'000	Admin. \$'000	Res. Admin. \$'000	Total \$'000
UB Dried Fruits Ctee	63	—	—	—	—	—	—	—	63
UH Honey Research Comm.	5	—	—	—	—	—	—	—	5
UJ Barley Ind. R/C Ctee	379	—	1	9	—	—	—	—	389
UK Barley Ind. R/C Council	155	—	6	—	—	—	—	—	161
UP Aust. Biological Resource Study	43	—	—	—	—	—	—	—	43
UQ ASRRC Trust Fund	98	—	—	—	—	—	—	—	98
UW Chicken Meat R/C Ctee	5	—	—	—	—	—	—	—	5
	3 016	0	124	9	0	0	-169	0	2 980
Contract Funded									
ED Contract Research	86	22	—	—	—	—	—	—	108
EG Seed Production Contract	7	—	—	116	—	—	—	—	123
	93	22	0	116	0	0	0	0	231
Departmental Generated									
DG Special Deposits Accounts	24	7	43	—	—	—	—	—	74
DL Livestock Working	281	—	—	—	—	—	—	—	281
DU Sagric International	—	—	—	—	—	—	42	—	42
DY Sagric Publications	—	—	67	—	—	—	—	—	67
TN Pig Research Unit	163	—	—	—	—	—	—	—	163
	468	7	110	0	0	0	42	0	627
Other Research Funds									
ER Research Centre Development	2 315	—	—	—	—	—	2	—	2 317
TR Rural Credits Development	42	—	1	—	—	—	—	—	43
	2 357	0	1	0	0	0	2	0	2 360
Rural Assistance Funds (Commonwealth/State/Other)									
PC Commercial Rural Loans—CRL	—	—	—	10 995	—	—	—	—	10 995
PD Rural Finance Account	—	—	—	336	—	62	1 309	—	1 707
PF Farmers Assistance Fund	—	—	—	3 141	—	—	—	—	3 141
PJ Rural Ind. Adjustment—RAS 1977	—	—	—	2 626	—	—	—	—	2 626
PM Marginal Dairy Farms Recon	—	—	—	25	—	—	—	—	25
PP Rural Counselling Trust Fund	—	—	99	—	—	—	—	—	99
PT Rural Ind. Assistance—RAS 1971	—	—	—	1 637	—	—	—	—	1 637
PU Rural Ind. Adj. & Dev.—RADF 1985	—	—	3	241	—	—	—	—	244
PX Rural Assistance Fund—RAS 1985	—	—	—	47 822	—	—	—	—	47 822
	0	0	102	66 823	0	62	1 309	0	68 296
TOTAL EXPENDITURE	19 168	2 502	8 657	67 570	15 337	1 000	14 083	1 664	129 981

With respect to the supplementary question on rural affairs, I will provide further information.

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

Works and Services—Department of Agriculture,
\$10 670 000—Examination declared completed.

Minister of Agriculture, Miscellaneous, \$7 071 000

[Sitting suspended from 5.57 to 7.30 p.m.]

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

Mr **LEWIS**: Will the dingo control fund subsidy be adequate to ensure that dingos do not get into the inside country; and will the Box Flat dingo control committee continue to have its efforts subsidised?

The **Hon. Lynn Arnold**: In my recent meeting with the Animal Plant Control Commission, I was advised that its efforts with respect to the dingos were adequate. It is doing some experimentation with alternative measures beyond the dog fence, including electric fencing, and so on. Some of the earlier experiments have not been very successful. Nevertheless, the commission is carrying on the work with respect to maintaining the dog fence, baiting at appropriate times, and other activities. It is confident that the situation is well managed. The Ngarkat situation is a bit more complex than that, but the commission believes that, with adequate community cooperation and consultation, that will also involve proper control.

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

Fisheries, \$6 530 000

Acting Chairman:
Mr K.C. Hamilton

Members:
The Hon. R.K. Abbott
Mr D.S. Baker
The Hon. Ted Chapman
Mr M.R. De Laine
Mr I.P. Lewis
The Hon. J.W. Slater

Witness:
The Hon. Lynn Arnold, Minister of Fisheries.

Departmental Advisers:
Mr G. Rohan, Acting Director of Fisheries.
Mr R. Fairclough, Accountant.
Dr P. Sluczanowski, Acting Research Manager.
Mr J. Jefferson, Acting Fisheries Manager.
Ms J. Rhodes, Administration Manager.

The Hon. Lynn Arnold: At the outset can I indicate my apologies to the Committee that the Director of the Department of Fisheries, Rob Lewis, is not here—and by my request. He is presently in Japan taking part in the trilaterals on the issue of the blue fin tuna. I believed it was important enough for the South Australian tuna industry that we were represented at those trilaterals and it was my considered judgment that he should be there rather than here. I apologise to the Committee for his absence.

The ACTING CHAIRMAN: I declare the proposed payments open for examination. I refer members to pages 78 and 79 of the Estimates of Payments and pages 169 to 176 of the Program Estimates.

Mr D.S. BAKER: I express my disappointment that the Director cannot be here tonight. Some of these questions that would have been asked would be asked of him, specifically through the Minister. When did the Minister make the decision to send him to Japan?

The Hon. Lynn Arnold: It was not my decision to actually arrange for him to be admitted to the tuna discussions in Japan. We had to seek the concurrence of the Australian delegation that he be included in that. I indicated to John Kerin's office a couple of weeks ago that we wanted him to be part of that delegation. It was as late as last week that the matter was finally confirmed and he departed for Japan last Sunday. As I say, it has been my normal practice to ensure that officers are present before these Committees and from time to time I have had other officers cancel trips that they might have organised, important though they might have been. In this case, where we are fighting a very desperate situation with respect to blue fin tuna, it is very important that the South Australian industry voice, the departmental voice and the Government voice are heard adequately on that occasion.

Mr D.S. BAKER: The Minister would have had our cooperation if he had wanted to appear before the Committee last week some time. Only about an hour and half is available. I would have thought some negotiation could have taken place; we would have been happy to fill in.

The Hon. Lynn Arnold: I indicate my apologies. I had understood that contact was to be made with the Opposition on this matter. It should have happened. My apologies that it apparently did not happen.

Mr D.S. BAKER: What instructions were given to the Director of Fisheries regarding his visit to Japan in light of the Prime Minister's statement that there would be a moratorium on the catching of tuna? Has the Minister, or his officers, been waiting on the Prime Minister with the intention of retaining South Australia's share of that tuna industry?

The Hon. Lynn Arnold: The issue of blue fin tuna was incorporated in the Prime Minister's environmental statement the day before the most recent meeting of Ministers of Fisheries in Perth. I was concerned at the comments that were being made by the industry the night prior to the Ministers meeting. A number of those industry people were present in Perth. So on the basis of the information they gave me, the discussions we had and my discussions with Rob Lewis, when the matter came before the Fisheries Council the next day I moved an amendment to a resolution.

I do not have the exact wording of the resolution, but the initial proposed draft resolution was that Ministers would support any action taken by the Federal Minister for Fisheries with respect to blue fin tuna. In the initial instance that was modified to 'any appropriate action'. I then had it further modified to read that we would support any appropriate decision by the Commonwealth to protect southern

blue fin tuna stocks, but requiring that such a decision should be made only after validation of scientific information and consultation with the industry.

I personally moved that the issue of consultation with the industry be factored in and, secondly, that the validation of scientific assumptions be required. I made that point, because it is the view of the Department of Fisheries, and my view, and I guess certainly the view of the industry, that the assumptions being made at the moment are the most pessimistic of assumptions with respect to the capacity of the fishery to regenerate itself. The most pessimistic of assumptions is that, even with a 'no catch' take from the fishery, it is problematical as to whether the fishery will recover.

Our advice is that we can legitimately make other assumptions about the scientific data available and interpret them differently; it really is a case of where we put the best-fit line on the graph of data available. It is quite reasonable to make an assumption that we can put the best-fit line elsewhere but indicate that we can still have a take of blue fin tuna and not permanently damage the fishery. I said it was important that we get this right and not have a knee-jerk reaction that may see us close the fishery for an indeterminate period of time at serious economic loss to the industry, without that decision being validated as the most scientific approach. I am pleased to say that my ministerial colleagues in all other States of Australia and federally accepted my amendment.

It is upon that basis that the Federal authorities, I believe, are undertaking discussions at the trilaterals. The other point I made is that it would be of serious disadvantage to the industry in South Australia and Australia if we were to tie our hands behind our backs and go to the trilaterals saying 'We have already decided to do this: will you please do it too?' At the very least we should enter those discussions as equal active partners saying, 'We are prepared to do something if you are too, but not unless you are.' It is with that in mind that Rob Lewis is taking part in those discussions in Japan.

Mr D.S. BAKER: A recent announcement by the Minister was the banning of the total fishing of cod in the river. This law seems to change from year to year. Some years ago, the fishery could be fished with a licence and several years ago it was deemed unnecessary to have a licence to fish for cod and people had drum nets. Now the department has put a total ban on the fishing of Murray River cod. Can the Minister explain exactly what the department's role is, and is this a specific approach to maintaining the stock; what will this do to retain the stock; and is it not a river management process, and not a fish stock restriction, that is required?

The Hon. Lynn Arnold: Can I first of all correct the honourable member and indicate that it is not a decision of the Department of Fisheries. It is not within the department's power to make that decision. It was, in fact, Cabinet that resolved the course of action that has been followed, and that was on the basis of the feedback we received from two Green Papers on this matter with respect to maintaining optimal levels in the river fishery. The feedback we had from the commercial and recreational sectors was taken into account, as well as the scientific data we had. I, as the incoming Minister of Fisheries, must indicate that I am enormously impressed with the quality of the scientific research and data coming from the Department of Fisheries. There were two Green Papers on the river fishery, one released in February 1988 and a supplementary in February 1989.

On the basis of that and taking our scientific data into account, it was clear to the Government that the Murray cod was a species under considerable stress and, being under stress, it meant we had to determine the best course of action to cope with that situation. One course of action clearly is to allow it to be fished at an unlimited or even a bag limit rate, but the evidence was that that may well result in the resource being a finite one and being fished out. An alternative was to institute what effectively amounts to a moratorium for an indefinite period and, if you read my press release, you will see that I have made reference to a prohibition on the taking of Murray cod, both recreational and commercial, until there is satisfactory recovery of the stocks. I do not know how long that will take, but it will clearly be monitored very carefully.

We are concerned to see that the river fishery is there for many years to come, and I guess the main emphasis of the regulations we have introduced have been primarily designed towards the recreational fishery, but we acknowledge the ongoing existence of the commercial fishery for some time to come. It is clear that the Murray cod will not be a part of that fishery unless action such as we have suggested is taken.

The Hon. TED CHAPMAN: On the subject of Cabinet determinations and regulations within the industry generally, I ask the Minister whether he considers fishing licences in South Australia and/or associated authorities to fish specific varieties are, in his view, a proprietary item; in other words, do they represent a proprietary item and are they property in the real sense, given that over recent years licences have become tenable, transferable items and, in fact, with the agreement in practice by the department, saleable items? I raise that question in the light of the apparent conflict between the Director's opinion on this subject, or at least an opinion that he has recently repeated (and did so on page 4 of the Green Paper to which the Minister referred a moment ago) wherein he said in support of his statement, that it was backed by his understanding of a Crown Solicitor's opinion on the matter and that view flies in the face of a judgment in 1985 by His Honour Mr Justice King, along with Their Honours Mr Justice White and Mr Justice Legoe.

That matter was at that time under the canopy of the 1982 Fisheries Act and involved the Pennington/McGovern case. It was determined that licences were real property and tenable items. In more recent times (in fact, this year) there was a further judgment by His Honour Mr Justice King in the Kelly case to the effect that, at the time of the dispute in question, a licence was a real property item (also, for the purposes of sharing in the case of a domestic divorce, wherein a share of the value of the licence was considered an item supportable in a claim for a wife's claim against her ex-husband). Given those two specific and separate judgments and the consistency with which they have been applied in relation to a licence tenure, in contrast to the apparent view held by our currently absent Director, I ask the Minister to clarify the position regarding the tenure of fishing licences in South Australia.

The Hon. Lynn Arnold: We are still in the process of some active discussion within Government on this particular matter and, by saying within Government, I include discussion with the Crown Law on this very matter. We have had a number of issues that have needed further clarification with Crown Law. It is an enormously complex area, not easily solved or resolved by a simplistic 'Yes' or 'No' answer to the honourable member's question. These issues all need to be carefully examined in a legal sense, but they also need to be examined in a wider sense as well. The

question of property rights is not simply answered in one sentence. Property rights can be considered to be a spectrum of rights and you need to determine where, on the spectrum, those rights may exist, and whether the question is answered with a 'Yes' or 'No' or 'Maybe': in other words, is there an element of property right or not; and what are the interests, for example, of third parties? The honourable member identified some of the issues involved in that circumstance.

Pit all that against the backdrop of two other circumstances—one being the attachment of market value to licences, and then the fundamental issue of the characteristic of licences, namely, annual access entitlement—and what that comes down to means I am not in a position to give a 'Yes' or 'No' answer at this stage. We are still carefully examining that issue and will determine, in close consultation with Crown Law, what decision we finally take.

The Hon. TED CHAPMAN: This is a complicated issue, and I raise this question in the Committee today, unfortunately (I repeat) in the absence of the Director, because apparently the Director of Fisheries has taken it upon himself to express a 'Yes/No' opinion on this point. It is for that reason, and the threatened and pending litigation against the Government of this State and against the department in particular, that I think it is important that the Minister put on the record the Government's position on this delicate subject. Frankly, this is the only opportunity that we have, prior to litigation commencing, of raising it in this place, otherwise it will have to be sorted out again in the court. As I understand it, and I am very much a lay person in this arena, Their Honours Chief Justice King, Mr Justice Legoe and Mr Justice White have given a clear black and white direction on this subject in so far as they have clearly determined that licences are tenable and saleable items and, therefore, items of a proprietary nature to the holder.

On the other hand, subsequent to those determinations which on my reading are quite clear, our Director has given another interpretation. My immediate reaction and that of others is that the Director is therefore in contempt of our courts. However, he is absent, and I do not want to pursue that line any further. I think it important that the Minister address the subject, simply for the purpose of informing the Parliament what it is all about. We in this State know that it took a long time to have the fishing industry recognised to the extent that the job being done by its members was their livelihood, and it was as important to them to have an alternative to superannuation as it is for us and for people in other areas.

Accordingly, the determination was made a few years ago by the Liberals to enable transferability of fishing licences and, therefore, to acknowledge that they were tenable items for the purpose of constituting an asset, and that compensation accordingly was an entitlement of those to whom the licences were issued, on the very same principle as that embodied in section 51 of the Australian Constitution. Briefly, consistent with my argument on this occasion, that Act requires the Commonwealth to compensate the State if it takes something away from it. I come back to the earlier point: our Director of Fisheries does not appear to recognise those established matters.

The Hon. Lynn Arnold: The honourable member indicates that he does not wish to pursue this matter in the absence of the Director but I do wish to pursue it, because I believe that the Director has been severely misrepresented in his work on this matter. Certainly, he has kept me as Minister fully briefed on the situation and I am entirely confident that he did so with my predecessor. The views he has expressed at any stage have been made against a

backdrop of Crown Law advice, and he has never taken it upon himself to presume a policy-making role, recognising that to be a role of the Government. He sees himself as a professional public servant with the job of defending such decisions as he believes are the Government's to make. So, I want to make that spirited defence of him in that regard.

The Hon. TED CHAPMAN: I appreciate the Minister giving that defensive explanation in the absence of the officer.

The Hon. Lynn Arnold: With respect to the property rights, on the one hand we have legal decisions made, and there is no suggestion at all that the Director has been in contempt of court. He acknowledges—and I as Minister acknowledge—that if we are to pursue this matter further it may require an appeal, which is not a contempt: it is an acknowledgment that this matter should be argued in another forum. I do not yet know the answer to that. If it does not result in an appeal there is no suggestion that we should fly in contempt of a finding of honourable justices.

Another suggestion is the legislative solution. Essentially, what Their Honours have done is interpret the law as written against the framework of the Constitution. If it turns out that we believe that there are serious issues of principle here which are being prejudiced by legitimate interpretations of law as they stand, then the option is open to the Parliament to pass the necessary legislative amendments where we can debate the nature of property rights. At this stage, I cannot take that much further.

The ACTING CHAIRMAN: Before the Chair allows another question, I would like to point out that it is not the first time that a senior officer of a department has not been present during the investigation into the budget estimates. I think this has happened on at least three occasions: I make no comment apart from advising the Committee that it has taken place in the past.

The Hon. TED CHAPMAN: I recognise the effort of the Minister to defend his officer in his absence, for whatever reasons the officer is absent, and it is commendable that he should do so. Is the Minister aware of the extent of the pending litigation from within the fishing industry against the Government or the Department of Fisheries which has developed in relatively recent times?

The Hon. Lynn Arnold: This is a difficult question to answer.

The Hon. TED CHAPMAN: Has the Minister had any signals of intent by fishermen to take legal action against the department (Government)?

The Hon. Lynn Arnold: We have had people make approaches to us from a couple of fisheries. The leather-jacket fishery is one, and there may be one or two other isolated examples. I personally am not aware of what the honourable member may be implying is a groundswell of concern.

The Hon. TED CHAPMAN: On that basis, can the Minister tell the Committee whether litigation has commenced or is proposed to commence in the case of the Rodney Smith offence in the rock lobster fishery? Will the Minister indicate the current status of the appeal lodged against an earlier judgment this year involving the Neave fishermen from Kangaroo Island, and will the Minister convey to the Committee whether he accepts that those actions are consistent?

The Hon. Lynn Arnold: I understand that there has been no appeal in the Rodney Smith matter. I know that the honourable member has previously raised the Neave matter, which has had judgment brought down. The question was whether or not there would be a licence transfer. In that situation, the defendants were found guilty in relation to all

three offences but dismissed without conviction in relation to the second and third, except for the first offence for which both defendants were placed on 12 months good behaviour bonds.

The offences were that of using a boat to take fish for the purpose of trade or business contrary to the relevant section of the Fisheries Act and being in possession of King George whiting taken in contravention of section 44 (2) of the Fisheries Act. The honourable member has raised this matter in this place and with me, and the matter is subject to ongoing consideration.

The Hon. TED CHAPMAN: It was my understanding from a recent call from Kangaroo Island that an appeal had been lodged against that Neave case, the appeal had been upheld and substantial fines and a conviction had been recorded, hence my statement about the apparent inconsistency between that person's case and the case of Rodney Smith, where I understand an appeal is still pending. I wanted the Minister to confirm those factors because we cannot rely on rumour from inside or outside the industry.

The Hon. Lynn Arnold: In the case of Rodney Smith, the Crown would argue that its initial expectations were met by a court decision; in the case of Neave it would argue they were not. Consequently, an appeal was lodged and it was successful. As I indicated before, in some respects these matters are still under consideration.

The Hon. J.W. SLATER: For a long time I have been interested in recreational fishing in the Murray River, and in over 40 years I have never caught a Murray cod. I look forward, when I retire from this place, to taking my grandchildren to the Murray River to fish. However, today's paper outlines the regulations that are designed to restrict both recreational and commercial catches in the Murray River, in particular cod and callop. I know that all kinds of activity on the river, which is for multiple use, affect fish stocks.

Many years ago a Question on Notice asked the then Minister of Fisheries about the number of fish in the Murray River and how many of them were European carp. I do not expect departmental officers to know that answer, but I understand some calculation has been done and that the regulations are a result of that. Although I believe some action should be taken, I think that the regulations are too rigid and that we have gone too far in limiting the activities of recreational fishing in the Murray River. Will the Minister further consider this matter?

The Hon. Lynn Arnold: I asked the Question on Notice about the percentage of carp in the Murray River. The member for Albert Park and I at that time asked the odd question or two. Of all the questions I asked, I was only dissatisfied with the answer I received to that one.

The Hon. J.W. SLATER interjecting:

The Hon. Lynn Arnold: I did get an answer, although it was not as detailed as I thought it could have been. I was not expecting a detailed head count, but I did expect a guesstimation which I thought was within the department's capacity to provide. As the honourable member said, the Murray River is an important recreational fishery, and we want it to be important for a long time to come. The honourable member asks whether we have been over-rigorous in relation to the regulations about Murray cod and the bag limit on callop. Until there is a satisfactory recovery of Murray cod fish stock, we will constantly monitor the situation. In fact, we have provided another research posi-

tion to monitor the situation with respect to the Murray River fishery so that we keep up to date with the latest figures. I incorporate in *Hansard* a table, which, although

not reflecting recreational fishing, is entitled 'Catch By Major Species To 1987-88—Commercial Reach Fishery, South Australia', and which reflects the trends.

CATCH BY MAJOR SPECIES TO 1987-88—COMMERCIAL REACH FISHERY, SOUTH AUSTRALIA*

Year	Callop		Cod Total	Bony Bream			Redfin		Silver Perch			Carp		Catfish					
	Lakes	Reach		Lakes	Reach	Total	Lakes	Reach	Total	Lakes	Reach	Total	Lakes	Reach	Total				
1951			273			91													
1952			284			85													
1953			341			88													
1954			355			114													
1955			145			57													
1956			185			85													
1957			275			142													
1958			290			141													
1959			185			91													
1960			180			91													
1961			135			68													
1962			225			46													
1963			185			34													
1964			160			23													
1965			110			32													
1966			140			41													
1967			50			23													
1968			143			11			190							23			
1969			82			48			156							18			
1970			90			19			300							24			
1971			22			19			362							23			
1972			24			12			339							15			
1973			156			9			315							14			
1974			190			4			58							7			
1975			165			2			66							6			
1976	17	123	140	4	43	22	65	2	8	10	0	2	2	143	123	266	1	8	9
1977	9	78	87	7	51	30	81	3	2	5	2	0	2	142	65	207	0	3	3
1978	14	116	130	11	105	30	135	4	2	6	0	1	1	341	96	437	0	3	3
1979	19	53	72	10	217	55	272	1	1	2	2	1	3	385	56	442	0	1	1
1980	18	29	47	10	255	16	271	1	0	1	2	1	3	348	24	371	1	1	2
1981	46	101	147	21	536	42	578	1	2	3	1	7	8	463	128	591	0	1	1
1982	61	37	98	6	561	42	603	9	0	9	1	5	6	438	45	483	0	1	1
1983	78	96	174	8	696	19	715	15	1	16	1	10	11	456	102	558	0	1	1
1984	42	49	91	6	480	28	508	15	0	15	0	2	2	388	68	456	0	1	1
1985	33	30	63	6	675	30	735	55	0	55	0	0	0	345	20	366	0	0	0
1986	18	46	64	9	810	17	827	55	0	55	0	0	0	237	48	286	0	0	0
1987	34	29	63	8	986	12	998	72	0	72	1	0	1	456	29	485	0	0	0

* Catch by Commercial Reach fishermen was recorded separately from catch by Commercial Lakes and Coorong fishermen after 1976.

I take members back to 1951, when 273 tonnes of callop were caught in the lakes and reaches of the Murray River. By 1987 that was down to 63 tonnes. If one looks at the figures, apart from a period during the mid-1970s when there was some recovery—

Mr LEWIS: In response to flooding—

The Hon. Lynn Arnold: That may well be true. In 1981 and 1983 the totals rose because of the high water, but overall there is a constant decline. In 1951, 91 tonnes of cod were caught in the Murray River, and this peaked in 1957 and 1958 to be 142 tonnes and 141 tonnes. Apart from the late 1970s when the catch was between 11 tonnes and 21 tonnes, the figure is now consistently down to less than 10 tonnes per year. If this table were plotted on a graph, the trend line would show a clear decline. We are very worried about the recruitment rate of cod especially, but also of callop, although not quite to the same extent. Therefore, callop has only a bag limit prohibition. We are happy for people to take as many carp as they want. In 1969 no carp was caught; in 1970, 2 tonnes was caught; and now that figure is 485 tonnes. People are welcome to help themselves.

The ACTING CHAIRMAN: There has been a misconception in this place for many years that I asked that Question on Notice, and I thank the Minister for clearing it up.

Mr LEWIS: I am concerned that the fish stock of the Murray River is being depleted. The obvious solution seems to escape everyone who has recently expressed an opinion in the articles that I have read. I believe there is a solution to that problem, as well as a solution to the problem of the amount of water we lose from the Murray each year through evaporation. One cannot breed fish in water vapour. Some people have suggested that we compulsorily re-flood privately owned land that is under irrigation, and that comment was made in today's *News*. Not only cod but also catfish and other species are affected. If one looks closely

at the minimum flow of water that South Australia gets each year, one will see that in dry years it is about 1 885 gegalitres (or 1 850 000 megalitres), even though the average is much higher than that.

Of that amount metropolitan Adelaide needs somewhere just under 200 gegalitres. The Iron Triangle, Keith and Tailem Bend use about 55 gegalitres and the irrigation of horticultural crops and pasture along the river accounts for about 440 to 450 gegalitres. Each year we lose 800 gegalitres of water which is more, by a large margin, than we use for the sustenance of life, whether human life directly or on things on which we depend for our sustenance. An amount of 700 gegalitres evaporates from Lakes Alexandrina and Albert. There is no question in my mind that a simple solution to the problem of the survival of the fish stocks is to simply put levies across those parts of Lakes Albert and Alexandrina that are shallow, pump out the water and plant crops on the understanding that the person who gets the economic benefit from the crop for the first two or three cuts (whatever it is) has an obligation to let it grow and then re-flood it.

The natural rhythm of the re-flooding coinciding with those appropriate changes in day length and water temperature would stimulate spawning in the lakes and thereby immediately ensure recovery of the breeding area necessary for the cod, catfish, and other species to naturally recover. We would obtain a benefit, as a society of animals called human beings, from the economic profit derived from the process. The fish get a benefit, and we cut down on the amount of salt left in the lower end of the river because we reduce the amount of evaporation by the area of the lakes that we simply dry out for the purpose of growing these crops. It is eco-sensitive, economically sensible and, as far as fishing stocks go, it will be a success where presently we face a disaster. I do not understand why people cannot simply accept it and get on with it.

A problem that needs to be addressed in this regard is the salinity increase occurring in Lake Albert as a consequence of it being a static pond behind the barrages where it is an appendage—a dead-end. The only water that flows through it is what the wind can move in and out of it, and the artificial manipulation of the level at the barrage, which helps lower the increasing salinity level. We need to cut a channel through the south-western corner of the lake where it would be only a matter of feet deep. If it was put into the Coorong at the southern end of the northern lagoon, we would restore at least half of the northern lagoon of the Coorong to what it was as a fish-breeding ground prior to the time that we had to put in barrages for navigation, irrigation and potable water purposes in Adelaide. I do not understand why we cannot accept that those two approaches would solve most of the problems we face in the Murray, particularly the lower Murray. It would probably help the Murray crayfish also. What does the Minister and his officers think about the idea?

Mr Rohan: The problem facing the native river species is largely one of water flow but also includes water quality, barriers to fish migration and the timing of water flows; and there are also other areas such as pollution, insecticides in the river and competition from introduced species. The spawning and recruitment of native river fish is closely tied to flooding and the extent of water. In that sense the honourable member's proposal addresses that issue in part. The suggestion relates to the lower end of the Murray River, but I believe that the problem is more extensive than that and applies to the northern part of the South Australian section of the river. We are probably placing more demand on the available water supply, which goes to the heart of the problem. The proposals made in the management plan for the river fish are in terms of reducing fishing effort and address part of the problem. The other problem is addressing the largely environmental problems that affect fish recruitment and survival.

The department is fortunate in that it has been given approval to appoint an additional research position to examine issues such as our river flow and its effect on native fish survival and recruitment. As part of the management package for the river we have applied energetically for funds, including funds from the Murray-Darling Basin Commission, for further research work to see how river flows can be manipulated to be more kindly to native river fish, bearing in mind that probably the outlook for water flowing into South Australia is less rather than more. In that context we may have to look at some innovative options for the water we have available to us, and the sorts of options outlined are part of the tough decisions that have to be taken if the community is to make a decision to save the native river fish.

Mr LEWIS: I thank the officer for his response and concurrence with the general proposition I put. I underline the point that humans use about 680 ggalitres, yet the lakes take 700 ggalitres per year in evaporation. We could slash that substantially by draining the shallow parts. Upriver, beyond Lock 1, we could find current permanent wetlands that were rhythmically wet and dry prior to the installation of the locks and prior to it being necessary to install them for navigational purposes and drain them for irrigation purposes where we could artificially create the rhythm of flood by putting a levy there and allowing the drained area to be vegetated, harvested and a return taken off it, grown again and flooded at the right time. I sincerely believe that it is cost-effective and cost negative so that we come out in front and everybody wins.

I refer to the replacement of masters in the marine scale fishing industry. Earlier this year a directive came from the Minister's office that he had received advice from the department that there no longer be provision for the use of replacement masters on vessels in the marine scale fishery, except upon application to the Director of Fisheries in exceptional circumstances. He said that any request should be made in advance for the period sought and should be accompanied by a doctor's certificate specifying the period and nature of the illness or incapacity. It struck me as a bit odd as fishermen are fairly healthy, hardy types who do not plan to get sick or break a leg. It is difficult for them to give notice to the Director or other officers in the department that they intend to get sick or break a leg.

How does the Minister explain the way a fisherman, who takes ill suddenly or has an accident and hurts himself, can get his boat to sea to attend his pots, if he is a cray fisherman, using his relief master if he requires a certificate from his doctor to say that he is sick that day? How will this work and why was the restriction put on in this manner?

The Hon. Lynn Arnold: I shall detail what has been involved here for some time. The Fisheries Act empowers the Director to approve a person other than a license holder to operate a registered fishing boat and to set conditions on the operations. Since 1 July 1985, the Director has given approval for licence holders to nominate a replacement skipper or master during 28 days per licence year. This was a discretionary arrangement negotiated with the industry primarily for the purpose of providing time off from the owner/operator policy during periods of sickness and/or other necessary reasons. The policy arrangements enabled licence holders to obtain some continuity of income without having to work the licence themselves.

On 4 July 1988 the Director advised the then Executive Officer of SAFIC that the system in place was being abused, such that a greater fishing effort was being applied to the fishery than would occur under a strict owner/operator policy. The bottom line of this matter relates to the pressure placed on the fisheries.

In the letter of that date and in other correspondence, the Director advised that he was considering the removal of the relief day provisions, to remove abuse, involving: weaknesses in the administration of the relief master provisions, such that people were taking relief days and not recording them; licence holders were effectively leasing their licences to non-licence holders, who worked virtually as professional relief masters for a number of licence holders; and the use of the 28 day provision only for actual fishing days, such that operations could be drawn out to provide for more than one month of normal fishing operations.

The industry supported the concept of tightening up the system, but sought consideration of alternative measures. In subsequent correspondence and meetings, the department advised that it had considered alternative measures but all were subject to abuse and administrative complications, in one form or another. On 17 March 1989, the Director advised the industry that, because of the large number of licence holders involved in the marine scalefish fishery (some 700) and because of the large number of relief days taken, the system had become unruly, was subject to widespread abuse and was wasting considerable departmental resources. The Director subsequently advised the industry that the then arrangement for providing relief days in the marine scalefish fishery would be revoked from 1 July 1989. However, relief days would still be granted to persons with a genuine medical complaint, on application and individual consideration.

This matter was raised with me by SAFIC at a meeting at which I was present, and further discussion did take place between myself and the Director, and with SAFIC. At a time when the major fish stocks in the fishery are fully exploited and are facing even greater demands by the commercial and recreational fishers, the department has sought to limit the scope by which unlicensed persons may wish to take fish for sale. Whilst the industry clearly supports the principle of the department's intentions, it is clear that the industry has also expressed concern about the proposed removal of all relief day provisions for the marine scalefish fishery.

As a result of the approach made to me as Minister and ongoing consultations between the Director and SAFIC (and I refer particularly to consultations in August 1989) agreement was reached to remove the 28 day discretionary relief master provisions for licence holders in the marine scalefish fishery, on the understanding that the Director of Fisheries will approve relief days for licence holders who are genuinely ill. This is the policy that is now being applied.

Mr D.S. BAKER: Will the Minister explain the reckless actions of the Minister for Environment and Planning in letting the Lake Bonney effluent be discharged into the sea at this time of the year, when the rock lobster are about to spawn, and with the crayfishing season about to open at the beginning of October? Will the Minister tell us the reasons for this, and can a guarantee be given that there will be no pollution of the seabed and/or the fishing stock?

The Hon. Lynn Arnold: We have been liaising with the Department of Environment and Planning and with my ministerial colleague on this very important matter. We faced a real dilemma. The view that I have been expressing as Minister of Fisheries and that the Department of Fisheries has been expressing is that only in the most dire of circumstances should we consider the release of waters from Lake Bonney in the present circumstances, and that we should ensure that we have a monitoring exercise in place. That needs to be taken into account against the backdrop that, over the past 14 years, every two or three years waters have been released from Lake Bonney in order to prevent flooding situations that might affect surrounding farmlands or that might even cause seepage into the aquifers. The release this year is part of a series of releases that has taken place over the past 14 years.

The reason for these releases has been that if, in the light of winter rains, there had not been a release the water would itself have released from the lake by other means. The suggestion has been that it would either flood surrounding floodlands or that it would be forced out in an area adjacent to Carpenters Rocks that, in any event, the water would have got out, and that it was better for there to be a controlled mechanism for release rather than an uncontrolled release of the lake spilling out.

One thing that will come from this is that, unlike many years previously when the situation has not been rigorously monitored, under the coordination of the Department of Environment and Planning, and involving technical research officers of the E&WS Department and of the Department of Fisheries, we will be monitoring very closely what is happening with the release of water from Lake Bonney into the surrounding waters.

I know that there has been a press report, and in a moment I will ask Dr Sluczanski to comment on some of the mechanisms that can be adopted in regard to this. As a result of the press article today, I know that there have been concerns about what might be happening. There are two separate questions involved in relation to release. One is the question of the potential for Lake Bonney to flood

and the waters to escape in any event, and the second concerns whether to lower the waters still further to allow for the taking of stored logs that came from the bushfires of some years ago. That is a quite separate issue and we have not indicated our support for that at all at this stage, and that will not be done until there are adequate scientific data to indicate that it is an entirely safe thing to do. That issue will be dealt with separately in due course. The present release of waters seems to be the only course of action available to the Government. There was no other alternative, given that the waters would release themselves in any event.

As to the question of the press articles today, when they became known to me I had an urgent investigation done by the Department of Fisheries, and Mr Geoff Rohan, the Acting Director, who is with me tonight, has advised in the following terms. Both fishermen referred to in the articles were contacted. They are both local residents. One advised that he had found five to six small fish, two to three inches long, on the beach on Monday, and that he was not aware of any other dead fish, and he is a frequent user of the beach. Another local, a bushwalker, did state however that he had sighted a number—an unknown number—of small dead fish in the surf adjacent to Lake Bonney outflow. This was on Monday, and that is seemingly the only day of such sightings. Unfortunately, no samples of the dead fish were taken.

On the face of it, the articles have been somewhat exaggerated, though we would very much like to have seen samples of those fish. There are equally probable explanations for other causes of the death of the fish, including, for example, dinoflagellate bloom, which results in the death of fish—namely, the 'red tide'. Advice that the department has is that the sighting of a relatively few dead fish during one day of a week is not sufficient to warrant assertions that the release of water from Lake Bonney is the cause of that fish kill. However, the Department of Fisheries is keen to obtain samples of any dead fish found in the area, along with relevant details, in order that a proper sampling and analysis can be carried out.

We have already undertaken searches in the area for the purpose of obtaining samples of any dead fish, but to date the Department of Fisheries has not been able to find any such dead fish. Two fisheries vehicles have been searching the shoreline. Officers have walked the shore from Lake Bonney outlet north and south, about one mile either side. In addition, they have driven south to Bucks Bay, in the Carpenters Rocks area, and are carrying out inquiries.

Currently the officers are trying to locate the source of information re the sightings of a number of fish, but as of 3.45 p.m. today, no results had been reported. Vessels are patrolling from Robe to Port MacDonnell just in case wind and tide have taken dead fish offshore. Research officers are in the area to coordinate monitoring and will liaise with the E&WS Department people in the region, particularly with a view to fish sampling process for fish in place if fish are found, and that would also include water sampling. The helicopter is on standby if required to assist in this whole process. I assure members that we will undertake the most rigorous of monitoring processes in this area.

Dr Sluczanski: The research monitoring program for Lake Bonney has been jointly worked out by the Departments of Fisheries, E&WS and Environment and Planning. The aim of the project is to monitor and assess the short-term impact on the marine environment of water released from Lake Bonney in the South-East during normal maintenance of lake water level operations.

There are five components to the program: first, aerial mapping of the extent of the coloured plume created by the lake discharge, and the aim is to map the distribution for a range of wind/sea conditions. Secondly, we will be monitoring the water quality, the aim being to investigate the change in water quality parameters from within Lake Bonney to the marine environment and within the discharge plume as it occurs in the southern ocean. The third component is monitoring of the beach with the aim of determining the pollutant levels in the sediments of Lake Bonney and in the marine sediments within the plume zone.

The fourth component is monitoring of the biota with the aim of investigating the presence of pollutant levels in biota, particularly the representatives of crustacea, mollusc and fish. The fifth component is toxicity testing with the aim of investigating the toxicity of Lake Bonney water on selected marine organisms, in particular, mollusc and crustacean, which will probably be abalone and rock lobster. We also intend to carry out *in-situ* pollution gradient experiments on local marine biota, the aim being to investigate the impact of Lake Bonney discharge on rock lobster and abalone held on cages, positioned within the area of the coloured plume. Some of these monitoring programs are now in progress: others are beginning this week.

Mr D.S. BAKER: As a supplementary question, I hope that the Minister will give full support to our proposal to create a wood lot with the effluent coming from Apsel, which can quite easily be done and which will alleviate any water flowing out to sea. I also assume that the Minister will give total support to our efforts to stop the Woods and Forests Department from trying to have the lake drained to recover the alleged amount of timber that is in there. I will put something on the record tomorrow night before the Estimates Committee on the Woods and Forests lines to back that up and to give the Minister quite strong ammunition. I hope that his help is forthcoming.

The Hon. Lynn Arnold: With respect to the second point, I have already indicated my view, and the department's view, that is, before the alleged \$4 million worth of timber in the lake is recovered, the most satisfactory answers should be given as to the impact of that extra amount of water going into the sea. That is my very strong view. As I said, that is an issue separate from the issue of the flood waters that we are dealing with at the moment.

With respect to wood lotting, announcements have been made by the Government—by both my colleague, the Minister for Environment and Planning, and me with respect to Bollivar effluent many months ago. Announcements were also made about the Apsel effluent into Lake Bonney probably about six weeks ago. The question of wood lotting has already been on the Government's agenda for some time. It is reassuring to know that the Opposition is prepared to give bipartisan support to that matter.

Wood lotting is an issue that must be carefully examined from a number of realistic constraints, including the amount of land needed to absorb all the water that is available, and that can be a large amount of land which may therefore involve priority decisions about the relative uses of that land.

An honourable member interjecting:

The Hon. Lynn Arnold: It may well be. Secondly, the actual volume of water does not always match the demands of the trees planted at a particular time of year, which is unfortunate. That means that wood lotting becomes more complicated because of that fact. It does not become complicated in relation to the bulk of water released or the first portions of water used: it becomes complicated regarding the final volumes of water used. We are seriously examining

the question of wood lotting, undertaking detailed investigations in a genuine attempt to maximise the use of water for that purpose and to minimise the flow to the sea, but there are complicated environmental and scientific questions to be answered in reaching that stage.

Mr D.S. BAKER: Full *ad valorem* stamp duty rates are payable in South Australia on the transfer of a fishing boat; they are exempt from stamp duty in New South Wales, Victoria and Western Australia; and it costs less than \$10 in Queensland to effect a transfer. The stamp duty on the transfer of a trawler in South Australia is about \$18 000, and that means that the honest people are paying and the dishonest are finding a way around it and selling in other States. Is the Minister prepared to bring South Australia into line with other States in considering the *ad valorem* stamp duty rates in this State?

The Hon. Lynn Arnold: In an ironic sort of way, this involves some of the wider issues that we dealt with this evening. It is a consequence of any decision that may attach to any aspect of a property right, more particularly, a market value to a licence. It is something that is bound up in that issue that we discussed earlier. Therefore, it is still subject to further work. In any event, the question of stamp duty comes under the responsibility of the Treasurer but doubtless it would depend upon the result of legal or philosophical decisions in this matter.

I recently received a submission about the effect of aggregation of licences for the purposes of restructuring a fishery and the impact that may have on stamp duty obligations. The instance of blue fin tuna was raised with me, where particular components have been aggregated together to ensure the optimum use of the resource, at the same time providing them with the maximum return as individual contributors to such aggregation. However, the very process of aggregating incurs a stamp duty liability. I have already indicated to the blue fin tuna industry that I will examine that issue further, although I am not certain what will be the answer, because it involves a number of complicated issues.

Mr D.S. BAKER: Can the Minister explain what negotiations have taken place between South Australia and Victoria to allow the South Australian industry to access the Victorian shark fishing market; have the Ministers of both States had negotiations recently and are they reaching finality?

The Hon. Lynn Arnold: This has been somewhat of a saga with which I was faced shortly upon becoming Minister of Fisheries. I very quickly worked on behalf of the shark fishing industry of South Australia, being concerned that we had boats tied up that were just not able to go out and earn an income. On the face of it, I was concerned because the reasoning being given did not seem sufficiently justifiable from the Victorian point of view. They have a concern about mercury levels in fish, as we all have. There has never been any attempt on my part to suggest that the levels of mercury that they wish to keep below should be any other than what they are.

However, it seemed to me that there were some non-tariff measures that were designed to cause a problem for South Australian shark fishers in the Victorian market. I pursued this matter actively with my colleague, the Victorian Minister, Kay Setches, but the first approaches were not successful. Indeed, before I became the Minister there had been approaches to Victoria by the industry and the Director of Fisheries. We had not had any response to that. My first approaches to Victoria were not successful. Finally, we reached the situation where the Victorians agreed to talk with us about it and we indicated that as a department and

as a Government we were prepared to initiate an inspection process in South Australia that would be operated by the department and funded by industry.

This would enable the filleting of shark to be done in South Australia with certification that the fillets of shark exported to Victoria were of the nominated eight species. Members will know, of course, that the Victorians wanted gutted and headless carcasses. The first reactions to that were not positive but finally it seems that agreement can be reached. As a result of discussions between Victoria and South Australia on the implications of Victorian legislation on the South Australian shark fishing and processing industry, Victoria has indicated it is prepared to allow South Australian shark fillets to enter Victoria providing certain conditions are met.

These conditions are as follows: first, only approved species of shark may enter Victoria—we have no argument with that; secondly, certification that the shark is an approved species—and we have no argument with that; and, thirdly, fillets to be consigned in sealed containers—and we have no argument with that. Further, in order to provide the means of addressing Victorian requirements, a number of regulatory provisions for certifying processed shark have been identified. However, such regulations would require amendment to the Fisheries Act relating to fish processing. In consultation with industry, the Department of Fisheries has designed a proposed system for shark certification which has been forwarded to Victorian officials for consideration. The main elements of the proposed system are as follows:

- a registered processor cannot process shark unless the holder of an appropriate endorsement issued by the Director of Fisheries;
- the endorsement may, upon application to the Director of Fisheries on a form approved by the Director, be issued subject to conditions which limit the species of shark that may be processed;
- the Director of Fisheries may refuse to issue such an endorsement if the processor has been convicted in South Australia or elsewhere in Australia of a fisheries-related offence within the preceding three years;
- the Minister of Fisheries may suspend or cancel a shark endorsement if the processor has been convicted in South Australia or elsewhere in Australia of a fisheries-related offence;
- such an endorsement be subject to an annual fee;
- shark processed pursuant to the endorsement to be consigned only in a sealed container/package appropriately identified;
- the container/package to be sealed by a seal issued by the Department of Fisheries;
- the seal would be subject to a fee to offset the cost of the system; and
- officers of the Department of Fisheries may take and retain shark product for the purpose of sampling and analysis.

The fish processor regulations have provisions which outline the documentation that must be completed by a registered fish processor. The proposed amendments, together with the existing provisions, will assist industry in processing and selling fillets of shark taken from approved species by ensuring their continued access to traditional markets. That market is worth some \$14 million a year. A formal response is yet to be received from Victoria on this matter. This matter is being treated as urgent by the South Australian Government, by me as Minister in particular, and by officers of the Department of Fisheries. It is intended to proceed with enabling legislation although the matter cannot

be finalised until a formal response is received from Victoria.

Mr D.S. BAKER: Lake George is quite a large lake in the South-East near Beachport. Four professional fishermen have licences to fish in that lake. They supply many of the hotels in the area for the tourist trade as well as the general public. There has been considerable correspondence over the last few years about making some of those licences—not all—transferable. The former Minister refused to do that. In fact, I have had discussions with the Director and we came to the opinion that, if no commercial fishermen were allowed to net that lake, the public were therefore denied access to fish from that fish resource. This would put increased pressure on the amateurs to supply that market.

I understood through SAFIC and through my talks with the Director that sympathetic consideration was to be given to making at least some of those professional fishing licences transferable. However, I was concerned to receive a letter quite recently that stated that that was not the case. I found that that was a very negative attitude because it is a step in the wrong direction. The people are becoming older and finding it more difficult to fish. The amount of fish taken from that resource is small and I believe the public has a right to purchase from the resource. Will the Minister look into the matter with some urgency?

The Hon. Lynn Arnold: I certainly will look into that matter.

Mr D.S. BAKER: In the Program Estimates (page 169) there seems to be a discrepancy between the allocation for recurrent expenditure in 1988-89 and the amount actually spent: \$8.7 million was allocated but \$17.2 million was expended. Can the Minister explain that?

The Hon. Lynn Arnold: I will refer that to Mr Fairclough.

Mr Fairclough: The major item that caused this large expenditure relates to the southern zone rock lobster industry rationalisation scheme. Under that scheme a number of licences have been surrendered by rock lobster fishermen and significant payments have been made in respect of the scheme. About \$5.595 million was paid to those fishers who surrendered their licences. There were also loan repayments of principle of \$4.3 million and interest of \$187 000, as well as minor administration costs. The total amount paid out in respect of the rationalisation scheme is some \$10.085 million. That is the reason for that large expenditure.

Mr D.S. BAKER: That same figure appears under 'Policy Development'. The lobster licence buy-back program started well before the budgets were set last year. I believe those amounts should have been shown in the budgets last year and should not show up as such a discrepancy because the amounts were well known.

Mr Fairclough: We did look at this about 12 months ago, or prior to 12 months ago, when the previous year's estimates were being calculated, and we did not have the faintest idea of just how many licences would be surrendered. We did an estimate involving some eight licences, I cannot recollect the exact figure, but I think it was based on 66 pots per licence holder and I believe \$2 700 per pot was the surrender figure. That certainly has resulted in this very large discrepancy, but that is the reason. The department, in fact, estimated some eight licence holders would surrender their licences. In fact, some 34 licence holders surrendered their licences in 1988-89. We were not able to predict this, and that was the reason for that discrepancy. However, there is one rider to that. The department is extremely pleased that the matter was resolved in that one financial year. So, as far as we are concerned, it is indeed a pleasing result.

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

Works and Services, Department of Fisheries,
\$1 870 000—Examination declared completed.

Office of Multicultural and Ethnic Affairs, \$2 921 000

Acting Chairman:
Mr K.C. Hamilton

Members:
The Hon. R.K. Abbott
Mr D.S. Baker
The Hon. Ted Chapman
Mr M.R. De Laine
Mr I.P. Lewis
The Hon. J.W. Slater

Witness:
The Hon. Lynn Arnold, Minister of Ethnic Affairs.

Departmental Advisers:
Mr M. Schulz, Chairman, Ethnic Affairs Commission.
Mr S.B. Everard, Senior Administrative Officer.

The ACTING CHAIRMAN: I declare the proposed payments open for examination and refer members to page 81 in the Estimates of Payments and pages 177 to 182 in the Program Estimates.

Mr LEWIS: Referring to page 179, could the Minister provide information on the amount of sick leave taken during the past financial year and, in doing so, indicate how much of this leave was taken on a Monday and a Friday, and on the days immediately before and after holiday weekends?

The Hon. Lynn Arnold: We will use our best endeavours to get that information by 6 October for inclusion in *Hansard*.

Mr LEWIS: Will the Minister provide us with information as to the current salary of the Chief Executive Officer, the salary applying as at 30 June 1988 and that applying as at 30 June 1989, along with any allowances the CEO receives in addition to salary?

The Hon. Lynn Arnold: A schedule of the salaries of officers of the commission will be provided. The salaries will be subject to change within the financial year because of decisions made by the Government that will be reflected in legislative provisions currently before the House. The Government has determined that there should be a substantive chief executive officer position in the commission, and that will ultimately be built into the legislation so that we will have a Chair of the commission as well as a chief executive officer position.

To all intents and purposes, the present Chair of the commission is fulfilling both duties, but there are different functions to be addressed there. The schedule I will supply by 6 October will reflect the current situation and not that which will apply this financial year.

Mr LEWIS: How many officers are currently employed in each of the Minister's departments at executive officer and administrative officer level respectively? I do not expect the Minister to know that now but would be pleased if he would put the information on record along with the intra-agency support service items which are not allocated to programs but in which we are interested. I am sure the

Minister will not mind helping us with information about that. We are seeking an itemised rundown of spending in the past financial year and the budgeted spending this financial year under salaries, wages and related payments, administration expenses, minor equipment and sundries.

The Hon. Lynn Arnold: With respect to the EO-AO question, the honourable member seeks the information in relation to the various departments and agencies under my aegis, which means more than just this one now.

Mr LEWIS: As Minister.

The Hon. Lynn Arnold: We will endeavour to supply all the information on all areas for which I am ministerially responsible. With respect to budgetary provisions, these are detailed in the documents but the honourable member obviously desires more detail. How much detail does the honourable member want? For example, there may be some areas such as grants to organisations on which he desires information.

Mr LEWIS: An item by item list is what we are seeking. It is to discover whether there are beneficiaries not otherwise listed in the program descriptions who enjoy the benefits of taxpayers' money without our knowing what service they provide. That does not imply that we think the Minister or the department are trying to cover up anything, but we would like to learn of matters that might be there and that we know nothing of.

The Hon. Lynn Arnold: I will incorporate in *Hansard* a list of recipients for 1988-89 under the grants scheme. This table contains the name of the organisation and the purpose and amount of the grant. However, the grant does not reflect the actual amount applied for, because we receive more applications than we are able to fund. All other matters are basically administrative matters within standard procedures.

LIST OF GRANTS RECIPIENTS FOR 1988-89

Organisation	Total \$
Northern Region Ethnic Information Advisory Com.	1 700
To establish volunteer ethnic information service	
Port Pirie Community Information Centre Inc.	0
To establish volunteer ethnic information service	
United Ethnic Communities of S.A. Inc.	2 000
Administration of the organisation	
Ethnic Communities Council of S.A. Inc.	6 000
Administration of the organisation	
Whyalla Ethnic Communities Council Inc.	1 000
Welfare program, equipment and transport costs	
Adelaide Folkloric Society of S.A. Inc.	700
Cultural program for youth	
Whyalla Counselling Service Inc.	500
NESB isolated women's visiting scheme	
United Trades and Labor Council Inc.	0
Translation of Migrant Workers Rights Information project	
Ethnic Ageing Action Group Inc.	500
Administration of the organisation	
Multicultural Parents Participation Group.	300
Seeding grant for training program	
Working Women's Centre	0
Translation and production cost of information booklet	
Comm. and Neighb. Houses and Centres Assoc. Inc.	0
Translation of information booklet	
Migrant Adult Re-employment Training Centre Inc.	0
Adult unemployed training program	
Latin American Centre, Whyalla Inc.	700
Welfare/new arrivals program, cultural programs	
Chilean Club Inc.	1 800
Equipment to establish clubroom facilities	
Salvadorean Community of Adelaide Inc.	500
Estab. costs, Information, Welfare and Cultural	
Spanish Latin American Family Assn Inc.	1 000
Information, Welfare and Cultural Program	
Chinese Alliance Church	700
Information Service	

Organisation	Total \$	Organisation	Total \$
Indo-China Chinese Association S.A. Inc.	1 200	Italian Cultural Centre Salisbury	900
Aged, Information Cultural and Welfare Pro- grams/Volunteers		Estab. of Library/Information Program, Volun- teer Expenses	
Indo-Chinese Australian Women's Assoc. Inc.	1 200	INAS Italian Inst. of Social Assistance	600
Computing equipment for training and infor- mation programs		Social Security/Financial Cover Programs	
Indo- China Refugee Ass. (ICRA) Inc.	1 200	Coordinating Italian Committee Inc.	1 000
Community relations programs		Information/Cultural/Youth/Language Programs	
Cambodian Aust. Assoc. Inc.	1 500	CIRCAS Ital./Aust. Welf. Work Assoc. S.A. Inc. ...	500
Information/Cultural/Welfare/Settlement/Vol- unteers		Research/Publicity Program and Admin./Volun- teer Costs	
Vietnamese Christian Community Inc.	1 000	ANPI Asso. Nazion Partigiani Italiani Inc.	0
Youth welfare, cultural and training programs		FILEF Inc.	1 000
Vietnamese Comm. in Aust. (S.A. Chapter) Inc.	1 300	Cultural and welfare programs	
Aged care, welfare/information, cultural pro- grams		Molinara Social Club Inc.	500
Croatian Care for the Aged	300	Aged Care, Welfare/Information Programs, Vol- unteer/Equip. Cos.	
Craft activity program		Fogolar Furlan Inc.	0
Croatian Women's Group	600	Photocopier	
Equipment and volunteer costs (aged women's arts/crafts)		ANFE Inc.	1 500
Serbian Community of S.A. Inc.	2 000	Library Equipment, Volunteer Expenses	
Volunteers/equipment/information/welfare/cul- tural		Club Italic Inc. (Whyalla)	350
Serbian Aust. Cultural-Education Soc. Vuk Karadzic	1 800	Equipment for cultural and welfare programs	
Establish new premises, cultural, youth and aged welfare		Russian Aged Group	700
Vojvodina Australian Yugoslav Club Inc.	350	Volunteer aged care program and equipment	
Women's and youth arts/crafts and volunteer programs		Korean Community Club	400
Yugoslav Centre of S.A. Inc.	800	Estab. of Volunteer Welfare/Information and Cultural Programs	
Cultural and volunteer/welfare information pro- grams		Lao Association of S.A. Inc.	500
Czechoslovak Club of S.A. Inc.	1 600	Information/Welfare and cultural programs	
Welfare/Information Programs, Volunteer Exp. Photocopier		Latvian Educ. Advancement Coop. Soc. Inc.	400
Dutch Community (Social Welfare Club) Inc.	1 400	Library Equipment	
Information/Welfare Programs, Volunteer Expenses		Latvian Elderly Citizen's Group 'Rosme'	600
Bayanihan Group	400	Volunteer Welfare/Information Program	
Est. of Welfare/Information Programs, craft group and vol.		Adelaide Lithuanian Pensioners Club Inc.	700
German Homes Inc.	400	Equipment for Social/Cult./Rec. Prog., Volunteer Exp.	
Equipment for Aged Accommodation Program		Australian Druse Community Inc.	400
Cypriot Community in S.A. Inc.	1 000	Youth History/Information Programs	
Est. Resource Centre, Cult./Welfare Programs, Volunteer		Macedonian Orth. Community S.A. Inc.	1 300
Messinian Association S.A. Inc.	1 100	Aged/Information/Craft/Cult. Programs, Volun- teer Exp.	
Est. costs for Welfare/Information Program		Maltese Guild of S.A. Inc.	300
Greek Orth. Comm. of the Nat. of Christ Inc.	1 100	Video information project	
Establishment costs Volunteer Information Pro- gram		Ukrainian Senior Citizens Club of S.A. Inc.	600
Greek Welfare Centre Inc.	1 100	Volunteer expenses and equipment for aged care program	
Volunteer Welfare Program		Association of Ukrainians in S.A. Inc.	600
Greek Orth. Community of S.A. Inc.	1 100	Volunteer expenses and craft materials, aged care program	
Information/Youth Participation Project		St Nicholas Romanian Orthodox Parish of S.A. Inc.	0
Greek Women's Assoc. Taxiarchis Inc.	500	Volunteer reimbursement and equipment for we/ information program	
Social, Aged, Women's, Information Programs		Sri Lanka Society of S.A.	350
Greeks of Egypt and Middle-East Soc. Inc.	1 100	Purchase of materials for cultural program/exhi- bition	
Est. Community Information Centre/Cultural Programs		Australian Thai Assoc. Inc.	350
Panicarian Brotherhood Inc.	500	Information/welfare and cultural program	
Equipment for Social and Information Programs		Polish Community in the Northern Area.	600
Kos Society of S.A. 'Hypocrates' Inc.	800	Establishment of aged, youth, women's and chil- dren's pr.	
Est. of Information Centre (Prospect/Enfield)		Polish Cultural Society Inc.	600
Assoc. of Hungarian Aged and Inv. Soc. Inc.	200	Cultural and Volunteer Program	
Equipment for Social and Literary Program (aged)		Federation of Polish Organisations in S.A.	1 700
Hungarian Fratern for Elderly—Salisbury	300	Senior citizens programs (\$1 200), materials for library (\$500)	
Reimbursement of volunteers		Royal Park Ethnic Information Service	1 000
Hungarian Welfare Society Inc.	200	Establishment of Volunteer Information Service	
Aged Care Program/Volunteer Expenses		Scandinavian Association of S.A. Inc.	500
Hungarian Women's Association	200	Library/resource centre and information program	
Establish Women's craft/cultural programs		South African-Australian Social Club Inc.	350
Hungarian Caritas Information/Welfare Centre Inc.	1 000	Cultural maintenance workshops for South Afri- can youth	
Information/Welfare Programs and establish- ment of Berri Information Centre		African Community Organisations S.A. Inc.	350
Hungarian Folk Ensemble of S.A. Inc.	700	Art/craft/music/dance workshops	
Costume materials, music and video recordings		Latvian Theatre Ensemble	500
Hindu Society of S.A. Inc.	350	Latvian Theatre Festival	
Cultural/Literary Programs		Monteverdi Singers	650
Persian Culture Group	0	Monteverdi Singers	
Exhibition of Persian Culture		Maori Council South Australia Inc.	800
		Establishment costs	
		Art-Emeis	500
		Arts Exhibition by Greek-Australian women	

Organisation	Total \$
Indian/Australian Association of S.A. Inc. Festival of India	375
Spanish Community Centre Inc. Spanish and Latin American Festival	500
Multicultural Arts Trust of S.A. Inc. Administration of the organisation	20 000
Indo-China Refugee Association of S.A. Inc. Community relations and information project	1 200
	88 875
Port Pirie Community Information Centre	300
St Nicholas Romanian Orthodox Parish of Adelaide	250
	89 425

Mr LEWIS: Does the Minister have a car phone or cellular phone that is rented and paid for by the taxpayer? If so, when did he get it? What was the cost of its acquisition and installation? What was its operating cost last financial year and this financial year? What is the breakdown of local, STD and ISD calls?

The Hon. Lynn Arnold: No expenditure has been made under the Ethnic Affairs lines. However, I operate a car phone and can provide information about its cost. No ISD calls are made on that phone. Portable phones operate under the STD system of charging, so all calls are charged at the STD rate. No costs relate to the previous financial year, but there are costs for this financial year. It is not relevant to these lines because I asked the Fisheries Department to purchase this phone so that I was able to be in touch with it in light of various business matters, and for other departmental approaches made to me. We operate with that phone at the moment.

Mr LEWIS: Will the Chairman of the Ethnic Affairs Commission have a role in selecting the new Chief Executive Officer of the Office of Multicultural and Ethnic Affairs? What will the CEO's classification and salary package be? Will applicants be sought from outside the Public Service? What is the expected time frame from advertising the position to announcing the appointment?

The Hon. Lynn Arnold: It is important that the Chair of the Ethnic Affairs Commission is consulted with respect to the CEO position because of the duality of functions in the two positions: the Chair has a more pro-active outward looking focus; the Chief Executive Officer has an internal administrative function for the new Office of Multicultural and Ethnic Affairs. Unless there is a good synergy between the Chair and the CEO we will not be getting the best value for community resources that we will be committing to it. Discussions are presently under way as to the most appropriate level of that position. I have been involved in discussions with the OGMB. With respect to the best manner of filling that position, there have been ongoing discussions within Government involving me as Minister and clearly involving other members of Cabinet and public servants. When I am in a position to give more specific answers to those questions, I shall do so. It is the Government's wish that the position is filled at the earliest opportunity.

Mr De LAINE: I refer to page 181 of the Program Estimates. Reference is made to the provision of language services under the 1989-90 specific targets with the introduction of revised contractual arrangements for casual interpreters and translators. With the large number of ethnic groups in my electorate, will the Minister give details of these contractual arrangements for improved interpreter and translator services?

The Hon. Lynn Arnold: The situation with language services is very exciting. We have made a number of changes, upon which I will ask the Chairman of the commission to comment. One of the outcomes will be a greater reliance on full-time professional translators centrally based, which

means a reduced reliance upon contract interpreters as we have had in the past. A need will still exist for contract interpreting but not as much as previously applied. We believe that the centralising of language services in facilities still being developed will see a vast improvement in the quality of the interpreting service we can deliver to various agencies and ultimately to the community.

We are also examining the opportunity for these interpreting services to be available more widely rather than simply being direct client and agency based. We would also like the services to be available for the wider commercial community. We see this as part of the thrust. We have added into the bill of the Ethnic Affairs Commission the question of addressing economic issues as well as important social issues involved in this area. I ask Mr Schulz to comment further.

Mr Schulz: The language service provision is available from three different localities: the central office in Flinders Street, the Royal Adelaide Hospital and the Queen Elizabeth Hospital. The commission has been using in the main some 220 part-time employees to provide language services in addition to 17 full-time public servants employed by the office. It is proposed that the language services will be provided from one central locality, which will reduce the fixed costs involved in providing facilities to hospitals. Most importantly, up-to-date modern information technology and data processing facilities will be used to increase productivity and permit the centre to provide a service not only five days a week on a 9 to 5 basis but rather seven days a week, 24 hours a day.

This is intended primarily for the health sector where often interpreters are required after 5 p.m. or early in the morning. We hope to improve the service in respect of productivity, access and inequity. Many clients of the Health Commission are able to obtain language services in the two principal hospitals, but virtually no service exists in the other 120 health units. It is proposed that all Health Commission units will be covered. The Minister mentioned that we hope to compete in the marketplace so that we can support our export industries with this important facility which in the past has not been used. We hope that it will be used in the future.

The Hon. Lynn Arnold: The Federal Minister of Immigration, Local Government and Ethnic Affairs (Hon. Robert Ray) in a letter addressed to my predecessor in April this year made the following point:

I understand from my officers that, while all States accept the need for rationalisation to meet current service inadequacies, only South Australia has come forward with a comprehensive rationalisation proposal. Consequently, my department is commissioning a consultant to examine existing service delivery and options for rationalisation.

So, that is indicative of the fact that we have led the country on this rationalisation which, as the Chairman of the Ethnic Affairs Commission has just said, will give a much better service delivery.

Mr De LAINE: As the Minister would be aware, last Saturday evening I had the enjoyable task of representing him at a Vietnamese Moon Festival at St Clair. It was a most enjoyable and interesting evening, very well attended by the Vietnamese community. I have never seen such a big crowd of people. In the speech that I gave, I mentioned the South Australian Ethnic Affairs Commission Act Amendment Bill, which is to be considered by Parliament. This proposal was very well received. What is the approximate timing for both the amendments to the South Australian Ethnic Affairs Commission Act and the bringing into operation of the Office of Multicultural and Ethnic Affairs?

The Hon. Lynn Arnold: First, I thank the honourable member for representing me last Saturday night. I drove by the St Clair Youth Centre and noticed a vast crowd of people going there. I drove by because I was on my way to another function (the reason for my having to be represented at the Vietnamese Moon Festival). I had the pleasure of going to the Maltese National Day function, which itself was a very pleasant occasion and very well attended by members of the Maltese community.

As to the legislation referred to, I agree that it has been well received amongst many communities in South Australia, because it defines for the first time in legislation the issue of multiculturalism. It also establishes the Office of Multicultural and Ethnic Affairs as an administrative unit within Government, giving it proper status within Government. It also addresses the question of the wider focus that the commission and the office should be addressing—which includes an economic focus. It has been received with great excitement indeed, and I am very pleased about that.

As the member for Price knows, the Bill is presently before the House of Assembly. I am not in a position to indicate how quickly it will work its way through and what the outcome will be—because that would be to presume upon the will of Parliament, and I cannot do that. With respect to the administrative matters, a number of them can be and are being separately attended to, whatever the outcome of the legislation, because there is the capacity for the creation of the Chief Executive Officer position. That is running in parallel. With respect to the creation of the Office of Multicultural and Ethnic Affairs, again, these issues can run in parallel, and they are being dealt with in that way, so that we can get the earliest possible application of the changes that we want to see—again, without presuming upon the will of Parliament but working within what are legitimate powers.

Mr De LAINE: I refer to the recognition of overseas qualifications, which is very important to many of our migrants and also to people who intend to migrate to Australia and, in particular, to South Australia. What is the timing for the implementation of the recommendations of the action group on the recognition of overseas qualifications? Can the Minister give the Committee any details of the machinery that is likely to be used for the recognition of those qualifications?

The Hon. Lynn Arnold: First, we are working on this matter at the moment. Cabinet has already agreed that there should be a significant upgrading of the overseas qualifications issue and has been addressing that matter not because this issue has just come of age but because it should have come of age decades ago as we have turned around in our thinking. Previously, the view of many in the community was that somehow or other new arrivals in our country should be apologetic about their skills, and ask favours. Now, we recognise that we should have a much more sophisticated approach to the question and treat qualifications on merit. Where people have qualifications and skills, they should be given the opportunity to contribute fully to this country's development; we are the beneficiaries of that as a country, in addition to the individual being the beneficiary of the opportunity to participate in the wider economy. So, the issue should have come of age a long time ago.

South Australia can be proud of the role it has played in this matter, albeit that the issue nationally has been addressed rather late. In 1987 we were the first State to have a unit in relation to overseas qualifications in the Ethnic Affairs Commission. That unit provides the core for what has been happening. Following significant community consultation,

including in-house Government review work on this, in which the Commissioner of Public Employment was involved, the Government has now decided to establish an overseas qualifications and skills board to develop a strategic framework to tackle the issue and to link in with the national initiatives announced over recent months by Senator Robert Ray and John Dawkins. The national organisations are the National Office of Overseas Skills Recognition, the National Advisory Committee on Skills Recognition and the National Training Board.

The proposed functions of the board will be to identify the relevant role of South Australian Government agencies, tertiary institutions, registration boards, licensing authorities in the accreditation of overseas qualifications; to recommend a framework of procedures and guidelines and appropriate mechanisms for the recognition of overseas qualifications in South Australia; to monitor and review existing legislative arrangements and practical procedures used by accreditation and licensing authorities in consultation with those authorities; to evaluate the availability and adequacy of training, retraining, and bridging programs needed to upgrade overseas qualifications and skills to required Australian standards and negotiate with the Federal Government to provide adequate resources for such courses; to liaise with appropriate Federal and State authorities in relation to the foregoing; and to make recommendations for changes considered desirable in relation to the above.

With respect to the resource question, an amount of \$109 000 has been provided in this year's budget, but it is clear that for this structure to be created properly we will need to examine closely the ongoing resource requirements of this board and the enhanced unit that will support it. It is being monitored by me as Minister. With respect to the appointment of the board, in the first instance we are looking for a suitable Chairperson and, having done that, we will discuss the makeup of the board in consultation with the Chairperson designate.

Mr LEWIS: At page 178 of the Program Estimates there is an increase of \$371 000 in the budget allocation for the promotion of multiculturalism. I also note that an increase of 3.7 FTE positions is foreshadowed. Will the Minister give a detailed breakdown of the proposed allocation? It looks as if each job will cost about \$100 000.

The Hon. Lynn Arnold: This includes appointment of the Chief Executive Officer and additional clerical support. It is notionally estimated that that will come in at about \$80 000. I indicated that we are still having discussions on that matter. Payment for administrative services will be about \$50 000 during the first year of operation of the independent unit; reallocation of staff costs from the program 'Provision of language services' to promotion of multiculturalism will involve a transfer of \$95 000; and provision to upgrade telephone facilities is \$66 000.

Mr LEWIS: Will the Minister provide us with a detailed breakdown in real money terms—not adjusted backwards for inflation—of the allocation of funds to the Ethnic Affairs Commission in each year of its operation since 1982, excluding any allocation for the provision of language services?

The Hon. Lynn Arnold: We will provide a tabular statement by 6 October.

Mr LEWIS: Does the Minister consider that these allocations can provide the commission with the capacity to meet the increased responsibility to be entrusted to it under successive changes to its role and function under the terms of the proposed legislative changes just referred to?

The Hon. Lynn Arnold: The Government is confident that, given the judicious application of extra resources to the office, it will be well placed to take on the new challenges before it. Clearly, that matter will be addressed in an ongoing sense in preparation of the budget for the 1990-91 financial year on the basis of the experience of the 1989-90 financial year. There has not been a series of cavalier decisions; it has been well thought out within the constraints of the limited resources available. Increased resources have been made available to the commission.

Mr LEWIS: The member for Price in the last question referred to the overseas qualifications. Could I get some further information from him about that? Would he be able to give us the cost of implementing the recommendations of the action group and the time frame within which he proposes to do that and tell us whether there is, in these papers, a specific allocation of monetary resources, or is he proposing to find them somewhere else, to provide the additional assistance required to establish the overseas qualifications and skilled board that he speaks about?

The Hon. Lynn Arnold: The actual figure that appears in the present figures for the Ethnic Affairs Commission is nil. The reason why it is nil is that the appropriate decisions had not been made at the time of the final framing of the budget document before its release. Funding was provided for in the round sum allowance provision and other provisions within Government generally. That has now been resolved as a set of decisions and, as a result of that, within this financial year, the actual expenditure on this within the ethnic affairs area will be \$151 000 which will result in the transfer of significant funds into the commission's budget as well as a small amount of reallocation within the commission's budget. It would also result in an increase by five FTEs in the staffing of the commission and, for the reasons I have just explained, none of those figures appear in the documentation in the Program Estimates or the budget.

Mr De LAINE: Over the years I have seen some of the Federal Department of Immigration's lists of skilled people shortages in Australia. In my humble opinion, that has not been very accurate in terms of my knowledge of South Australian skilled people. It may be a good average over Australia but, in terms of South Australia, I think that they are way off in some instances. I wonder whether, with the eventual recognition of overseas qualifications, the Minister of State Development and Technology or perhaps even the Minister of Employment and Further Education might have more input into the types of skilled people that would be given the chance to emigrate to Australia.

The Hon. Lynn Arnold: The South Australian Government has already had input into re-examination of this matter at the Federal level, and one of the points we very strongly made is that there should be a redefinition of the job categories that are said to be in demand to recognise that there are regional particularities. In particular, we have said that it should recognise that South Australia should be treated as one such region. Indeed, we believe we have made some progress on that matter. Therefore, we hope it will be possible, in future for some categories to appear on the South Australian list which do not appear on other States' lists and for some categories that appear on other States' lists that do not appear on the South Australian list. The member is quite correct that there are employers who have made this point before, that they cannot get people in a certain profession or occupation, that they cannot bring them in under employer nomination because they are not deemed to be on the appropriate short list nationally, and yet they still cannot find them in South Australia nor can

they attract them from other States, so we think that we are making progress in that area.

The other point is that, in both my roles as Minister of Ethnic Affairs and Minister of State Development and Technology, I am very concerned about various skill shortage areas, as I know the Minister of Employment and Further Education is also concerned, and we are maintaining constant liaison with industry on these matters, first, to see that we really know what the true picture is with respect to skill shortages and what opportunities there might be for enhanced immigration to the State.

I was very pleased to note the announcement by Senator Robert Ray a day or two ago of approval being granted by him as a result of tripartite consultation with the Government, the employers and unions for the provision of an extra 500 people in the metal trades area being given permission to settle in Australia. I have asked my office to ensure that we are following that separate initiative as closely as possible to see that as many of those positions as possible come to meet employment needs in South Australia.

Mr LEWIS: I note that in the past financial year the actual expenditure for the provision of language services was \$1.468 million: is that figure correct?

The Hon. Lynn Arnold: The figure includes increased recurrent expenditure of some \$285 000 which we anticipate will be largely offset by the anticipated reduction in casual contractors; and the re-evaluation by the commission of its programs and consequent reallocation from the provision of language services to the promotion of multiculturalism of some \$90 000 referred to earlier this evening more accurately to reflect the cost of providing language services. It also includes—but not under these recurrent lines—\$200 000 capital expenditure to establish the Language Services Centre, which I mentioned a few moments ago; the appointment of additional interpreters and translators, and the reallocation of staff FTEs from the program 'Provision of language services' to 'Promotion of multiculturalism'.

It also includes \$1.225 million in receipts collected from State Government agencies. This is revised down from \$1.445 million, which reflects the normal lag of invoice collection of about two months. Invoices are issued on a monthly in-arrears basis. The figure also includes increased recurrent receipts mainly due to 12 months revenue being reflected following the introduction of full cross-charging of language services, and additional revenue will be generated by interpreting and translating work undertaken on behalf of organisations other than those funded through Consolidated Account.

Mr LEWIS: I was particularly interested in the \$1.468 million said to have been expended last year. Is that figure correct?

The Hon. Lynn Arnold: I am advised that it is correct.

Mr LEWIS: If that is so, will the Minister acknowledge that the information contained on page 121 of the document entitled 'The Budget and its impact on women' is incorrect and explain the discrepancy of \$43 000 in the actual expenditure stated compared with the figure listed in the Program Estimates for 1988-89? On that page appears the 1988-89 actual expenditure of \$1.425 million and not \$1.468 million.

The Hon. Lynn Arnold: I venture to suggest that the figures on page 178 are correct and that page 121 is incorrect, given that that document was prepared before the latest figures available. Some of the budget documentation is under preparation a significant time beforehand. I will ensure that by 6 October I have a more comprehensive answer to the obvious discrepancy in the two figures.

Mr LEWIS: Is the increase in proposed expenditure for this financial year \$5 000 as stated on page 178 and, if so, why is it so?

The Hon. Lynn Arnold: The honourable member correctly intimated that I did not answer the exact question he asked previously. What I did answer was the question he has now asked, which was to provide information on all the variations that take account of the fact that there is seemingly an increase of \$5 000 over the actual figure and a nil increase over last year's vote but, in fact, because of some of the movements around the place it is a bit like chalk and cheese.

Mr LEWIS: I refer to page 182 of the Program Estimates. Considering the Labor Government's highly publicised social justice strategy, how many people of non-English speaking background have been appointed to Public Service senior positions, Government boards and instrumentalities since 1982? What is the target for employment in the Public Service of people from such a background (similar to the 1 per cent employment target for Aborigines)? If there is such a target, what is its time frame?

The Hon. Lynn Arnold: The Government has a broad target of wanting to see the patterns of employment reflect the nature of our community. While that may be the case at base grade positions—and I am not certain that it is—that would be less likely to be the case at senior positions. Our target is to reflect the makeup of the community. In relation to the extent to which that has been achieved, I will refer that question to the Commissioner for Public Employment. However, I am not certain whether that information will be specific enough to answer the honourable member's question.

Mr LEWIS: Page 181 of the Program Estimates in relation to interpreters states:

Increased recurrent expenditure (\$285 000) offset by an anticipated reduction in casual contractors.

Is this amount for the employment of interpreters? If so, how many interpreters will be employed by the Office of Multicultural and Ethnic Affairs?

The Hon. Lynn Arnold: This is basically for permanent employment in lieu of contract employment. We anticipate the reduction in casual contractors may be as much as the increased expenditure, but we cannot guarantee that. We will still need some contract employment because of the language range that needs to be offered. We cannot have full-time employees in all language areas; we will still rely on contractors. I understand that casual contractors presently number 220, but we see that figure reducing to about 100. However, the extent to which it does not achieve that is the extent to which we do not get the anticipated reduction to match that increased recurrent expenditure. Full-time employees will increase from 17 to 22.

Mr LEWIS: Page 181 of the Program Estimates refers to an allocation of \$200 000-plus in increased capital expenditure for the establishment of the Language Services Centre? What is that for?

Mr Schulz: The estimated cost of establishing the centre includes provision for buying important computing technology, word processors and other information technology required by professional interpreters and translators, plus fittings and furniture totalling approximately \$200 000.

Mr LEWIS: I refer to page 123 of budget paper No. 5. I note that the proportion of women in the commission employed in the professional category fell from 54 per cent in 1983 to 29 per cent in 1988. Will the Minister explain why that has happened? Does he have any action in mind to redress the situation?

The Hon. Lynn Arnold: We are operating on a much smaller base of people than is the case in respect of other units. Therefore, a relatively small number of people leaving the employ of the department and being replaced by people of another gender can have a sudden and dramatic percentage impact. I believe the record of the commission has quite clearly been that of a fair equal opportunity employer, and people are selected for positions on those grounds. The emphasis of the commission in terms of redressing that problem is part of the Government's programs at large for redressing that area. They are not discreet because the newly created Office of Multicultural and Ethnic Affairs is part of the Government and will reflect the Government's employment policies.

Mr LEWIS: Without labouring the details, we note that the Federal Labor Government has been systematically cutting back on funding to establish grants in aid programs for ethnic organisations. What has the Minister or his predecessor had to say to their Federal colleague about this action as it is causing serious concern and great difficulty amongst the aged ethnic community and its service providers? Has the Government considered providing ethnic agencies with specific funding and assistance to replace or compensate for the lost funding from Commonwealth sources?

Mr Schulz: The question of Commonwealth support for various grants activities and welfare activities of ethnic communities was addressed at the Ministers' Conference last March. The previous Minister made strong representations on behalf of the South Australian Government in this matter. All States were united on this issue. The Commonwealth Minister promised to review, in six months, the question of funding support for various ethnic organisations. Tomorrow the commission is meeting with the Director of Immigration and Ethnic Affairs and other colleagues in the Commonwealth and State Governments to review the matter, so we will be able to assess to what extent promises given by the Commonwealth have been established.

Mr LEWIS: The Minister knows of my interest in overseas trade. Will the Language Services Centre make its services available for the purpose of overseas trade and investment opportunities for people who have difficulties in that respect?

The Hon. Lynn Arnold: On a fee for service basis, it not only will but already has.

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

ADJOURNMENT

At 10 p.m. the Committee adjourned until Thursday 21 September at 11 a.m.