

## HOUSE OF ASSEMBLY

Wednesday 19 September 1990

## ESTIMATES COMMITTEE A

## Chairman:

Mr M.J. Evans

## Members:

Mr M.J. Atkinson  
 The Hon. Ted Chapman  
 Mr M.R. De Laine  
 Mrs C.F. Hutchison  
 Mr G.A. Ingerson  
 Mr I.H. Venning

*The Committee met at 11 a.m.*

The CHAIRMAN: The procedure will be relatively informal, with members asking questions and the Minister, or his officers at the Minister's discretion, replying. If the Minister, undertakes to supply any additional information in written form, it must be provided by 5 October to allow its incorporation in *Hansard*. I remind members of the changes to Standing Orders that allow Estimates Committees to seek information on the Estimates of Receipts as well as the Estimates of Payments. Supplementary questions will be possible, but will occur only at the discretion of the Chair, to allow a particular line of questioning to be completed. I ask that questions and answers be kept as brief as possible.

Industry, Trade and Technology, \$23 552 000

## Witness:

The Hon. Lynn Arnold, Minister of Industry, Trade and Technology.

## Departmental Advisers:

Mr P. Van Der Lee, Acting Director, Department of Industry, Trade and Technology.

Mr I. Withall, Manager, Operation and Finance.

Mr J. Frogley, Executive Director, Industry Assistance.

Mr J. Cambridge, Chief Executive Officer, South Australian Centre for Manufacturing.

Mr J. Gniel, Development Coordinator, Technology Development Corporation.

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

Mr INGERSON: On 8 September an advertisement appeared in the *Advertiser* concerning the MFP Adelaide's site consultancy. It has been put to me that a short period was involved in advertising for this consultancy. In fact, the advertisement stated that expressions of interest were to be forwarded by Monday 17 September, which allowed only nine days to reply. Several companies interested in this development have expressed concern. Has the Minister received similar comment? Is there a specific reason for allowing such a short advertising period? My reason for bringing up this matter relates to the program performance budget of the department in which it is mentioned that the

Minister's department has significant involvement with the MFP.

The Hon. Lynn Arnold: The involvement of the Department of Industry, Trade and Technology is essentially to help promote the investment attraction characteristics of the multifunction polis proposal and to work with the team of people developing the MFP—hence the reference in the PPB documents. I will refer the question on consultancy to Colin Neave, who heads the team, and obtain a response for the honourable member. In response to the second question, no comment of that type has been received by the department and drawn to my attention.

Mr INGERSON: Is there any long-term contractual arrangement between Mr Neave and the department?

The Hon. Lynn Arnold: There is no contractual arrangement between Mr Neave and the Department of Industry, Trade and Technology. Mr Neave is attached to the Department of the Premier and Cabinet. The connection with the department is that Dr Peter Crawford is a member of the coordinating committee with Colin Neave and Bruce Guerin—they meet on a regular basis. Any contractual arrangements that may exist are with the Department of the Premier and Cabinet. I will obtain any relevant information for the honourable member.

Mr INGERSON: Will the Minister explain why the funding for the Technology Development Corporation has been reduced this year by \$116 000, and how does this fit in with the general concept of South Australia's being part of a future technopolis or the development of technology as a major thrust of this city?

The Hon. Lynn Arnold: The honourable member is correct in that we anticipate there will be an active working relationship between the TDC and the MFP. I discussed this matter again yesterday with Colin Neave, who advised me of further contact he has had with Barry Orr, the Manager of the Technology Development Corporation. This followed discussions that I had with David Pank, the Chair of the corporation, and Barry Orr. It is quite clear that there will have to be close synergy.

At this stage it is anticipated that, as the MFP develops, there will be a need for an investment company and a property development company. Obviously, the relationship between the MFP and the TDC will cover both of those aspects: first, because of the experience of the TDC with property development in terms of the Levels, Technology Park and the Science Park in the south, and secondly, in terms of its relevance to attracting industry.

In respect of the budget of the Technology Development Corporation, a number of variations will occur with the actual costs of the multi-tenant facilities—Innovation House, Innovation House West, Endeavour House and Endeavour House Phase II. Those costs will vary from year to year depending on the number of tenancies in those houses. There will also be variations in the estimated costs of the second phase of Science Park, Adelaide and its development. I will ask John Gniel to provide some information.

Mr Gniel: The decrease of \$116 000 does not mean a reduction in TDC's overall budget, but represents a reduced dependency on Treasury funding brought about, principally, by an improvement in the performance of TDCs for multi-tenant building. Our buildings are funded by way of loans from SAFA, and we require Treasury assistance to meet the loan servicing in the initial years, usually between five and seven years. The efficiency of the building has been improved quite significantly. We have achieved a rent increase during the year. The occupancy rates increased by nearly 17 per cent, and we have reduced the amount of non-recoverable

costs. That is the major reason why the dependence on Treasury was reduced and not our overall budget.

**Mr INGERSON:** In effect, that means that the commitment of the State Government to the corporation, particularly to Technology Park, has been reduced; am I correct?

**The Hon. Lynn Arnold:** A simple 'Yes' or 'No' answer to a question like that would ignore statements that I have made in this place in previous years. It was always the intention that the multi-tenant facilities would move towards being cost recovery facilities. Surely the correct philosophy to follow, and which other technology industries in South Australia would expect us to follow, is that there is no in-built subsidy element in the rental operations of those multi-tenant buildings. Essentially, in targeting the funds that are allocated from consolidated revenue to meet the interest cost, we take account of vacancies in the buildings, turn-overs and the opening years of those facilities. If there were to be a belief that there should be an ongoing subsidy in the operations of those buildings, naturally other high tech companies that are not at Technology Park would clearly say that there would be something wrong with that.

Of course, SAFA has been contributing to the costs in terms of making finance available. The Southern Science Park had a capital contribution of \$1.25 million. Again, that will have to be serviced, and the rate of servicing will vary over the years. The strict answer to the question whether a reduction in the contribution for consolidated revenue has occurred is 'Yes', but that reduction applies mainly in the property management side, not in the investment attraction side, or not in the technology promotion side of the corporation. I have no problem in saying that we are reducing—and I hope we will continue to reduce—the property management draw-down on consolidated revenue.

**Mr INGERSON:** What is the current status of the Science Park development? How many companies have made commitments, and which are they?

**The Hon. Lynn Arnold:** The stage 1 development of the roads and services at Science Park commenced during the last financial year at a cost of \$2.037 million to the year ended 30 June 1990. The construction of the Mark Oliphant building, at a total cost of \$9.09 million, commenced during the year, and the expenditure to 30 June last was \$750 000. I can now advise that the building is proceeding according to program and within budget. After 19 weeks of a 48-week contract, the three storey reinforced concrete frame is nearing completion, and work has commenced on the installation of roof steel work and building services. I will ask Mr Gniel to comment on the actual companies that have signed up.

At the outset, two companies were keenly interested in coming to Science Park in stand-alone facilities. Their plans have not progressed as rapidly as was hoped, though there are still anticipations in that respect. From having seen the minutes of the Technology Development Corporation I can advise that a number of companies are listed on the ongoing status list as having expressed interest in participating in the multi-tenant facility, known as the Mark Oliphant building.

**Mr Gniel:** If the companies that have expressed interest were all to take up space, about 50 per cent of the net lettable area of the Mark Oliphant building would be taken up. We have just lost our marketing manager, and we have only recently appointed a new one. We are now in the process of going back to all those companies that have expressed interest in an effort to convert their expressions of interest into a lease agreement. The first commitment has been made for a tenancy of between 300 square metres and 500 square metres, but the others at the moment still

remain expressions of interest. However, we are fairly confident that we can achieve lease agreements with quite a number of those. However, there are no expressions of interest in terms of land sales at the moment other than from the two companies which the Minister mentioned.

#### Membership:

The Hon. Ted Chapman substituted for Mr Matthew.

**Mrs HUTCHISON:** My three questions all relate to page 119 of the Program Estimates. First, the capital expenditure line is substantially down; why is that so?

**The Hon. Lynn Arnold:** Last year \$102 000 was allocated for the purchase of vehicles, but in fact \$81 000 was expended. That is now down to \$50 000. The trial land disposal of effluent, the Bolivar project, took up \$335 000 last year and that was essentially an establishment cost figure. The actual amount spent was \$343 000 and there was no need to allocate funds this year as the establishment phase is under way. Apparently, the further relevant costs have been transferred to the E&WS Department. The minor works budget which was budgeted at \$60 000 came in at \$33 000 and is this year budgeted at \$80 000.

**Mrs HUTCHISON:** My second question relates to full-time and average full-time equivalents. There seems to be a proposed increase for this financial year in the numbers in both those categories as opposed to the actual reduction last financial year. Why is that?

**The Hon. Lynn Arnold:** The average approved head count was 90.1. The actual average head count at 30 June was 81.9—in other words, fewer than approved. The proposed head count for this year is 100.1, again all in full-time equivalents.

The difference between the actual achieved by 30 June compared with the approved head count for the year is a result of vacancies due to the promotion of officers to other Government departments and the time lag in attracting replacements to those positions. With respect to the current year's figure, we start with the 1989-90 approved head count of 90.1. In addition to that, approval has been given for one position of aerospace specialist, three positions of information technology specialist, one position of transport economic specialist, one position of business migration specialist and one position of skills migration specialist, making a total of 97.1. In addition to that, a further three positions and funding have been transferred from the Department of the Premier and Cabinet to expand the Migration Unit.

**Mrs HUTCHISON:** Finally, I note that the capital receipts are markedly down, according to the figures. It is proposed that they be downgraded from \$255 000 to \$40 000.

**The Hon. Lynn Arnold:** Last year the estimate of receipts for the sale of plant, equipment and motor vehicles was \$70 000, and this year the estimate is \$40 000. In fact, the sale of plant, equipment and motor vehicles achieved only \$53 129. The other major figure is for the national afforestation program, for which the estimate was \$110 000. Essentially, that is part of the Bolivar project and again is transferred to the E&WS budget line and is shown under the budget papers for that department.

Two other items are relevant, one being the repayment of advances; actual receipts totalled \$42 386. That is an SADC loan principal repayment which has been received from the Loxton Community Hotel and Motel and that loan has now been fully repaid. One never knows in which financial year it might have occurred. It happened to come here; hence, there was no budget figure for it. The other figure of service fees, reimbursement works and sundries at \$50 000 was received from a private company as its con-

tribution to the experimental woodlot at the Bolivar sewage works. Again, all further reference to private industry contributions to that project would appear under the E&WS budget.

**The Hon. TED CHAPMAN:** I declare a recently obtained joint interest in a venture on land adjacent to Technology Park. I do not believe that the questions asked by my senior colleague on this side of the Committee so far are in conflict with the land surface use of the property in question, nor do I believe that the questions that I propose to ask are in conflict with that interest either, but for obvious reasons I record that point.

The matter under consideration so far has by and large surrounded the possible lack of relationship between the multifunction polis proposals for South Australia and the activities currently envisaged for Technology Park; that is, as they are reflected in the budget papers. My question surrounds the Government's involvement so far in its physical attempt—that is, on the land surface in the region of Technology Park—to negotiate the acquisition of land, undertake certain surveys and proceed to link the two sites. What is the status of those preparatory activities?

**The Hon. Lynn Arnold:** Do I understand the honourable member to be discussing land that is now part of what is sometimes referred to as the Greater Levels development?

**The Hon. TED CHAPMAN:** Exactly. The survey pegs on the ground and the negotiations, as I understand it, traverse that land adjacent to the recent development.

**The Hon. Lynn Arnold:** I am aware that there have been discussions for some considerable time between TDC—and the Housing Trust may have been involved—and the Technopolis Corporation. I will ask John Gniel to make some comments, but the honourable member will understand that, to the extent that any of these discussions may be continuing now, there is a degree of delicacy about them that might prejudice the bargaining position of either party. With that caveat, I will ask John Gniel to make some comments.

**The Hon. TED CHAPMAN:** What is the Government's position in so far as it is tying the two sites together?

**The Hon. Lynn Arnold:** The Government has publicly expressed its desire that Technology Park be empathetic with its surrounds; in other words, the development which takes place on land surrounding Technology Park helps the park and the park helps the developments which are to take place there. Therefore, it would be anticipated, we hope, that the kinds of industrial developments that would be established in the Greater Levels area would more than likely have a capacity to draw upon the research achievements of companies at Technology Park. That will not be a 100 per cent picture, but it means that there will be a greater probability that companies would choose industrial land in that site if they could see a benefit by being near the research capacities of the companies at Technology Park.

Therefore, from the Government's point of view that would give support for the economic development of the park itself. So that would be the broad state of how we see it. It is then a case of hoping, and I say this with a degree of confidence because I think the developers of Greater Levels also want to see some benefit in the possible relationship between Technology Park and the Greater Levels development. That is also the view of those developers.

**The Hon. TED CHAPMAN:** Can the Minister say whether the Government has a commitment to tie in the two sites, that is, Technology Park and the immediate precincts, with the proposed development of the multifunction polis? It seems that the Minister omitted that part of the question.

**The Hon. Lynn Arnold:** Not intentionally. Before the MFP proposal the Government, under a committee headed by Dr John Mayfield, was doing work that addressed what is called the Port Adelaide Industrial Land (PAIL) review, which was looking at land that stretched from the Le Fevre Peninsula right through to the Gillman area, up into the Salisbury South/Greenfields area.

The virtues of looking at such a wide swathe of land were, first, the availability of open space; and secondly, the existence of useful facilities already there which include the port facilities of Adelaide, being adjacent to the rail transfer facilities, and also things such as the existence of Technology Park. That work had already been done and, indeed, there had already been some public exposure of that work. Then came the MFP proposal, which has been essentially, I guess, superimposed on that very effectively and certainly builds upon the principle espoused by the Premier that the MFP should be an extension of the visions we have set for Adelaide and South Australia—not something at right angles to it. Therefore, to that extent it will certainly also build upon the virtues that the PAIL review found, namely, the availability of vacant land, but also the availability either within or adjacent to that land of relevant facilities such as Technology Park.

**The Hon. TED CHAPMAN:** If, for example, the multifunction polis proposal does not fire, can we assume from the Minister's remarks that the link up activity and the interest shown by the Government will continue anyway? That is, will the Government link our port facilities in the Le Fevre Peninsula region and the other infrastructure that exists in that immediate area with Technology Park and its precinct's facilities?

**The Hon. Lynn Arnold:** I, and I know the majority of other members in this Parliament, certainly hope that the MFP proposal is successful and, therefore, proceeds. However, I guess one always has to face reality and it may not proceed. If that unlikely proposition were to be the case then what has been initially thought of in the PAIL review certainly would still proceed. The PAIL review existed long before the MFP was a twinkle in anyone's eye. As one indicator of that, it is interesting to note that the proposed extension of the Salisbury Highway to connect through to the peninsula area was a proposal that the then State Minister of Transport (Gavin Keneally) advised me he was actively promoting because of the need to link up with the PAIL development in any event. The MFP gives us the chance to accelerate developments in that area, but it certainly does not preclude those developments happening if for any obscure reason the MFP may not proceed.

**The Hon. TED CHAPMAN:** Do I take it that the Government considers that the MFP proposal is desirable, albeit it is superimposed, and fits neatly into the Government's earlier proposal for the road link, and notwithstanding its existence the earlier proposal will be proceeded with?

**The Hon. Lynn Arnold:** Yes, and to repeat what I said before: we are looking for an extension of the vision set for South Australia and not a radical 'U' turn in that vision.

**Mr De LAINE:** I refer to page 124 of the Program Estimates. Can the Minister detail the frigate program work that has been won by South Australia? What companies are involved?

**The Hon. Lynn Arnold:** As has been said previously by the Premier, the ANZAC ships project is clearly the biggest defence project undertaken in this country. It centres on the construction of eight frigates for the Royal Australian Navy and initially two frigates for the Royal New Zealand Navy. Built into that is an option to take two more ships at a later date. In August last year the Australian and New

Zealand Governments announced that the German design Meko 200-ANZ had been chosen as the ship for the ANZAC project and that Australian Marine Engineering Consolidated Limited (AMECON), based at Williamstown in Victoria, was to be the prime contractor. My departmental note states that this formal contract was signed in November 1990, but I suggest that that is a typographical error.

Under its contract AMECON has to complete the detailed design of the ships (Blohm and Voss is doing this as a subcontractor to AMECON), award subcontracts to numerous suppliers of equipment and other systems and build the ships. The first is due to be launched in 1995 and the last in 2005. As with the submarine project, after the launch of the last ship there will still be significant ongoing value in such a project because of the potential for refit contracts being won.

South Australia has benefited considerably from this project. The South Australian based Bofors Electronics Pacific was contracted by AMECON in August this year to design, develop and deliver the command and control and the fire control systems for the ships and also the target indication radar. That contract work is worth in excess of \$300 million. I might add that that company is now headquartered at Technology Park and will subcontract considerable software development and systems integration work to Computer Sciences of Australia, which is also located at Technology Park. Other South Australian based companies could also benefit from this contract as lower tier subcontracts are settled.

We also believe that we are well placed to win orders for fabricating superstructure sections for the ships, and key players in that race are Eglo Engineering, at Osborne, and Transfield, at Whyalla. In addition, a number of other South Australian firms have bid for work from AMECON and are awaiting a decision as to whether or not their bids have been successful.

**Mr De LAINE:** I refer to page 124 of the Program Estimates. What is the current health of the ship/boat building industry in Port Adelaide? What is being done to gain more contracts for the industry?

**The Hon. Lynn Arnold:** The ship building industry in South Australia has had ups and downs, as the honourable member would be well aware. The closure of ship building yards at Port Adelaide and Whyalla in the 1970s really gave a message to many people that ship building was something of the past in Australia. What is interesting to see is that, while that may have become common law, it certainly has not been accepted by a number of entrepreneurial business people who have gone ahead and done things in ship building. Right around this country we can see ship builders doing work in building fishing vessels. I remind members that the sophistication of a number of fishing vessels needed by our fishing industry is very extensive, and they are not cheap vessels. Also, ship builders are working on other vessels for the tourist trade and on vessels for military purposes and for freight carrying.

We are starting to see a number of South Australian companies doing work for not only the State industry or for State bidders but bidding for work interstate and over-

seas. I took a representative of one of South Australia's ship construction companies with me on a trade mission to Thailand last year, and that representative had some very interesting discussions, but it will take some time to see what germinates from them. Nevertheless, the company made a commitment to go because it felt that it could now compete on the international market and also because it felt that there were profits for this company over time. We are now seeing ship building, which I think in the 1970s we wrote off as an industry, coming back again. Port Adelaide is one of the sites of that ship building, but not the only one—there is also some ship construction work at Port Lincoln.

One of the things that has made ship construction come of age again is the application of technology, the application of computer-aided design processes and the application of sheer good seamanship, I guess, in terms of knowing how a vessel is expected to operate within the waters. For example, we have seen the case of Duncanson, an innovative process for connecting together parts of vessels. We have seen the design work of, at Adelaide Ship Construction, a company operated by Joe Glamocek. The company presently employs as one of its managers Doug Bell, who formerly was with the Industrial Design Centre. Other companies are doing successful work in ship building in this State and are able to do so because they can apply new ideas quite successfully.

**Mr De LAINE:** I refer to page 125 of the Program Estimates which, under the heading 'Issues/trends', states:

A particular emphasis is being placed on Hong Kong as a source of business and skilled migrants.

What liaison and cooperation exists between the Department of Industry, Trade and Technology and the Federal Department of Immigration and Ethnic Affairs in relation to the procurement of skilled migrants for South Australian industry?

**The Hon. Lynn Arnold:** I guess that the closest contact between the Department of Industry, Trade and Technology and the Federal Department of Immigration and Ethnic Affairs takes place in respect of overseas postings where we have representative offices. I refer particularly to Hong Kong and Singapore and to a lesser extent Japan, but also to an increasing extent the Agent-General's Office in the United Kingdom. The commercial office in Bangkok is not seen as an office generating business migration, because there is no demand for business migration from Thailand. Of course, there are also contracts within this country through the work of the department's immigration promotion unit whereby George Klein liaises with local DILGEA officials as well as Canberra DILGEA officials. In fact, he has also been overseas visiting immigration officers in other postings, for example, in Western and Eastern Europe.

As to the achievements in business migration, I will incorporate in *Hansard* a table which summarises the number of families who have received visas under the business migration scheme in recent years. The table gives approvals for South Australia and Australia for 1987-88, 1988-89 and the period from July to December 1989.

	Approved for South Australia			Total Approved Australia		
	1987-88	1988-89	Jul/Dec 1989	1987-88	1988-89	Jul/Dec 1989
Hong Kong/Taiwan .....	63	80	58	788	1 218	744
Malaysia .....	12	29	17	165	240	106
United Kingdom .....	10	19	10	165	155	59
Singapore .....	6	5	5	86	123	55

	Approved for South Australia			Total Approved Australia		
	1987-88	1988-89	Jul/Dec 1989	1987-88	1988-89	Jul/Dec 1989
Indonesia .....	—	1	—	55	115	47
Germany .....	6	4	3	48	37	17
Brunei .....	5	11	2	42	49	8
USA .....	—	—	—	31	34	5
South Korea .....	1	3	—	79	148	61
Japan .....	—	—	2	—	75	30
Other .....	11	7	2	393	320	133
<b>Total .....</b>	<b>114</b>	<b>159</b>	<b>99</b>	<b>1 852</b>	<b>2 514</b>	<b>1 265</b>

Note: Figures for the January to June period 1990 were not available when this report was prepared.

**The Hon. Lynn Arnold:** In dealing with migration generally, the Department of Industry, Trade and Technology will also fund one position in the Office of Multicultural and Ethnic Affairs to build upon the opportunities for communities in South Australia to assist in our immigration promotion work.

**Mr De LAINE:** If a skilled migrant is 'won' by South Australia, is he contracted or tied in any way to stay in South Australian industry for a certain time or is he free to move interstate?

**The Hon. Lynn Arnold:** When the Federal Government changed the points system for immigration to Australia last year, it allowed individual States to nominate an area in which extra points could be given for the benefit of the applicant. Those points were to be based on the residence of the sponsor of the applicant for migration. This year (as we did last year) we will ask the Federal Government to allow the entire State of South Australia to be nominated as that region. Other States focus on subregions as areas where the residence of a sponsor will gain five extra points for the applicant for migration.

We chose the whole of South Australia because we are concerned that this State has only 4.7 per cent of the migration intake into of this country against our population share of 8.7 per cent. However, our business migration policy is much more successful and that is now running at 7.2 per cent of the national approvals. But, in other areas, such as the skilled migrant category and family reunions, we are behind and we want to address that. Whether or not there is any merit in a tied situation, as existed in the 1950s, is somewhat dubious. Sponsorship generally means that there are support mechanisms, including a job in this State, for the applicant. If the sponsor's *bona fides* are there, there is not a lot of incentive for someone to migrate to South Australia and then move out. If some migrants do move out of the State, we expect that the people we might lose under a non-tied system will be compensated for by those we might gain.

One of the other strategies of the migration unit is to look at migration not only on an international scale but nationally. We are keen to make sure that South Australia is a net gainer in the interstate migration figures. This appears to be happening. In the early 1980s, this State was losing people at the rate of 5 000 a quarter in a net loss of migration to other States. That figure was turned around in the last calendar year and South Australia is now one of three States showing a net increase per quarter, albeit the smallest of the three.

**Mr VENNING:** I am very concerned about the future of the merino wool harvesting robot. Has there been any evaluation—independent or otherwise—on the future viability

of this project and will the remaining \$800 000 be obtained to finish the first part of the project?

**The Hon. Lynn Arnold:** Over the years there have been independent valuations of the worth of this project which was invested in to the tune of nearly \$9 million by corporate investors who, under the Companies Act, were required to invest as soundly as they could. So, large sums of money were committed to this project and a small amount was made available under the South Australian Development Fund in 1987 to assist in the development of the technology.

This technology is very exciting, but the company requires another investment partner not just to provide for a further cash flow but to see it through the ongoing development phases. It is the Government's view that the private sector should pick this up. In fact, the Government is actively assisting the company to find investors to pick up the baton and run with it now that the earlier investors are either unwilling or unable to continue with further investment in the company. I know that there have been calls for the State Government to become an investor, but that would give a skewed message to the technology investment community. We do not see it as our responsibility.

**Mr Frogley:** The information provided by the Minister is in accordance with the records. The support that we provided was on the recommendation of the Industries Development Committee. From a policy point of view, we are endeavouring to provide support for desirable developments rather than being a principal standing in the shoes of private sector investors who should have the main role in carrying forward these types of projects.

**Mr VENNING:** Has the Minister's department made any input into the straw pulp venture planned for Balaklava and the Mid North District?

**The Hon. Lynn Arnold:** The investors are licensing this technology, which has been obtained from a Spanish company called ARISA Limited. That company is based in Zaragoza, Spain. One of the officers of my department, Graham Haddow, will visit that part of Spain as part of a general business mission to Europe, partly related to the Premier's mission, but other matters as well.

The River House Group introduced the concept of using cereal straw to make paper pulp two years ago. The process is common practice in Europe, where paper pulp has been made from straw for hundreds of years. The newly formed company of ARISA Limited in South Australia is, I think, owned by domestic investors and is licensed from ARISA Spain. The company has been compiling a business plan for this project. There has been a feasibility study with some modest support from the South Australian Development Fund. This study has confirmed that a 100 000 tonnes per annum pulp plant could be viable at a number of locations in South Australia, with the town of Balaklava

being ahead on points. I understand that the directors of the company have visited a number of plants in Europe where this kind of technology is in place and I hope that we will see some further developments.

It has been drawn to my attention by the rural community that positive environmental benefits will be gained from this project; namely, the use of material left over from a growth product. However, there could be environmental problems if this project is not well managed. There will be an optimal take of the stubble from the land, and if it goes beyond this there could be degradation problems because of the lack of capacity of stubble to hold the land. I am certain that the company is well aware of these issues, but any problems in this respect will be drawn to its attention.

**Mr VENNING:** Can the Minister see any advantage in the Department of Marine and Harbors selling its grain loading belts to the Bulk Handling Authority, particularly in relation to quality control, labour rationalisation and overall efficiency?

**The Hon. Lynn Arnold:** In relation to port facilities in South Australia, we have recognised the need for maximum efficiency either where those facilities are located or the way in which they are operated. This includes direct responsibility for the operations; in other words, whether they should be the responsibility of the Department of Marine and Harbors, the Bulk Handling Authority or some other possibility. I strongly support any reasonable moves to look at increasing the efficiency of our shipment system either in terms of our port facilities or the facilities at those particular ports. If this requires alternative ways of looking at the matter, I think they ought to be examined to see whether they are feasible. I cannot discuss the specifics of the honourable member's question at this stage because I do not have advice on the relative merits of the proposition and would need further advice from the Department of Marine and Harbors and the Bulk Handling Authority as well as from the people most directly affected, that is, the rural community which is producing the grain.

**Mr ATKINSON:** I note from the Program Estimates (page 124) under the title 'Strategic Planning' that a major expansion has been negotiated for the Millicent tissue plant, which I take to mean the Apcel mill. How will the Government support the expansion of the Apcel mill?

**The Hon. Lynn Arnold:** The Department of Industry, Trade and Technology has been working very closely with the company and Government agencies to assist the expansion, which not only will result in increased employment but also will lead to a significant improvement in the environment. I do not think anyone would suggest that Lake Bonney in the South-East is a pristine environment; it certainly needs major work. An EIS has been prepared by the company, and that was released for eight weeks of public comment. The company has recently produced a supplement to the EIS which addresses comments raised by the public. The Department of Environment and Planning is now assessing the documents, and it is anticipated that the Government will be in a position to consider approving the project within the next two months. The project will provide a very significant boost to the economy of the South-East, with over 200 jobs being provided in the plant and related host industries, and a further 200 jobs being provided through multiplier effects.

The company is in the process of switching to hydrogen peroxide bleaching, which will eliminate chlorine bleaching. Approximately half of the \$180 million plus which will be spent (that is, \$90 million), will go towards environmental control measures. I think this project is a model for how environmental benefits can be achieved alongside economic

benefits and, in every sense of the word, give us sustainable development, which this State Government certainly actively supports. For the public record, I would like to commend the company for the very professional and responsible way it has embarked on its task of being a positive part of the economy of the South-East and for being environmentally responsible and not sheltering behind the provisions of an indenture made 30 years ago.

**Mr ATKINSON:** In the Program Estimates (page 126) under 'Service to Industry' it is stated that \$100 000 will be spent on consultants to prepare an environmental impact statement on a chemical industry park at Whyalla. What will the Government do to protect Spencer Gulf if the proposal to build a petrochemical plant at Port Bonython proceeds?

**The Hon. Lynn Arnold:** In late 1989 the Government, in conjunction with the Whyalla council, implemented the Fitzgerald False Bay management plan, which had the stated aim of maintaining and enhancing the coastal environment in the Port Bonython area, while permitting a controlled level of development in appropriate locations. In December of that year a declaration of environmental factors was completed for the Government by the AG consulting group. This evaluation of known environmental data, and the likely effect of hydrocarbon industries, was a preliminary study to identify major environmental factors in the Port Bonython area. Currently, the Government, again in conjunction with the Whyalla council, is moving to rezone 1 900 hectares of non-coastal land at Port Bonython to accommodate chemical industries. The proposal specifies that industrial design and location must have minimal impact on the environment.

At present the Government is also undertaking a community consultation program on petrochemical industries so that all concerns of Whyalla residents, especially those related to the environment, will be addressed. This involves publication of information bulletins, media interviews with Government officers who are concerned with the project and public opinion surveys. If a feasibility study demonstrates that a petrochemical plant is economically viable at Port Bonython, an environmental impact statement would be expected to specify, first, the effect of the proposal on the environment; secondly, the conditions that should be observed in order to manage any adverse effects; and, thirdly, the overall consequences of the development.

**Mr INGERSON:** I refer to page 124 of the Program Estimates. I note that the specific targets/objectives for 1990-91 include the following:

Develop an economic development action plan to take advantage of opportunities arising from deregulation . . . in world trade . . .

Develop strategies to identify and minimise potential opportunities and strength to the State's industries.

I think that 'minimise potential' should read 'maximise potential'; that is probably just an error. Thirdly, further:

Develop innovative methods of attracting investment . . .

I would have thought that all those things were part of the ongoing plan. I was intrigued as to why we would be developing these concepts and strategies. What is actually meant by this?

**The Hon. Lynn Arnold:** Certainly, the honourable member is quite correct in picking up a typographical error; that should read 'maximise' not 'minimise'. I think the author might have had in mind 'to minimise the impact of problems that may be occurring'. We must recognise that industries in this State face problems and that those problems change. Essentially, what we mean by development is not something *de novo* but something that redefines the focus of the department in its job of helping this State achieve



economic development, to make the best of potential opportunities and also to recognise that things do not stay the same. For example, the sorts of things that we might have been looking at in the 1950s were quite different from the opportunities in the 1970s, the 1980s and the likely opportunities in the 1990s.

So, it is really a case of saying that some strategies that we put in place might have to be new strategies, that we did not implement them previously because the purposes might have been somewhat different previously. For example, I refer to what are generically referred to as 'high technology industries': that title covers a lot of different things. The high technology focus of the 1980s perhaps has been different from what it might be in the 1990s. However, the reality is that with something such as the automotive industry, which may seem to embody the same things in both the 1980s and 1990s, the challenges are quite different. A growing deregulation of world trade, a reduction in tariffs in this country and the changing nature of investment patterns in the automotive industry all require strategic responses in the 1990s that are different from those of the 1980s.

**Mr INGERSON:** In the Program Estimates (page 120) reference is made to a sum of about \$600 000 being put aside for the development of new industry sectors. Further, it is stated that about \$800 million is put aside for assistance advice to industry. Can it be inferred from that that these approximately equal amounts imply that the State development strategy gives equal weight to the building of existing businesses and the attraction of new businesses? Further, what new industries have been highlighted in that section where reference is made to money for new industry sectors?

**The Hon. Lynn Arnold:** I guess it is always difficult to talk about equal priorities if one is trying to run in the real world. The real world will present opportunities, and also present problems, and we take them as best we can. This allocation of figures is really an attempt to say, 'That seems to be the way it works out; about an equal amount of effort goes into the development of new industry sectors, but then there is an equal segment that goes into assisting existing industry.' It is very difficult to translate into that kind of makeup what may be required by the phone calls that come in tomorrow to the Department of Industry, Trade and Technology. If we knew in advance what it was going to be like, I guess the industries would already be here.

**Mr Van Der Lee:** It is quite important to look at some of the strategies that we are pursuing in terms of the clustering and strategic alliance-type thrust that we are putting into these initiatives. It is quite difficult in advance to have a good appreciation of exactly what level of resources will apply. However, we have a strong consciousness, which is best reflected in the current auto industry inquiry, of the fact that the existing sectors of the economy have an important role to play both now and in the future. We need to consider ways in which we can assist those existing sectors to make them world competitive in terms of cost and quality.

There tends to be some degree of overlap between the new industry focus and the existing industry focus. In that respect, it is probably unfair to talk about separate resources for each. For instance, in looking at the MFP and the investment strategy we might propose for it, it becomes very evident that there are a number of existing industry sectors (what we might call traditional industries) which offer great opportunities in terms of further development and the attraction of additional investment into those sectors.

**The Hon. Lynn Arnold:** We have highlighted the difficulties in trying to break up the figures; there is some fuzziness between, for example, how we allocate administration costs and some of the salary costs. However, the major variations between sectors such as the revitalisation of industry, strategy for new sectors, and technology promotion, advice and assistance would come under areas such as consulting costs. Under the figure of \$799 000 for advice to industry, there would be a consulting cost of \$45 000 whereas, under the technology promotion figure of \$501 000, the consulting costs are \$145 000. That makes sense and one could understand that there would probably be more relevant consulting work in that latter area.

Likewise, in terms of strategy for new sectors there is a \$50 000 allocation for consultancies subsumed in the \$607 000. Under the strategic planning figure of only \$303 000, the consultants' figure is \$100 000. Again, one could understand that consultancy work is probably more significant in that area.

The only other figure which might be subject to some variation is the marketing figure which does not appear in a number of areas but which does appear under promotion of investment opportunities. There is a sum of \$696 000 set aside for marketing costs. Likewise, in those figures there is allocated the cost for the overseas representative officers and the costs of overseas travel, the apportionment of which varies from section to section.

**Mr INGERSON:** My reason for asking those questions is that there is a feeling among many people in the existing manufacturing industry that there is a direction push which is leaving them behind and that insufficient thought is being given to upgrading and encouraging existing industry, particularly in manufacturing, to partake in technology changes. That was my principal reason for raising the question. I accept that the figures need some juggling because we get them, as the Minister will understand, only as we see them.

**The Hon. Lynn Arnold:** I know that the honourable member has not finished questioning and I hope that he does not lose the call. I certainly hear comments from time to time from some people in industry in South Australia to the effect that they feel that perhaps we are devoting more attention to new industries or companies from out of State. When I hear that, I tell them that that is not the case. We allocate resources and applications to the South Australian Development Fund to both new companies to the State and companies within South Australia. There is a real irony which I can identify, but which I will not name, in terms of occasions when companies have complained to me about alleged bias towards out of State companies, yet those companies themselves have been the recipients of funds from the South Australian Development Fund and of assistance from the Department of Industry, Trade and Technology.

It is not really our position to give the actual figures that companies are receiving. However, in the answers that are to come in before 5 October I would like to incorporate some global figures which show how development assistance under the South Australian Development Fund has progressed with respect to existing companies in South Australia and companies new to the State. I know that those figures will show that the expressed concerns of a number of people reflect more mythology than fact.

We must also consider the fact that support for industry comes not only under the salaries of officers of the department and allocations of funds of the State Development Fund but also from expenditures by the South Australian Centre for Manufacturing, which is clearly targeted at existing manufacturers in the State, and the National Industries Extension Scheme, which again is clearly targeted at existing

industries in this State. The figures for NIES show that, in 1989-90, \$1.326 million was voted and this year \$1.316 million is proposed.

**Mr INGERSON:** The Program Estimates (page 125) refers to the creation and retention of a significant number of jobs and large sums of money which have been retained in the State. There is also reference to business migrants, their potential and so forth. Can the Minister explain those figures in more detail? At the moment those bland and bald figures are shown and it is stated, 'That's what has happened.' How were those figures arrived at?

**The Hon. Lynn Arnold:** With a view to the figures being distilled to take out commercially sensitive information, I think that by 5 October we would be able to come back with a table which would give a more specific breakdown of how those figures are made up.

However, as an explanation of the method by which we arrive at the figures, I can say that, when a company is approved for assistance under the South Australian Development Fund, it has to provide a program as to how the money would be spent, what the job growth would be and what the capital investment would be. Therefore, when we add up all the approvals that have been made, we can determine the total number of promised jobs (by adding up all the job numbers) and the total promised capital investment. We can therefore say that, as a result of the department's incentive programs in 1989-90, 4 144 jobs were created or retained and capital expenditure of \$171 million took place.

The other point that needs to be noted is that we are performance payers. The general rule is that funds are not paid out from the development fund until performance targets, as promised, have been achieved. If the figure is not as great as that which was promised, neither is the payment or the support from the development fund; that is accordingly also marked down. That is how the figures are arrived at, but we will break down the figures into more meaningful information, perhaps on an industry sector basis—that might be the worthwhile way for us to do it.

**Mr Frogley:** We produce a breakdown by basic industry codes in an attempt to provide the maximum information possible on where industry assistance went without breaching the commercial confidence involved. The figures that have been quoted are based on approvals. We have a system whereby, for every form of assistance where payment is actually made, we make a judgment at which point we go back and measure the actual results compared with the anticipated results, and those are accumulated in aggregate form to ensure that we are achieving the anticipated results. There is naturally a time lag between approval payment and the appropriate measurement date. However, in aggregate terms we find that both employment growth and capital expenditure tend to exceed the estimates at the time of approval.

**The Hon. Lynn Arnold:** Picking up from Mr Frogley's comments and the figures to which he alluded, we have figures which we could include. It is a table which I would seek permission to incorporate in *Hansard*—'Approvals: South Australian Development Fund 1989-90'. It looks at projects, first, by scheme; secondly, by industry ASIC code; thirdly, by assistance types; and, fourthly, by performance. The performance one looks at the regional program and the South Australian Development Fund program.

Approvals: South Australian Development Fund 1989-90  
By Scheme

	\$	No. of Projects
Industry Developments Payments		
Program .....	4 979 463	58
Regional Industry Developments Payments Program .....	2 124 000	18
Regional Industry Program .....	132 407	11
Structural Adjustment Program .....	327 000	4
Special Development Payments Program .....	3 551 667	12
Technology and Innovation Program .....	346 153	12
Export Development Program .....	14 000	2
	11 474 690	117
Government Guarantee Program .....	2 000 000	1
Industrial Land and Premises Program .....	15 085 000	6
	28 559 690	

Approvals under the Government Guarantee and Industrial Land and Premises Programs and 21 other approvals involving \$6.1 million were made on the recommendation of the Industries Development Committee of the South Australian Parliament.

**Mr INGERSON:** My next question relates to page 126, where there is a reference to the establishment of a chemical industry in South Australia, the completing of a feasibility study for the petrochemical industry and the establishment of a new centre for optics and vision in South Australia. What does the general thrust of those statements mean?

**The Hon. Lynn Arnold:** As regards the petrochemical industry, I refer the honourable member to my answers a few moments ago to the member for Spence. I understand that those things are sometimes missed, but they contain all that information. We will obtain further information on optics. We have been supportive of the developments in optics at the Adelaide University, where Telecom has been actively involved. It may be connected with that, but I do not have the further information here. I will obtain it for the honourable member.

**Mr INGERSON:** On page 127 there is a comment about developing strategies and coordinating the development of South Australia as a transport hub. What is meant by that statement?

**The Hon. Lynn Arnold:** This is an important part of our strategic approach for the year ahead. We believe that the importance of transport to economic development is pivotal. If we cannot transport our goods and services and people, we might as well not bother investing in the economy. There have been many problems in the past which have been seen as being related to transport within Australia; yet, sometimes those fall into the category of mythology rather than fact. Some people assume that South Australia is a bad place to locate business because it is off the population centre of Australia or that it is so far away from the rest of the world. However, in reality we have been able to convince a number of investors to invest in this State, because, among other things, we can prove that transport costs of goods and services into and out of South Australia are cheaper than choosing alternative States as investment sites.

Building upon that kind of view, we have decided to promote even more the concept of South Australia as a transport hub for the intermodal change of goods particularly. For example, Adelaide has an extremely good quality port facility which has lower industrial disputation rates and competitive cost rates compared with port facilities in other cities. Indeed, we are starting to see some movement of goods coming from other States through the Port of Adelaide. We have the national rail hubbing in Adelaide



and rail transfer facilities at Mile End, Islington and up to Dry Creek, being very effective services, and we have international airport facilities. We want to see a synergy develop between all those facilities, given that they are relatively closely placed to each other when compared with similar facilities in Sydney or Melbourne.

A Transport Hub Steering Committee has been established, and its members are: Dr Peter Crawford, who is the Chairperson; Derek Scrafton, Office of Transport, Policy and Planning; Ted Phipps, Department of Marine and Harbors; Rod Payze, Department of Road Transport; Lindsay Thompson, Chamber of Commerce and Industry; and Alan Crompton, South Australian Shipping User Group. The United Trades and Labor Council has expressed an interest in nominating someone, and we expect to receive that nomination soon. That group will be asked to come back with advice to the Government on how to promote the concept and liaise with industry. Two major transport service providers and freight forwarders have already participated in discussions with this steering group to share ideas about the sorts of things that Adelaide would need to address if the transport hub concept were to achieve reality.

**Mrs HUTCHISON:** I refer to page 121 of the Program Estimates at the line 'Encouragement of regional development'. The Minister will be aware that I support such development. However, I notice that funding has been decreased, and that is a matter of concern. What programs will be funded under this line in 1990-91?

**The Hon. Lynn Arnold:** Earlier I sought leave to incorporate in *Hansard* the figures on how the South Australian Development Fund has been allocated. I will draw the honourable member's attention to those figures when they appear in the printed version. My guess is that it is also partly related to a program which has been in place for some years—the reduction in the payroll tax rebate scheme. Some years ago there was an automatic rebate scheme for payroll tax paid by employers in regional areas. The money was given back. In 1986 or 1987 we decided that that was a non-targeted form of regional assistance—it was not showing any benefits—so we phased it out. At the time, I indicated that in phasing it out some of the funds saved would be retargeted specifically to regional development, that others of the funds would be part of the Government's general strategy to save resources and others of the funds would be used at a State-wide level. We in the Department of Industry, Trade and Technology do not have our minds set that the regions are the regions and they must deal only with the funds that we set aside for them and that there is the development fund that only the metropolitan industries can deal with. We reject that as a philosophy. The development fund is for applications from industry all over the State. Some of the funds that were specifically going out as non-purposeful rebates are now subsumed within the development fund at large, which are being accessed by regional industry in any event.

**Mr Frogley:** The main reason for the reduction is the reduction in the country payroll tax rebate scheme. Last year was the last year of the regular phase-out. We still anticipate some \$800 000 being paid this year which relates to extended phase-out provided to some companies under a hardship program associated with the phase-out program, and some commitments which were made prior to the phasing out of the scheme. Setting aside the country payroll tax rebate scheme, we anticipate spending more money in regional development this year than we did last year on targeted programs aimed at two particular areas: the regional industry redevelopment payments program, which comprises incentives and assistance for specific projects in

regional areas, and support for locally-based regional development committees. Far from seeing a reduction in effort in regional development, we see it as an increase in effective assistance to regional industrial development.

**The Hon. Lynn Arnold:** Another point that I would make in terms of global figures is that the whole of Government is looking at the ways in which we cope with difficult financial circumstances. Industry, Trade and Technology is no more immune against that than any other area. We have had to consider how best we can achieve our objectives within a tightening resource base. The development fund is one area in which we think there could be some new opportunities, partly because of the way that we deal with the development fund, which is separated off so that repayments from previous borrowers go directly into the fund. Therefore, the fund is expected to be something of a revolving fund and we are progressively, not totally, moving to that scenario. Therefore, the call on consolidated revenue from the development fund should be reducing for all areas of assistance, not just regional assistance.

**Mrs HUTCHISON:** What sort of provisions are made for regional areas to be involved in the economic development action plan? Is that being considered under the action plan itself? I am conscious that you have just mentioned the transport hub policy which could have some sort of bearing on that.

**The Hon. Lynn Arnold:** I discussed with Dr Peter Crawford the matter of the direction of our regional policy. A green paper on regional development policy really gave us some new guidelines on how regional industries may be given some special focus within our development fund. In addition, two or three years ago there was an agreement that some support should be given to regional development committees and the basic amount has tended to be \$20 000 a year for a three-year period if a development committee meets certain objectives or criteria.

However, following our recent discussions it is now acknowledged that perhaps it is time to look at the whole issue as an overview again to see that we are getting it right and it is pertinent because, of course, the Riverland Development Committee has been up for review, the results of which are shown in the budget papers. There is a phasing down of the State Government's contribution to that, albeit still a very significant State Government contribution, tied in with a greater request for local government support. Likewise, the Port Pirie Development Committee is itself the subject of a review which we are still in the process of undertaking. Of course, the Green Triangle Council ceased to exist this year, and, like many others, I am keen to see that there is a replacement for that body, but the motivation for that obviously has to come from the local area. When they have decided what is to be proposed we would then, of course, look at what support we could give. So, it is timely that we do a review of the whole regional development area, and that will be looked at in the economic strategy.

**Mrs HUTCHISON:** I refer to a question asked previously by the member for Bragg about the intention to create 3 600 jobs. What is the department currently doing about equal opportunity within its organisation?

**The Hon. Lynn Arnold:** It has not been our practice to set constraints upon the way in which that employment is applied by companies that have been given funds from the development fund, other than to adhere to industrial award provisions that may apply within the industry and to see that in our broad picture we are trying to pick up circumstances where employment opportunities will be shared by all South Australians regardless of gender, race or other

defining characteristics. Figures on page 97 of 'The Budget and its Impact on Women' show how funds allocated by the development fund have generated employment of males and females. That table gives figures dating back as far as 1987-88 up until the projected figures for 1990-91.

**Mr INGERSON:** On page 121, I note that the budget for trade promotion interstate and overseas has been increased from \$1.427 million to \$2.497 million and that staff is expected to increase from 4.8 to 12 full-time equivalents. Can the Minister explain this significant increase and say what successes or failures in 1989-90 have justified this very significant change?

**The Hon. Lynn Arnold:** In terms of trade promotion in 1989-90, salaries were underspent by \$88 000 as a result of the delay in the appointment of the Japanese expert and the inability to attract a suitable candidate for what we might call the China desk. In the other area of overseas representatives, new arrangements have been operating in Tokyo as from about a month ago as a result of Elders rationalising their operations and closing their Tokyo office. Previously, Elders was the host for our representation in Tokyo, which means that changes are taking place in terms of the allocations for next year. Also we anticipate an increase of visits by officers as a result of increased activity to promote overseas trade. As members will know, presently a major trade mission is being undertaken by the Premier. Such a major trade mission has not been undertaken within the last financial year, the last such mission having been led by me to Thailand in the previous financial year.

With regard to State marketing and promotion, the actual expenditure was less than that voted by some \$271 000 as a result of timing differences. In particular, a marketing campaign of \$120 000 was deferred until 1991, in addition to the planned 1989-90 trade mission being deferred again to this year, involving \$169 000.

**Mr INGERSON:** Page 129 refers to two thorough reviews of operations of the Centre for Manufacturing and the Riverland Development Corporation. What has been the result of those reviews and what changes have occurred in either or both?

**The Hon. Lynn Arnold:** In both cases those reviews relate to a commitment that there should be a review after a three-year period. I have advised the Riverland Development Council for some time that the review was under way and that the Government would be unlikely to be able to continue its previous levels of financial assistance, and council was preparing for this. I congratulate them on the kind of work that they have been doing to help hone the focus of that council. One of the recommendations that came out of that was that there should be a greater input by local government.

I guess it is fair to say that in the early days some local government representatives were concerned about not being sufficiently involved in the Riverland Development Council. One way of involvement, of course, is money. We have now seen a recommendation built into the review that there should be some financial contribution by local councils, and I am pleased to note that they want to participate in that. The Government advised RDC of its funding figures, and the funding proposal that Cabinet has approved for this year is \$215 000; next year, \$140 000; and the following year (1992-93), \$65 000. That figure can be added to if there is local government support. The dollar for dollar support required this year would be a further \$35 000 from local government, so that would attract a further \$35 000 from consolidated revenue in addition to the \$215 000 base. Next year the figure dollar for dollar will be \$60 000 and the following year (1992-93), \$85 000.

So, one can see an increase in local government contributions as there is a net reduction in the State Government contribution from a maximum potential in 1992-93 of \$150 000 compared with this year's figure of \$250 000. The review committee noted the impressive contribution from the Centre for Manufacturing to support the manufacturing industry in this State. That clearly has been acknowledged by industry. We have the most successful centre of its kind in this country.

Clearly, the Government wants to take credit for the fact that we have put significant sums of money into doing that, and we deserve credit for that. That money would have been a poor investment had it not been for the excellence of the team of people under John Cambridge's leadership that we have down at the centre that has translated that commitment for funds into a very positive element of support for industry.

**Mr INGERSON:** Bipartisan.

**The Hon. Lynn Arnold:** I am well aware of the bipartisan nature of that support and I appreciate it, because it helped give us a centre of a quality that is not always the case in other parts of the country. The review committee recommended that \$825 000 be provided in 1989-90, \$875 000 in 1990-91 and \$750 000 in 1991-92. To give a quick summary of some of the achievements of that centre, in 1989-90 it provided 266 programs of assistance to 175 companies, and there were visits to 336 companies. It provided NIES support of \$965 024, along with \$51 153 that had been prepaid in the 1988-89 budget against the 1989-90 figures. It conducted 49 training courses and seminars with 587 people attending. The centre has also been able to achieve a significant recoup from industry in terms of its funding. It is worthwhile noting that the five year objective of 60 per cent self-funding was achieved within three years. Again that is a tribute to the team of people we have down there.

**Mr Cambridge:** The centre continues to work fairly industriously with local industry, which totals about 2 500 manufacturing companies. In the three years since the centre's establishment it has worked with just over 500 companies on 630 programs of assistance. Looking ahead, it will be even more important for us to nurture and develop this base of manufacturing in South Australia, and to add technology and better work practices to our existing industry base; and that will not be easy in the current economic climate. However, there has been a tremendous call from the work force, the unions and the employers for the adoption of new management practices and new technology.

In the year just completed, as the Minister said, we achieved 60 per cent self-sufficiency, which was our five year objective. In one year revenue from charging industry jumped from \$657 571 (in 1989) to \$1.434 million (in 1990). We propose that we keep increasing the revenue by undertaking further consulting work both in this State and interstate, with the possibility of looking at contracts overseas but not denying our main core stream objective of assisting local industry.

**Mr INGERSON:** During the year there were overseas trips by directors and staff, and I would like information about two of them in relation to the advantages and benefits which will result to the State. The first trip was by Dr Peter Crawford, who recently went with a group to Sweden to look at, I understand, defence technology principally; the second trip was a visit by Mr Cambridge to America.

**The Hon. Lynn Arnold:** I will ask John Cambridge to comment on the trip he made to the United States; I will be interested to hear the report of his trip. Peter Crawford's trip to Sweden was part of the ongoing relationship that has been developing over the years since this State won the

submarine project. The Premier made the point some years ago that the submarine contract, which certainly has merit in its own right, would have its ultimate value assessed on the extent to which it, first, attracted other industrial development to South Australia—particularly in the civilian arena—and, secondly, the extent to which links with Sweden could be further enhanced in terms of trade and investment. However, you do not enhance those by then ignoring the country. So, Sweden is part of an ongoing agenda of visits by Government officials, and indeed by the Premier, to maintain that momentum.

After his return Peter Crawford told me how impressed he was with the way in which South Australia is viewed within Sweden, and how readily senior officers and heads of major companies made extensive time available to discuss investment opportunities in South Australia. He referred to representatives of one very large Swedish company who had allocated a half hour meeting, but the meeting ended up taking nearly three hours because they were so eager to hear more. Along with the submarine project, Bofors Electronics Pacific recently decided to establish in South Australia rather than in any other part of Australia. We have seen the decision of Feredyn Pacific, which works with magneto restrictive alloys and rare earths, to establish its facility in South Australia and not in any other part of Australia. Indeed, I think it will move most of its facility from Sweden in the fullness of time. They are the kinds of benefits that come from those trips. We will obtain a potted summary of that trip for inclusion in *Hansard* by 5 October.

**Mr Cambridge:** There were three purposes to my trip, one of which was a holiday that I will not go into. The primary purpose was to establish and review the major agreement that we have with General Electric under the civil offsets scheme, which is a seven-year agreement with General Electric to transfer technology through the Centre for Manufacturing to Australian industry. That was a very fruitful program and meeting which resulted in General Electric's deciding to support the centre in more detail by keeping in the Centre for Manufacturing its Engineer and Manager, Mr Bob Preslar, for another year and, in addition, providing additional program support to local industry through the centre.

On top of that, General Electric will look at and undertake an investigation into the centre's undertaking work in the Pacific basin on its behalf, and specifically undertaking on its behalf work for payment in Indonesia. That is still under active consideration, and we are preparing a final plan for endorsement by General Electric before the work commences, probably some time late this calendar year or early next year.

In addition, I visited Salt Lake City to speak with the Vice-President of Auto Simulations Incorporated. We have some very powerful simulation software, for which we are the Australian agents, which we used recently on a project with General Motors-Holden's in a \$5 million robotic door assembly line which saved GMH a considerable amount of money. Our agreement was renewed and, indeed, we have additional software from that company to use with local industry.

Finally, I visited Los Angeles to speak with Bell Helmets Incorporated about its taking up the development and manufacture of a prototype helmet based on some world-leading research that was undertaken by some of the surgeons and doctors of the Australian Craniofacial Unit in Adelaide. Bell Helmets is meeting with a surgeon at the end of October with a view to his looking at having a prototype made which will be tested in the United States.

**The Hon. Lynn Arnold:** In relation to the European trip, the actual cost of the mission to Sweden was \$9 144.

**Mr INGERSON:** I refer to page 58 of the Estimates of Payments on which the Investigator Science Centre is mentioned. What does the proposed expenditure of \$850 000 provide?

**The Hon. Lynn Arnold:** The proposal for the Investigator Science Centre has been around for some years. Members may know of the National Science Museum, which is an interactive science museum, or another way of saying a 'please touch' science museum where not only kids but people of all ages may experience some understanding of scientific experiments by participating in them.

Questacon, which has visited South Australia on at least two occasions, is an example of such a museum, of which there are many throughout the world. Some years ago, the Playford Trust determined that this would be an exciting proposition for South Australia and I, as the Minister responsible for technology, have tended to take the Government end of the running for this proposal, so over the years a series of working groups have looked at it.

Some years ago, I asked Barbara Hardy to head the review team to look into the possibility of establishing a science and technology museum in this State. Part of the charter I gave her was that such a museum would require private sector support and it should be able to operate on its own two feet. Ms Hardy and her team did very impressive work, both in defining the concept and in going out and attracting private sector support. I want to pay tribute to Barbara Hardy's work in respect of the amount of private sector support that her team has achieved—an amount of \$1 million in sponsorships and donations. It was proposed then that the Government would be prepared to lend the shortfall on what Barbara Hardy was able to raise for the capital cost of the facility, including the refurbishment cost, and the ongoing recurrent operation would then be financed from the gate take.

I want to pay full tribute to the Royal Agricultural and Horticultural Society—in particular Gary Campbell and others—for its willingness to be part of this project. The society has agreed to the International Pavilion's being the host site for what is now to be called the Investigator Science Centre, building upon the importance of the word 'investigator' in our history and the importance of 'science' in respect of the future. The museum needed to borrow \$850 000 for refurbishment, and so on. It was determined that it was important for the Government to contribute to this project. In fact, there is now an allocation in this budget, not as a loan but as a grant, for this project. But, as I said, the ongoing operations of the museum will be self-funded given the anticipated gate take. The amount of \$850 000 is broken up as follows: refurbishment of the International Pavilion, \$580 000; design, construction and installation of exhibits, \$100 000; marketing and promotion, \$20 000; purchase of capital and workshop equipment, \$80 000; and operating costs, \$70 000.

**Mrs HUTCHISON:** An amount of \$3.239 million is proposed for the lead decontamination program in Port Pirie (page 58 of the Estimates of Payments). What are the components of that program?

**The Hon. Lynn Arnold:** I will incorporate in *Hansard* a table of figures relevant to this question.

1. Houses decontaminated	
1.1 By Lead Program	
89-90 (Full) . . . . .	82
88-89 (Full) . . . . .	65
87-88 (Full) . . . . .	126
89-90 (Stage 1) . . . . .	106
88-89 (Stage 1) . . . . .	117
87-88 (Stage 1) . . . . .	58

1.2 By AN, SAHT Owner	
89-90 (Full) .....	1
89-90 (Stage 1) .....	1
84-88 .....	44
1.3 By Lead Program	
86-87 (Full) .....	222
85-86 (Full) .....	120
84-85 (Full) .....	31
2. Families assisted re SAHT housing with expenditure incurred for personal items	
89-90 .....	2
87-88 .....	4
3. Houses demolished by owner (Free Clean Up)	
June 90 .....	1
June 89 .....	16
4. Houses deducted for SAHT	
89-90 .....	6
88-89 .....	2
87-88 .....	7
5. Vacant blocks stabilised	
5.1 By Lead Program	
89-90 .....	6
88-89 .....	22
87-88 .....	26
5.2 By Owner	
87-88 .....	1
6. Reopened jobs miscellaneous items	
89-90 .....	15
88-89 .....	19
87-88 .....	8
7. Properties in process of being decontaminated	
End of June 1990 .....	91
TOTAL .....	1 197
N.B. Total houses acquired re purchase option	
To June 1990 .....	72
(Completed demolitions reflected in 1.1)	

**The Hon. Lynn Arnold:** By June 1990 a total of 1 197 properties were affected by the lead decontamination program. Given that the initial program was estimated to be for a period of seven to 10 years, the proposed program for 1990-91 has come to a standstill with inflation, wage increases and rises in building costs being taken into account in the figure allocated. A grant of \$100 000 from the social justice budget for the 1989-90 financial year enabled the program to increase biological monitoring and decontamination activities in the short term, but it is unlikely that this increased momentum can be maintained during the current financial year. The program activities for the current year look at decontamination of private homes; house acquisition (by negotiation as a cost-effective alternative to domestic decontamination in some circumstances); and soil stabilisation, air monitoring, biological monitoring and community services.

**Mrs HUTCHISON:** Page 125 of the Program Estimates refers to the pursuit of the local defence industry and aerospace opportunities arising from the submarine and frigate contract. Has there been any success with this objective, are overseas visits included in this line, and what has been achieved in this regard?

**The Hon. Lynn Arnold:** I do not have the latest figures from the submarine site and their multiplier effect, but I will obtain them and have them incorporated in *Hansard*.

**Mr INGERSON:** What were the circumstances which caused the \$2.1 million payment under the Industries Development Act in the last financial year and how many guarantees were called up? Were they considered by the Industries Development Committee and are further payments likely in 1990-91? My reason for the last question is that specific reference was made in the Auditor-General's Report to a possible further three guarantees being called up.

**Mr Frogley:** Payments for the last financial year related to two guarantees which were provided on the recommendation of the Industries Development Committee. The two payments involved an amount of \$2 million to FAI to settle

a claim under a guarantee relating to Horwood Bagshaw Limited and a further amount of approximately \$100 000 in relation to the settlement of a claim under a guarantee relating to Gulf Industries.

I am not aware of any specific payments this financial year, but there may be some minor payments. I am unsure of the amount because a number of companies are in the process of going into receivership or liquidation. When the assets have been realised and the banks are able to establish whether there is still a residual shortfall, they will make a claim for any residue. The department is not in receipt of any specific claims at this time but it anticipates a number of small claims.

**Mr INGERSON:** In the Auditor-General's Report it is stated that South Australasia Pty Limited has made two levels of support: one, a \$75 000 convertible notes contribution and the other a \$248 000 contribution by way of shares. Will the Minister explain the purpose of the company and why it has done this; will he also explain the Auditor-General's comment that several investments were written down; and will he advise the Committee why the company has not made its accounts available to be audited by the Auditor-General?

**The Hon. Lynn Arnold:** In the first instance, South Australasia was a company that was created in the 1970s, in fact, as part of the relationship with Penang. There is an equivalent company in Penang. Essentially, it has remained much as a shell company until well into the 1980s. It was then determined that it offered, as an existing company incorporated, the opportunity to be a vehicle through which some of the Government's assistance to industry could be directed—not all, but some, and essentially that is now what it is being used as. I do have the unaudited profit and loss statement and balance sheet for this year. I was going to incorporate them into *Hansard*, but I think I would be wiser to wait for the auditing to be done.

**Mr Frogley:** In relation to the purpose of South Australasia, one can appreciate that the company is used as part of the delivery mechanism for industry support under the South Australian Development Fund. On occasions, in lieu of providing a grant or a long term interest free loan, there is an opportunity for us to provide the industry support that is required but still maintain some potential for a return to the fund to help other projects. Therefore, some assistance is provided by way of shorter term loans and interest bearing loans, and occasionally we feel it is appropriate to achieve our objective by taking a small equity or convertible note position in projects that are assisted.

In these circumstances that type of support is generally provided through a company—South Australasia Pty Limited—which acts as the operator of a trust arrangement for the South Australian Development Fund. The reason for that is to provide that support on a slightly more arm's length basis from the Minister and the fund than otherwise would be the case because occasionally, as minority shareholders, we are still required to take positions in meetings of shareholders or other such matters where it would be difficult for the Government as such to take a position.

The accounts were not tabled largely because of a technical reason. The trust arrangement with the Minister was formalised during the year, and this led to our having to present the accounts in a slightly different format. They were not ready for the Auditor-General in time for incorporation into the main body of the statements. They will be tabled when the audit has been completed. At this stage the audit has not been completed, and there may be some changes. However, as a director, I can indicate that the company anticipates reporting an operating profit of about

\$40 000. During the year an amount of about \$58 000 was returned to the South Australian Development Fund.

At its most recent meeting of directors the carrying value of the industry support measures were considered again. At this stage I would say that the directors do not anticipate any major upward or downward revaluation of those industry support measures as at 30 June 1990. However, I stress that the accounts are still not finalised and are subject to audit, so some movement could occur. At this stage the directors do not anticipate any major change in revaluation.

The downward revaluation of investments was reflected in the accounts which were tabled in the 1989 Auditor-General's Report. There has not been any major revaluation since those figures.

**Mr INGERSON:** Since the Government is using this company, in essence, to make investments, can the Minister make available to the Committee a list of the companies in which it is investing? In fact, it is investing as a shareholder, and I think that, since it is a Government body through its development fund and is using an 'at arm's length' method, we ought to know what is going on.

**Mr Frogley:** While these support measures may have the appearance of investments, they are in fact industry support measures which give us some opportunity for recovery. The protection mechanism, for the public interest, is that they are made on the recommendation of the Industries Development Committee. I think it would be undesirable, in terms of commercial confidence, to publish the details of industry support measures provided to separate projects but, with the Minister's agreement, there is no reason why there could not be a private briefing for members who wish to know the details.

**The Hon. Lynn Arnold:** There is something of the horns of a dilemma involved here. I think we, as a Parliament, really must get on top of that. On the one hand we could well frighten off investment opportunities in this State if it was felt that we were not going to give the same degree of protection according to ordinary commercial discussion as people might get if they went to other States, and I think nobody would want us to do that. Yet, I think there is clearly an understanding that some degree of information should be available. This matter must be pursued further with the IDC, and it may well be that, for example, the IDC, since it is the body that recommends most of these forms of assistance if they are in excess of \$75 000, might keep some kind of register. I have not thought through the implications of all this, but I think we must have some mechanism whereby the Legislature can see these figures.

It needs to be noted that the figures are audited by the Auditor-General and he is aware of all the details involved. As I said, of course, the bipartisan committee—the IDC—deals with anything over \$75 000, and those references are name-specific, so that it is well aware of the companies. In terms of a cumulative register, on the one hand we want to preserve the reason why there is a commercial 'in confidence' nature to those discussions and on the other hand we do not want to be unnecessarily obstructive in making information available.

**Mr INGERSON:** Because it was mentioned specifically in the Auditor-General's Report that there has been investment in private companies by another company, not the development board, I asked that question, and I would like to have that point clarified.

**Mr De LAINE:** What progress has been made with the establishment of Science Park Adelaide and the associated Riverine Park along the Sturt River at Bedford Park?

**The Hon. Lynn Arnold:** Construction of the Mark Oliphant Building is proceeding satisfactorily in accordance

with the program and within budget. After 19 weeks of a 48-week contract, the three storey reinforced concrete frame is nearing completion, and work has commenced on the installation of roof steel work and building services.

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

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Minister of Industry, Trade and Technology, Miscellaneous, \$9 123 000—Examination declared completed.

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Office of Multicultural and Ethnic Affairs,  
\$3 513 000

**Chairman:**

Mr M.J. Evans

**Members:**

Mr M.J. Atkinson  
The Hon. Ted Chapman  
Mr M.R. De Laine  
Mrs C.F. Hutchison  
Mr G.A. Ingerson  
Mr I.H. Venning

**Witness:**

The Hon. Lynn Arnold, Minister of Ethnic Affairs.

**Departmental Advisers:**

Mr T.M. Barr, Chief Executive Officer, Office of Multicultural and Ethnic Affairs  
Mr S.B. Everard, Manager, Support Services.

**The ACTING CHAIRMAN (Mr De Laine):** I declare the proposed expenditure open for examination.

**Mr INGERSON:** I refer to page 154 of the Program Estimates which shows an increase of 4.3 full-time equivalents for language services. In what areas will these people be employed?

**The Hon. Lynn Arnold:** The Language Services Centre, which we are treating as a separate cost centre, is now providing a greatly enhanced service compared with what was the case previously and has provided opportunities for increased full-time employment of some translators. However, these positions I am advised are essentially clerical positions, given the increased workload of the Language Services Centre. They are all CO1 positions; the officers handle inquiries, accounts, processing and salaries of both the contract and interpreting people rather than full-time people.

**Mr INGERSON:** In regard to personnel, I note from page 155 that there is an increase in the number of full-time equivalents over total resources from 44.7 to 53.5. How does that increased figure fall into line with the statement made recently by the Minister in terms of cutting back staff in both the Department of Agriculture and in the Office of Multicultural and Ethnic Affairs?

**The Hon. Lynn Arnold:** Every area of government is presently under scrutiny in terms of ensuring that the call upon consolidated revenue is as small as possible. That will require cuts in terms of the calls on consolidated revenue in each of the departments under my responsibility as much as in those under other Ministers. The figures in the PPB documents include some figures funded by consolidated revenue and some figures funded by other forms. The Language Services Centre essentially is funded by charges and not by consolidated revenue in direct allocation. Any

increases in the staffing of the Language Services Centre (and there will be increases) will not be funded from consolidated revenue by grants to the Office of Multicultural and Ethnic Affairs.

**Mr INGERSON:** That means in essence that the office itself is the only area likely to face cuts?

**The Hon. Lynn Arnold:** The Language Services Centre, if it can generate business (and it should be able to do that), will have such business paid for. It is interesting to note that in terms of non-government business it is well ahead of budget provision and we would encourage it to keep on doing that. It will need to employ more people to do the work and, if it is paying for those people, that is fine. Another area which was part of a commitment made in last year's budget and which is now essentially showing up in this year's budget figures is the Overseas Qualifications Unit. That was previously announced in the preparation of the 1989-90 budget. Those positions did not show up immediately but have shown up as the year has progressed. Therefore, the actual outcome figure, if we look at the 30 June outcome, would be different from the \$44.7 million. The other change over the past financial year was the creation of the CEO position, which means that we have a full-time Chairperson and a full-time CEO. At some future time the full-time Chairperson may retire from the position and we would naturally re-examine the balance of staffing in the unit.

**Mr INGERSON:** Does that mean that in essence all the money producing areas will basically maintain or increase their staff but that the office itself, which is providing services, may suffer the cuts?

**The Hon. Lynn Arnold:** I cannot say what the outcome will be, but I can advise that every unit under my responsibility, including the Ministry office itself, is undergoing an examination of what is done to ascertain what opportunities there are for efficiencies or reductions in expenditure with minimal reductions in service, or what services may be reduced that we are no longer in a position to offer. It would not be proper for me to say that any one area should be immune from that examination process and the office itself will be subject to such examination. What the outcome will be I am not in a position to announce, because I have not undertaken the detailed examination.

**Mr INGERSON:** I refer to page 157 and the development of a business plan. What does this mean and what results are expected from the implementation of such a plan?

**The Hon. Lynn Arnold:** The Language Services Centre is designed along the new line that we are taking towards languages services in that it should be a separate cost centre and be able to sustain itself by billing other users of interpreting services and pay for the necessary costs out of its receipts. In other words, we do not want it to be an inefficient operator because it is not getting good economic messages. At this stage it is apparently doing that successfully because it can attract private sector translating requests. I am also advised that the business plan has not yet been finalised, but it will be at the next meeting of the Language Services Advisory Committee which is to be held in October.

**Mr INGERSON:** My final question relates to the computer booking system. When was that installed? Why does it need a review? How much will that cost and who is going to do it?

**Mr Everard:** The review was part of an ongoing commitment when the Language Services Centre was initially established. It was partially installed in June 1989. However, it was recognised at the time that, depending on the volume of business, it may be necessary to make it a multi-purpose

function booking system. Because of the income generated from the private sector, we have had to bring forward that plan. Initially we thought that it would not be necessary to review it until 1992. However, given the income, particularly from the private sector, it is now necessary to bring the review forward.

**The Hon. Lynn Arnold:** I am advised that the actual payment made to State Computing to undertake that computer strategy was \$10 000.

**Mrs HUTCHISON:** My first question relates to page 153 of the Program Estimates and the resources summary. The proposed capital expenditure there is \$20 000 for the coming year. That figure is fairly well down on last year's figure, which was \$239 000. What is involved in that \$20 000 expenditure?

**Mr Everard:** Are you commenting on the figure of \$239 000?

**Mrs HUTCHISON:** No, the drop from \$239 000 to \$20 000 this current financial year.

**Mr Everard:** That drop relates purely to the establishment of the Language Services Centre. In last year's budget \$200 000 was set aside for that, but of course that was a one-off cost.

**Mrs HUTCHISON:** My second question relates to page 158 of the same book and the 1991 objectives. For some time I have been aware of some inconsistencies and some problems with Australia's recognition of overseas qualifications for migrants. One of the objectives in the book is to reform that system. What has been done so far and what is intended to be done about that?

**The Hon. Lynn Arnold:** The area of overseas qualifications has been of great concern to the Government. We have enhanced the work of the Overseas Qualifications Unit of the office. Previously, a small unit had been established in 1987 and we were either the first or the second Australian State to have such a unit. In the 1989-90 budget funds were set aside for an enhancing of that capacity and the establishment of a separate Overseas Qualifications and Skills Board. That board, which is chaired by Lyall Fricker, has the following functions:

To identify the relevant role of various Government agencies, tertiary institutions, registration boards and 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 and 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.

There were some delays in getting the board fully operational, and as a result of that its first meeting was held on 26 June 1990, which was some months later than we had anticipated. The original ambit of it being reviewed within two years is taken to be two years from the date of effective operation, not two years from the date of announcement. There is therefore a natural extension of the review period. The board meets every five or six weeks.

The unit employs five officers, including a manager, two project officers, one information officer and a clerical assistant. It provides a first point of contact for all overseas qualified persons who seek to have their overseas qualifications and skills recognised. The activities of the unit include the provision of information and advice regarding



the recognition of qualifications, employment opportunities, training and retraining opportunities and appeal procedures; arrangements for translations and assessment of qualifications and issuing of assessment letters to clients; liaison with professional associations, registration and licensing boards, training authorities and employers on behalf of clients; maintaining and periodically updating the client information data base for the purposes of statistical analysis, planning and client referrals; and, finally, supporting the Overseas Qualifications and Skills Board with reports, research, analysis of the overseas qualifications data base, recommendations, policy option papers, and so on. With respect to liaison with professional and other associations, there have already been discussions with the ICTC and the South Australian Association of Professional Organisations.

**Mrs HUTCHISON:** My final question also relates to page 158 and the 1991 objectives. That page includes an objective about the State's community relations strategy. I am not aware of what that involves. Can the Minister give me some idea of what it involves and what progress has been made?

**The Hon. Lynn Arnold:** That relates to a project initiated by my predecessor, Chris Sumner. He appointed Elliott Johnston to chair a project into community relations. When he started that work, Elliott Johnston established a number of task forces which met on specific topics to examine what areas of change were needed in respect of community relations. The Community Relations Advisory Committee which he chaired then collated all the findings of the various working groups and provided a report to me which has been the subject of further consideration by the Government.

In respect of community consultations, some 300 organisations participated in a series of 36 consultations encompassing ethnic and Aboriginal groups, service providers and community groups both in the metropolitan area and in seven country areas. I hope that we will be able to report further on the outcome of that extensive work during this financial year.

**Mrs HUTCHISON:** As a supplementary to that, what were the seven country areas involved?

**The Hon. Lynn Arnold:** I cannot say off the top of my head, but I will get that information for you.

**Mr INGERSON:** As a follow-up to that question, when was that report commissioned and finished? You mentioned briefly that you have the report in your hands or that you are looking at it. When will it be published? You also mentioned a large range of groups. Can you expand on the groups involved?

**The Hon. Lynn Arnold:** By 5 October we will make available a list of the groups which were consulted. The report was commissioned in June 1988 by the then Minister of Ethnic Affairs, it was completed in May 1990, and it has been under consideration by the Government since that time. At the end of November I am expecting a report of a steering committee which has been appointed to oversight the implications of that report. As I mentioned to the member for Stuart, I shall be in a position to see this report being made available this financial year.

**Mr INGERSON:** Page 157 of the Program Estimates refers to the introduction of revised contractual arrangements for casual interpreters and translators. What are those arrangements; when will they be introduced; how many contract interpreters and translators will be employed; and what is the financial impact of the new contractual arrangements?

**The Hon. Lynn Arnold:** The number of contract translators that we are employing has gone down since the new arrangement was put in place, because we are employing

more full time translators. We have about 220 on the list. By 5 October I will get for the honourable member a breakdown of the contract translating costs as opposed to the full time salary translating costs for this financial year just completed compared with previously, and a budget estimate for the year ahead. The budget estimate for the year ahead will be somewhat speculative, because the fact that we use contract translators is a question not only of overload, which full time translators may not be able to cope with, but may also reflect out of hours usage and the languages being required. We do not maintain full time translators in a number of languages because of the usage rate. Therefore, we do not know what languages will be required for interpreting tomorrow, for example. We will do our best to get the relevant figures. However, there is no doubt that the significance of full time translating employment within the centre has increased since the changes last year.

**Mr INGERSON:** What is the cost to users of the awareness courses which are mentioned in the next line?

**The Hon. Lynn Arnold:** We will come back with an estimated figure on that. We do not have the figure readily available.

**Mr INGERSON:** In the last line of that target there is a reference to the promotion of language policy. What is the language policy; how will it be achieved; how much will it cost; what are the expected long term benefits; and how will they be measured and monitored?

**The Hon. Lynn Arnold:** This is not unique to the Office of Multicultural and Ethnic Affairs or the Language Services Centre; rather, it is part of a Government wide view with respect to the role of languages in our community. The Government's view is that it is unfortunate that we do not take enough opportunities to increase the linguistic skills of our community in trade, tourism and economic development. That was one of the reasons why, in 1985, I, as the then Minister of Education, announced the policy that within 10 years every primary school child would be learning a language other than English in the LOTE program—languages other than English. It is also the reason why a change made to the legislation covering the South Australian Multicultural and Ethnic Affairs Commission last year included a reference to the community diversity of South Australia being used as an asset for economic, trade and tourist links that, therefore, must have a language policy implication.

From the point of view of the Language Services Centre, one of the objectives was to point out to industry the benefits of having a multilingual approach to trade and investment opportunities either by means of drawing upon the services of places like the centre or other translators—this is not an attempt to say that only the Language Services Centre can do it—and generally having those people in their enterprises involved in trade and investment made aware that a monolingual Australia will not succeed as successfully in trade and investment as will a multilingual Australia. These matters will also be addressed to the business plan that is to be examined by the Language Services Advisory Committee, the membership of which is: Ms D. Egen, the Chairperson; Mr T. Barr, Chief Executive Officer; Mr N. Hakof, Chief Executive Officer, Queen Elizabeth Hospital; Mr R. Foster, Registrar, District Court, Court Services Department; Mr C. Majewski, Assistant Director, Policy and Planning, Education Department; Mr D. Riley, General Manager, Marketing, Tourism South Australia; Mr K. Crawshaw, from the Public Service Association; and Mr L. Timpano, the Manager of the Language Services Centre.

**Mrs HUTCHISON:** On page 158 of the Program Estimates there is a reference to the Multiculturalism and the Law Advisory Committee which was to report on issue

papers from the Australian Law Reform Commission. Has that report come in yet, and what was the reasoning behind it?

**Mr Barr:** The Australian Law Reform Commission intends to issue several papers over a period of 18 months. An introductory paper has been received, considered by the committee, and a reply has been forwarded by the Premier. That was an exploratory paper asking people to comment on the general approach being taken by the commission. Starting in November 1990, the commission intends to issue specific papers dealing with the criminal law, corporate law and family law. A particular comment will be sought in relation to each of those areas of the law; that is, the law as it affects the Commonwealth's operations. The committee will prepare a State response to each of those papers as they are received, and hopes to complete its work by September 1991.

**Mr INGERSON:** What is the total yearly cost of sitting fees of the commission; how much will the corporate plan cost to produce; to whom has it been circulated; and what has been the feedback to that corporate plan?

**The Hon. Lynn Arnold:** The corporate plan has been circulated to a wide number of community groups and Government departments, and responses have been received in very recent days. I am considering the responses and we are tying the corporate plan into the legislation that was changed last year. The purposes of the corporate plan are to identify issues that the commission will have to address in the next three years, until June 1993. Without preempting the final outcome of that review process, which is still under way in terms of consideration by me, the plan identifies five goals of the commission: community relations, social justice, participation, immigration and settlement, and services.

The membership of the commission was increased in the last year as a result of changes to the legislation. The Chairperson is a full time position though, at such time as there is a change of Chair, that matter will be reviewed. Members of the commission receive \$1 805 per annum, except those who are employees of the Government, and a policy exists on that. We will get the exact figure of how much has been paid out in the last year on sitting fees and how much is to be paid out, but it is about \$20 000 a year.

**Mr INGERSON:** Is the position of Chairman of the Overseas Skills Board a salaried position and, if so, what is that salary? What was the Chairman's term of appointment and do board members receive any remuneration?

**The Hon. Lynn Arnold:** Sitting fees are paid both to the members of that board and to the chairperson. It is a two-year position, I think, after which time it will be reviewed. The chairperson of the board receives an allowance per year that takes into account not only his sittings at meetings, but also the work he does between meetings. We will get the exact figures of that and the sitting fees for members in due course.

**Mr INGERSON:** In relation to settlement, who is being assisted—the Commonwealth department, State Government departments, local government or community organisations—and what are the details? How are the strategies being developed and implemented?

**The Hon. Lynn Arnold:** Settlement strategy covers a number of Government departments. It has relevance to the Department of Industry, Trade and Technology because of the business migration area. It has relevance to the Office of Multicultural and Ethnic Affairs because of the work of the Ethnic Affairs Commission in trying to liaise with communities and assist in the development of a multicultural society which has clear settlement outcomes. It also relates

to the work generally in areas such as education and employment whereby matters of appropriate skillings are addressed.

The Government has attempted to tie all that together with a focus that is now under George Klein in the Department of Industry, Trade and Technology, with liaison with the Office of Multicultural and Ethnic Affairs. As I mentioned, this budget provides for one position within the Office of Multicultural and Ethnic Affairs that is being funded from the Department of Industry, Trade and Technology budget to maintain that link with the local community. The actual strategic approach that will be followed by the unit is still being examined, but we want to look at a number of things: first, an increase in business migration to South Australia; secondly, an increase in skills migration to this State; thirdly, an increase in areas of sponsored migration to South Australia and also, as I mentioned this morning, an increase in the net gain to the State of interstate migration as opposed to just international migration.

**Mr INGERSON:** Can the Minister advise the Committee how he sees this sponsored migration being increased when there appears to be some difficulty in that area with regard to current Federal policy?

**The Hon. Lynn Arnold:** We felt that last year's move to have the points system whereby each State could nominate an area with respect to sponsored migration taking account of some preferred areas was a good move. However, we have indicated in discussions with the Federal Government that we have not really seen major benefits as a result of that system, and maybe it needs to be further reviewed. I understand that those meetings will take place in the months ahead under the auspices of a body called COSMIC (Commonwealth State Migration Committee). That body is examining ways in which we can enhance the effectiveness of any changes to the sponsorship scheme.

The broad purpose of our work in the sponsorship area is to suggest that there are opportunities for potential South Australian sponsors to attract those settlers from overseas whom they are not presently looking at. Some of that work would be with companies in this State. In fact, we have been doing some work with companies that have identified shortages in certain skills, skills that they cannot find within the present labour pool in South Australia or skills that are not easily available elsewhere in Australia, encouraging them to sponsor people from overseas. I will obtain details on the effectiveness of the program to date. I have received advice from George Klein on some successes that have been achieved in that area.

**Mr INGERSON:** In relation to migration generally, it has been said and published many times that our State is not doing as well as New South Wales and, in particular, Victoria. As part of the strategy that the Minister has just outlined, what else can the Office of Multicultural and Ethnic Affairs do in this area to attempt to sell South Australia as a better place to which to migrate, that is, as one of the better options?

**The Hon. Lynn Arnold:** We have to look at some other factors, of course. One is that we can increase business migration, and we are trying to do what we can in that area. We can increase skills migration by encouraging companies to think about migration as a solution to their skills shortage problems in the short term. Obviously, in the long term it is better that we enhance the training infrastructure in this country but, in terms of immediate bottlenecks, skills migration is an area where there can be growth. Sponsored migration is also an area where there can be growth, but that requires work not only with overseas potential settlers to Australia but amongst the potential sponsors in the State—not just in the private sector but in various communities

in South Australia. That is one area in which the office can play a very important part. Another area is refugee settlement, and South Australia has traditionally received, I think, more than its population share of refugee settlements into Australia.

The other area is family reunions. For some years we will continue to be behind the eight ball in terms of increasing family reunion migration to this State because of our relatively older average age than the rest of the country. In other words, there are likely to be fewer eligible family members remaining in other countries who could migrate to this country under that part of the scheme with respect to South Australia compared with other States. The main focus of the office will be promotion work within the communities of South Australia and also, of course, to liaise with the Department of Industry, Trade and Technology and to work with the respective trade chambers that exist in South Australia. I refer to the Italian Chamber of Commerce, the Netherlands Chamber of Commerce, the Arab, Australian, Middle East chamber, the Hong Kong Australian chamber (which has a South Australian branch) and the China chamber. The other main focus, of course, is the fact that the Overseas Qualifications Unit is under the aegis of the Office of Multicultural and Ethnic Affairs.

**Mrs HUTCHISON:** I note on page 157 under the 1989-90 targets and objectives that there was to be the progressive introduction of a seven days a week, 24 hours a day interpreting service. Is there any statistical data that records the usage of that service in country areas? What are the languages available through the service?

**The Hon. Lynn Arnold:** The figures contained on that page with respect to usage in terms of interpreting and translating assignments are global figures; they do not take account of the metropolitan *versus* country breakdown. I am not sure how easy it will be to obtain a breakdown, but we will do our best to obtain an analysis of those figures for the honourable member.

**Mrs HUTCHISON:** If it is not well used, there may be a need to promote it more in country areas.

**The Hon. Lynn Arnold:** Yes. Of course, this is a user demand service: as the demand grows we provide the service. The honourable member may be asking a question implicit about promotion of the service, and that is partly defined by who pays the bill. My guess is that Government agencies use the service no less frequently in country areas than they do in the city. The Health Commission is a big user of our services. My guess is that private sector usage is probably metropolitan dominated because most of that would be for translating trade pamphlets, investment brochures and the like. There may be some private sector country usage, but we will try to obtain information on that.

**Mr INGERSON:** In relation to multicultural strategies and policies, which Government departments have been consulted? What support has been provided? What are the strategies and are they being monitored? Have any of them been implemented and, if so, what are they?

**The Hon. Lynn Arnold:** In the fulness of time all Government departments will be consulted. The following departments and agencies have been involved in varying degrees in the development of ethnic affairs management commitments during the past four years: Arts; Children's Services; Community Welfare; Community and Neighbourhood Houses Network; Correctional Services; Education; Employment, Technical and Further Education; Engineering and Water Supply; Fisheries; Health Commission; Home and Community Care; Labour; Legal Services Commission; Local Government plus selected councils; Office of the

Commissioner for the Ageing; Occupational Health and Safety Commission; Personnel and Industrial Relations; Police; Premier and Cabinet; Public and Consumer Affairs; Industry, Trade and Technology; Tertiary Education; WorkCover; and the United Trades and Labor Council. I do not have information about how far each one of those departments has gone, and it might be appropriate to provide further information on that.

**Mr INGERSON:** Are they being monitored generally within the office of Multicultural and Ethnic Affairs?

**Mr Barr:** Yes, we intend to continue monitoring and to extend the range of departments that are covered. We expect that in the current financial year additional departments will be added. The office intends, from its annual report for 1990-91, to provide a report to Parliament on each of the agencies concerned in relation to their state of implementation and so on.

**Mr INGERSON:** What are the costs of the meetings of the Multicultural Forum? How many meetings were held through the year? What results were obtained? What are the associated running costs of the forum?

**The Hon. Lynn Arnold:** We will obtain the exact information on the actual cost of operating the Multicultural Forum, although it will involve some breakdown of attributed costs but, as I said earlier, attributed costs are always a bit speculative. It is an informal association of about 50 people in senior executive and decision-making positions drawn from the Government sector, the Judiciary, the clergy, business, industry, academia, unions, the media and community organisations. The forum meets monthly to hear about and discuss issues of multiculturalism, for example, overseas qualifications, but also other issues. It meets quarterly in an ethnic community setting; in other words, it chooses a different venue (such as the Hungarian Club, the Chinese Association or the Russian Community Centre) to the premises of the office once every three months.

The role of the forum is chiefly educative, with members experiencing a change in knowledge and attitudes, and it also advises the commission on particular issues. The approximate cost in 1989-90 for the forum was \$19 000, which mainly involved the cost of a part-time consultant (Mr Jim Giles), who has been acting as executive officer to the forum.

**Mr INGERSON:** What is Mr Giles' role in the forum that would require that sort of commitment and payment?

**The Hon. Lynn Arnold:** To arrange for meetings to be held; advice to members; follow-up from previous forums whereby questions or matters were raised on which further information should be brought back; to help set the agenda and provide necessary information that can fulfil an agenda; arrange speakers and venues, and so on.

**Mr INGERSON:** One matter that concerns many people in this area is the problem of grants, particularly in relation to the arts area. There is concern that there seems to be a move away from the encouragement of traditional culture and that emphasis is placed on the need to come up with something new. Communities that I have spoken to have said that one of the major things that brings them and their children together to continue their heritage is the fact that they can use traditional arts and art forms. However, it seems to me that there is a move away from this. Is that a specific policy direction or are there other reasons that I do not understand?

**The Hon. Lynn Arnold:** It is not simply a matter of talking about a change of policy. There are certain arts policy questions here that need to be looked at in the context of the Minister for the Arts, and I am certain that they can be dealt with separately. With respect to that which comes

under the auspices of the Ethnic Affairs Commission, I suppose the most relevant is the Multicultural Arts Trust of South Australia. Our view is that the trust should be there to promote multicultural arts, that that is not simply a static picture but a dynamic one. The static part is the preservation of artistic and cultural traditions of the various communities we have in South Australia: the dynamic part is to recognise that nothing ever stays the same, that there is always change, and that the culture that has given rise to artistic traditions at a certain point will always change itself. We ought to encourage that particular change.

Perhaps I should give an example. I recently attended a particularly fascinating exhibition of the Lithuanian community that was held at the Migration Museum. In its artistic expressions this small exhibition made the point I am making: on the one hand you saw exhibited some examples of traditional Lithuanian art as they are being preserved by Australians of Lithuanian birth or origin; but, on the other hand, you saw artistic expressions from Australians of Lithuanian birth or origin that drew upon the cultural and artistic roots of Lithuania but also have changed with the individual expressions of the artist. I think, for example, of the stained glass leadlight work that was on display imbued with the great traditions of leadlight work for which Lithuania is quite famous, but quite clearly it was in the modern idiom. I am also reminded of some of the sculptural work that was in the modern idiom but drew upon the cultural heritage of the artist which was, in this case, a Lithuanian heritage as well as a more broadly Australian one.

Likewise in the written work, I would call, for example, on the work of Andre Deszery who, as a publisher, for many years attempted to publish the dynamic artistic spirit of Australians of multicultural origins, recognising that they simply would not keep repeating the artistic expressions of the past, but would do it in the modern idiom. Both those things are very important. The Multicultural Arts Trust for its part seeks to promote both of those. So it is not a case of one having preference over the other.

A number of the grants to ethnic groups cover artistic activities. I can identify that the Adelaide Folkloric Society received money for the staging of a youth concert in 1990; a master video and booklet on Sorb culture will be produced; the Chinese Association received money towards equipment costs for a traditional dragon boat race program; and there was money for the staging of a multicultural concert at Tailem Bend and other concerts for senior citizens groups, for example, the Polish Folkloric Ensemble (Tatry) and the Vukovi Dani Festival. Some of those are picking up re-creations of historic artistic traditions and others are bringing in how that artistic tradition is affected by 1990 Australia.

**Mr INGERSON:** There is some concern in the community that the commissioners no longer represent communities as such but are elected to represent the totality of the multicultural community in our State. Has there been any feedback concerning this problem and, if so, what action has been taken by the commissioners to alleviate the concern within the community?

**The Hon. Lynn Arnold:** I have not received any direct comment on this matter as a general proposition. It is true that from time to time I have heard from a particular community that felt it was not represented adequately on the commission, and we had to take that into account. To my knowledge, it has never been the case that there has been a set geographical allocation for constituencies, almost, in relation to membership of the commission. We have attempted at any one point of time, and over time, to ensure

that the mix of the Australian community is reflected in those who are members of the commission. So, whilst one particular community may not be represented now, we hope that over time everyone in the community, somehow, gains representation on the commission. I draw attention to the principal Act which, in reference to the selection of nominees for appointment to the commission, provides:

The Minister should act with a view to ensuring that the membership of the commission reflects an appropriate diversity of ethnic and occupational backgrounds and should have regard to the knowledge, the sensitivity, the enthusiasm and personal commitment and the experience of involvement with ethnic groups of those who come under consideration.

At the moment, the commission has representation from the following groups: Czech, German, Russian, Sorbish, Indian, Chilean, Greek, Chinese, Filipino, Polish, Italian, Vietnamese and Anglo-Celtic. So, there is a fair spread of representation and we will continue to look at that as appointments occur for replacement.

**Mr INGERSON:** In his recent trip to Italy, the Minister was involved in a particular area. Will he explain that involvement and say whether the Government intends to extend that area of involvement into other areas of the Italian community?

**The Hon. Lynn Arnold:** My trip to Italy had two principal purposes. The first was the industry trade connection, which was connected with the Fiera d'Aprile, also known as the Milan Trade Fair, wherein we gave financial support to the participation of some Australian companies. The second area of involvement connected with my ethnic affairs ministerial responsibility concerned the relationship of the Campagna region with South Australia. In 1987, the then Minister (Hon. C.J. Sumner) obtained Cabinet approval to enter into discussions with the Campagna regional government with a view to what is called a *gemellaggio* being established, a twinning between the two regions. This resulted in some exchange of people between the two regions, but by early 1990 it had not progressed as far as we would have liked. It was important that I pursue this matter while in Campagna, and indeed I had discussions with the new Minister responsible for this matter, the Hon. Clino Bocchino, who, amongst other things, is the regional Government Minister for Industry. I also had discussions with Fernando Clemente de la Luca, the President of the Regional Government of Campagna, and a number of other people in that region where I visited towns, cities and villages within the area that is connected with South Australia. It is worth noting that Campagna was chosen because more Campagnians have settled in South Australia than in any other State. The Campagnian community represents a significant proportion of Australians of Italian origin or birth who reside in this State. Campagna is centred around Naples and includes such places as Benevento, Salerno and Amalfi.

During my visit, we agreed to progress this matter further and started to look at the kinds of structures that might be needed for the *gemellaggio* to proceed. Following this, the Hon. Clino Bocchino visited Australia with a small trade mission from Campagna. Campagna was the guest region at the Expo organised by the Chamber of Commerce and Industry in May of this year. The Premier is now in Europe and he will finish his trip by visiting Campagna and some other places that I have not yet visited and it is anticipated that the *gemellaggio* will be formally signed by the Premier and the President of the region, Fernando Clemente de la Luca. It is possible that the Minister responsible in Campagna, the Hon. Clino Bocchino, will return to Australia in November, although I do not have a definite date.

A committee is being established, but it does not have a definite structure as yet. We aim to have a committee in

South Australia alongside a parallel committee in the Campaignia region. The South Australian committee will consist of both governmental and private sector representation and Paolo Nocella, who is the head of the Italian Chamber of Commerce and Industry and of a group known as Coemit, the coordinating committee for emigrant Italian organisations, will chair the committee jointly with Mr Trevor Barr of the South Australian end of that *gemellaggio* relationship.

The ACTING CHAIRMAN (Mr De Laine): There being no further questions, I declare the examination of the vote completed.

Agriculture, \$66 093 000

**Chairman:**

Mr M.J. Evans

**Members:**

Mr M.J. Atkinson  
The Hon. Ted Chapman  
Mr M.R. De Laine  
Mrs C.F. Hutchison  
Mr E.J. Meier  
Mr I.H. Venning

**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.

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

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

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

Mr MEIER: I will make a brief statement before commencing questioning. It would be recognised by the Minister and members of this Committee that South Australia is facing a rural crisis at present. It would appear that it will get worse before it gets better. We can always ask ourselves how one identifies whether the State is facing a crisis. It really came home to me in the past week or two when farmers from areas that I would regard as being fail safe indicated that they are very worried about the direction that the rural sector is taking and about their markets and financial returns. As one farmer indicated to me, in the 100 years in which his family has been on the farm, they have never been in a situation, to his recollection, where they received a bill for taking sheep to market. Recognising that fact, it must be said that many factors are affecting the current crisis.

The Middle East situation has not helped at all. I was alarmed to hear on the radio this morning a prediction that oil prices would go to \$40 per barrel by Christmas. Most of us would appreciate what effect that will have on the rural sector, let alone the effect of the cost of \$33 a barrel at present. Other factors relate either directly or indirectly to Governments and the way in which they manage the economy, such as high interest rates, the high rate of the Australian dollar, high overseas debt, high inflation and high taxes and charges. Whilst most relate specifically to the Federal rather than State Governments, certainly in the area of taxes and charges the State Government plays its part. Probably the most important factor affecting the rural sector is the world market and local markets.

We have seen wool prices come down by 20 to 30 per cent, wheat prices down by about 30 per cent, sheep prices down by 70 to 100 per cent and citrus concentrate prices down by 40 per cent—in fact, in any rural export area prices are down by at least 15 per cent simply because of the high value of the Australian dollar. We see items such as pork, potatoes and chicken meat being affected not by the export market but by the threat or actual import of overseas products into this country. The Government has an onerous responsibility before it. No doubt the rural sector can stand on its own two feet and has done in times past. However, in a crisis such as we are entering in so many areas, there is no doubt that the rural sector needs help rather than hindrance. Hopefully, this Government will endeavour to follow that line wherever possible.

What action are the Minister and his department taking to address the current crisis facing South Australia's sheep industry? Will the Minister be making specific moneys available to assist the industry? The sheep industry crisis spreads throughout the State. I have had discussions with the Naracoorte District Council, which operates the local sale yards, and there is concern that in the week before last, whilst 1 200 sheep were sold for a price of \$2 per head or less, some 500 of those sheep were unsaleable. A report from Port Lincoln received last week stated that the market had been the worst market for years. Five-year-old ewes were selling for between 10c and 20c each, and the maximum price for ewes reached on that day was \$2.40. The best wethers brought \$4, but that was with the anticipation of the Kangaroo Island market being opened.

The local council had already been arranging for the disposal of sheep, and charging \$1 per head. So, one can understand that, if sheep were fetching 10c or 20c, at least the farmers might have got something less transport cost, but at \$1 per head it is still an expensive operation to get rid of them.

In the Naracoorte situation the district council has asked for Government assistance to help it to dig trenches and pits, to help establish areas where water courses will not be polluted and to receive advice on health and hygiene matters needing attention. Likewise, there is a strong feeling in the Naracoorte area that the Government should consider subsidising farmers to transport their sheep to the Green Triangle meatworks, where at least they can be melted down to tallow or ground up into meat meal. Again, whilst my last conversation with those operators indicated that they were paying 50c per head, they felt that, because both the price of tallow and the price of meat meal had dropped by \$100 per tonne in the past couple of weeks, they could not continue that rate for much longer.

Last week the best lambs at Murray Bridge were bringing between \$14 and \$17, which compares with prices last year of about \$32 per head. Two to three years ago those same lambs were returning between \$40 and \$50 per head—a massive reduction. The worst thing, most stock agents inform me, is that at least 20 per cent to 30 per cent of the stock that normally would go to market is not going because farmers fully appreciate that sending them to market would be a financial liability. What has the Minister in mind to address the current crisis?

The Hon. Lynn Arnold: The honourable member has raised a number of issues about concerns facing agriculture generally but, more particularly, facing the wool and sheep meat industries. The Government is well aware of the difficulties many farmers are facing, but the solutions are not easy. Any solutions that are attempted have to be within a coherent framework so that we are not establishing bad precedents, but rather that we are looking for a sector whose

contribution to this economy is vitally important to keep on being important, but established on sound principles.

I might say that the Federal Minister, John Kerin, a few days ago approached all States to indicate his comments with respect to the price of wool, his reaffirmation of support for the floor price and also the lifting of the ceiling on the guarantee on AWC borrowings. He also indicated in that letter that he was hoping that there would be talks with various States on the situation facing growers within the wool industry. Indeed, I think it is perhaps relevant for me to read out the section from that letter, which I received on 13 September. It states:

In the next couple of weeks I propose that my department might ask representatives of the State departments to a meeting in Canberra to discuss the situation facing growers and the possible actions that might be taken.

He continues:

Some States have already approached the Government to provide AQIS support to change inspection arrangements and to provide additional services to assist with the disposal of excess sheep. I should be pleased to consider any further approaches along these lines.

That was followed by a further development by the Federal Minister, whereby he created an interim wool industry policy council, representative of the Federal Government, the various States and industry, and John Kerin advised the State Ministers that he was asking Ian Armstrong, the New South Wales Minister of Agriculture and Rural Affairs, to be the State representative.

Ian Armstrong has written to all of us. Indeed, I received a letter from him yesterday asking for any comments that I would like him to consider when he takes part in the meeting, which is to take place tomorrow, as I understand it. As a result of that, I have just minutes ago signed a letter which I think I should read into *Hansard*. It states:

Dear Ian,

Thank you for your letter regarding the first meeting of the Australian Wool Industry Policy Council in Canberra tomorrow. Due to the short notice of this meeting, and the lack of an agenda, it is difficult to provide specific comment. The following information on conditions in South Australia may be useful.

The South Australian Government supports the initiatives announced by the Minister for Primary Industries and Energy last Wednesday, particularly the reaffirmation of support for the floor price of 700 cents per kilogram and the lifting of the \$2.5 billion ceiling on Australian Wool Corporation borrowings. We are aware of the economic need to reduce sheep numbers and thus the amount of wool produced in Australia. This is compounded in South Australia by continuing poor seasonal conditions in many parts of the State.

This year the season in South Australia started three to four weeks later than normal in areas of the State where over half the sheep are carried. Sheep numbers are above average, and in the South-East where all conserved fodder has been exhausted, both cattle and sheep are still in poor condition. Even if an exceptional spring occurs, it will be necessary to dispose of large numbers of sheep in South Australia during the next 12 months.

Sheep rendering, canning and processing capacity is insufficient to handle the large numbers of animals involved, many of which will not be in suitable carcase condition for meat processing. The only viable option for disposing of these sheep will be slaughter and burial, and the Department of Agriculture is liaising with local government authorities to coordinate this activity.

The South Australian Government does not support any direct subsidies to farmers to slaughter sheep. However, it would be reasonable for the Australian Wool Industry Policy Council to consider proposals for assistance to local government for the humane and environmentally sound disposal of livestock where appropriate. In addition, the provision of centralised facilities for sheep slaughter would act as an incentive for farmers to dispose of unwanted sheep and thereby aid the reduction of sheep numbers.

I may mention that although the Commonwealth Government has increased the level of funding for interest rate subsidies under Part A of the Rural Adjustment Scheme (RAS), the current level of downturn in the wool industry, coupled with depressed market prospects in other major industries such as wheat and barley,

suggest that consideration could be given to seeking even further increases in RAS funding.

In the context of that the issue of disposal of sheep is addressed in that letter, and it is important to make some comments about that. First, we are aware of the magnitude of the problem, but the way it is addressed does not necessarily provide easy answers. We need to see that a false message is not given in terms of turning off sheep, given the rise in sheep numbers in the past three years. Hence, they have reached fairly high levels and would have needed some turning off in any event.

We also need to consider the environmental questions that the disposal is being handled safely, and to see that the facilities are there. I am advised that a program for the disposal of sheep has been in place since June coordinated by local government authorities, the Department of Agriculture and the E&WS—the latter being involved to avoid the contamination of underground water.

I am also advised that only a limited number of sheep have been destroyed to date and that, while the abattoir at Mount Schank has closed, the digester is being kept open and can take up to 800 sheep a day. To date 1 500 sheep have been processed. Local governments are identifying sites in various parts of the State and are looking at the charging mechanisms which should take place.

I noticed the comments made by the Sheep Meat Council of Australia, which is a branch of the National Farmers Federation. It has indicated its opposition to any subsidy position with respect to the disposal of sheep. I have had approaches from a number of people about the possibilities of the sheep for disposal being used as aid programs and I note that some consideration has been given to that. It is to be hoped that as much as possible could be financed under aid programs and therefore be consumed rather than just buried.

However, there are limits to the capacity of the aid programs to pick that up, partly as a result of the dietary habits of the people in the countries where the food would be sent. That is not a simple question some people are totally incapable of accepting completely different food products. The cost of converting the meat into products suitable for human consumption, given the poor condition of some of the sheep that we are talking about, is also a problem. Nevertheless, that is being looked at and I am pleased about that. I hope that as much meat as possible can go in that direction, but in reality it will be only a relatively small percentage of the total turnoff.

**Mr MEIER:** My next question relates to the food aid scheme to Jordan and possibly to other Middle East countries which have refugee and starvation problems. The Minister may be aware that last week Mr Sandy McDonald, from Wallabadah, in New South Wales, put out a release on behalf of a group of concerned farmers in northern New South Wales requesting the Federal Government to provide a food aid scheme to the refugees and to use the surplus or oversupply of sheep on the Australian market to that end. I know that it has been said that the sheep being destroyed currently are in most cases old and of poor quality.

**The Hon. TED CHAPMAN:** They are not all old or of poor quality.

**Mr MEIER:** No, but I remind the Minister that, as I have said about the fat lambs, they have dropped dramatically. I want to cite an example from my area on Yorke Peninsula. A farmer there sent to market some four-year-old ewes which he regarded as top quality ewes and some of the best he had sent. They were excellent for meat and he received an average of \$1.66 per ewe. I dare say that they would have been choice mutton.



Is the Minister prepared to push for the establishment of a food aid program? If so, does he foresee that the South Australian Meat Corporation will be able to play an active role in it? Does the Minister have any figures as to what it would cost to process sheep on a per head basis? Is he aware of the transport costs involved to get that meat to the Middle East post haste?

**The Hon. Lynn Arnold:** I thought that I had answered a lot of the questions about the aid scheme earlier, but I have some more information which I can add to the reply that I have already given.

The Australian Meat and Livestock Industry Policy Council has examined a number of options available for the disposal of 'no commercial value' sheep in the current climate of low wool prices and oversupply of old sheep for slaughter. One option is mutton in food aid. I said I would support that and would support a diversion of as much as possible of the NCV sheep to food aid programs. However, the reality of that goal is somewhat limited.

The use of canned mutton was considered the most appropriate packaging form because of the transport times and difficulty of maintaining low temperature storage. However, canned mutton has the following disadvantages: high per unit costs, namely the processing of carcasses and canning and unfamiliarity and therefore unacceptability to some recipients. In that regard, I must point out that it is not just a case of unacceptability. There is a dietary incapacity in some cases for people to accept food to which they have never been accustomed.

The Commonwealth Government policy has been mainly to provide grain and powdered milk as part of the aid program instead of processed meat. The meat canning capacity in Australia has dropped considerably in the past decade and the quantity of canned mutton comprising corned mutton, sheep and lamb tongues sold and transferred out from the manufacturing sector dropped from 930 tonnes in 1980-81 to 252 tonnes in 1982-83 (I believe that the second figure may be wrong).

At the maximum, that level of production would dispose of about 20 000 sheep of average carcass weight. The preparation of the lowest value canned mutton for food aid would have to fit in with the scheduled production of normal output at the canning works.

Dried meat was another option. However, the capacity to dry meat in Australia is also very limited and most of that capacity is currently used to produce dehydrated products such as packet soups. To produce dried mutton for food aid, resources would have to be made available to increase factory capacity or output from existing processors.

Other important considerations are the high costs of transport, slaughtering, processing and packaging. Even if the sheep processed for aid are commercially valueless at the point of sale, considerable costs would be involved in producing and distributing the final product. The New South Wales Meat Industry Authority has estimated that it costs 44c a kilogram to process a 17 kg lamb. Processors have indicated that they need to receive a wholesale price of 88c a kilogram over a 16 kg to 40 kg carcass range to cover the cost of processing. That does not take into account the high labour component in boning out.

Those are the difficulties. I am not saying that the difficulties should chase us away from doing more work in the area. I certainly would support further examination by the Federal Government of using aid programs to help provide food for people in need and at the same time to use that as a vehicle to help us to turn off some of the excessive sheep numbers in this country. I am merely trying to say that it is not as simple a matter as it might appear.

**Mr MEIER:** Supplementary to that, what would processing cost per head of sheep? The Minister gave a lot of figures and I thought that they applied to canned meat. Is there a figure to show what it would cost per carcass?

**The Hon. Lynn Arnold:** As I have said, the New South Wales Meat Industry Authority has estimated that it costs 44c a kilogram to process a 17 kg lamb. I take those figures to be for slaughtering, processing, packaging and transport. Processors have indicated that they need to receive a wholesale price of 88c a kilogram to cover the processing costs.

**Mr MEIER:** I think that there are rough mathematical figures of between \$6 and \$8 per lamb. We have considered the option of sending direct food aid by processing it here and then sending it over. Has the Minister or his department undertaken any negotiations with the former live sheep carrier from this State, *Al Mukairish*, as many tens of thousands of sheep were previously transported by the *Mukairish* operation? There have been a variety of reasons why that has fallen through.

The *Al Mukairish* was never refused access to Saudi Arabia because it was carrying old sheep. Having spoken to some of the principals of the company, I know that they were happy to accept six-year old sheep and they got them into the country without any problems. South Australia has a crisis with respect to getting rid of some sheep. Will the Minister consider opening negotiations with the *Mukairish* enterprise to see whether it can start taking some of the tens of thousands of sheep out of this State?

**The Hon. Lynn Arnold:** The honourable member asked me two questions on this matter during the sittings of the House of Assembly. There have been only relatively informal discussions between the department and the operators of the *Al Mukairish*. The company's position is somewhat complex, given a series of claims and counterclaims, I suppose, leading to its current status. The more general question of live sheep exports needs further comment. We are trying to do what we can to work with the Federal Government to support the vitality of this trade or to see it recover. South Australia's share of the total Australian live sheep export trade has declined from 24 per cent in 1986 to 19 per cent in 1987, but in 1988 it went back up to 30 per cent.

Over the years we have considered how that can be promoted further, but there have been more recent problems with Saudi Arabia. In July 1989, Saudi Arabia rejected a shipment of sheep from Australia. A total of six shipments of approximately 400 000 sheep were rejected during that period. The Saudi Arabians claimed that the sheep were infected with either blue tongue or sheep pox. Sheep pox is exotic to Australia. No case of clinical blue tongue disease has ever been recorded in commercial sheep flocks in Australia.

On 22 August 1989, the AMLC suspended shipments of live sheep to Saudi Arabia to protect the national interest, and the ban was lifted on 21 December 1989, under certain conditions, in an attempt to get a stable basis for the trade continuing. A number of shipments were successfully exported to Saudi Arabia under the new guidelines, including three shipments from South Australia totalling 206 791 sheep.

In April this year three shipments of sheep, including the *Tabuk* from South Australia, were rejected by Saudi Arabia on the grounds that they were infected with scabby mouth. A further shipment was rejected as the sheep were deemed to be too old. Scabby mouth is a virus disease of sheep with a worldwide distribution. It is a disease of minor significance to the welfare of sheep experiencing it, causing relatively transient crusty lesions for a few days.

Kuwait, Bahrain and Qatar had also indicated that they may reject live sheep consignments if scabby mouth was found. On 8 July Bahrain rejected its portion (21 000) of a total consignment of 120 000 aboard the *Al Shuwaikh*. The reason was said to be the presence of scabby mouth.

Since that time there have been further developments. The AMLC recently released new guidelines for the export of sheep to Saudi Arabia. The guidelines are designed to provide more quality assurance with regard to the age and health of the sheep. The number of shipments to Saudi Arabia is also controlled. On 24 August this year South Australia exported the first shipment of 62 124 sheep on the *Cormo Express* under the new guidelines. The ship arrived at Jeddah on 13 September, the shipment was accepted, and unloading was completed on 14 September. The *Al Qurain* will be the next ship to depart from Australia for Saudi Arabia. It is expected to depart from Fremantle on about 27 September. South Australia exported nine shipments of 690 502 sheep to the Middle East during 1989-90.

With respect to the *Al Mukairish*, the Government's view has been that we are better off with this matter being dealt with through the AMLC. The problems between the AMLC and the *Al Mukairish* are matters for the AMLC to have governance of. It would not be appropriate for us to interfere, because we are concerned about the health of the entire live sheep export industry.

Mr MEIER: As a supplementary, I think the Minister knows that I disagree with that line of thinking. For South Australia's sake, I believe that we should interfere, but I will not continue with that argument. The *Al Mukairish* live sheep carrier has never had one sheep rejected, and the Minister did not insinuate that, but that is a fact.

How many live sheep have been exported through Outer Harbor by the bulk sheep carriers in the past financial year and how does this compare with live sheep exports through Outer Harbor for the two previous years? If the Minister does not have the figures now, I am happy that he should take the question on notice.

The Hon. Lynn Arnold: I gave the figures for the last financial year, but I do not have the figures for the two previous financial years. I will obtain those figures and have them put into *Hansard* by 5 October.

Mrs HUTCHISON: My first question relates to page 62 of the Estimates of Payments, program 6, under 'Rural industry research projects', I note that in 1989-90, \$19 000 was voted but no money was used. In 1990-91, \$109 000 has been voted. Why was none of the allocation used last year and why has there been a fairly large increase in that allocation for this year?

The Hon. Lynn Arnold: I am advised that what is reflected is a slight increase in approved projects under this program, and correspondingly under receipts there should be increased receipts from the Commonwealth, and hence there should be no net impact on the State budget.

Mrs HUTCHISON: My second question relates to 'Miscellaneous' on pages 59 and 64 of the Estimates of Payments. There seems to be a fairly substantial overall increase in the areas of the Australian Agricultural Council, the Australian Plague Locust Commission and the rural tree planting program. What are the reasons for those increases?

The Hon. Lynn Arnold: The rural tree planting increases are the result of a special Cabinet submission on this matter. I will try to get the relevant details. In the next few weeks there will be the official opening of the Rural Tree Planting Centre at Brookway Park, Lochiel. That centre, which is under a committee involving representatives of farming organisations, conservation organisations, local and State

Government, will promote tree planting initiatives which are successful.

One of the problems of tree planting in this country over the years has been a great deal of enthusiasm without necessarily the skill to match the agricultural needs of the community—in other words, the hydrology balance and other balances of the area—so that there is a negative impact on agricultural output. The other thing is to take account of the fact that lots of trees can be planted, but 90 to 100 per cent can be destroyed if we have not also properly addressed the types needed for a certain area or other measures to protect them which are needed in the early days while the trees gain strength. It is depressing for farmers, who do a lot of work putting in trees, to see them damaged by plague grasshoppers, for example, or incorrect planting procedures. The Rural Tree Planting Centre is designed to help us to overcome such problems. I will incorporate in *Hansard* a table of figures from the Australian Agricultural Council.

AUSTRALIAN AGRICULTURAL COUNCIL

	1989-90		1990-91
	Proposed	Actual	Proposed
OECD Annual Meeting—Seed Certification .....	400	—*	434
Australian Bibliography of Agriculture .....	4 600	4 537	4 700
Codex Committee on Pesticides Residues .....	2 700	—*	1 540
Codex Committee on Residues of Vet Drugs—Foods .....	—	1 275	1 400
Plant Quarantine Publicity .....	6 500	5 175	10 489
SCA Technical Report Series .....	—	3 486	6 000
Fresh Fruit Disinfestation .....	19 300	12 199	18 919
Fruit Variety Foundations .....	14 100	10 466	14 046
Australian Journal of Experimental Agriculture .....	14 000	13 990	13 990
Commonwealth Agriculture Bureaux .....	9 500	6 465	9 607
Australian Innoculants Research and Control Service .....	10 600	—*	11 649
International Seed Testing Association .....	500	—*	—
25th FAO Conference .....	3 000	2 250	—
Commonwealth Agricultural Bureau—Quinquen. Review Conference .....	—	—	1 040
Potato Cyst Nematode Program .....	2 800	—*	3 038
*Carryover plus contingencies	—	—	28 148
	88 000	59 843	125 000

The Hon. Lynn Arnold: It would appear from the table that the amount for 'plant quarantine publicity' has increased. There are new requirements and an increase for the 'Committee on Residues of Veterinary Drugs—Foods'. A carryover in respect of previous commitments has to be met.

The number of plague locusts in Australia has been generally low. Spring surveys will be required by the Australian Locust Plague Commission, which is jointly funded by the Commonwealth, Queensland, New South Wales, Victoria and South Australia to assess the extent and location of hatching and other overwintering surviving locusts. Plague locusts were not a major concern in the 1989-90 summer. The South Australian contribution to the APLC operational budget is \$119 000.

Mrs HUTCHISON: Page 141 of the Program Estimates deals with marketing. One of the 1990-91 objectives is to develop an embodied approach to marketing. I see this as one of the very important areas for agriculture. The member for Goyder touched upon that briefly in his opening remarks.

What is planned at this stage and what is envisaged in the future with regard to the marketing area of agriculture?

**The Hon. Lynn Arnold:** The creation of a marketing section was first announced in last year's budget and that has been maintained in this budget. I think the focus has been heightened by the commodity focus that the department is now taking as we try to refocus the resources we have to promote the returns to the economy of each commodity. In the past Australia has essentially been a supplier of relatively unprocessed agricultural commodities. That means that a lot of the value added benefit is received by other countries and not by us.

The function of the agricultural development and marketing section is to identify and develop new marketing opportunities for traditional products; identify and encourage the development of new products particularly for export; identify and develop strategies for import replacement; seek to increase added-value to all rural products before they reach the market place; assist in the development of new agricultural enterprises including the identification of sources of capital (though not to be the source of capital); advise on existing and alternative marketing arrangements for rural products; advise and negotiate on the provision of infra-structural services needed for the more efficient placement of products in markets; liaise and network with other trade-related agencies including the Department of Industry, Trade and Technology, AUSTRADE, the Department of Primary Industry and Energy, and the Australian Bureau of Agricultural Resource Economics; manage the department's relationships with consultants and international project management companies; oversight the department's overseas agreements and commitments; and coordinate programs for international visitors and delegations.

Those are the objectives. A number of things have been achieved in the past financial year including the joint Government Industry Citrus Export Development Committee, the considerable work with DITT on the South-East horticultural investment strategy, and the joint departmental and DITT working party on value-adding in agriculture. A number of sectors are now being looked at in respect of commodity groups, and I can give further information on those areas if members wish.

**The Hon. TED CHAPMAN:** My colleague the member for Goyder (indeed, our shadow Minister of Agriculture) raised the subject of the rural crisis particularly in relation to those involved in the sheep industry. In response, among other things, the Minister referred to an apparent request by the Australian Sheep Meat Council for the South Australian Government to not indulge in subsidies to the sheep farmers of this country in their current situation. Was that request made to Ministers of Agriculture in all States and at the Commonwealth level?

**The Hon. Lynn Arnold:** It was a report of the Australian Sheep Meat Council on the issue which has been circulated widely and of which I have a copy—I presume that many others do, too. I do not have it with me at the moment.

**The Hon. TED CHAPMAN:** Can the Minister inform the Committee whether the Commonwealth and the respective States intend to honour that request? Accordingly, can a copy of the material from the Australian Sheep Meat Council be tabled?

**The Hon. Lynn Arnold:** Yes, we could certainly make a copy of that available. There was also a press report in the *Advertiser* of 18 September which states:

The Sheep Meat Council yesterday decided to oppose a slaughter bounty for sheep, one strategy being considered against the present wool crisis.

President Mr David Kingham said the council opposed such 'non-market' ways of dealing with the wool oversupply, and

producers should not expect help in cutting sheep numbers built up in response to favourable wool prices.

**The Hon. TED CHAPMAN:** My question on this matter to the Minister is not to imply that I think that there should be a particular subsidy by any of the Governments across Australia without the matter being thought through very carefully. I seek clarification of the status of this council in relation to the subsidy and, more especially, I ask the Minister whether the Commonwealth—which has been traditionally responsible for many subsidies to the rural community and other industries during critical periods—and the respective States have decided to honour that request.

**The Hon. Lynn Arnold:** The point I was making is that that information on the Sheep Meat Council was simply for the benefit of the members of the House. That body, which is a branch of the National Farmers Federation, has not to my knowledge made a formal approach to any State Minister. I was putting a view as to how some of the producing communities see the issue. With respect to what the Commonwealth's response will be to subsidies or otherwise, we will have to wait and see what happens at the Interim Wool Policy Industry Council meeting that has been convened by John Kerin and for which Ian Armstrong will be the representative of State Ministers.

**The Hon. TED CHAPMAN:** The Minister would be acutely aware of the attitude of sheep farmers, in the southern States in particular, toward live sheep exporting as well as sheep meat marketing within the country and outside. Over the years our rural community has been gearing its operations in that direction. Accordingly, the Minister would appreciate the savage blow that has occurred within the rural community now that, for multiple reasons, Al Mukairish and other Middle Eastern groups have withdrawn from the sheep trade in this State, particularly in favour of continuing their trade with New Zealand, and they are now about to enter into South America.

What steps has the Minister taken to instruct the AMLC to treat our traders with the degree of respect they deserve and to negotiate quite properly in a businesslike way their return to Australia, to South Australia in particular? What steps has the Minister taken personally to recultivate that trade in this State?

**The Hon. Lynn Arnold:** I refer the honourable member to the answer I gave earlier on this broad matter, but I add that it is not within my legislative authority to instruct the AMLC to do or not to do what is being requested by the honourable member. The point that needs to be made is that the action taken by the AMLC against the *Al Mukairish* was on the basis of medium-term damage to the health of the live sheep export trade. That body does not have a vested interest to cut off the industry's own nose: its job is to try to secure the well-being of the trade generally rather than allowing any short-term quick gains.

As I understand the situation, action was taken because it was deemed that the *Al Mukairish* was putting at risk the medium-term viability of the industry and, in that context, all those who are concerned with the health of the industry would also share the concerns of the AMLC. I note, however, the points previously made by the shadow Minister about his views on that matter, but I also point out that there are other exporters of live sheep in South Australia and we have been working with them in terms of providing vets as required under the guidelines. We take an active interest in how those shipments are proceeding. If other shippers are able to provide the service, the question really is that the sheep be available and that we do our best to preserve the markets where they are sold.

**The Hon. TED CHAPMAN:** When was the last shipload of live sheep from South Australia?

**The Hon. Lynn Arnold:** The last ship, the *Cormo Express*, left in August, landed on 13 September in Jeddah and finished off-loading on 14 September. The *Cormo Express* will be the next ship back in South Australia on its return to pick up more sheep.

**The Hon. TED CHAPMAN:** When will that be?

**The Hon. Lynn Arnold:** It is five or six weeks away; I do not have the exact date.

**The Hon. TED CHAPMAN:** It is my information that the Arab community responsible for the largest fleet of live sheep carriers in the world has been insulted by the Australian Meat and Livestock Corporation and those people are unlikely, despite their background associations with live sheep marketing and transport from this State to the Middle East, to return here as they are currently welcome traders in New Zealand and are being urged to actively participate in the purchase and transport of live sheep from South America and a number of other places in the world. Notwithstanding their considerable investment in South Australia in the past, they do not propose to come back to this State, certainly in the foreseeable future.

Is the Minister aware of the delicacy of the subject or the alleged insult that has been delivered to these people by those in this country who are described as being incompetent and lacking sensitivity towards those races? I genuinely seek from the Minister his continued support towards amending the situation with which we are faced. I refer particularly to the Sheik Saleh and Sheik Nassar Al Mukairish group of companies which, as I have indicated, trade in many places in the world and are greatly respected.

**The Hon. Lynn Arnold:** I take note of the comments made by the honourable member. In the whole area of the live sheep trade, particularly with Saudi Arabia, there have been occasions on which comments have been made publicly or printed in a public forum, and it is my guess that it would not be unreasonable for Saudi readers to have taken exception to some comments. That highlights the need for care as to how these matters are handled. As to the allegations that the operators of *Al Mukairish* have taken offence, I am not specifically aware of that but I will have the matter further investigated and bring back a report.

**The Hon. TED CHAPMAN:** I was told within the past few days that not only is the Mukairish family welcome in New Zealand ports but, as their ships arrive, they are hastily taken to the wharveside and are serviced with speedy loadings and are welcome to return. It is important for us to adopt that type of attitude to cultivate relations in this State or at any other level in the country to ensure the return of our live sheep market, as we have enjoyed it over the past several years.

**Mr De LAINE:** I refer to page 142 of the Program Estimates and the amalgamation of the animal, plant and general quarantine services. What is the time frame for this amalgamation and when will the five quarantine officers at Port Adelaide be officially transferred from the Federal department to the State department?

**The Hon. Lynn Arnold:** As I understand it, South Australia is now the last State to have formalised this arrangement. It has been something that each State has been dealing with progressively over very recent months. I now advise that the South Australian Cabinet has approved the mechanism whereby this will happen.

Following the report by Professor Lindsay on 'Australian Quarantine Requirements for the Future', Federal Government policy in 1988 determined that quarantine services will be provided in each State or Territory by a single quarantine service operated by the State Departments of Agriculture/Primary Industry. The general quarantine will

be transferred from the Australian Quarantine and Inspection Service (AQIS) to the single services. An outcome of a subsequent review on the amalgamation of animal, plant and general quarantine functions in South Australia (Prescott/Delroy Report, 1989) was a proposal for a single administrative group for all quarantine, post-quarantine and export functions to be based at Port Adelaide.

A Quarantine and Agricultural Inspection Branch has been established in the Department of Agriculture which is directly responsible to an Overview Director (Mr G.D. Webber). The position of chief of the branch will be advertised in the near future. The plant and animal quarantine functions have been amalgamated. Operational units, based on site (for example, at the airport) or on a function (for example, premises inspection) are now operational. General quarantine was expected to be transferred from the Commonwealth to the State and amalgamated with plant and animal quarantine on 1 July 1990. There have been some delays and we now expect it to be formalised within a matter of days.

The outcomes of the amalgamation, namely, the integrity of the quarantine service, the reduction in inspection duplication through multi-skilling of inspectors, and cost-effectiveness will be reviewed three months after amalgamation. The review will be deferred pending the transfer of general quarantine and the operation of the fully amalgamated service for at least two months.

**Mr De LAINE:** Are any comparative figures available on which we can draw conclusions as to whether quarantine facilities operated by the private sector provide a superior and/or cheaper service than facilities operated by the Government?

**Dr Radcliffe:** There are several sides to this. Intergovernmental requirements require quarantine certifications for international export to be provided by Government organisations. If we bring material into Australia and want to ensure protection of Australia for quarantine purposes, the oversighting is still done by the Government. At the privately operated Kirra Animal Quarantine Centre in the South-East of South Australia, which deals primarily with goats, a Government veterinary officer is employed to meet the quarantine requirements established by the Australian Government.

**Mr De LAINE:** Are there any cost benefits to the Government from that?

**Dr Radcliffe:** I am not in a position to give specific figures on that. Presumably, the private sector had the option of either keeping the stock at Torrens Island or establishing a private centre. In fact, what has occurred is that the initial stock have been kept at Torrens Island and will never be released—this is so particularly in relation to sheep because of scrapie. The off-spring of that stock then go to the privately operated Kirra quarantine station, and that stock might eventually find their way into the public domain of Australia, whereas the parent stock never will.

**Mr De LAINE:** Do the importers pay all the costs?

**Dr Radcliffe:** Yes, it is operated on a full cost recovery basis.

**Mr De LAINE:** I refer to page 138 of the Program Estimates and 'Horticultural Crop Industries'. Is any assistance being provided to the Port Adelaide City Council flower farm for flower production and/or the marketing and export of flowers?

**The Hon. Lynn Arnold:** I will obtain a report for insertion in *Hansard* on the support that has been given to that project by the Department of Industry, Trade and Technology, which is the main department responsible for any assistance that has been given. The limit of the Department

of Agriculture's support is the involvement of the Senior Horticultural Marketing Officer (Mr Lewis), who is involved in providing advice to the project. We believe that floriculture has enormous potential, and in this State alone it is valued at some \$25 million to \$30 million. Predominantly, that comes from domestic and national trade, with some international trade, and grows at the rate of about 15 per cent a year. There are great opportunities. However, that will have to be something that the private sector drives, and we work with the private sector in attempting to see that driven.

**Mr VENNING:** The most serious problem facing agriculture in Australia is the financial prospects for our rural export industries, a problem of rapidly escalating costs and very low commodity prices. Today it is estimated that there has been a 31 per cent decline in wheat prices, a 51 per cent decline in wool prices and a 29 per cent decline in barley prices. This is obviously a crisis. What is the department doing to address this matter, particularly in relation to finding out where the problems lie?

In relation to the answer the Minister gave to a question of the member for Stuart concerning marketing, I refer to page 137 of the Program Estimates and the identification and development of new markets, and also to page 132, which indicates that, in 1989-90, \$539 000 was proposed for in the marketing budget but \$307 000 was actually spent.

**The Hon. Lynn Arnold:** The actual outcome for 1989-90 occurred because of some delays in getting the project under way. However, the allocation proposed for 1990-91 is \$557 000, and that brings it back up to where it should be. This was a new initiative in last year's budget and, as sometimes happens with initiatives, there was a bit of a lag in getting it up and running in relation to staff and things like that. That is reflected in that figure.

As to the question of wheat and barley and the outcomes for the season ahead, I certainly share the concern of the honourable member. I noted with interest but also with concern the figures that Don Pfitzner quoted in his letter about the likely outcome in income return, remembering that what he quoted is more pessimistic now because the dollar is actually higher than when he wrote his letter and, consequently, the decreases will be even greater than he predicted. That is something we have to look at very carefully. However, what we can actually do about it is somewhat limited, but there are some things we should be doing.

Last financial year I launched the South Australian component of the 'Protein for Profit' campaign. At the time I was asked, 'Is the extra money that the Wheat Board is paying for higher protein return sufficient to justify the cost of producing that?' In other words, 'Where is the financial incentive in terms of better prices received for higher protein grain?' The response was that there is not an immediate connection between the two, because the extra return in relation to the price for grain may not match the extra costs of producing that higher protein grain.

However, the real issue was that, if we do not do something about raising the protein levels, we will be swamped in world markets by others who do have higher protein levels, and that is where the real profit in the 'Protein for Profit' statement comes from: if we want to sell any at all we have to do something about declining protein yields. That is something that is within Australia's control and we at a State level are doing our bit to try to promote a better awareness of what needs to be done to raise protein levels. I know that the honourable member will have shared with me some slices of bread at the Hart field day which showed the different levels of protein involved.

We need also to express an opinion with respect to the export enhancement program of the United States about which I and other members are very concerned. This program is unnecessarily depressing wheat prices globally and I know that a National colleague of the member for Flinders has raised concerns about this matter, and I share some of his concerns about the effect that that is having. The American response is that they will do this as long as the Europeans keep up their subsidy programs, with the implicit statement that America will stop if the Europeans stop. We can but hope that this will happen.

Another colleague of the member for Flinders, the New South Wales Minister for Agriculture (Hon. Ian Armstrong) is optimistic about this. A few days ago, he issued a statement that he felt that the export enhancement scheme would be removed from areas such as wheat after the Uruguay round. I am not quite so optimistic, and I think we should ask the Australian Minister for Trade Negotiations (Hon. Neal Blewett) to keep a watchful eye on that matter and to keep the pressure on, and that is something we will ask him to do on behalf of the wheat industry. I wonder whether it would be advisable to have inserted in *Hansard* a graph which contains some figures relating to the asking price for wheat and the rate of subsidies on a monthly basis from August 1989 to August 1990.

**The CHAIRMAN:** The graph would be difficult to reproduce in *Hansard*, but I will arrange for copies to be circulated to the members present.

**The Hon. Lynn Arnold:** This is another area in which by an intercessory kind of capacity we have something to say. The other thing that we have to do in this country is to keep as low as possible the costs of production that are within our responsibility.

Both Federal and State Ministers responsible for the waterfront have indicated their commitment to try to improve productivity achievements on the waterfront to minimise the cost inputs. I am pleased to note that the charges at the Marine and Harbors level in this State in recent times have been kept competitive with those of other States, and I hope we are seeing a scenario in which they are being kept competitive with international charges.

**Mr VENNING:** I know that various moves are taking place within the department to investigate these problems. Will the Minister forecast what they will be and what can be done about them?

**The Hon. Lynn Arnold:** In reading my letter to Ian Armstrong I hinted that we may need to re-examine the level of Commonwealth support for rural assistance because it may be that the demand will be greater in the year ahead than it was in the year gone by. It would almost certainly seem that that will be the case.

The proposed lending program for the Rural Assistance Branch for the 1990-91 financial year is made up of RAS (Part A), \$20 million; RAS (Part C), \$2 million; commercial rural loans, \$8 million; the Rural Industry Adjustment Development Fund (normal lending), \$400 000; other lending, \$3.5 million, and grants, \$600 000, making a total of \$34.5 million. In comparison, I have a table for the 1989-90 financial year which shows that the proposed total was \$33.5 million, but the actual outcome was only \$29.5 million. So, we estimate a proposed increase of \$1 million but comparison of the proposed with the actual figures shows an increase of \$5 million. I suggest that this table could be inserted in *Hansard*. It is strictly statistical.

1989-90 Lending and Grants Program \$m			
	Proposed \$m	Actual \$m	No. of Settlements
RAS (Part A) .....	17.5	18.9	197
RAS (Part C) .....	2.0	1.1	51
CRL .....	12.0	5.3	43
RIADF .....	2.0	3.9	8
NDRF .....	0.0	0.3	13
Total .....	33.5	29.5	312

**Mr VENNING:** A problem that we in South Australia cannot do much about is the value of the Australian dollar. Should pressure be put on the powers that be to show that this is our biggest problem (and at the moment it has never been worse)? If this problem was relieved, all our problems would be solved.

**The Hon. Lynn Arnold:** I am well aware that the whole national economic equation is a very complex one that involves not just one item, such as the rate of the dollar, but also such items as the real level of interest, the real cost of money, the trade balance and other factors to do with the vibrancy of the economy or its lack thereof. So, it is difficult to take one element and say that if that is fixed the rest will automatically fall into place. There is no guarantee of that.

That being said, I have to share the comments of the member for Culance about the level of the Australian dollar; to my mind, it is far too high for the agricultural sector and for manufacturing business. Contracts that were written in dollars valued at 71c to 74c a year ago are now very difficult to maintain when the dollar is valued at 83.05c. My personal view is that the sooner the dollar comes down the sooner there will be net benefits for other aspects of the economy. While there may be some short-term hiccups in the real cost of money and some trade balances, the longer-term benefits would be in favour of a positive trade balance.

I believe that the program in relation to rural assistance will be bigger than was previously the case. There will also be increased support for rural counselling, with the appointment of two further counsellors. There will be assistance with cash flow budgets, advice on welfare assistance and ongoing technical advice through our extension services and regional offices which are there to help farmers.

**Mr VENNING:** I notice that on page 17 of the Capital Works Program \$2 million is provided for detailed planning of the relocation of facilities at Northfield. Will the transfer of services from Northfield to Waite include the integration of Waite research with the Department of Agriculture and the Soils Unit of the CSIRO? If so, will this be seen as an initial step toward the agriculture park concept with all urban agricultural activity centred in one location?

**The Hon. Lynn Arnold:** I am pleased to hear the honourable member's support for this very exciting proposal of moving the Waite campus. Consultation with residents and local councils is continuing and, following considerable disagreement by some of the local community, we are achieving a level of acceptance of this relocation and preparedness to discuss the siting options, although there will need to be further consultation when the preferred site is selected.

Following the appointment of the new Waite Director, Professor Harold Woolhouse, the university has adopted its preferred terms and conditions relating to the proposed development on the campus, including preferred siting options. The Department of Agriculture is negotiating with the University Council in relation to these matters. A policy executive committee has been formed comprising directors and senior officers of the department, the Waite Institute, CSIRO (Horticulture and Soils Divisions), and the Australia-

lian Wine Research Unit to oversee campus colocation and details of the new facilities are being refined in consultation with staff and industry. Options for the siting of departmental groups which cannot be sensibly located at the Waite Institute (for example, the piggery and the heavy farm machinery accommodation), are being developed also in consultation with staff and industry.

In relation to the cooperative research centre proposals, two bids have been formulated, and they are of significance to South Australia, particularly in areas referred to by the honourable member: first, the proposed centre for soil and land management would involve the CSIRO Division of Soils, the University of Adelaide, through the Waite Institute, and the South Australian department; secondly, the Australian Centre for Ground Water Studies, which would involve the CSIRO Division of Water Resources, Flinders University, the E&WS, the Department of Mines and Energy and the Department of Agriculture. We are considering how these two proposals could be developed further to bring benefits to this State.

**Dr Radcliffe:** Professor Woolhouse arrived at the Waite Institute in May of this year, and since then has introduced a very outgoing approach by the University of Adelaide at the Waite Institute towards encouraging much greater inter-relationship between the various research organisations. The Director of the Waite Institute, the Chief of the CSIRO Division of Soils, the Director of Water Resources, the Director of the Australian Wine Research Institute and I are in quite frequent contact with each other, pursuing a much more integrated approach to agriculture in this State.

I foresee a situation where, in some instances, we will rationalise what we are doing so that the Department of Agriculture may take the responsibility for, say, plant breeding in annual medics, peas, grain, legumes, and lucerne; the Waite Institute would take responsibility primarily for wheat and barley breeding; we might well have a common research leader for the total research program in that area; and the Waite Institute would then perhaps develop a specialisation and genetic manipulation and that can be fed into the various programs of the different organisations.

I anticipate that we might well have much more colocation of staff, so that they would interact in a much more rational way. I think a very simple but good example was the point that Professor Woolhouse made to me yesterday when he said that previously the Waite Institute Grounds Committee on the development of the campus was staffed by members of the Waite Institute's University staff. He is now reconstructing that so that the grounds committee will be representative of all of the institutions on the campus, including the department, thus enabling a complete campus approach to everything.

The same line of thinking is also applying to the development of library services, for example. We would anticipate taking our library collection to the Waite Institute and integrating it into a single library. The Soils Division would bring its library as well. We are currently looking at the cost of this integration. Similarly, we are considering common vehicle pools, a single glasshouse complex, a single complex for waste disposal mechanisms, and so forth. Bringing together all of those different components will bring a great many benefits, and I think that Professor Woolhouse is taking a constructive approach to the matter.

**Mr VENNING:** Space will be planned for a further centralisation of all the department's activities?

**Dr Radcliffe:** The Waite Institute, through the University of Adelaide, has hired Kinhills to do a major site plan of the Waite Institute campus. Mike Geddes is the planner who has undertaken that task on behalf of the university,



and has developed on the campus a series of precincts so that particular types of development will occur in certain areas. There will be a focus around the library and the department in the main laboratory building. More ancillary activities will be further up the hill, where they will not be of concern to the local residents (for example, the glass-houses, workshops, and so forth). The plan provides a series of precincts which will allow future development to take place in a logical way, rather than as has happened perhaps traditionally where people have built small edifices as funds have become available on, perhaps, a rather casual basis.

**Mr VENNING:** Referring to page 137 of the Program Estimates, does the \$19.4 million sale of Northfield to the Urban Lands Trust represent a true market value for the property? Will all these funds be allocated to the department?

**The Hon. Lynn Arnold:** As I understand it, this has been assessed at market value, and it has been taken as a 'whole of government' approach. The costs needed for the relocation of the Department of Agriculture clearly are being financed from those resources, but the extent to which those resources may also end up being used in the general capital works program of the Government is something that we will see over time. The Government does have a 'whole of government' approach to its assets. The extent to which the market value of that land is clearly high is not in itself anything to do with any of the work that has taken place there. It is simply as a result of the coincidence of the location of that land, and its present base being surrounded by residential areas.

However, as that land is being turned over for residential area, there will be a net saving to the capital program of Government generally because the infrastructure costs of developing those allotments will be much cheaper than doing similar allotments on the outer urban fringe. Some 4 500 allotments will be developed on that site, and I understand that the infrastructure costs of those allotments—in other words, those infrastructure developments that need to be there in not only road, sewerage and water tables, etc., but also schools, hospitals and all those kinds of Government services—will be equivalent to \$7 500 a block, whereas the figure for an urban block generally is about \$17 500. That is a digression from the member's question, but it does show the enormous benefits that that area of land will have for the taxpayer generally, as the burden of developing new infrastructure is eased.

**Mr VENNING:** What is the total amount of industry funds in the department's budget? Have all these funds been negotiated by the various industry committees? I understand that there is some debate as to the cost of overheads amounting to more than \$250 000.

**The Hon. Lynn Arnold:** From time to time we certainly have some major concerns about the way in which overhead costs are being allocated. I think it is a matter we need to keep pursuing rigorously, because the answer has not been totally satisfactory to date. About 240 projects will be funded in 1991, of which 43 per cent (or 104) will be new projects commencing this year. The amount of money procured for projects is an estimated \$10.1 million—an increase of one-third above the 1989-90 figure of \$7.6 million. This figure does not include an allowance for all overheads, as negotiations are still proceeding with many of the funding bodies over the payment of overheads. Two of the rural industry research funds have now agreed to pay a flat 20 per cent overhead amount based on the salaries funded by the project as originally proposed by the Standing Committee on Agriculture and the Australian Agricultural Council.

I have written recently to the Federal Minister and my State colleagues on the need to continue to exert pressure on rural industry research funds to contribute more towards the full cost of industry funded projects, particularly this question of overheads. The increased funding has occurred generally across most of the funds, with the largest absolute increase occurring in the crop pasture area of 44 per cent (in other words, up \$1.46 million from last year), and this was due to substantial increases in funding by the State Wheat and Barley Research Committees and their national counterparts, the Wheat and Barley Research Councils.

The contribution from the Wool Research and Development Corporation also was significant in the area of pasture research and development, with total departmental funding from the WRDC exceeding \$1 million for the first time, coming in at \$1.12 million. The largest proportional increase occurred in the horticultural area, where the Rural Industry Research Fund funding is estimated to increase from \$270 000 to \$650 000, an increase of 138 per cent. I have further detailed information on projects, and if the honourable member wants that I could certainly make it available.

**Mr VENNING:** Can the Minister say which of those two industry groups have agreed?

**The Hon. Lynn Arnold:** Meat and dairy.

**Mr ATKINSON:** Has the Minister's department assessed whether the doubling of revenue from financial institutions duty will fall more heavily on farmers than on other South Australians?

**The Hon. Lynn Arnold:** The increase in the rate of financial institutions duty falls on all South Australians who have financial balances. The extent to which one defines who it is falling on more depends on a number of factors, and one is the particular rate of return that an enterprise may be receiving. For example, it could be argued that a low margin high turnover enterprise is one for which the financial institutions duty would have relatively more impact. In other words, some products have a natural low rate of profit because they sell so much. Therefore, an enterprise which has a smaller rate of turnover but a higher profit margin would experience less impact from the duty.

It is not easy to decide where farming fits in between those two. Some types of farming have lower rates or profit margins than others in comparison with their total turnover. The only answer that I can give is that, where a farming activity has traditionally had lower profit margins for high rates of turnover, the increase in the financial institutions duty will have more impact than on those types of farming for which the margins tend to be higher in comparison to turnover. In the end it all comes down to the fact that the Government has no money tree or bucket at the end of the rainbow. The only money we ever have is that supplied by the community either through the Federal Government back to us or through our own taxing and charging programs. To that extent, I believe that the financial institutions duty represents one of the least harmful ways of raising that money.

My concern, for example, is in areas like payroll tax. At the taxation summit in 1984 the Premier indicated our great concern about that. Clearly we have to charge payroll tax because we need the money. It would be lovely to do away with it. In this financial year we have been keen to minimise the increase in payroll tax, and that has been done because it has increased less than in other States. The comparative benefit in that regard between us and other States would have advantages for farming enterprises which pay payroll tax. Of course I appreciate that many do not because they

are family enterprises or have a wage bill less than the exemption threshold.

**Mr ATKINSON:** Page 137 of the Program Estimates under the program title 'Agricultural industries policy' states that one of the department's specific objectives for 1990-91 will be a complete restructuring of its network of regional research centres. Will the Minister explain that line to the Committee?

**The Hon. Lynn Arnold:** It is important that at all times we ensure that we are doing things as well as present circumstances require—present circumstances being defined both in the resources available and in the needs of the farming community. We have therefore reviewed the research facilities of the department over the years and we have made changes in them. Sometimes parts of the farming community express concern as a facility in their immediate locality disappears. However, we reallocate those resources to other areas.

For example, some people in the South-East expressed concern about the cessation of some of our laboratory testing work at Struan. Our answer to that was that that was not an effective use of the resources available. Struan still operates as an agricultural research area, but we were better off with the testing facility in town. Even though there was a relatively slight delay in the turn-around time of samples being sent in and back, that delay was worth having if it meant that we had better value from the dollars that we had available. That kind of thing will always be the case in terms of rural research centres and the way we deploy things.

With respect to the current situation, I suppose that the main factor this year will be the redevelopment of the Turretfield Research Centre and the Flaxley Research Centre. Departmental scientific staff are being transferred from Adelaide to Turretfield, and research objectives will be set in consultation with industry. There is also the attraction of major increases in industry funds, and in the case of Turretfield that is up from \$363 000 last year to \$600 000 this year. There is also the purchase of an additional property known as 'Kingsford' to allow for the expansion of sheep research flocks. Cabinet approved that project in March this year at a cost of \$1.2 million. The program also includes the restoration of the historic Holland House as an administration and resource centre at a cost of \$445 000 and the construction of a new laboratory, office and conference facility foreshadowed for completion by March 1991 at a Cabinet approved cost of \$2.295 million. It also includes the establishment of a wool measurement service for sheep breeders to complement research programs in genetic improvement. The demand for that service has been particularly strong, with more than 40 000 samples from 200 clients processed last year.

The Flaxley facility is nearing completion and the research and technical staff have been transferred there. There are now 17 professional staff, of whom 16 are State-funded, with four dairy hands and three casual staff members. Research programs are under way in respect of pastures, animal health and embryo technology. The centre is due to be formally opened a little later this year. I will ask Dr Radcliffe to comment further on research centres.

**Dr Radcliffe:** The program is part of our capital restructuring program in respect of research centres. It was initiated some years ago with the aim of discovering the best disposition of research centres. We have sought to establish centres of excellence in the respective regional research centres so that Minnipa, for example, has become a centre of excellence for dry land farming, and that was declared so by the Premier earlier this year.

The Turretfield Research Centre, as well as providing regional research, is a centre of excellence for the wool sheep industry and it also provides considerable support for the pure seed industry. The Flaxley Research Centre has been identified as a centre of excellence for the dairy industry as well as providing regional research for the Hills, Fleurieu Peninsula and Kangaroo Island. The Struan Research Centre has been identified as a centre of excellence for sheep meat and beef research. The Kybybolite Research Centre has been identified particularly to give emphasis to high rainfall pasture evaluation, and there are some substantial programs of research down there. One of the more notable has been the widespread adoption of Blandsets clover, and other items will follow that.

The Lenswood Research Centre is being developed as a centre for cool temperate horticulture, and new laboratory facilities are planned for Lenswood. A proportion of the staff working at Northfield will go to Lenswood for some of their work. Loxton was developed several years ago as a centre for irrigated horticulture and it also has a very strong program of water and soil management in relation to the best use of resources in the Murray-Darling Basin. The final area is Nuriootpa, which has been developed as a research and advisory centre for the Barossa Valley. We have sought to strategically place a network of research centres throughout the State based on specific agricultural industries.

**Mr ATKINSON:** I refer to page 138 of the Program Estimates and the program entitled 'Horticultural crop industries'. A specific objective for 1990-91 is:

Support major expansion of potato production in South-East for Safries frozen chip plant.

What form will that support take?

**The Hon. Lynn Arnold:** I will ask for more detailed advice in a moment. However, the potato industry in the South-East is an area where we hope that the South-East horticultural development focus which we have been examining in conjunction with the Department of Industry, Trade and Technology will see benefits. At the moment this country imports a very high percentage of the readymade french fries in the frozen market.

Many of the products which one sees in the supermarket freezers are not made from Australian potatoes. Therefore, we believe there is potential in the potato industry in this State to do that. That requires the production and the plant to assist with the processing. Safries has had a plant at Millicent and more recently it has been developing a plant at Penola. The Millicent plant opened in 1986. I inspected the Penola storage facility a few months ago. The plant is now under construction, and one of the things which helped with the completion was connection to the Katnook gas supply.

The growing of potatoes is not simply a matter of a farmer stopping doing something else and going into potato production. It may not be within the experience of a farmer to produce potatoes. Therefore, there is the natural assistance that we can offer to help as farmers convert from one commodity to another. There is also the question of the different potato varieties. Even potato farmers may not have experience with the types which are best for chipped potatoes. Some special problems have applied in respect of some varieties of potatoes. I understand that a virus or condition has turned off the price per tonne of the potatoes which are preferred for french fries. The price has fallen because there is a wastage as a result of this condition affecting the potatoes. It was reported recently in some sections of the South-East press.

There are other questions in terms of the harvesting needs of potatoes for the french fries industry and other relevant

culturing conditions. Those are the sorts of areas in which we hope to offer support to farmers in the South-East. Particular potato projects which have been looked at with the aid of the old potato trust fund moneys include research into new potato gene types, reducing pesticide use on potatoes and improved potato seed handling techniques. The better the handling, the more likely the final product will obtain a higher value.

**Mr MEIER:** The Minister will be aware of the citrus White Paper and the discussions which have taken place since its release. I know that the White Paper recommends that minimum pricing should no longer be retained. It is worrying that the price of orange concentrate has continued to fall. Several months ago, after the Florida freeze, it was about \$2 200 per tonne. Currently it is about \$1 800 per tonne. In my latest discussions with people in the industry, I understand that it is soon to fall to \$1 300 per tonne, which means that growers' returns could drop to the minimum price of \$150 per tonne, down to the present approximately \$90 to \$110 per tonne and even as low as \$15 to \$20 per tonne. Have any discussions been held as to whether a compromise can be worked out on a minimum price or a recommended price; when will the legislation come before Parliament; and is the Minister further investigating the possibility of a tri-State position, in other words a position where South Australian legislation would complement what is occurring in New South Wales and Victoria?

**The Hon. Lynn Arnold:** A number of issues are involved. Starting with the last first, clearly I have nothing against any tri-State arrangement. There are situations when it is better for us to have cooperation with other States and try to have a unified approach. However, that begs the question as to whether or not we can reach agreement on the way to go. There has been a difference of opinion between the three relevant States, which are the main producers of citrus products, as to the best way to go, and it may be that we are standing out from the other two States. We would like to agree, but at the moment we think that the answers with which they are coming forward are wrong, and we would not automatically go along with what they say for the sake of unity of States if we think that the outcome will be to the detriment of the industry.

As regards discussions between various groups within the South Australian citrus industry, I am heartened that there have been discussions between, for example, the Murray Citrus Growers Federation, the UF&S citrus section and the Riverland Growers Unity Action Group. I understand that they have been talking through the issue of minimum pricing and what kind of proposition could be put to the Government for consideration. I have not seen any definitive proposition, but I have heard that they have had some useful discussions, and I have seen references to some of the areas that they have discussed. However, as I have always said, we are always willing to examine seriously any reasonable proposition. The White Paper, which I released earlier this year, will lead to a Bill being presented to the House of Assembly, and we anticipate that it will be debated some time in late October or early November.

As regards minimum pricing, I certainly note and am aware of the figures quoted by the honourable member. While there was some respite for the industry with the Florida freeze buoying prices up, those prices are now dropping again, and that will have a major impact on our producers. What are the solutions? Minimum pricing is posed as a solution. In reality, in the light of international tariff negotiations, it would not be reasonable to think of an increasing tariff barrier against imported juice unless

certain things could be proven; for example, unless dumping could be proven.

I have indicated my support for the industry in being prepared to go to bat where dumping can be proven. However, in terms of ordinary relatively unfettered trade in juice, the general requirements of the GATT stop us from trying to have an increased tariff regime. The one possible exception is whether or not one can have a differential tariff for a developing country; in other words, a tariff that is low for some industries and high for others. We have looked at that before and the answer seems inconclusive, except that I have now had some advice that New Zealand has a differential tariff with respect to developing countries and agricultural produce. I have asked for further advice on that matter.

We then come back to whether or not we can have minimum pricing. If we have a minimum price established below which a purchaser of fruit for juice in South Australia could not purchase fruit from a South Australian producer and that minimum price was above the prevailing international market price, it would be a protection for the grower. However, in a relatively free trading environment, the consumer of the juice will simply go to where he or she can get the juice at the prevailing international market price. In other words, the minimum price established in South Australia would do nothing other than provide a sales barrier to the local producer, so its protection would be pretty shallow. The way to overcome that is for the people who set the minimum price to set it to reflect the prevailing international market price.

If one is setting a minimum price to reflect the international market price, one is not doing very much at all other than setting an indicative price, in other words informing the grower of the prevailing market trend. In the White Paper we have indicated that there should be a requirement upon the board, after it is restructured, to be a giver of indicative prices, in other words, to let the marketplace know what are the prevailing price trends. I accept that there is a very good reason for that to happen, because it enables the growers to know whether the price they are being offered is a reasonable price, in the prevailing market circumstances, or whether they are being conned. Some of the growers have told me that there have been instances in the past (pre minimum pricing) whereby growers thought that they were getting a good price and discovered later that they were being ripped off. One could say that they can be ripped off only once by a processor. Nevertheless, indicative pricing even stops that and the grower can then make his or her own decision whether he or she wishes to sell at a price which is less than the indicative price.

Whereas we are proposing the immediate withdrawal of minimum pricing for whole fruit, we are also proposing that it not be abolished until June 1992 for processed fruit. We have given the guarantee that we will be watching closely developments in other parts of Australia in that intervening time. At the moment it appears that minimum pricing arrangements in New South Wales are not working well and, of course, one of the things I have said is, 'Why don't you do what New South Wales and Victoria are doing; those States have gone to minimum pricing?' We will monitor the progress of these schemes but, on the face of it, all the evidence seems to indicate that the long-term health of the local industry is better served by what we are proposing.

**Mr MEIER:** As the juice price has reduced dramatically, and it appears that it will continue to drop to way below production price for growers, has the Minister sought to do anything with respect to the price that consumers have to pay for orange juice? From my observations there has been

no drop in the price of orange juice in the supermarkets other than during the weekly specials. I also apply that to mutton and lamb sales, where again my figures indicate—and the Minister and other members have highlighted—a massive drop in sheep prices. I do not do the weekly shopping for meat, but I have not heard of a drop in meat prices in butcher shops. I realise that the Minister of Agriculture cannot implement specific strategies, but is the Minister prepared to use his influence with the appropriate department or Ministers to ensure that the cost reductions that are now occurring before our eyes are being passed on to consumers?

**The Hon. Lynn Arnold:** There are enormous difficulties in this area which amount effectively to regulating the pricing mechanisms. Countries that have tried over-regulation of the pricing mechanisms have done so with minimal success. A major problem faced by consumers in Eastern Europe at the moment is that they are having to immediately pay the price for the long-term problem, amongst many other things, of the rigidity of price regulation that has been the most imperfect reflector of economic circumstances. The price regulation mechanisms combined with subsidy mechanisms have given a totally distorted picture of the economy and those economies are now going through a very painful period of readjustment.

I am particularly keen to see that there is more obvious truth in labelling. For example, it concerns me that it is possible for people to purchase orange juice not knowing the real country of origin of the concentrate. Some products may actually be labelled without any particular reference to a country of origin and the consumer may just presume that, since Australia is such a large orange producer, they are buying Australian juice, whereas in reality they are not.

In other cases the product may be labelled 'product of Australia' because the process of mixing the concentrate and the water is done by Australian labour, yet the concentrate (the high value part) is imported. Of course, the water is Australian, but that is a somewhat specious way of looking at an Australian product. Consumers have a right to know whether or not the products they are consuming have a 100 per cent, a zero per cent or a reasonable percentage of Australian concentrate. The consumer may well be prepared to choose the Australian product. There would be a price tolerance that the Australian consumer would accept when buying an Australian product over a non-Australian product. That is something that I have been following through with the relevant Federal Minister and with my State colleague the Minister of Health, who is responsible for some of those matters at the State level.

However, as to other matters relating to the pricing mechanism—and turning away from juice for a moment to look at whole fruit—one of the options with, for example, whole oranges would be to establish a price above which the retailer cannot sell oranges or to establish a fixed relationship with the original orange that was purchased from the grower. In other words, the grower sells for X, the wholesaler puts on a Y per cent margin and the retailer puts on a Z per cent margin. That is what we do in some areas of Australia. If we move to doing that in other areas, that would be an over-regulation that would not help us.

Regarding oranges, we have allowed, under controls, the Citrus Board to give permits for growers to have direct access to the consumer. That means that if the grower feels that he or she is not getting a decent enough return for the oranges supplied compared with what the retailer is selling the oranges for, the grower has the chance to short-circuit the market and bring price pressure on the retailer who ultimately must bring down that margin.

The reality is that greengrocers, supermarkets and others have been using oranges, for example, as a price subsidiser; that is, they have a higher profit margin on their oranges and then use some of that to subsidise the lower profit margins, after wastage is taken into account, on other products, such as avocados, and so on. I have no objection to their doing that. However, I do not think that there is any reason why the grower has to accept that. If the grower has an economic marketing response that keeps the pressure on the greengrocer, I think that is just part of the economic process.

**Mr MEIER:** Would the Minister use a similar argument in terms of the sale of meat?

**The Hon. Lynn Arnold:** In the case of meat the situation is a little more complex because of the conditions under which the product is sold and processed. People do not buy a live sheep from the butcher shop; they buy a carcass that has been pre-cut into relevant cuts and sold under defined health conditions. I would be somewhat concerned if suddenly people sold truckloads of sheep carcasses.

**Mr MEIER:** With regard to the Kangaroo Island meatworks, I think most members would appreciate that it trades under the Tatkin Meat Company. There has been some publicity recently about the fact that it is part Government owned and that the Government would have the right to open it. Does the Government have a majority shareholding in the Kangaroo Island abattoirs, as was reported in the paper recently? What control does the Government have over the abattoirs? Can the Government instruct the meatworks to open in the current crisis?

**The Hon. Lynn Arnold:** I do not understand that we have a majority shareholding. Through the State Development Fund we have a shareholding, but the other shareholders are islanders themselves and the operators of the meatworks. I am not immediately certain of the actual percentage that our shareholding represents; I will obtain that information. Therefore, the extent to which any of the shareholders could require that the works reopen would be the extent to which any of them would be prepared to bear the cost of production of that facility. Clearly, that facility will not operate at a loss unless somebody is picking up the tab for that loss. So, if there were to be pressure from us to see that the works reopened, unless it could be done on a profitable basis we would be under some obligation to provide a subsidy for it.

The equity situation from the State Development Fund is \$350 000. What I do not have immediately available is the amount of equity that has been put in by the islanders, and that was done in two parts: an initial investment and a subsequent investment. There was also an investment by Tatiara itself, and I do not have that figure. If the works operate and lose money, it comes down to who pays.

**Mr MEIER:** Does the Minister regard the abattoirs as a semi-government body or is it a private enterprise establishment run by the Tatkin Meat Company?

**The Hon. Lynn Arnold:** It is a private enterprise establishment in which the State Development Fund has invested some money to help the establishment proceed. When the proposition originally came before what was then the Department of State Development, suggestions were made that there were sufficient sheep which were on the island and which were being taken to the mainland for slaughtering to justify the existence of an island works, and that there was money available from islanders and other private operators. But, the equation did not quite balance and it needed some extra support. In the sense of its being a private sector establishment into which was added some equity investment from the State Development Fund, the works then

were developed. It was not the Government's intention, when those moneys went in, that we would see the creation of another public sector meatworks.

**Mr MEIER:** In light of the current crisis facing farmers not only on Kangaroo Island but also on Eyre Peninsula, would the Minister see the Government's direct intervention to have the abattoirs reopened as being a way to assist the industry and to help in the disposal of many of those sheep that might otherwise be shot?

**The Hon. Lynn Arnold:** The nub of that question is that it presumes there will be somebody to buy the slaughtered and dressed meat at the end of the abattoir production line. If there were a market opportunity there, clearly one would have thought the works would operate, but what would be required is that the price returned for that slaughtered and dressed meat would then meet the cost of processing the carcase at the works. It appears that at this stage that economic equation is not adding up.

I certainly hope that it does add up in the near future, because I would like to see those works operational; they are good quality works and there are a lot of sheep on the island that will need to be turned off, and it would be much better that they be processed through the works. My understanding as to the number of sheep that need to be turned off on the island is that it exceeds the actual throughput of the works in the previous financial year. If that is the case, it cannot be a shortage of sheep that is causing the works to not operate.

**Mr MEIER:** Pages 31 and 32 of the Auditor-General's Report refer to the State Chemistry Laboratories and the rotavirus project. I note that the State Chemistry Laboratories were transferred from the Department of State Services to the Department of Agriculture from 1 July 1989, but I note with some concern that an audit review revealed that the laboratories were not preparing adequate financial statements to enable management to monitor performance and that they were unable to generate surpluses for the past two years due to the low level of chargeable hours. Have any financial statements been produced since the Auditor-General asked that such statements be produced on a regular basis?

I assume that the rotavirus project would come under the same heading, and I also note that this project involves the development of a proven antibody enriched milk product to provide protection against rotavirus induced gastroenteritis in humans and that some \$3.5 million has been spent on it. What has the State received in return for its \$3.5 million expenditure on the rotavirus project? Has a saleable or usable antibody been developed?

**The Hon. Lynn Arnold:** The rotavirus project is not related to the State Chemistry Laboratories; it just happens to be co-located in the Auditor-General's Report. The State Chemistry Laboratories' financial statements for 1989-90 have been produced in an accrual accounting format. At the time of transfer to this department, the general ledger account structure and reporting mechanisms were created to allow the State Chemistry Laboratories to report on an accrual accounting basis. The sudden and unforeseen loss of appropriately experienced personnel at the laboratories (the key staff elected to transfer to the Forensic Science section of State Services in preference to SCL) resulted in a temporary lapse in the use of appropriate methodologies and practices that are necessary for proper accrual accounting which would in turn enable the production of profit and loss statements and balance sheet on a periodic basis.

The readoption of these methodologies and practices has been initiated, and appropriately trained personnel are being sought to continually monitor the financial performance

and accrual techniques and provide explanations for variations from profitability targets to the Director. In the interim an officer from another branch of the department is producing the necessary end of year financial statements for inclusion in the annual report on an accrual basis. A review of diagnostic laboratory services was jointly undertaken by the department and OGMH and an implementation strategy has been endorsed.

I can give some figures on the actual output of the laboratories and some other relevant figures. The laboratories comprise 39.2 permanent staff, two weekly paid staff and two trust-funded staff, and deals with a workload of some 40 000 samples per year. Presently it is located next to the Forensic Science Centre. It has two bases for doing the work: one is a public benefit function whereby some of its work is dealt with through a different charging mechanism; and the other is chargeable work whereby it can expect to operate on an entirely user-pays (a fee for service) basis. Its major clients are Government departments. The Department of Agriculture is a major user, and from 1983 to 1989 used \$1 million worth of services. The Health Commission is another major user, consuming \$351 000 worth of services.

We are keen to see tight management of the financial circumstances of the State Chemistry Laboratories so that we can see the accumulated deficit reduced as soon as possible. However, that will require significant ongoing management of the facilities, and I know the department is very keen to see that take place.

As to the rotavirus project, which is a separate project and which is essentially, from the State budget point of view, funded from the Rural Industry Adjustment Fund, I think there are some very real opportunities in this exciting technological development. In fact a few days ago I had the chance to talk to Bill Scammell, who is head of the board, and he told me that his recent overseas trip, on which he was looking for possible joint venturers, revealed considerable interest from other investors in this project.

It is the Government's view that this project should be a joint venture between the Government and the private sector. A plant has been commissioned as of August 1990 on the site formerly occupied by the Northfield Dairy Research Laboratory. This plant will have a capacity to produce 100 metric tonnes of product in due course. It is being defined as a pharmaceutical for which medical therapeutic claims will be made, and the product will undergo international clinical trials and be subjected to rigid registration procedures and formalities.

Active promotion of the project is currently under way with international pharmaceutical companies, and we aim to attract an equity partner to a maximum of 49 per cent. Discussions are being held with potential investors within Australia and overseas, and it is planned to establish a laboratory facility within the State Chemistry Laboratories infrastructure, while vaccine production will shortly be contract manufactured by a registered pharmaceutical organisation.

A new business plan is being prepared in the light of developments during 1990. This shows that the project has an exceedingly profitable commercial future, although marketing launching programs have been delayed from the original consultancy projections.

**Mrs HUTCHISON:** I refer to page 141 of the Program Estimates. What progress has been made in the development of programs to assist farming families affected by the adjustment pressures? I presume this is part of the social justice strategy.

**The Hon. Lynn Arnold:** The assistance of rural counselling is a very important program that was initially supported by the Commonwealth and State Governments and the private sector. Rural counselling services are based at Berri, Ceduna, Cleve, Kapunda, Karoonda and Wudinna. Over 500 clients have been assisted since the beginning of the scheme. The Commonwealth Government started the rural counselling scheme with grants of up to 50 per cent to local rural communities so that they could employ counsellors.

A rural counselling trust fund was established with contributions from SAFA, the UF&S, and the Commonwealth, State and ANZ Banks. In 1989-90, the trust fund provided total grants of \$115 000. Donations were received from SAFA (\$100 000), the UF&S (\$10 000), the Commonwealth Bank (\$10 000) and the State Bank (\$5 000). In anticipation of similar contributions in 1990-91, the allocation of \$110 000 has been approved for the coming year. As I mentioned earlier, two further counsellors will be provided on Kangaroo Island and in the South East.

In relation to the Rural Adjustment Coordination Service, two coordinators were appointed in March 1989 to address the special needs of farmers in financial difficulty, especially those on Eyre Peninsula. The problems of 60 farm businesses have been referred to the coordinators who work with farmers, bankers and others, servicing the farm business to identify options, provide independent analysis of options and negotiate with creditors to achieve the best possible outcome. In addition, there are the Rural Women's Information Service, counter disaster operations and the adverse events group, which is chaired by Geoff Thomas.

**Mr Thomas:** The adverse events group meets to consider issues such as the downturn in the wheat price, the situation facing the wool industry and the response which the department ought to make in technical terms in relation to the rural assistance provisions and what we call the people services of rural counselling, the Rural Women's Information Switchboard and various other things that are in place to address social justice issues.

**The Hon. Lynn Arnold:** Lastly, I refer to the Rural Adjustment Scheme (part c)—welfare matters under rural assistance. This expenditure is for re-establishment grants and household support and is fully recouped from the Com-

monwealth. Re-establishment is designed to alleviate hardship for displaced persons to adjust out of farming, and household support is provided to assist non-viable farmers to adjust out of farming. An amount of \$1.4 million has been provided in this year's Commonwealth budget for South Australia.

**Mrs HUTCHISON:** I refer to page 142 of the Program Estimates. What progress has been made with the proclamation of soil conservation districts and boards and what work still requires to be done in this area?

**The Hon. Lynn Arnold:** Since the passage in this Parliament last year of legislation on soil conservation and land care, I believe that we have seen some very exciting things happening. This has been enabled by a piece of legislation of which I think this Parliament can be very proud. It is pleasing to see the cooperative nature of the development of that piece of legislation. A Soil Conservation Council of 12 members was appointed by the Governor on 17 May this year. That council has met three times and will continue to meet regularly. The establishment of soil conservation districts and the appointment of district soil conservation boards is continuing with the establishment of 21 soil conservation districts. Agreement has been reached to establish a further district, and negotiations are under way for the establishment of possibly four more districts.

It is envisaged that all agricultural and pastoral land in South Australia will be within a district by mid-1991 at the latest. Originally, we had a goal of three to four years. Then we tried to accelerate it and we hoped that it might be finished by the end of December 1990. We have certainly exceeded the pessimism of the earlier goals, but we will not quite exceed the optimism of the most recent estimates.

The number of district soil conservation boards increased from eight in 1987-88 to 14 in 1988-89, 21 in 1989-90 and by the end of 1990-91 we expect 26 boards to be fully operational. Operating expenses for these boards and the advisory committee rose from \$48 100 in 1988-89 to \$92 000 in 1989-90. The increased activity with the board system plus the appointment of 12 new members will require an estimated \$239 000 for operating expenses in 1990-91. At this stage, I incorporate in *Hansard* a table referring to this position.

## BOARDS AND COMMITTEES—EXPENSES

	1989-90		1990-91
	Proposed \$	Actual \$	Proposed \$
Horticultural Export Development Committee .....	16 000	13 243	17 000
Agricultural Chemical Advisory Committee .....	12 000	3 529	13 000
Veterinary Surgeons Board .....	18 000	19 451	19 000
Meat Hygiene Authority .....	6 000	3 606	6 000
Swine Compensation Fund Committee .....	2 000	318	2 000
South Australian Rural Advisory Council .....		13 924	
Advisory Board of Agriculture .....		30 887	
Rural Youth .....		12 513	
Womens Agricultural Bureau Council .....		16 286	
	74 000	73 610	79 000
Agricultural Equipment Liaison Committee .....	1 000	1 415	2 000
Soil Conservation Board—Hummocks .....		4 678	
Soil Conservation Board—West Broughton .....		2 226	
Soil Conservation Board—Yorke Peninsula .....		2 654	
Soil Conservation Board—Lower North .....		2 531	
Soil Conservation Board—Central Eyre .....		1 677	
Soil Conservation Board—Lower Eyre .....		3 903	
Soil Conservation Board—Eastern Eyre .....		2 983	
Soil Conservation Board—Murray Mallee .....		3 758	
Soil Conservation Board—Murray Plains .....		1 800	
Soil Conservation Board—Central Flinders .....		2 945	
Soil Conservation Board—Northern Flinders .....		3 588	
Soil Conservation Board—North East Pastoral .....		139	
Soil Conservation Board—Upper South-East .....		1 441	



	1989-90 Proposed \$	Actual \$	1990-91 Proposed \$
Soil Conservation Board—Far West Coast .....		129	
Soil Conservation Board—Gawler Ranges .....		2 817	
Soil Conservation Board—Kangaroo Island .....		134	
Soil Conservation Board—Kingoonya .....		46	
Soil Conservation Board—Marree-Innamincka .....		163	
Soil Conservation Board—Marla-Oodnadatta .....		1 446	
Soil Conservation Board—Southern Hills .....		3 482	
Soil Conservation Board—Goyder .....		1 193	
Soil Conservation Board—Coorong and District .....		—	
Soil Conservation Board—Western Eyre .....		—	
Soil Conservation Board—Adelaide Hills .....		—	
Advisory Committee on Soil Conservation .....		48 493	
	90 000	92 226	239 000
Other—Animal Ethic Committee .....	—	30	—
—Dried Fruits Board of Appeal .....	—	408	—
—Review of Barley Marketing Act .....	—	10 961	—
<b>TOTAL</b> .....	<b>219 000</b>	<b>218 797</b>	<b>377 000</b>

**The Hon. LYNN ARNOLD:** I also have available, if members would care to see it, a map of the soil conservation districts which shows the areas of the State now covered and which I will make available to members.

**Mrs HUTCHISON:** In relation to the 1 per cent target regarding Aboriginal employment in departments and statutory authorities, has the Department of Agriculture met its commitment in this regard, is it likely to meet it in the foreseeable future or has it exceeded the figure of 1 per cent?

**The Hon. Lynn Arnold:** I will take that question on notice and provide the information for the honourable member.

**The Hon. TED CHAPMAN:** Earlier this afternoon my colleague the member for Goyder, the shadow Minister of Agriculture, raised a question relating to the Kangaroo Island abattoir. I understand that he asked of the Minister precisely what was the State's financial interest in that property, and that the reply, through the Department of State Development and Technology, was that \$350 000 had been injected into that locally based and, by and large, locally owned enterprise. Can the Minister say what security the Government held in that property to cover its investment of \$350 000 of State funds?

**The Hon. Lynn Arnold:** I will obtain a report for the honourable member. I am not immediately privy to and cannot really recall the conditions that would have been applied in that situation because, as the member would understand, we deal with a great many companies, concerning which I, as a responsible Minister, sign the relevant agreements.

**The Hon. TED CHAPMAN:** As the Minister was privileged to officially open that property, and referred to the Government's input at the time, I thought he might have been able to recall his references on that occasion. Does the Minister, having acknowledged that the State has a significant investment of funds in that property, recognise the seriousness of the situation surrounding its future on Kangaroo Island? In that recognition, does he understand that, without the supplementary supply of livestock from Eyre Peninsula, and despite the numbers of livestock currently surplus on Kangaroo Island, the property is unable to open this season as initially planned; that if, in fact, it does open again in the foreseeable future it will be for only a short term and, indeed, on conditions that the operators see fit in accordance with their own economic activities? In other words, does the Minister understand that the 400-odd primary producers on Kangaroo Island, almost all of whom are dependent on income from their sheep activities, are in

a quite desperate situation in relation to the disposal of their surplus livestock, and that Kangaroo Island is not unique in the rest of Australia in so far as it has a surplus of livestock as against its capacity to carry the overflow into the next season? My question to the Minister about this very sensitive subject is to suggest not that Kangaroo Island should receive any special treatment but that, as put to one of the Minister's colleagues in another place this afternoon, the Kangaroo Island community might, in order to enable this abattoir to survive during these hard times, expect to have removed the recently applied 40-odd per cent increase to the space rates applicable on the *Seaway* between Port Lincoln and Kingscote.

This matter is part and parcel of a combination of difficulties being experienced not only by those who have invested in the Kangaroo Island abattoir, including the State itself, but also by the community in question from primary producers to the other service industries—storekeepers, and citizens generally.

**The Hon. Lynn Arnold:** When the initial proposal was being mooted for the export works on Kangaroo Island in 1987 or thereabouts, the proposal acknowledged that there might be some possibility of sheep coming from the mainland and the Eyre Peninsula for slaughter. However, essentially the whole business proposition was based upon island sheep. While this matter of the *Island Seaway* freight rates is certainly being used as a reason that might be affecting the viability operations, I have a problem myself seeing how that relates to the original proposition that saw it essentially as a works for island sheep slaughter.

As I mentioned earlier—and I understand the honourable member was out on other parliamentary business—the actual number of sheep due for turn-off or expected turn off in the island exceeds the actual number slaughtered at the works in the last financial year. Therefore, I would have thought that there were sufficient sheep numbers on the island available for slaughter at the works and that, therefore, the situation was obviously begging some other questions: for instance, the actual return received after sheep had been slaughtered and presented for sale, and the fact that that return is just not high enough—and it will not be any higher if any variation is made to *Island Seaway* freight rates from the peninsula to the island; it will ultimately be determined by a market-place scenario.

In that context I think the decision being made by the operators not to open as early as possible is an economic one, and it is worth pursuing that the island investors in the works determine the extent of an economic argument

being soundly built up for the works to open earlier, and then determine what is the nature of their contract arrangement with the operator. I suppose that is something worth investigating, because it would be of concern if the operator were, for example, to keep the works closed longer than was justifiable and if there was any suggestion at all that the operator was making that judgment upon a wider picture with respect to that company's investments, rather than in the actual best economic interests of the island works itself.

We are getting into some speculative waters here, and I am not sure what the outcome of that would be. I did tell the member for Goyder earlier that I did not see it as the Government's role to go into subsidising those works, and it is not the Government's view that those works are public service works. It is a private sector abattoir in which the Government—for reasons I explained earlier—has an equity position. The sheep population on the island seems to justify the throughput figures, and it then comes down to what the rate of the return will be when those sheep have been slaughtered. Any advice the honourable member could give as to the makeup (such as age profile) of the island's sheep population, would be of interest.

**The Hon. TED CHAPMAN:** The total sheep population on Kangaroo Island at present is about 1.25 million, of which a significant number (it has been estimated about 250 000) is due for turn-off in the forthcoming few months—that is, following shearing. Of that 250 000, it ought to be understood by the Government, or anyone else who has an interest in that community, that only a proportion of a certain type and condition are suitable for processing at the works. Therefore, it ought not to be taken as read from the *Sunday Mail*, or other such irresponsible reports in recent times, that there are 250 000 sheep on Kangaroo Island ready for slaughter through the local works, because there are not. At least one of the principal reasons why persistence has occurred in the establishment of an abattoir on Kangaroo Island is the progressively rising costs of taking live sheep from the island to mainland South Australia.

Although the economics of establishing an abattoir on Kangaroo Island always have been, and were at the time of establishing the current export abattoir, very marginal indeed, that primary producing community were desperate to do something about the proper and more economic annual disposal of their live sheep to cover their annual turnover.

The supplement of livestock in order to improve the economics of the Kangaroo Island abattoir via the *Island Seaway* from Eyre Peninsula was not, as the Minister described it this afternoon, a Johnny-Come-Lately idea to prop up a shakey works. It was something that the abattoir promoters considered from the outset to be an essential ingredient of the abattoir operation. They thought that it was particularly essential to the viability of the works in the foreseeable future. Against that background, I want to know whether the Minister, along with his Cabinet colleagues, is prepared to reconsider the whole situation affecting the Kangaroo Island rural community specifically and also the community at large given the burden of the unprecedented freight structure which they face. That burden is unprecedented in the public freighting system in Australia, has prevailed there for a long time and its charge structure has recently skyrocketed. Even if things were going well, that system is running at a level that is gradually suffocating the community. At the present time, when things are not going so well, it is absolutely devastating.

One can become emotional and parochial about one's own district or people and I make no excuses for displaying either of those attitudes about my people on Kangaroo Island. I raise this matter because clearly that community

does not desire, and never has desired, special treatment. It desires relief from unprecedented harsh treatment with regard to the space rates that apply to the only vessel so far able to service that community with regard to its heavy transport goods. I believe that the community deserves that relief. I do not say that with any reflection on other companies be they private, corporate or otherwise which transport freight, tourists, locals and light transport cars by other forms of air and sea vessels.

The *Island Seaway* service is an essential lifeline for that community. I am not using this opportunity to reflect on the vote even though it deserves plenty of reflection. I take this opportunity to plead to the Minister and his colleagues to seriously consider the position not with a view to propping up the locals, subsidising the farmers or to injecting more money into the abattoirs. It is not my role to make those pleas and I do not believe that they are justified. I have made my points simply with a view to providing fair relief to a community in South Australia which has been unfairly treated for a long time and is at suffocation point as a result of that.

**The Hon. Lynn Arnold:** The honourable member has raised a number of points which I guess we could debate for a considerable time. However, I want to make some points in immediate response. The increase in the *Island Seaway* freight rates, which are the responsibility of my ministerial colleague, has occurred in the context of the enormous taxpayer subsidy required for the operation of the *Island Seaway*. We would have to ask to what extent any commercial enterprise needs to have built into it, as part of its survival, the existence of a taxpayer subsidy of quite enormous proportions.

I believe that the most significant point about the transport connection between Eyre Peninsula and the island is that such a service exists at all rather than that there should be an expectation of an inordinate subsidy arrangement to maintain that service's existence. My greatest concern was the threat that there would not be a run from the island to Eyre Peninsula rather than the belief that there should be an approach to cost recovery on that run.

I note what the honourable member says about the profile of the sheep due for turnover and that they are not all suitable for slaughter at the works. I would ask to what extent there are available sufficient sheep on Eyre Peninsula of a quality to justify going to the works for slaughtering and presentation as meat likely to meet cost returns even with the previous lower rates for the *Island Seaway*. We must also consider whether there is likely to be sufficient return on the number of sheep going through the works. I acknowledge that this is a complex issue. However, it was clear to us from the start that, while it was acknowledged that Eyre Peninsula sheep might go to the works, it was never, from my understanding, seen to be critical for the survival of the works that there be access to Eyre Peninsula sheep.

**The Hon. TED CHAPMAN:** I hope that the Minister will do the homework and reconsider the matter.

**The Hon. Lynn Arnold:** We will certainly take on board the honourable member's comments.

**Mr MEIER:** I noted earlier that the Director referred to centres of excellence and to Struan. I have received a couple of letters from someone living in that area. He seeks information about the replacement wool shed and about the new sheep handling yards and drafting facilities at Struan. In his letter he says that he feels that structure must be of grand proportions. He has heard that approximately \$170 000 was spent on it and he would appreciate knowing whether that figure is correct.

He also refers specifically to a three stand Colorbond shed with covered yards which he assumes are cemented inside and which I assume relate to the same structure. In his second letter he indicates that he believes it would have cost about \$50 000 if a farmer had constructed it but, again, he has heard that it has cost the taxpayer \$150 000 to \$160 000. Can the Minister give any information on this structure?

**The Hon. Lynn Arnold:** I have noted the honourable member's question. I will bring back a report on that matter.

**Mr MEIER:** The importation of potatoes from overseas has made the headlines in the past few days. I believe that this can be added to the importation of pig meat from Canada and, as I highlighted in the House recently, the possible importation of chicken meat. Has the Minister any personal concerns about the effect that the importation of potatoes would have on our potato industry and is he doing anything to try to minimise such effects?

**The Hon. Lynn Arnold:** I am still awaiting a detailed report on this matter, but I have had an approach from the South-East Potato Growers Association on the importation of potatoes and the impact that it is having on returns. Beyond saying that I am aware of it, I cannot give a more detailed report at this stage.

**Mr MEIER:** I notice in the Auditor-General's Report that \$3.6 million was allocated for deficit funding of Samcor. I do not expect the Minister to repeat what he said on Samcor a couple of months ago, but is that amount expected to be sufficient, and what does the future hold for Samcor?

**The Hon. Lynn Arnold:** The amount that appears in the report represents the State's debt servicing costs on the accumulated debt of Samcor since the Government assumed control. Actual debt servicing costs are higher than the proposed expenditure due to fluctuating interest rates throughout the year. Therefore, the prediction for the year ahead will be a function partly of the figures. The provision that we have made of \$3.564 million for 1990-91 reflects anticipated lower levels of interest in the year ahead. That is the debt servicing cost.

Then there is the accumulated deficit on the operations of Samcor. I have previously made statements on that and indicated that, in appointing the new board, the works has up to five years to get its act in order, or the Government will not continue those works. Questions have been asked as to why a period of five years has been allowed. We have put in place a very good board. The previous board consisted of members with great skills, and I thank them for the work that they did; but as a group it was clear that the situation was particularly difficult and a new board was needed with a group interaction which could provide for the needs of the works.

It is only fair that a person like Ken Dingwall, who is now the Chairperson of Samcor, should be given a chance to use his considerable private sector expertise to get a real handle on Samcor and make it turn around and provide a return on investment. That is why the five-year period has been talked about. Of course, if Ken Dingwall comes to me during the five years and says that it cannot be turned around, we would have to make earlier decisions. However, I believe that he and his board, and the new general manager to be appointed, are owed an opportunity to make it come good.

In 1989-90 Samcor lost about \$1 million, which was a turnaround on profits some years earlier; but even those earlier profits belied a serious problem. The Government is now having to pick up the interest on the assumed investments of previous years, so, even when it was making profits, they were never of an order to match the debt

servicing costs of about \$3.5 million a year, which is indicative of the problem that we have been facing.

**Mr MEIER:** I would say that a day would have been fine to examine the Department of Agriculture, but we have had 2¾ hours. I thank the Minister for the brevity of his answers. At least we have been able to ask some questions. However, I ask the Minister to take on notice a series of questions which I think he might have had earlier today relating to departmental committees, consultants, and so on.

**The Hon. Lynn Arnold:** I take all those questions on notice.

**The CHAIRMAN:** Perhaps the honourable member will put something on the record about them.

**The Hon. Lynn Arnold:** I understand that the questions are about departmental committees; the employment of consultants; the Government's decisions which have resulted in an overall reduction of \$130 million and no policy change expenditure; the department's contribution to these savings; the productivity savings achieved by the Department of Agriculture; the corporations under the control of the Minister of Agriculture; and the number of motor vehicles the department is operating. We will attempt to get answers to all those questions.

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

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Minister of Agriculture, Miscellaneous, \$8 112 000—  
Examination declared completed.

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Works and Services—Department of Agriculture,  
\$10 870 000—Examination declared completed.

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

Fisheries, \$7 117 000

**Chairman:**

Mr M.J. Evans

**Members:**

Mr M.J. Atkinson  
The Hon. Ted Chapman  
Mr M.R. De Laine  
Mrs C.F. Hutchison  
Mr E.J. Meier  
Mr I.H. Venning

**Witness:**

The Hon. Lynn Arnold, Minister of Fisheries.

**Departmental Advisers:**

Mr R.K. Lewis, Director, Department of Fisheries.  
Mr B.S. Burr, Accountant.  
Ms J.V. Rhodes, Administration Manager.  
Mr B. Bruce, A/Research Manager.  
Mr G. Rohan, Fisheries Manager.

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

**Mr MEIER:** A year ago, in the Estimates Committees, my colleague the member for Alexandra asked, as I recall in the absence of the Director on that occasion, whether the Minister considered that fishing licences in South Australia were a proprietary item. In reply the Minister indicated the issue was 'an enormously complex area' and said

the Minister and the Department of Fisheries were 'still carefully examining that issue and will determine, in close consultation with Crown Law, what decision we finally take'. The Minister also indicated a legislative solution was an option open to the Parliament. Since that time, the *Kelly v Kelly* decision in the High Court has confirmed the property status of fishing licences, a decision which I believe is subject to no further appeal and is therefore binding on South Australian fisheries.

Since last year a new player has now entered the scene, namely, the Commissioner of Stamps. The Commissioner, through the State Taxation Department, has approached many, if not all, people who have bought fishing licences since 8 April 1987, the date of an earlier judgment recognising that a licence was a real property item, that is, *Pennington v McGovern*. That case indicated that stamp duty at a rate of 4 per cent could be payable. Again, I believe the Minister would agree with me that the situation has become even more complex since this time last year. In fact, the use of the date, 8 April 1987, is open to question, since it could be argued that property rights and fishing licences go back to the 1971 Act. When the 1982 Act replaced the 1971 Act, fishermen were told that the perpetual existence of their fishing properties would be reflected in the new legislation. I have had discussions with many people in the fishing industry, both those who support the idea of licences being property and those who are opposed. There appears to be total confusion and considerable anger amongst many fishermen, including those who are up for sums of money ranging from a few hundred dollars to over \$1 000 for possible stamp duty. I have also had discussion with people who believe that the Department of Fisheries ignored the protection of property rights in earlier years.

In view of what I have just said, I ask the Minister whether he and his department accept that a fishing licence is a proprietary item? Does he regard the *Kelly v Kelly* High Court decision as binding such that it is accepted as setting the property status of licences in the period 1971 to 1990? If so, has this decision confirmed the possibility and legality of partnership and trust transactions being entered into during that period?

**The Hon. Lynn Arnold:** The honourable member quite rightly reminds me of my statement last year that this matter is a very complex one. He referred to the *Kelly v Kelly* decision, which has a relevance to the issue. Since that judgment really refers to the 1971 Act, it is not the major judgment that is of immediate concern at the moment, so much as *Pennington v McGovern*, in 1987, which comes under the terms of the 1982 Act. It was in that judgment that a decision was made that licences had characteristics of property. The phrase was, 'proprietary in nature'. It is upon the basis of that judgment that the Commissioner of Stamps has not, as I understand it, necessarily made a voluntary decision as one that is required he make in terms of the apportioning of stamp duty obligations. He does not have the discretionary right to make a judgment, given that there has been this court ruling that seeks to provide an interpretation where licences may be deemed to have property characteristics.

One option open to the Government on this matter would be appeals through the court, and that would depend upon what actions were pending in the court at the time in terms of being able to be joined with such appeals. I understand those rights are somewhat constrained. Another option would be a legislative approach, whereby the legislature would seek to define what is the aspect of licences with respect to property natures.

The Crown Solicitor has advised that the characterisation of licences and authorities as property does not render them immune from the operation of legislation pursuant to which they were created. Therefore, fisheries licences are subject to the Fisheries Act 1982 and its regulations. This legislation does not confer any right of compensation or afford any basis upon which compensation can reasonably be expected in the event of suspension or revocation as a result of convictions or adjustments to access arrangements associated with those licences.

Of course, it is that broad area that is the nub of some people's argument about whether or not fishery licences are or are not property. The Government has not yet resolved the future with respect to action in this matter and I hope that we can make a definitive statement in the near future.

**Mr MEIER:** As a supplementary question, the Minister mentioned that one of the options is to consider appeals through the court. Could the Minister be more explicit in what appeals he is thinking of? As I indicated in my lead statement, I am under the impression that the *Kelly v Kelly* decision is subject to no further appeal. The High Court has ruled. I would, therefore, be interested to know what appeals the Minister is considering against what decisions.

**The Hon. Lynn Arnold:** The honourable member heard my full answer. I indicated there are considerable constraints on options under appeal, anyway. We would have to be joined to an appeal and there are no vehicles, as I understand it, for that at the moment. I will ask the Director to comment on that matter. I also drew the honourable member's attention to my comments at the start of my answer, that more pertinent to the judgments before us is the case of *Pennington v McGovern*, a ruling of the Chief Justice of the South Australian Supreme Court, where it was determined that the class of licence in question was proprietary in character. Therefore, it is as relevant to consider that case. I thought there were constraints upon our present members to move with respect to any appeal. It would require some further court judgment, to which we would then seek to be joined. Otherwise I do not think we would have many options.

**Mr Lewis:** The Minister is correct. The Government has not had the opportunity to initiate an appeal. However, if there was an opportunity, such as someone from the fishing industry contesting the ruling of the Commissioner of Stamps, we could then intercede and become a part of that action. I think we have to separate *Pennington v McGovern*, which involves the current Act, and *Kelly v Kelly*. In interceding, we would endeavour to argue that the magistrate or the judge who made the ruling in *Kelly v Kelly* perhaps erred in making a ruling that there was a property right.

So we would be arguing on a point of law as to whether or not the original ruling in the case we were interceding on was correct, because we would argue that one could not make a definitive ruling unless one knew whether or not there was an error of law. As the Minister quite rightly pointed out, the opportunity for us to intercede is not available at the moment because there are no cases. If one came up, in consultation with Crown Law, we would consider whether or not to intercede.

**Mr MEIER:** What was the date of the *Pennington v McGovern* case?

**The Hon. Lynn Arnold:** The judgment was brought down in 1987. I am not sure when the case commenced.

**Mr MEIER:** Does the Minister recognise a fishing licence as a property item?

**The Hon. Lynn Arnold:** I repeat what I said previously and that is that the final determination of the Government's

view on this matter regarding whether we would seek to look at legislative change has not been reached. We have a judgment before us on which the Commissioner of Stamps must act and the law in this country is not simply determined by statute law; it is determined by law of court. In this case where a licence has been deemed to be proprietary in character, the Commissioner of Stamps must make a decision that licences are dutiable in transfer. That is not an opinion; that is simply a statement. I am not prepared to give any further opinion on this matter until the Government has determined what it wants to do.

**Mr MEIER:** I take it from the Minister's answer that he is saying that he does not consider fishing licences to be a property item.

**The Hon. Lynn Arnold:** I am not saying that at all. I am not prepared to discuss my personal views on this matter. As I understand it, I am being asked about a case where things stand in law at the moment and I am giving an opinion, to the best of my knowledge on advice, as to what is the situation at this time. Whether or not that should bring about a further decision by Government to define in law or by means of appeal, if a vehicle for appeal becomes available, whether licences are property or not property, is something I do not wish to pre-empt.

**Mr MEIER:** Is legislation currently being considered which may overcome the *Pennington v McGovern* court decision and which could also apply to the *Kelly v Kelly* High Court decisions?

**The Hon. Lynn Arnold:** The Government has not determined whether or not legislation will be introduced.

**Mr MEIER:** I take it from that answer that the Minister indicated that there are two ways to resolve the situation: one is through appeal, which the Director subsequently said is not possible at present, and the other is through legislation, which the Minister said is not being contemplated. We could be here until next year asking the question whether or not the Minister and his department recognise that a fishing licence is a property item but getting no closer to a 'Yes' or 'No' answer.

**The Hon. Lynn Arnold:** I repeat what I said before. There is no vehicle for appeal at the moment with the considerable constraints. However, a vehicle may become available. The other option may be via legislative change. The Government has not yet determined whether or not it wishes to proceed down that path. That matter is still being considered by the Government. We have not reached a conclusion on the matter as to whether or not we will proceed with a legislative change; when we do, I will advise the honourable member.

**Mr MEIER:** Supplementary to that, the Minister indicated again that a vehicle for appeal may become available. Therefore, I ask the obvious question: is the Minister, or his department, negotiating with any fishermen who may be prepared to challenge this issue in court?

**The Hon. Lynn Arnold:** There are no negotiations taking place to try to foment a situation whereby an appeal could be joined, if that is what the honourable member is referring to. We have been advised by Crown Law that, if of its own initiation such a court action took place, one of the options available to the Government would be to consider joining that process, but there is nothing that I know of, and I am advised that there are certainly no discussions taking place by the department to foment such a court action taking place. Of course one may take place tomorrow about which we have no knowledge.

**Mr MEIER:** Does the Minister agree that acknowledgment of property rights back in 1971 and the backdating of stamp duty on the sale of licences could lead to massive

payouts by the Department of Fisheries to fishermen who may wish to sue the Department of Fisheries for bad advice because of assurances as to the non-dutiable and non-property status of their interests at transfer?

**The Hon. Lynn Arnold:** I refer the honourable member to a portion of an answer which I gave earlier today and which I shall read again in to *Hansard*; the honourable member will see tomorrow when he checks the proofs that I am simply repeating what I have said. It is as follows:

The Crown Solicitor has advised that the characterisation of licences and authorities as property does not render them immune from the operation of legislation pursuant to which they were created. Therefore, fisheries licences are subject to the Fisheries Act 1982 and its regulations. This legislation does not confer any right of compensation or afford any basis upon which compensation can reasonably be expected in the event of suspension or revocation as a result of convictions or adjustments to access arrangements associated with those licences.

Therefore, it is my advice that this covers the matters raised by the honourable member.

**Mr MEIER:** In the Minister's opinion, that possibility is clearly covered in the Act, that is, no compensation would be payable?

**The Hon. Lynn Arnold:** I am simply quoting the advice that we have obtained from Crown Law and that advice has been referred to twice in the House.

**Mrs HUTCHISON:** I refer to page 145 of the Program Estimates. In 1989-90, \$4.5 million was allocated for capital expenditure on resources, and \$1.742 million was spent; this year, the allocation is \$5.031 million, which is markedly higher than the expenditure in 1989-90. Does the allocation for 1990-91 include any carry-over funding from 1989-90 and/or is there any other reason for that variation? For example, I note that there was an under expenditure for surveillance of aquatic resources in 1989-90.

**The Hon. Lynn Arnold:** With respect to the capital cost, in 1989-90 a number of items were involved. First, two 15-metre vessels that were to have been budgeted for in the last financial year at an estimated cost of \$1.107 million were not purchased, because there were delays in the tendering process. As a result of that, the actual expenditure amounted only to \$4 000 (a shortfall of some \$1.103 million). The impact now is that the item for that purchase reappears in the 1990-91 figure as \$1.082 million.

It is reasonably expected that the expenditure will be incurred within this year. I am now advised that this should occur by October or November this year. So, the money will in fact be spent.

**Mrs HUTCHISON:** I refer to page 66 of the Estimates of Payments, program 2. What is involved in the surveillance of aquatic resources? Does it include monitoring of the edible qualities of marine life in various areas? If not, is there an ongoing monitoring program? Recently, when I asked a question about surveys in the House as to the edible qualities of fish in Spencer Gulf, I was informed that the last monitoring occurred in 1980 and, I believe, was reported on in 1983.

**Mr Lewis:** No, not at the moment. We are writing up and publishing the work that we have done in the past. The person who did that work has transferred to another department, and we have allocated those resources to higher priority work.

**Mrs HUTCHISON:** I refer to page 152 of the Program Estimates and to both the 1989-90 and 1990-91 Specific Targets/Objectives. Has the equal employment opportunity implementation program been completed? What is happening in this matter?

**Ms Rhodes:** I can confirm that the equal opportunity action plan developed for the department last year has been successfully carried out.

**Mr MEIER:** From answers given so far it would seem that the Government is willing to challenge the fisherman's rights to property by not acknowledging whether or not they exist. I seek now to ascertain whether the Government is willing to challenge the imposition of stamp duty, which we have determined arises naturally out of the earlier court decision. If the Commissioner of Stamps imposes stamp duty, what would fishermen have to pay if that stamp duty were applied retrospectively to 1987, 1984 (which is when the 1982 Act came into operation), or 1971? How many fishermen would be affected in each case?

**The Hon. Lynn Arnold:** We have made approaches to the Commissioner of Stamps on the interpretation placed by him on aspects of licences. For that reason I was able to advise as I did, that the Commissioner of Stamps is of the view that there is no discretionary power, given that there is a judgment. What the member now asks, very reasonably, is a complex question, and I will take it on notice and come back with such information as I can.

**Mr MEIER:** From the discussions that the Minister or his officers have had with the State Taxation Office, is there any likelihood of fines being applied to fishermen who have not paid the duty? If so, does the Minister have any idea what amounts those fines could be, either in real terms or as a percentage of the stamp duty payable?

**The Hon. Lynn Arnold:** I will take that question on notice as well. I have just had drawn to my attention the following statement of advice from the State Taxation Office:

The basis for the retrospective action to which you refer relates to the fact that prior to 7 December 1987 the stamp duty legislation could only be enforced where a written contract existed between a buyer and a seller, that is, stamp duty was levied on the instrument of conveyance. Verbal agreements were not addressed in the legislation and, as such, a situation existed whereby persons could avoid payment of stamp duty. On 7 December 1987 the legislation was amended to include verbal agreements. Briefly, the purchaser of a commodity, such as a fishery licence, obtained by way of a verbal agreement is required to inform the Stamp Duty Commissioner and pay appropriate stamp duty on the transaction. Notwithstanding the above the Stamp Duty Commissioner may investigate fishery licences transfers prior to 7 December 1987 and possibly levy stamp duty on those transactions.

That is the advice, and it is only fair that the Committee be aware of that advice because it partly answers some of the questions. I guess it also asks further questions that the Government will have to address and which in due course we will.

**Mr MEIER:** I was incorrect in assuming that the Commissioner was taking the stamp duty retrospectively to 8 April 1987; in fact, it is 7 December 1987. So, it is not because of the date the Pennington decision was handed down; it is in relation to an amendment that passed through this Parliament.

**The Hon. Lynn Arnold:** That would seem to be the case.

**Mr MEIER:** If fines are to apply, what action will the Minister or the department take or consider taking to seek an exemption?

**The Hon. Lynn Arnold:** The Government will obviously have to consider the implications of these matters, because clearly the Government would not want to see an invidious situation where best endeavours were made and then people became unreasonably imposed upon later. I do not know what the outcome will be of those discussions. Certainly, I have noted the concerns of the honourable member and of the fishing industry, and we will take those points on board in our consideration.

**Mr MEIER:** To what extent is the Minister or his department keeping fishermen informed of the latest position? One person who bought a marine scale licence in the past 18 months for nearly \$40 000 (which included the boat and

licence) recently received notification from the Commissioner of Stamps that he could be liable for stamp duty of some \$900-odd. He is very concerned about this and contacted me to find out why he was not told about that in the first instance. This is a relatively small fisherman in relation to those who might spend millions of dollars on their licence, yet he obviously has not been informed (to the best of my knowledge) by the department as to what he should or should not be doing.

He asked me whether he should provide the information requested by the Commissioner of Stamps in connection with what he paid for the various items on the licence, but I could not answer that question. He rang me about a week ago and I said that I would seek an answer during the Estimates Committees.

**The Hon. Lynn Arnold:** I am advised that when transfers are being processed, advice from the Commissioner of Stamps is included in the documentation. This may have been overlooked in one instance.

**Mr MEIER:** Would that refer to a transfer that occurred 18 months ago or in early 1988?

**The Hon. Lynn Arnold:** No, it would not go back as far as that; I am advised that it goes back to about March of this year.

**Mr MEIER:** Will the Minister comment on the extent to which the department is informing fishermen of what they should or should not do?

**The Hon. Lynn Arnold:** Either the Director or myself have been present at meetings to advise fishermen. Tomorrow I will chair a meeting of the Consultative Industry Fishing Panel, and I understand that this matter is on the agenda for discussion. On Friday the SAFIC annual general meeting will be held at which the matter will again be canvassed. As developments take place, we will keep the industry advised.

**Mr Lewis:** The Minister and I have written to the South Australian Fishing Industry Council and I have attended numerous meetings with the management of SAFIC. I am aware that on a number of occasions the Commissioner of Stamps has written to the SAFIC on this matter and, as the Minister has said, following receipt of a request from the Commissioner of Stamps the department attaches the appropriate circular to the transfer application forms, so we have endeavoured to advise the industry of these arrangements.

**Mr De LAINE:** The importance of the North Arm/Barker Inlet/Torrens Island mangroves as fish breeding grounds is well documented. What input will the Department of Fisheries have into research and investigations involving an absolute guarantee that these vital spawning grounds will not be adversely affected by the establishment of the proposed MFP.

**The Hon. Lynn Arnold:** Some time ago, before I became Minister of Fisheries, when the Port Adelaide Industrial Land Review was considered by Cabinet, I asked precisely the same question with respect to guarantees for the mangroves because I too was aware of their significance in the marine environment. Before the advent of the MFP I made this point and, as I said this morning, the actual concept of developing this area pre-dates the MFP decision.

I was advised that the drainage patterns of stormwater run-off and other water flows from the land into the gulf through the mangroves would not be negatively affected by the development of the area for residential, industrial or any other purpose. Indeed, there would be the opportunity to improve water flows into the mangroves by managing them better than is the case at present in the degraded site



area. This would be done by cleaning up the land area and by better engineering of water flows through the mangroves.

As the honourable member obviously knows, mangroves have a degree of delicacy in the way they cope with water flows and any improvements will stop any dieback in the mangroves. We are confident that the proposals of the MFP will not only maintain the situation but will improve it against what is offered by the presently degraded site at Gillman and what it might contribute to the mangroves.

**Mr De LAINE:** I refer to page 36 of the Capital Works Program. The member for Stuart asked a question in relation to the building of two 14.5 m fisheries enforcement vessels. Where are these vessels being built?

**The Hon. Lynn Arnold:** The vessels are being built in Fremantle, Western Australia. There was a delay in the tendering procedure to allow new specifications to be examined. The Government was keen to ensure that all potential tenderers throughout Australia had a reasonable chance of tendering for the building of these vessels and, clearly, we wanted to ensure that South Australians would have a fair chance of tendering also. However, in accordance with the national preference agreement, the tenderer who won was the lowest tenderer.

**Mr De LAINE:** Again, on page 36 of the Capital Works Program it is noted that the 1990-91 program includes provision for work to proceed on stage 2 of the West Beach Marine Laboratory facility. Will the Minister provide details of this work and outline the expected benefits?

**The Hon. Lynn Arnold:** This line concerns the sea water intake of the West Beach Marine Research Laboratory. The present water intake is breaking down all the time and it is important that it be replaced. This has been approved by the Public Works Standing Committee and Cabinet in recent days has approved a tender for that construction work to be undertaken. The next stage of the Marine Research Laboratory relates to the buildings. There has been some documentation work provided, but the actual construction of the next stage is not included in this year's capital works budget. However, we anticipate that it will be within the life of this Government.

**The Hon. TED CHAPMAN:** Will the Minister provide a list of the names and addresses of those persons who currently hold A class fishing licences in South Australia; those who hold non transferable B class fishing licences; and those of the amateur community who hold authorities to use up to three craypots? Will the Minister identify also the date on which the department decreed that no further amateur pot licences would be issued?

**The Hon. Lynn Arnold:** I wish to have incorporated in *Hansard* two tables: the first a statistical table relating to the number of fishery licence holders in 1988-89 and 1989-90, and the second relating to recreational gear registrations indicating the number of licence holders in each category.

#### COMMERCIAL LICENCES

A total of 1 136 commercial fishery licences were issued during 1989-90 compared with 1 159 licences in 1988-89. Details of all commercial fishery licences issued by type for 1989-90 are provided in Table 1.

TABLE 1  
Number of Fishery Licence Holders 1988-89 to 1989-90

Fishery	As at 30.6.89	As at 30.6.90
Abalone		
Central Zone	5*	5*
Southern Zone	6	6
Western Zone	23	23
Crab (Gulf Waters Experimental)	6	6
Lakes and Coorong	42	41‡
Prawn		

Fishery	As at 30.6.89	As at 30.6.90
Gulf St Vincent	11	11
Spencer Gulf	39	39
West Coast	3	3
River	42	37†
Rock Lobster		
Northern Zone	87	86
Southern Zone	195	194
Scalefish		
Marine Scalefish	529	527§
Restricted Marine Scalefish	141	134
Miscellaneous (including scallop, tube-worm, shells, Lake George, previous Class 'B' Lakes and Coorong)	30	24¶
Total	1 159	1 136

\* This figure does not include one person operating under a ministerial exemption.

† A final reach reallocation of licences surrendered (on a 2:3 basis) will be conducted during 1990-91.

‡ The reduction is due to the amalgamation of the entitlements from two licences onto one licence in accordance with the provisions of the Scheme of Management.

§ The reduction is due to the surrender of State fishery licences associated with the amalgamation of Commonwealth shark fishery net entitlements.

¶ The reduction is due to six fishers electing not to renew their licences in 1989-90.

#### RECREATIONAL FISHING

A total of 9 804 registrations for rock lobster pots and fish nets were issued during 1989-90, compared with 10 621 during 1988-89. As a result of the reduction in the number of nets per operator in the Lakes and Coorong fishery from two to one per person, an additional category has been included for the use of nets in Lake George.

Full details of devices registered are set out in Table 3.

TABLE 3  
Recreational Gear Registration

	As as 30.6.89	As at 30.6.90
Number of Registrations (including pensioner registrations)	10 621	9 804
Number of Net Registrations	6 897	6 331
Number of Nets		
Sea	6 677	6 155
Coorong	5 394	3 943
Lake George	—	2 094
Number of Pot Registrations	3 724	3 473
Number of Lobster Pots	11 041	10 304

**The Hon. Lynn Arnold:** Referring to what the member calls A type licences (which are now marine scale fish licences) and B licences (which are restricted marine scale fish licences), as at 30 June this year, there are 527 A class active licences and 134 B class licences. There is a public register in which these licence holders and their addresses are entered, and that is by definition, therefore, publicly accessible. I would refer the honourable member to the Department of Fisheries to access that information if he so wishes. I think it would be an extensive use of *Hansard* pages to have that information incorporated, and at this stage I do not propose to do that. The decision in relation to craypot registrations was made on 24 December 1985.

**The Hon. TED CHAPMAN:** I appreciate the Minister's offer to provide the information, other than through the cluttering up of *Hansard*. I would further appreciate the department's making those lists available in due course. Can I have the Minister's absolute assurance that no authorities to lay craypots by amateurs have been issued since the date he gave a moment ago?

**Mr Lewis:** I am unaware of any, but I will double check and report back to the Committee.

**The Hon. TED CHAPMAN:** I would appreciate that being done because it has been alleged that, since the date given by the Minister, by some arrangement amateur or amateurs have been issued with craypots for the purposes of just that—amateur use.

In relation to that delicate subject of netting in and about sites along our coastline and inland waters which are described as popular tourist spots, can the Minister say what is his or his department's position in relation to the closure from netting of any further ports, coastal sites or inland waters of South Australia?

**The Hon. Lynn Arnold:** This is part of the present marine scale fishery review, which has been the subject of a green paper that was released some months ago, the closing date for submissions being 31 August. I can say that we have received a great many submissions: they fill two big folders. That review covers quite a wide number of areas including, quite pertinently, the issue of netting referred to by the honourable member. At this stage, it seems clear that what will now be needed is for us to go through those submissions and for the preparation of a second more succinct green paper, much in the same way as we did with the river fishery whereby there was a supplementary green paper to tighten up some propositions for recommendation. We would be looking for that to happen over the next couple of months, with the release of that second green paper in December, such that we could have responses back to that paper in January, with the prospect of any relevant changes to legislation or regulations in the autumn session of Parliament.

**The Hon. TED CHAPMAN:** I am not too flash on this colour green: I am pro-developer, as the Minister would know. I take it that he is really saying that he is intending to harden up on what has already been for a long time seen to be too hard a subject. Is that what the Minister is really saying?

**The Hon. Lynn Arnold:** I do not quite follow the loadings.

**The Hon. TED CHAPMAN:** Is it coming from a broad green paper to a tightened green paper?

**The Hon. Lynn Arnold:** Yes, with some specific recommendations, whereas the first green paper had some recommendations clearly, but the second one will come up with a tighter series of recommendations, which will then lead to a Government policy decision.

**The Hon. TED CHAPMAN:** Is the Minister saying that he is totally dependent on this activity of testing the water and the reaction from the community at large and, therefore, can I assume that the department or he has no real position on this matter?

**The Hon. Lynn Arnold:** The situation that the Government has resolved should be about the way we go about regulatory review that incorporates the green paper process. I mentioned quite deliberately the wealth of submissions we have had because it is indicative of just how many views there are in the community about these matters. There is a diversity of view. So, the views do not all come down on one side of one issue, and netting is an issue where there is a wide diversity of views. I do have my personal views, but I think it would skew the discussion process if I gave my view. This would then result in someone saying 'We have the support of the Minister' and others saying 'We might as well not even bother responding to the green paper because we do not have the support of the Minister.'

**The Hon. TED CHAPMAN:** The subject of consideration of the submissions outlined by the Minister I suppose is really a painful process of democracy in relation to whether bays, estuaries and other waters around other States should be closed, to net fishing. It has been around for years and

years—certainly as long as I can recall—and Ministers of all persuasions over that period have tended to duckshove and avoid. Therefore, when the submissions come in, can we assume that the Minister will take a position based on the majority view, the simple majority, the absolute majority, the bulk of submissions received, or will he, thereafter, go out and hold his finger up and test the water? How does the Minister propose to conclude that painfully long process that has been around for nearly as long as the fish have?

**The Hon. Lynn Arnold:** With wisdom.

**The Hon. TED CHAPMAN:** Then we will be waiting. Caution I could accept: wisdom I could not. Does the Minister accept that the fishing of migratory species is an area that should to be more readily available to the public at large to fish, bearing in mind that migratory fish—that is via school fish—tend to be here today and gone tomorrow, and if we do not take them in this State they will be in the west in a month or later and beyond thereafter?

**The Hon. Lynn Arnold:** I will ask a question of the honourable member just to clarify the intent of his question: by saying 'Does the Minister believe migratory species should be more available?' What is he implying are the limits to there being access at the moment that could be the subject of possible change?

**The Hon. TED CHAPMAN:** It is curious, to say the least, that we on this side of the House are privileged once or twice per Parliament to ask questions, and then become subject to questions by the Minister. However, it reminds me of when I was Minister, so I am delighted to respond. I asked the question because there is an enormous tonnage of school fish in our waters periodically, and relatively few of those fish are actually caught for the market place and for public access. It seems to me, and has done for a long time, fair and sensible for the public at large—that is, amateur fishermen—to have access to these school fish, whether it be by line or by net.

That would not interfere with the stocks of our residential fish or with the delicate area of conservation which is talked about from time to time by our people at departmental level and also at research and scientific levels. In that arena, many members of the community want to have fish, not just the Catholics on Fridays, but in the wider community as well. In many situations, they cannot afford fish from the residential fish sites. However, I believe that they could afford fish caught during those periodic swim throughs by school or migratory fish. Against that background, I wish to know the views of the Minister on behalf of those who would like a feed of fish now and again, but not to interfere with the delicate stocks as is understandable.

**The Hon. Lynn Arnold:** One aspect of this question comes back, at another angle, to the issue of netting and the relevant role of netting in recreational and commercial fishing. I stand by the comments that I made before about how I think that matter is best addressed. However, the honourable member raises a very important point. The philosophical principle is that the Government's fisheries management policy is to recognise that there are legitimate interests on behalf of both the commercial and recreational sectors. Therefore, in the introduction of any policy changes, the Government's job in walking a tightrope is to balance the best interests of both sections when very often those sections do not see themselves as having complementary roles.

The other issue which must be an important backdrop to that is that the Government must set policy which is sustainable in terms of the fish stock, and the honourable member acknowledged that in the way that he couched his questions and the references that he made. That will vary

for different species, for different types of fish and for different types of fish catching.

The Green Paper has taken a long time to appear (the honourable member refers to it as being part of the democratic process, and the wheels of democracy can be very slow but inevitably they are normally pretty good) but that shows just how complex this issue is. No one set of rules can be applied which would keep happy the sustainability of the fishery question, the commercial interests of the commercial fishery, the recreational interests of the recreational fishery and also deal with the particular needs of particular species in terms of their viability. So, the honourable member's seemingly easy question is not that easy at all.

**The Hon. TED CHAPMAN:** My last question is about the South Australian Fishing Industry Council (SAFIC). Does that organisation still exist?

**The Hon. Lynn Arnold:** Yes.

**The Hon. TED CHAPMAN:** Incidentally, my interests are confined to amateur fishing nowadays and therefore I needed to know whether SAFIC still existed. For the sake of the record, how much money does the department put into that organisation by way of salary and/or for other purposes each year? In return for its expenditure, which is no doubt cited somewhere in this great stack of paper with which we have been issued, what does the Government require by way of loyalty, communication or obligation in return for the publicly funded investment in that organisation?

**The Hon. Lynn Arnold:** It is not correct to refer to what the department gives to SAFIC. Over time, the Government has decided that there shall be added on to licence fees a levy payable to SAFIC which is 12.5 per cent of the fees collected from commercial licences. That automatically goes to SAFIC to use according to its charter, which is to be the voice of the aggregated commercial fishing industry.

In 1989-90, the actual payment to SAFIC by that levy was \$237 000. The estimated payment this year based on what we know to be the licence fees and the 12.5 per cent proportion of that is \$305 000. We do not attempt to interfere in the internal operations of that organisation by telling it what it should tell us when we ask for its opinions.

**The Hon. TED CHAPMAN:** Is the Minister saying that the input to SAFIC from the State fund is a proportion of the licence fee only and is payable on that calculated basis as he explained and there is no obligation?

**The Hon. Lynn Arnold:** Technically it is not even a proportion of the licence fee. It is a levy added on to the licence fee equal to 12.5 per cent. In other words, the Government will set the licence fee after consultation with the industry, but in the final analysis it is the Government which does it. On top of that is added the 12.5 per cent levy which it has been the practice to set, and that is given to SAFIC. That is not unique to South Australia—it applies in Western Australia and I think a couple of other States as well.

**The Hon. TED CHAPMAN:** I appreciate the detailed explanation of the Minister and his staff on this matter. I am particularly interested to know what the Government expects in return for its involvement in the transfer of funds, as outlined, to SAFIC. In other words, is there anything in SAFIC's charter which requires it as an organisation or its staff at any level to furnish the Government with information and/or policy and/or support for or against an issue of the day? Is it as independent as some might believe it to be or is there a sharing of its answerability or responsibility in that area to the industry on the one hand and to

the Government and/or any specified department on the other?

**The Hon. Lynn Arnold:** It is certainly independent. We expect it to be a professional body which can give advice to the Government. I do not have a copy of its charter with me, but I will obtain a copy, which will include the objects of SAFIC, for inclusion in *Hansard*. We believe that it is important in a policy setting to have a body which can talk on behalf of the commercial fishing industry. Within SAFIC there are a number of sector groups which also have their own views. Sometimes sector groups will have a view which might be somewhat at variance with SAFIC at large. It is important for the Government to listen to the diversity of views from the industry. However, we would be much worse off in a policy setting if we did not have a united industry forum giving us its opinions.

A particular incident might occur when a fisher or a small group of fishers might raise a point of concern. In reply, we will often say, either myself as Minister or the Director, that the fisher or group of fishers should contact their organisation to discuss the matter to determine whether it has a view. To that extent I guess we sometimes create a situation in which discussions might be raised within the body, but that is not to pre-empt the answer. It is simply in all honesty to get it to tell us what it wants us to do. That does not mean to say that we will do it, but at least we want to have the considered united industry view against which the Government can decide what policy decisions to take.

**The Hon. TED CHAPMAN:** The reason why I raise the subject, as I think the Minister will understand, is that in the past and, I guess, at the moment, a number of fishermen, even licensed fishermen, for reasons best known to themselves, do not participate in SAFIC. They feel a little disturbed from time to time when policy is set by that organisation, or by the Government following consultation with that organisation, which does not have regard to the non-member view. I suppose an analogy might be drawn between the two primary industries—the fishing industry and the rural industry. In that respect, we have that august group, the United Farmers and Stockowners, which is not always right, but it seems to be the organ that Governments tend to use from time to time and to abuse on other occasions. I thank the Minister for his explanation about the present status of SAFIC.

**Mr ATKINSON:** In the Auditor-General's Report, at page 101, mention is made of the prawn licences buy-back scheme under which licences are cancelled and the licensees are compensated from a fund raised by a surcharge on remaining licensees. The surcharge was suspended from April 1989. Did the surcharge resume in July 1990, as expected by the Auditor-General, and when will the scheme's debt to the South Australian Financing Authority be repaid?

**The Hon. Lynn Arnold:** The situation in the Gulf St Vincent prawn fishery has been the subject of some significant events this year. Members may recall that the buy-back scheme was initiated as a result of the Copes Report, which was prepared in 1986. That report recommended that the effort in the fishery should be decreased by decreasing the number of boats. The proposition initially was to decrease from 16 to 10, but ultimately it was decreased to 11 by taking the two boats out of Investigator Strait, the balance being a reduction on the Gulf St Vincent. The way in which it was done was to say that the boats that had left the industry should be bought out—and value was attached to that—and that that should be financed by the remaining boats in the fishery, because they would get the benefit of

reduced effort in the fishery and that then the fishery should recover over time.

Earlier this year it became clear that there were diverse views whether the fishery was recovering. The Fisheries Department has closely monitored the scientific evidence available in the gulf, and prawn fishermen have had their own views, which have sometimes been at variance with those of the department. They have also said that at various stages they have not had the capacity to pay the interest on the bills, and the Government's view, when this first came up early in 1989, was to say, 'That is okay, except that it goes on the end of the bill, so you are deferring a payment which itself now attracts interest over time.' A similar situation occurred again earlier this year, and that has gone onto the capital debt, which I think is now about \$3.62 million.

However, following extensive discussions it was agreed to have Professor Copes come back to Australia to carry out some further work on this matter and report to the Government. We have now received that report, as have the joint contributors towards the cost of that report—the Gulf St Vincent Prawn Boat Owners Association. We have only just received it, so it is too early to say what the outcome will be. Professor Copes addresses not only his perceptions as to the status of the fishery in terms of its capacity to generate stock for fishing but also some of the financial questions dealing with onshore arrangements, in other words, the structure of the fishery, how it is financed and how it will finance the buy-back scheme. There are some complex questions there that the Government needs to address. In the meantime, the debt, so long as there are any shortfalls on repayments, is accumulating and will have to be picked up somehow at some stage. It is obviously a delicate situation, but it is premised on the fact that the fishery is believed by all concerned to have potential. If it were not so, clearly we would make a decision to pack it up, and there would be no purpose to a buy-back scheme. We would pull everyone out and there would be no fishery there. However, that is not the suggestion. Everyone seems to accept that there is capacity for fishing in the future; we just have to get right how much effort we put into that fishery.

**Mr ATKINSON:** The Program Estimates, at page 150, under the program title, 'Surveillance of Aquatic Resources', mentions that expiation fees have been imposed since May. What is the department's assessment of the expiation fee system so far, and how has the industry responded to the new system?

**The Hon. Lynn Arnold:** As regards expiation fees, there had been a delay in getting the system up and running, so we did not have it operating as quickly as we would have liked. In July 12 notices were issued to a total value of \$1 360 and in August 22 notices were issued to a total value of \$3 010, bringing in a total of \$4 370. In terms of those which have actually been expiated, there were seven in July for \$585 and eight in August for \$890. It might be expected that the remainder which have not been expiated will proceed through the normal process of going to court. I am advised that there are 60 days for the expiation. I guess that in both circumstances there is still more time for people to do the expiation.

The actual expiation range covers 200 offences which can be resolved by the expiation processes. The main benefits are the removal of the anxiety associated with attending court for relatively minor offences; reductions in delays in resolving what are minor prosecutions; reductions in time spent by fisheries officers processing minor briefs; reductions in demands on the Crown Solicitor's office prosecu-

tion staff; and reductions in demands on the courts processing minor fisheries offences. The sorts of offences which are capable of expiation are failure to submit catch and effort returns; failure to mark a vessel with the appropriate registration number; use of unregistered gear; exceeding the number of permitted devices; exceeding bag limits; and taking undersize fish. The penalties range from \$50 to \$300, plus the criminal injuries compensation levy. The most common penalty is \$100.

**Mr ATKINSON:** The Program Estimates, at page 151, under the title, 'Protection of Aquatic Habitat', states that it is a broad objective of the department to control the spread of exotic fish. Can the Minister tell the Committee of any recent serious threats to commercial fish stocks from exotic fish?

**The Hon. Lynn Arnold:** We do not have any recent episodes of exotic fish, but there are legendary tales of them throughout Australia. It must be remembered that we are talking about exotic not only to the country but to the area. It is interesting that Murray cod, of which we would dearly love to have a greater infestation in the Murray River, is a fish which in other circumstances can be considered exotic, causing problems for other native species in other waterways in Australia. The most common one in recent times has been the European carp, but there have been others. I will ask the Director to refer to an episode with respect to the stocking of a dam with exotic fish which, fortunately, was emptied; these fish did not enter the waterway but, had they done so, they could have caused a problem.

**Mr Lewis:** The dam in question was the Leigh Creek retention dam. Some years ago it was brought to our attention by the authorities that European carp and goldfish had been released into the dam. These are exotic fish. This retention dam has a flooding regime of one in a thousand years, but we did not want to take the risk that it would go into the Cooper system where it would interfere with the callop populations and other native fish species. In conjunction with the University of Adelaide, the Electricity Trust of South Australia and three or four commercial fishers from the Lakes region—Lake Alexandrina and Lake Albert where they took them for bait—we eventually went in and poisoned the whole of this very extensive dam.

It is interesting to note that the fish had been in there for, we believe, about five years. There was something like three quarters of a million carp and 7.5 million goldfish involved. That is an estimate of course. We are now, in consultation with the Electricity Trust of South Australia, rehabilitating that dam with native fish stocks from the region. It has been recognised that there are something like seven or eight feral fish species in South Australia, ranging from toxic dinoflagellates, which are microscopic plants, to jellyfish and a crab in the Coorong. Therefore we need to be ever vigilant.

**Mr MEIER:** Regarding the issue of property rights, for how long can the Commissioner of Stamps be kept at bay, if I can use that term, from demanding the payment of stamp duty from fishermen who have bought licences since 7 December 1987?

**The Hon. Lynn Arnold:** As I said before, it is not proper to talk about keeping the Commissioner of Stamps at bay; he has a statutory obligation to do his duties, and does so. The question, therefore, is whether or not the Government needs to consider those statutory obligations and whether there has been any change there. I think I have already adequately answered that matter. In any event, the Commissioner of Stamps is not an officer of the Government responsible to me, as the honourable member is well aware.

We have, of course, been in communication with him and his office.

**Mr MEIER:** If the Commissioner proceeds to request the payment of stamp duty, has the Department of Fisheries contemplated any form of compensation for persons so affected?

**The Hon. Lynn Arnold:** Mr Chairman, I did answer that question previously, before giving the advice that we have, and I repeat the answer; the answer is 'No'.

**The CHAIRMAN:** There seems to be a bit of repetition in this process.

**Mr MEIER:** I do not recall having asked it, but I stand corrected. When the Government sought to rationalise the Gulf St Vincent prawn fishery, as detailed by the Minister earlier, to have six licences compulsorily removed, of which five licences were acquired by the Department of Fisheries, was stamp duty assessed or levied, and, if so, how much duty was assessed at that time?

**The Hon. Lynn Arnold:** The licences in the buy-back scheme were surrendered licences, not transferred licences, and the Government does not pay stamp duty. There would be no amounts payable in any event, whatever the legal determination about the nature of the licences. I should pick up a point made by the member for Spence which I have not answered. The actual amount paid in the buy-back scheme since July 1990 has been about \$47 000.

**Mr MEIER:** Were the five Gulf St Vincent licences acquired regarded as property at the time of the rationalisation, and were the five purchases made by way of an offer with a fixed ceiling mechanism or by way of compulsory acquisition?

**The Hon. Lynn Arnold:** The licences were voluntarily surrendered. The issue of their property nature was never at issue and therefore never addressed. I have already mentioned the point that these were surrendered licences; there was not a transfer of an active licence to potential operator of the licence. There was a slightly different situation applying in terms of the valuation of the Investigator Strait licences as opposed to those in the Gulf St Vincent, but they were all part of the buy-back scheme. The difference between the two was simply a matter of attributing value to how much should be paid for the licences to be surrendered.

**Mr MEIER:** By way of a supplementary question, were the Gulf St Vincent licences advised that, unless they accepted the offer, certain licences would be compulsorily acquired?

**The Hon. Lynn Arnold:** In fact, as I understand the situation, the number of licences should have gone from 16 to 10; it in fact went from 16 to 11. My understanding is that the reason it did not go to 10 is that to make that extra further licence surrender would have required a compulsory acquisition. At that time that had not been the considered view of the Minister, the Government or the department that that would be a good thing in terms of the management of the whole issue of fisheries. It was determined to settle on 11 remaining licences as opposed to 10.

**Mr MEIER:** A further supplementary question, does the Government intend to remove an additional licence from the Gulf St Vincent prawn fishery?

**The Hon. Lynn Arnold:** Clearly, that would be one of a number of options. I mentioned that we have only just recently received the second Copes report—the one that has been commissioned this year. I am not in a position at this stage to say what the outcome of my or the Government's consideration of his recommendations will be. There are other options, too. Options could be wholesale reductions in the number of licences way below 10 or reductions in

the capacity of each one of the licences, in other words, putting limitations on what catching can be done by each licence holder. There is a wide number of options. Clearly, every one of them has to at least receive some consideration, even if it is only cursory, while others receive more in depth consideration.

**Mr MEIER:** Will the Copes report be available for general exhibition?

**The Hon. Lynn Arnold:** At this stage, the Copes report is in the possession of the two owners of the report, namely, those who paid the bills. They are the Gulf St Vincent Prawn Boat Owners Association and the Government. We have asked the association to give us its opinion on the report. The Department of Fisheries is to give me its opinion on the report. We will then determine what happens after that. Therefore, at some later stage the question of public release of the report could be considered, but we are not at that stage at the moment.

**Mr MEIER:** Would the Minister say that the Gulf St Vincent prawn rationalisation scheme failed those persons who were bought out or forced out, whichever way one wishes to view it, and also failed those who have remained?

**The Hon. Lynn Arnold:** The honourable member refers to their being forced out. I have just indicated that there was no situation involving compulsory acquisition. That is a somewhat pejorative statement about failing those who left and those who stayed. The reality is that if nothing had happened, if the 16 licences had remained in the fishery, the fishery itself would very quickly have failed the licence holders. It would have been under such stress that it would have been fished out. We can argue about why it had reached such a delicate stage—and there are, indeed, different points of view on how it got to that stage—but I do not think that anyone disagrees that the fishery could not sustain 16 licences any longer.

The question then was whether the reduction from 16 to 10, as recommended, was enough. All I can indicate on that is that the catch figures for the St Vincent Gulf prawn fishery have shown some signs of improving, albeit at a slower rate than Professor Copes originally predicted. I incorporate here a tabular statement on St Vincent Gulf fishery catch, effort per hour and rate of catch for 1968-1989:

ST VINCENT GULF

Year	Catch		Effort hours	Rate kg/hr
	kg	tonnes		
1968	8 024	8.02	371	21.63
1969	69 621	69.62	2 494	27.92
1970	112 744	112.74	2 884	39.09
1971	182 679	182.68	6 370	28.68
1972	249 617	249.62	8 218	30.37
1973	271 285	271.29	7 895	34.36
1974	373 505	373.51	8 614	45.75
1975	375 365	375.37	10 191	36.83
1976	498 170	498.17	11 402	43.69
1977	397 553	397.55	10 292	38.63
1978	348 418	348.42	13 254	26.29
1979	267 483	267.48	11 972	22.34
1980	299 875	299.88	16 058	18.67
1981	352 120	352.12	12 489	28.19
1982	524 125	524.13	12 932	40.53
1983	465 402	465.40	12 969	35.89
1984	257 371	257.37	9 943	25.88
1985	213 685	213.69	7 617	28.05
1986	212 161	212.16	7 528	28.18
1987	252 478	252.48	6 799	37.13
1988	201 312	201.31	5 695	35.35
1989	219 881	219.88	5 394	40.76
1990				

**The Hon. Lynn Arnold:** The peak catch years since the gulf was first fished in the late 1960s was 400 tonnes and

there were a couple of years when it exceeded that amount. In the mid-1980s that catch figure was falling to about 220 tonnes, and showed all the signs of collapsing even further. The catch was very small (about 8 tonnes) in 1968 and increased to about 498 tonnes in 1976. It fell away and then increased to about 524 tonnes in 1982, 465 tonnes in 1983 and then the fall off started: 257 in 1984, 213 in 1985 and 212 tonnes in 1986. Clearly, the fishery was under stress as it had fallen off so dramatically. Those figures should be compared against the actual number of hours being fished. Again, one can see that there was a fall from 45.75 kilograms per hour in 1974 to 18.67 kilograms in 1980.

Licence reductions took place in 1986 and we have seen a significant reduction in the number of fishing hours. That means that there has been an increase in the kilogram/hour rate. There has also been something of a stasis in the actual tonnes caught, and that seems to give us some optimism that the fisheries has bottomed out and may be is increasing.

**Mr MEIER:** I was a little disturbed when the Minister replied earlier to the member for Spence yesterday to the effect that the cost of the St Vincent Gulf prawn fishery would 'somehow have to be picked up'. I assume that, therefore that neither the Minister nor the department has any idea how this situation is to be resolved. The costs have risen from \$2.8 million to \$3.6 million, with very little paid off. I take it that the fishing industry could therefore be seen as being relatively unviable in the past few years. The Minister has just said that things look a little better now. Is there any guarantee that something can be paid off in the next two years, or will we suddenly see that figure increase to a \$4 million or perhaps a \$5 million debt?

**The Hon. Lynn Arnold:** No guarantees can be given, because there are a number of uncertainties in this area, one being that the best efforts have been made to determine the status of the fishery and its capacity to regenerate. Those best efforts have been made by a department that is pre-eminent nationally and, indeed, internationally in its capacity to assess the scientific data and make predictions. However, in the nature of things predictions are still just that, and we can never give a 100 per cent surety that the predictions as to the regeneration of the fishery will be correct. Indeed, Professor Copes in his 1986 report suggested a recovery rate on the available data which has not been matched to the optimism of that report. There is evidence to suggest that it is improving, as the aforementioned figures will indicate, especially the kilogram/hour figures.

What also needs to be understood is that there are other imponderables in this equation: it is not simply the number of prawns being caught but the value of those prawns. Prawns are of different sizes, of different values, even in the maintenance of real values over the years. So, a larger prawn will get more than a smaller prawn.

The other question that needs to be considered is that we are not certain whether the actual return from prawns will maintain itself in real terms on a unit basis—and why should that be so? The reason why we may have doubts is the increasing involvement of aquaculture internationally, especially in the growing of larger prawns and, to the extent to which the volume of prawns available on the world market will increase significantly, there will be a downward price pressure on the return for all prawns of that size. That can partly be resisted by the selling of the image that our prawns are natural prawns caught in natural conditions, as opposed to farmed prawns, and there may be some market preference for natural prawns as opposed to farm prawns but, nevertheless, there would still be a downward pressure. However, the point I made before is that it is implicit in the initial Copes report—and I can tell you this much, in

the second Copes report—and it is implicit in the thinking of the department and of the industry that the fishery has the capacity to survive, therefore it is worth all the bother to go through all the work we are going through to try to get the equation right.

The debt is there, and the debt will take some time to pay off. What now has to be examined in terms of the financial management of the issue is how that is best done and how quickly that can be done. However, that may not be done in the short time; it may take a longer time. We have to look at the best ways to achieve that. But, if we did not start from the premise that the fishery was worth proceeding with—in other words, if we all made the decision that it has gone too far, it is now finished and is a dead fishery—then all the rest of it becomes entirely academic and we simply have to accept the write-off of the industry which would be at enormous cost to the fishers concerned, in terms of their investment, and to the community, in terms of its picking up the residual costs of unpaid debts from the buy-back scheme.

**Mrs HUTCHISON:** I now refer to a different area of fisheries—the development of aquaculture policy, the management plan. I assume that that includes the West Coast oyster beds that have been developed. What is happening with that management plan? Are the oyster beds part of that plan?

**The Hon. Lynn Arnold:** Aquaculture is certainly a growing area within all fisheries, not just in South Australia. It is important that, if it is to be developed as a positive sector for the economy, we get it right not only in terms of the economic structure but also in terms of its environmental impact. It needs to be noted that aquaculture is a process involving the environment and, if we do not manage pollution control and inputs properly, there can be major problems from it. With a view to trying to get some of these measures right at the State Government level, there has been established the aquaculture committee, which has representation from the Departments of Fisheries, Lands, Environment and Planning and the State Planning Commission.

That body is involved primarily in the assessment of licence applications for mariculture. It has received applications to establish oyster, finfish and mollusc leases ranging from the West Coast to the South-East. The main species of interest at this stage have been oysters, with leases being granted mainly in Franklin Harbor, Streaky Bay, Shoal Bay on Kangaroo Island and near Ceduna. The draft procedures manual for aquaculture applications was prepared by the Department of Lands and has been released for public comment. The manual is presently being updated by the aquaculture technical advisory group.

With respect to the Department of Fisheries, the department has been committed to prepare an aquaculture plan for South Australia. Several components of that plan have been prepared over the past 12 months and include issues such as a fisheries licence, aquaculture application forms, mariculture development guideline sheet (to which I made reference a few moments ago), a draft discussion paper on fish disease, an oyster monitoring program for South Australia, Coffin Bay Environmental Monitoring Program and reports on the suitability of marine and freshwater finfish, crustacea and algae for aquaculture.

In the Coffin Bay area, there have been objections from a number of residents to having oyster leases adjacent to their properties or interfering with their recreational activities. Consequently, State Cabinet endorsed the preparation of a Coffin Bay waterways land tenure management plan that was released in May 1989.



Local Coffin Bay residents have appealed against the aquaculture committee's decision to approve three oyster leases in the area. Hearings have been held for the three appeals. Judgment and final rulings are still pending. No additional leases have been issued for areas in Coffin Bay. The Department of Fisheries has prepared a research proposal to monitor the environmental impact of aquaculture developments on, and to estimate the carrying capacity of, the waterways of Coffin Bay. Funds are being sought for that project.

With respect to the actual numbers, the committee that approves applications for the establishment of fish farms has approved the establishment of 12 oyster farms and recommended the issue of licences pursuant to section 53 of the Fisheries Act during 1989-90. A total of 54 approvals has been granted since 1987. Further, 47 fish farmers were registered in 1989-90, pursuant to regulation 8 (a) of the Fisheries (Exotic Fish, Fish Farming and Fish Diseases) Regulations 1984 for the farming of such species as yabbies, trout and marron. As at 30 June 1990, 142 fish farmers were registered in South Australia.

The annual report of the Department of Fisheries includes figures on the actual catch for various fisheries. This year the report indicates that in 1988-89 the catch from aquaculture was 25 tonnes at a value of \$146 000, and for 1989-90 the figure was 101 tonnes at a value of \$652 000.

**Mrs HUTCHISON:** I refer to page 151 of the Program Estimates. In order to protect fish resources and the marine environment, it is necessary to police the provisions of the Act. The comment has been made to me from time to time that there are insufficient resources available to police the waterways, particularly in Spencer Gulf. Will the Minister advise the Committee of the resources that will be available in the current year for this purpose?

**The Hon. Lynn Arnold:** We have 40 enforcement staff at 10 locations. With respect to Spencer Gulf, there are two at Port Pirie and seven at Port Lincoln—a reasonable number. Those fisheries officers are charged with the job of enforcement, but that can also be undertaken by the South Australian police. This is paid for by Consolidated Revenue and is therefore a call on the entire community through taxation rather than being a call on any one section of the industry. It might be said that there would be some logic in the commercial fishery, which would be interested in making sure that everyone is playing the game, contributing towards the cost of enforcement of the fishery, but this does not happen. Licence revenue is entirely devoted to research programs for commercial fisheries.

We have an impressive team of people in our enforcement branch: I have had the opportunity to meet them on a number of occasions and I am very impressed with the work they do. For example, the abalone operations program was conducted jointly with the police to try to bring abalone poaching under control.

Actual figures for surveillance of aquatic resources have shown a vote this year of \$1.557 million for salaries and \$704 000 for goods and services, a total of \$2.261 million compared with a total for last year of \$2.394 million. Salaries have increased from \$1.452 million to \$1.557 million and goods and services have decreased from \$769 000 to \$704 000.

**Mr MEIER:** Is the Minister aware of any live oysters being imported into South Australia that have not been certified disease free? If so, how does the Minister explain apparent transgressions against regulation 33(1) of the Fisheries Act 1982, which provides:

Subject to regulation 34, no person shall bring into the State any live fish unless those fish have been certified to be free of

notifiable disease by the fisheries authority in the State of origin of those fish.

**The Hon. Lynn Arnold:** This matter is being examined at the moment. I am well aware of the accusations made of live oysters being brought in that have not been certified. The question that we are examining at the moment is whether or not the spirit of the legislation and regulations was ever meant to entertain live fish for human consumption as opposed to looking at concerns about live fish for release into the wild or into aquaculture situations where other fish—and I use the word 'fish' in the broadest term—might be involved. It would clearly seem to be the case that certification of disease-free status was really meant to prevent diseases spreading to other fish, whereas oysters brought live from Sydney, taken to a restaurant and then served with some sauce will not come into contact with any other oysters. The prospect then of a human being catching any fish disease does not exist. Of course, there are other risks involved in eating fish, such as salmonella poisoning and the like.

One thing that must be considered is the spirit of the original legislation and whether it was to cater for the prevention of fish diseases in live fish going directly to the consumer as opposed to release into a waterway. If the Act is providing for that, perhaps it could then be subject to use as a non-tariff trade measure to try to limit trade. It was certainly not the spirit of the legislation that it be a non-tariff trade measure. So that matter is being investigated at the moment. None of us would want a situation where other than certified disease free fish are entering our waterways. However, as to what goes straight onto the restaurant table, I think that that is a different issue.

**Mr MEIER:** What action, if any is the Minister taking, or going to take, to stop the use of the highly toxic paint additive tributyltin (TBT), which is currently used as an anti-fouling agent to prevent barnacles growing on the bottom of boats? This paint has already seriously affected oyster growth in Murat Bay on the far west coast and cost the oyster industry millions of dollars interstate until it was banned.

**The Hon. Lynn Arnold:** We have made representations to the Department of Environment and Planning, where this matter is being considered, to indicate our concern about the use of TBT and the ramifications that it has for the fishing industry. I am not able to say at this stage what is the outcome of our intercessions.

**Mr MEIER:** As a supplementary question, do I take it therefore that the Minister's department has concerns and that it is just a matter of when the department receives further advice?

**The Hon. Lynn Arnold:** We have expressed our concerns. What it amounts to is that, in the review being conducted, it is the department's obligation, with my support, to indicate to the review the impacts of the use of such a substance on the fisheries. That statement has been made and, in the process of that, the implication is that, if one wants a fishery to remain healthy in this circumstance, TBT is not the way to do it. Obviously, final decisions will have to be made that will take into account a wide-series of circumstances, of which fisheries is just a part.

**Mr MEIER:** When did the South Australian fishing industry commence artificially colouring prawns? Is the Minister aware of the concerns of the Hyperactivity Association of South Australia that the two dyes used in artificial colouring—namely ponceau 4R and Tartrazine 124 and 102—are noted for their adverse effects upon asthmatics, allergy sufferers and hyperkinetic children? Will the Minister consider having artificially coloured prawns labelled accordingly?

**The Hon. Lynn Arnold:** We do not know when the first instance of it was, but the guess is that it may well be 1968, which is when the prawn fishery effectively started. The reason why it has been happening is that South Australian prawns when cooked do not have quite the same degree of orangeness as prawns in other parts of the world. There is some consumer preference for a prawn that has more orange colour to it than one that is paler to the extent that consumers pay a higher dollar value for a more colourful prawn. Over the years that has led the industry to use artificial colouring, particularly Tartrazine. The department, and I as Minister, believes that all prawns that have been treated with Tartrazine should be so labelled so that the consumer knows that an artificial colour has been added, and the consumer can then make a decision as to whether or not he or she will buy the artificially coloured prawn.

Some points need to be understood to put things into perspective. It is true that Tartrazine is capable of sparking hyperactivity in children, particularly those who are susceptible to that colouring. The Tartrazine in prawns appears in the shell, not in the flesh. Some people do eat prawn shells—not very many because it is an acquired taste—but there is not a great likelihood of children consuming Tartrazine through the shell. Of course, there is some capacity for the Tartrazine that is in the shell to leach into the flesh but, as I understand it, in a kilogram of prawns it has been estimated that only .7 milligrams of the Tartrazine will leach into the prawn flesh. Each day human beings consume, on average, about 7 milligrams of Tartrazine through various food sources. So, a human being would have to consume 10 kilograms of prawns before reaching the level of average Tartrazine consumption.

I say that to put this matter into perspective. There is small likelihood of the major consumption of Tartrazine through the eating of coloured prawns. In any event, I agree that artificially coloured prawns should be labelled, and then the consumer can decide whether or not he or she wishes to consume an artificially coloured prawn.

**Mr MEIER:** Can the Minister clarify the position regarding the use of boats which have dual registration, that is, commercial and recreational registrations? Prior to the issue of the marine scale fishery information booklet in June 1990, commercial fishermen who used their boats for recreational purposes could simply put a bag over the boat's commercial registration numbers, and it was then suitable for recreational usage—at least that is the information that a commercial fisherman told me had generally been accepted. The June 1990 booklet says that the act of covering up the commercial registration does not deregister that boat, and it further states:

A boat registered by endorsement of a fishery licence can only be used for fishing activity pursuant to that licence. It cannot be used for recreational fishing activities until such time as that registration is revoked by the Director of Fisheries.

How will this new system work?

**The Hon. Lynn Arnold:** I call on the Director to make some comments on this.

**Mr Lewis:** What the member has said is correct. Paragraph 1.2.3 of Schedule 1 of the general regulations says that it is illegal to use a commercial vessel for recreational purposes. This is something which has basically been endorsed by the fishing industry because, when dealing with poaching and illegal activities, etc., it is important to separate the commercial industry from the recreational industry and not have people being able to fudge and make it more difficult for us to enforce. The member referred to practices of covering it with bags, etc., and, whilst that was a practice, technically it was illegal. In recent years, with the demands for more effective enforcement, the department, in consul-

tation with the industry, has had to tighten up on the use of a recreational boat versus a commercial boat.

**Mr MEIER:** Supplementary to that, the Minister would be well aware that the marine scale fishery Green Paper identified some abysmally low salaries that marine scale fishermen are getting, on average. I would assume that the average marine scale fisherman would probably have a boat in the order of 15 to 20 feet. I certainly know that some of them like their recreational activities as well, and if they are on very poor incomes, it certainly is going to create enormous hardship if they have to buy another boat at today's prices, be it new or second-hand so they can go recreational fishing. Alternatively, do I take it that the registered boat could simply have a removable number system whereby each time they change the use of the boat they could take off their numbers for commercial fishing and put on numbers for recreational fishing?

**Mr Lewis:** The current situation does not allow for that. Basically, once a boat is registered, unless it is formally deregistered it is still a registered vessel. We recognise the difficulty which you quite rightly express; however, we have to put this into perspective. One of the reasons we had to tighten up is because certain scale fish operators have alleged that some people who are not licensed to take scale fish, etc., have been taking scale fish and saying it is their recreational component. We have had to respond and tighten up the situation because it has been alleged that people who are authorised to fish in one fishery or fish some species with certain gear were taking other species or using other gear, under the auspices of a recreational activity. This tightening up, I stress, has been in response to industry concern.

**Mr De LAINE:** During the past two summers the Fisheries Department has placed a number of temporary bans on the taking of shellfish from the Port River system because of algal blooms of 'Alexandrium' which, at times, reaches very high toxicity levels. This procedure, of course, requires careful and constant monitoring of the river water. Will the same procedure be continued in the future or will a complete seasonal ban be placed on the taking of shellfish in this region?

**The Hon. Lynn Arnold:** There is ongoing monitoring of that particular waterway and if the circumstances require it, then protective measures will be taken. It is something that you cannot predict, but the probability is that in future bans will be put in place.

**Mr De LAINE:** So, it is not a seasonal ban, just an as-needed ban?

**The Hon. Lynn Arnold:** I am not a scientist and I do not know the exact circumstances in which it takes place. My guess is that the condition that applies to create the toxicity in the shellfish is due to a series of factors of a seasonal nature. It might be the weather conditions or in the lifecycle of the shellfish.

**Mr De LAINE:** I refer to the Port River aquatic region. I believe that recreational netting is permitted in the Angas Inlet but not in the adjacent areas of Barker and North Arm. Why is recreational net fishing permitted in the Angas Inlet and not in the other areas?

**The Hon. Lynn Arnold:** The whole question of recreational netting and netting policies in general, and where netting should or should not be allowed, is part of the Marine Scale Fishery Review, and that area, as much as any other, will be considered in the context of that review.

**Mr De LAINE:** I refer to page 151 of the Program Estimates and the impact of pollutants on the aquatic environment. I quote from an article in today's *News* headed 'Pollution hits river', as follows:

One of South Australia's major waterways is under siege from 'plastic pollution'.

A clean-up of the highly sensitive Torrens Island Conservation Park last Monday by St Paul's College students, KESAB and the National Parks and Wildlife Service yielded 100 bags of rubbish from a small area, revealing a major pollution problem in the Port River. KESAB reports it appears the cause of the problem stems from those who use the natural resources, namely fishermen and boat users. Non-degradable plastics are causing damage to the sensitive mangrove forests and marine animals. Among the rubbish collected were large quantities of used bait bags, ice bags, fishing line and nets.

What strategy will the department adopt to control this degradation of the area?

**Mr Lewis:** Plastic pollution and other hard pollution is as big a problem as non-visible pollution. Through its educative extension programs, the department has tried to educate the community that it should be more careful with the discarding of material. In that area, the ultimate responsibility rests with the Department of Environment and Planning and the Waste Management Commission. On a number of occasions, the department has written to those bodies, consulted with them and given advice. They are implementing schemes which endeavour to keep pollution in those areas as low as possible.

**Mr MEIER:** A pilot friend of mine informed me this week that, when flying due west of Grand Junction Road/Bower Road, that is, some miles out from Semaphore, there was a noticeable discharge of liquid waste coming from a pipe at low tide. He indicated that this is not the first time he has observed industrial waste. It can only be seen from the air, not the coast, because the liquid waste is heavier than water. What action is the Department of Fisheries taking to address the effects of pollution discharges such as this along the South Australian coast on our marine environment? Why have the amounts allocated on page 146 of the Program Estimates for marine pollution management for both recurrent expenditure and employment been reduced to zero?

**The Hon. Lynn Arnold:** This area is predominantly under the responsibility of the Minister of Water Resources, who has made a number of commitments about the Government's intention with respect to outfall into the waters off the coast of South Australia. The role of the Department of Fisheries has been to offer research expertise to that work being done by water resources.

The particular figure referred to in the budget paper refers to the Upper Spencer Gulf project to which the honourable member for Stuart referred earlier. That project has now been completed and the \$14 000 was the final cost of that project. Further ongoing liaison between the Department of Fisheries and E&WS is subsumed in the general research costs of the Department of Fisheries and it could not be separately identified because there are so many ways in which the department works together with E&WS and Environment and Planning. One could suggest, for example, the outflow from Lake Bonney south-east. We have been working with the Department of Environment and Planning and the water resources area to assess the environmental impact of flows from that lake.

**Mr MEIER:** The Department of Fisheries research vessel has apparently accounted for some of its services in the southern fishing zone—that is, from the eastern end of Kangaroo Island to the Victorian border. However, fishermen in that zone say that they have not sighted that vessel for a long time. Can the Minister provide details as to where that research vessel operated during the last financial year, the dates it operated and the percentage of time spent in the southern zone, if any?

**The Hon. Lynn Arnold:** I have a schedule here of where the *Ngerin* has worked in the past financial year, 1989-90. The honourable member is quite correct in that none of the research projects involved here related to the South-East. That is not to say that the vessel would not ever be there, but that depends on its research projects at the time. I will incorporate this particular table in *Hansard* and also another table which outlines next year's program.

MRV *NGERIN* SEADAYS IN 1989-90

Month	Research Project	Location	No. of Days
July	Abalone	Gulf St Vincent	5
September	Abalone	West Coast	10
October	Prawn	Gulf St Vincent	3
November	Leather jacket	West Coast	10
December	Flinders University	Spencer Gulf	6
	Prawn	Gulf St Vincent	3
January	Flinders University	Spencer Gulf	8
	CSIRO	West Coast	7
February	Prawn	Gulf St Vincent	4
	Leatherjacket	West Coast	10
March	Flinders University	Spencer Gulf	11
	Marine Scalefish	Investigator Strait/Spencer Gulf	7
April	Marine Scalefish	Investigator Strait/Spencer Gulf	2
	Abalone	West Coast	10
May	Oceanography	Far West Coast/Spencer Gulf	8
	Plankton	Investigator Strait	7
June	Leatherjacket	West Coast	9
	Prawn	Gulf St Vincent	6
Total:			126

MRV *NGERIN* PROVISIONAL RESEARCH CRUISE SCHEDULE 1990/91

Cruise	From	To	Cruise Leader(s)	Project Title	Project Day	Project Staff	Diving Days
1	Adel. 09/7	Adel. 14/7	Branden	Prawn	5	4	5
2	Adel. 28/8	Adel. 04/9	Branden Petrusevics	Abalone/ GSV Ocean	8	5	5
3	Adel. 17/10	Adel. 19/10	Kangas	Prawns GSV	3	4	—
4	Adel. 07/11	Pt. Lin. 16/11	Branden	Abalone West Coast	10	4	6
5	Pt. Lin. 21/11	Adel. 28/11	Bruce	Plankton Spn. Gulf	8	3	—
6	Adel. 13/12	Adel. 19/12	Bruce	Plankton Spn. Gulf	7	3	—
7	Adel. 3/1/90	Pt. Lin. 10/1	Bruce	Plankton Spn. Gulf	8	3	—
8	Pt. Lin. 15/1	Adel. 25/1	Petrusevics Branden	Ocean/Abal Gab/Fwc	11	4	6
9	Adel. 5/2	Adel. 12/2	Kangas	Prawns GSV	8	4	—
10	Adel. 25/2	Adel. 19/2	Bruce	Plankton Spn. Gulf	7	3	—
11	Adel. 11/3	Adel. 21/3	Belperio	Mines & Ener Inves. St	11	5	—
12	Adel. 25/3	Adel. 28/3	Kangas	Prawns GSV	4	4	—
13	Adel. 9/4	Adel. 16/4	Jones	Scalefish Spn Gulf	8	3	—
14	Adel. 23/4	Adel. 27/4	Kangas	Prawns GSV	5	4	—
15	Adel. 6/5	Adel. 10/5	Petrusevics Branden	Ocean/Abal GSV/West Is.	5	5	3
16	Adel. 23/5	Adel. 27/5	Kangas	Prawns GSV	5	4	—
17	Adel. 3/6	Adel. 7/6	Lennon	Flinders Uni SA Gulfs	5	5	—
18	Adel. 17/6	Adel. 26/6	Branden	Abalone KI	10 128	4	6

The vessel will undergo maintenance/refit from mid September-17 October.

**Mr MEIER:** In my third question, I simply ask the Minister to take on notice a series of questions which were asked of him earlier today in relation to the Department of Agriculture. They relate to departmental committees, consultants employed, productivity savings, corporations under his control, motor vehicles in the department and exclusive use of executive cars. I ask this because I know that the honourable member for Flinders would very much like to ask a question about that and I indicated that I would ensure that he had that opportunity. Is the Minister prepared to take that on notice?

**The Hon. Lynn Arnold:** I hope that I have the information, and I think that the best bet is that, with the vehicles—

**Mr MEIER:** Yes, but the Minister does not know the exact wording of my questions. For example, the first is: what is the title of each committee and who are the people on the committees?

**The Hon. Lynn Arnold:** Very well, we will take it on notice. I will also take on notice some other questions given to me by the member for Culance in relation to agriculture and we will come back with answers to those matters as well.

**Mr BLACKER:** In relation to the Coffin Bay oyster lease 'problem', I understand that as a result of one of the planning applications, it has been ruled that the area is to come under a local government area. It has been reported to me that an interpretation of the seagrasses would now come under the Native Vegetation Management Act. That seems to be rather unusual. Has that matter been brought to the Minister's attention? If so, what is the present state of play and will changes to legislation be imminent?

**Mr Lewis:** Legal interpretation of the Act indicates that seagrasses come under that Act. We would like to suggest that that is probably similar to the question answered earlier

by the Minister about certification. It was probably not the intention to fully capture that. However, we have to live with the present legal situation, and the appropriate organisations are currently consulting on who would carry the primary responsibility. There are a number of areas for example, the Department of Fisheries, the Department of Environment and Planning, National Parks and Wildlife Service and now in this case, local government, where we have overlapping responsibilities, but we quite sensibly consult and decide who has the primary responsibility.

**Mr BLACKER:** Supplementary to that, I find it inappropriate that present members of the Native Vegetation Management Committee would probably not have the expertise in marine growth, etc., and therefore some changes would need to be made.

**Mr MEIER:** A little earlier the Minister referred to aquaculture. Is the Government contemplating a separate Aquaculture Act for South Australia? What percentage of the department's financial resources were directed towards aquaculture in the past financial year? What percentage is so directed this financial year? What are those amounts in actual dollars?

**The Hon. Lynn Arnold:** Our preferred position at this stage is that it should not be covered by a separate Act so much as by a separate set of regulations to look at various important issues in aquaculture. I shall broadly take on notice the question about the allocation of resources in the department, but my recollection is that the research figure for aquaculture in the past financial year was just under \$250 000. I will confirm that figure after further advice, and any other costs that have been allocated by the department in terms of processing applications. I will ask the Director to make further comment.

**Mr Lewis:** In regard to the regulations and legislation, currently a set of regulations called the fish farming, fish diseases and exotic fish regulations is one of our departmental management improvement programs. Every year we have a management improvement program. We are looking at dividing that into the aquarium industry and the aquaculture industry so that instead of having one combined set of regulations we shall have two distinct sets of regulations, and one set dealing specifically with aquaculture.

**Mr MEIER:** The Minister sent a letter dated 23 July to my colleague the member for Alexandra following a letter from the member for Alexandra about netting in bays. Among other things, the Minister said:

For example, much of the coast between Carrickalinga and Rosetta Head (The Bluff) near Victor Harbor is unsuitable for netting operations. Furthermore, the department's investigations of netters' and anglers' catches in the western end of Encounter Bay show that they are primarily landing different species.

How does the department determine anglers' catches and, for that matter, netters' catches? What statistics are available and how are they compiled?

**The Hon. Lynn Arnold:** That has been done by occasional surveying methods by the department. Extensive surveys were done back in 1982. Recently, I issued a press statement indicating that we would again undertake a survey of recreational fishers to obtain from them information about the sorts of catches they were getting. That was done in 1982, 1985, 1987 and now in 1990. That provides us with reasonable information on the patterns of fishing that recreational fishers are undertaking. Also, research officers go out in their own capacities as recreational fishers and provide us with some evidence of what they catch.

**Mr MEIER:** Is SAFIC the only official ear of the fishing industry?

**The Hon. Lynn Arnold:** No. SAFIC is the umbrella organisation of the fishing industry, but it is clear that within SAFIC there are a number of sectoral groups, and the Government listens to the opinions of those sectoral groups. There are also one or two other groups representing commercial areas which are not under the umbrella of SAFIC. One of the aquaculture associations is not under the umbrella of SAFIC. The Government will listen to all these views. On the other hand, we also listen to individual recreational fishermen as well as to what come close to being overall organisations such as SARFAC and RAASA.

**Mr MEIER:** As a supplementary, I understand that the Director has made the statement, at least at one meeting, that the only official ear of the commercial fishing industry is SAFIC.

**The Hon. Lynn Arnold:** Let us put this in context. SAFIC is the umbrella organisation of the commercial fishing industry, with the exception of one group in the aquaculture area which is not under its aegis. Therefore, it could reasonably be expected that that group would give a viewpoint on behalf of the commercial fishing industry. With respect to particular sectors, the Government and the department continue to listen to subgroups within SAFIC, although at all times the Government will not make a decision to change any policy on the basis of what it heard from one particular sector group; it would also want to know the opinion of SAFIC at large. The Government and the department always reserve their rights to come down with a final judgment which may be different from the views expressed by industry groups, but it is important that we hear industry views.

**Mr Lewis:** As I was quoted, I should like the opportunity to put this matter into context. I have never said that. It is a case of the fisheries version of domestic blindness. I was probably being quoted not completely. I have always said, as the Minister said, that SAFIC is the umbrella body. However, there are other organisations and individuals who equally have a democratic right to have an input in the decision making process. Having a singular umbrella body makes coordination of views much easier. That is the principal role that the department would like to see from SAFIC, SARFAC and organisations such as RAASA, these umbrella organisations, and the regional umbrella organisations for a number of port associations, and so on. It facilitates coordination. It does not mean that they have the final say.

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

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Works and Services—Department of Fisheries,  
\$2 350 000—Examination declared completed.

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#### ADJOURNMENT

At 9.58 p.m. the Committee adjourned until Thursday 20 September at 11 a.m.