

HOUSE OF ASSEMBLY

Tuesday 24 September 1991

ESTIMATES COMMITTEE A

Chairman:
Mr M.J. Evans

Members:
Mr M.J. Atkinson
Mr G.M. Gunn
Mrs C.F. Hutchison
Mr G.A. Ingerson
Mr J.A. Quirke
Mr I.H. Venning

The Committee met at 11 a.m.

Industry, Trade and Technology, \$23 608 000
Minister of Industry, Trade and Technology,
Miscellaneous, \$5 016 00
Works and Services—Department of Industry, Trade and
Technology, \$77 000

Witness:

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

Departmental Advisers:

Dr P.J. Crawford, Director, Department of Industry, Trade
and Technology.

Mr P. Van Der Lee, Executive Director, Business Devel-
opment.

Mr I. Withall, Financial Controller.

Mr J.W. Frogley, Executive Director, Corporate Opera-
tions.

Ms C. McMahon, General Manager, Corporate Services.

Mr G. Haddow, Executive Director, Manufacturing.

Mr B.E. Orr, Chief Executive Officer, Technology Devel-
opment Corporation.

Mr H. Wijgh, Business Development Officer, Technology
Development Corporation.

The CHAIRMAN: I declare the proposed expenditure
open for examination. Does the Minister have an opening
statement?

The Hon. Lynn Arnold: No, Sir.

Mr INGERSON: In the budget estimates with regard to
payments we note a line for salaries and wages which, in
the general thrust of the budget itself, indicates a component
of 2.5 per cent for that purpose. Has it been included in
the salary budgetary lines? More importantly, other poten-
tial increases in salaries have been heralded over the next
12 months. Have they been included and, if not, how will
they be budgeted for in the total concept of the department?

The Hon. Lynn Arnold: I understand that the provision
of some 3 per cent has been included in the financial
allocation. If there are to be any other variations in wages
and salaries during the financial year, they will have to be
borne by the department within existing resources and nec-
essary adjustments will have to be made in other areas of
expenditure. It also needs to be understood that the depart-
ment is on a three year funding program where agreements
were made to enable an envelope of resources to be avail-
able within the three years. One of the things to come out

of that is that any variations of an ordinary nature must be
funded by the department from within that envelope allo-
cation over the three-year period.

Mr INGERSON: On 22 March 1991, in response to the
Prime Minister's industry statement, the Premier announced:

In order that we develop the strengths of our entire manu-
facturing sector further, we will create in the Department of Industry,
Trade and Technology a manufacturing division to provide sup-
port and advice and also to act as the bridge to the Federal
authorities to maximise the return to our industry from Federal
restructuring measures.

Has this division been set up; if so, where does the Centre
for Manufacturing sit?

The Hon. Lynn Arnold: There has always been a close
working relationship between the Centre for Manufacturing
and the department, and that will continue. In a sense of
direct service delivery to manufacturers in this State, the
Centre for Manufacturing has played a discreet role with
respect to more general work done by the department itself.
It is not anticipated that the creation of the manufacturing
division within the department will in any way undermine
the role played by the centre. However, the very creation
of the manufacturing division was called for by a number
of people working in industry in this State because they felt
there needed to be a conscious focus within the Department
of Industry, Trade and Technology towards the support of
manufacturing. Philosophically, the Government had no
problems with that because manufacturing has been a key
focus of the department for many years.

In the department's view, there needed to be a proactive
response to ensure that manufacturing in this State was
given the opportunity to grow, recognising that we are the
third largest manufacturing State in the Commonwealth and
that we have the second most diverse manufacturing sector.
So we were quite happy to accommodate the calls that were
being made. I will ask the Director to comment on the
actual state of play with respect to the creation of the
division.

Dr Crawford: The division has existed formally since a
day or so after the Premier's announcement. Since that time
we have consolidated the program of that division strongly
around a number of key projects and sectors which we felt
would strengthen the South Australian economy. We have
also worked with the Centre for Manufacturing through that
division to establish stronger long-term linkages and to
ensure that opportunities to cluster smaller manufacturers,
particularly in key areas such as toolmaking, for example,
can be facilitated through inter-connection between the centre
and the manufacturing division.

Mr INGERSON: As a supplementary question: the
Director mentioned key projects and sectors. Can those be
enlarged upon so that the Committee is aware of the direc-
tion that is being taken? Also, where does the automotive
task force fit in this new movement?

The Hon. Lynn Arnold: I will ask the Director to com-
ment on the key project areas in a moment, because there
are a number of them. In the response to the industry
statement, the Premier announced the establishment of the
automotive task force and the TCF task force. They have
been established, bringing together representatives of lead-
ing firms within the automotive and TCF areas along with
union representation and a representative of the TCF task
force (Professor Judith Sloane of Flinders University). Both
of those task forces have met on a couple of occasions and
have now arranged a work program, the essential purpose
of which is to examine areas that industry believes should
be further pursued with a view to determining what indus-
tries themselves can do as a group rather than individually;
what State Government can do in concert with industry;

and various issues that can be taken up together by industry and Government. Alongside that, of course, there is the work within the department.

I will ask for further comment in relation to that area from the Director. However, in terms of other major projects, the transport hub has been a major focus and, again, that project actually has a group that brings together some outside people who help advise us on the direction we are following. There is also the information utility which, likewise, is a major project. I will call on the Director to comment further on that matter.

Dr Crawford: Within the manufacturing division we have a number of major projects and thrusts. Briefly, there is the resource processing, which has a number of mineral processing projects associated with it, including the one described at Port Pirie for rare earths and the major project in Whyalla relating to titanium oxide. We also have the petrochemical development, which is now well advanced at the pre-feasibility study stage and involved a good deal of ongoing activity. That project is to be cited in the Port Bonython area. We have the automotive group, which is supporting the ministerial-led task force on the automotive sector and which is dealing on a day-to-day basis with questions such as 'just in time', collocation of activity, critical component areas to support a future assembler industry.

The TCF, which supports the task force the Minister described a moment ago, involves a large number of small manufacturers, particularly in the clothing and footwear area. We are trying to work with them through that task force to establish major opportunities for them in the future, particularly relating to restructuring in the current climate. There is also the food processing sector, where we have several major ongoing activities, some relating to horticultural activity in the South-East directed at trying to establish a world competitive food processing industry. A number of recent initiatives have seen us taking a lead in the technology area of agriculture. Regarding transport and infrastructure, through this group we are basically dealing with the engineering sector of the economy and looking at major transport infrastructure. We are talking about questions such as a Melbourne to Adelaide rail linkage, and linking back to the separate projects that the Minister described, such as the transport hub. Outside that area, we also have some major projects which have a manufacturing orientation but which are, in fact, advanced manufacturing areas. That includes our work on defence, space, information utility and, in one other area, work on development capital as a major project. So we have all those major projects going on, many of them in the manufacturing division.

Mr INGERSON: On the same day in March, in response to the Prime Minister's industry statement, the Premier, as part of a plan stated:

We will force closer relationships with Austrade and other trade promotion bodies. I will propose to the Federal Government that we will devise a pilot joint effort with Austrade and the Department of Industry, Trade and Technology in this area in South Australia.

Has the South Australian Government secured the agreement of the Federal Government to devise a 'pilot joint effort' with Austrade and the Department of Industry, Trade and Technology as a means of forging this relationship?

The Hon. Lynn Arnold: The answer to whether that has been achieved as yet is 'No.' However, there have been numerous discussions between Austrade and the department sparked by correspondence from the State Government to the Federal Government. So, both the Premier and I have pursued this matter with the Federal Government. One reason why there has not been any further progress on that matter at this stage is that Austrade itself has been the

subject of a major review through the McKinsey report and I believe that restructuring is in the process of being put in place. It sees a major redivision of their resources and how they deploy their resources on-shore in Australia. We are confident that we will see an even greater complementarity between the activities of the department and Austrade in the time ahead. I am personally taking a close interest in the matter and being kept briefed by the local office of Austrade as well as the Department of Industry, Trade and Technology.

Another area that is worth mentioning in this regard is that we are examining the possibility of a new type of relationship with Austrade in some markets that we are seeing as priority markets. The South Australian Government maintains commercial representation in a number of parts of the world and we have been examining having commercial representation in other parts. Traditionally, we have done that through the sponsorship of some company in a particular market. We are now examining the possibility of Austrade being that 'company'—in other words, that we have a special contracted relationship which would result in a retainer having to be paid—where Austrade may be able to represent us in a couple of markets in addition to the way in which it represents all States at all times in all markets. That would be another aspect of this relationship.

The genesis of the Premier's statement, which I strongly support, is that, if the taxpayer is paying for trade development and promotion activities via the State Government and is likewise paying money to the Federal Government for similar activities, it makes sense that they should work together as closely as possible. What that ends up meaning as to the exact model is still uncertain, and that is what the discussions are pursuing. It does not have to end up being a joint State/Federal department or unit, though that would be a possibility, provided that the two separate entities have a defined relationship that ensures that respectively they are using the taxpayers' money to the best advantage in terms of promoting trade and development opportunities for South Australian enterprises.

Dr Crawford: To reinforce what the Minister has said, since the appointment of the local manager in the last month or two, we have had a series of discussions about priority areas in an effort to bring our views on priorities as closely together as possible, so we do not have Austrade doing a number of things which are not sympathetic with the things that we are doing and *vice versa*. There is already a much stronger working relationship and we shall see over time whether it is able to arrive at a joint arrangement. Certainly physical collocation would be useful.

Mrs HUTCHISON: My first question relates to page 57 of the Estimates of Payments where it refers to, 'Movement in cash and accrual items.' Will the Minister advise what that involves?

The Hon. Lynn Arnold: In the financial year 1990-91 this is the amount by which the department's budget was underspent. The \$526 000 is therefore carried forward into the 1991-92 year. In the 1991-92 financial year, the movement in cash and accrual items is the amount by which the department's budget will exceed the appropriation. This will be funded by the 1990-91 balance of \$526 000 which is being carried forward, by interest received on the deposit account of \$409 000 and by amounts due to the department in July 1991 of \$256 000. It would be seen, given the new arrangement that we have as a three-year program, as the mechanism which identifies the year by year balances to achieve each year's financial outcome.

Mrs HUTCHISON: Has the downturn in the automotive industry led to a reduction in the number of component manufacturers in South Australia?

The Hon. Lynn Arnold: The Government has been very concerned about the automotive industry and the implications of a number of factors, including the recession that the nation is presently in and changes to automotive industry assistance in the Federal Government's industry statement. It is a bit hard to identify whether changes in employment amongst automotive component producers and the automotive makers themselves are the result of one or the other, in other words, if there had been no recession, what would have been the case had the industry statement alone applied? Nevertheless, it is true to say that there has been an effect on the automotive industry, which has seen a decline in employment.

More seriously, we are worried about what the longer term investment or disinvestment decisions are likely to be at the end of the recession; in other words, will it be that some component manufacturers will say that they cannot make the investment decisions necessary that meet the requirements of the extended tariff reductions under the new plan and, likewise, what is the prospect that the major automotive manufacturers in this country will make similar decisions not to invest or even actively to disinvest in this country? That is why the automotive task force was set up and that is why the department has established the automotive industry as a priority area, and we are working closely with both major producers and individual firms.

Despite the fact that there has been a downturn in individual sales, at this stage we do not think that it has had a significant effect on plans for future models, although we do not know fully what will be the outcome in terms of sourcing components for those future models from South Australian component producers as opposed to overseas component producers, for example. With respect to Tubemakers, Holden's has decided to source a steering column from overseas instead of from Tubemakers and that has led to an announcement by Tubemakers that there will be a decline in employment in that area in the next 18 months, although the advice we have at the moment is that there has been no loss in employment at this stage, but there is that prospect in the longer term.

However, there has been some reasonable news where some companies have made decisions to increase their investment and seek out new markets. The decision by Mitsubishi to encourage Mitsubishi Motors Australia Limited to go into the American market offers great promise and will increase the throughput in the longer term. That is also the case with the decision by Air International to take over Silcraft, which was an automotive component producer in this State that looked like it was going out of business. Air International is now doing some very exciting things there. They are both positive signs and the department is having discussions with respect to other changes that could take place in the automotive area.

It is still early days and we are still seeing some losses. We are keeping the Federal Government posted as those losses occur because our concern is that the Federal Government might not appreciate just what is the potential for loss and that it may have been working on the Orani model, which seemed to anticipate that jobs lost in the automotive industry would somehow be picked up miraculously elsewhere. We fail to have confidence in that assertion so we are keeping a close watch on the situation.

Mrs HUTCHISON: I refer to the investment or proposed investment in an aquaculture project at the Port Augusta Power Station. Has there been any update on that project?

The Hon. Lynn Arnold: This is the AGRIDEV project. As I understand it, it has been put on hold for the moment. I will get further advice in a minute, but I understand that the company has had some problems raising the full capital requirement that was needed to develop the Port Augusta site. I understand that it is concentrating on another site where it might go into barramundi fishing, but I will check that in a minute. That has put the Port Augusta project back a stage. I understood there might have been a problem in getting special new glasshouses from Israel and there were some delays in that. The net outcome is that the project is not as advanced as had been hoped but it cannot be discounted as a project that will proceed over time.

Mr INGERSON: As to the Port Pirie rare earths project, it has been put to me by the project developers that the major problem now is slowness of Government decisions to allow this project to continue at a reasonable pace. Can the Minister advise whether that is the case or whether that is just a furphy?

The Hon. Lynn Arnold: The SX project is a complex one, because it involves the use of waste materials that have had a relatively low level of (but nevertheless some) radiation in them. It has also involved the application of relatively sophisticated or new technologies to try to leach them out. It has meant alternatives having to be determined concerning whether it involves wet or dry methods and the consequent environmental impact of either of those methods. Also, there have been genuine issues of local concern that need to be addressed and it would not have been proper for the Government to simply make quick decisions in the hope that the investment would proceed and leave some of those other questions unanswered.

As to the time involved to date, it is appropriate that there should have been that time spent. Further, we have indicated to the company our support for the project and, for example, we have encouraged it in the development of feasibility studies on the area. I understand that most recently my colleague the Minister of Mines and Energy has given a section 50 planning approval for the project. In other words, the company has the green light that it has been seeking. I also understand that the necessary licences that had to be approved by the Minister of Mines and Energy have been approved and that the EIS has been tabled and publicly released.

The three Ministers involved—the Ministers of Mines and Energy, Environment and Planning and I—have been maintaining liaison in this matter to ensure that we are moving things on as steadily as possible so that we do not see unnecessary delays arising.

The other issue is that the actual developers have needed to attract a major investor to keep the project running because there has been a change in the investment climate in recent years for such projects. The honourable member might recall that in Western Australia things just did not run as smoothly in the development of the Rhone-Poulenc rare earths project, involving different technology, but a similar broad area. Likewise, in the case of Essex Holdings, it has had to seek new investors to take on the project and it is still in the process of doing that.

The broad point needs to be made that the Government has provided appropriate support. Without undue haste we have tried to keep the project moving through its various stages while meeting all the real environmental issues that need to be addressed and, frankly, without that level of support the project would not even have got to this stage of development.

Mr INGERSON: It was put to me that there was an unreasonable amount of green tape as opposed to the nor-

mal red tape involving Government. How widely will the position for the appointment of the MFP corporation's chief executive be advertised? Does the Minister agree that the chief executive position should be filled by someone with private enterprise expertise with the ability to open boardroom doors at the international level?

The Hon. Lynn Arnold: The MFP project covers a number of different areas, some of which come under the aegis of the Department of Industry, Trade and Technology. As the honourable member would know, the Premier has announced the interim appointment of Bruce Guerin to head up the MFP work and a number of things must now happen, the first being the appointment of an advisory board to take on the situation from this time. I understand that names are being worked on at the moment and we anticipate within the next couple of months being in a position to make announcements in this area. Secondly, there is the framing up of legislation to cover it and to make consequential arrangements with respect to any other existing legislation that might be in place, for example, the Technology Development Corporation. That work is being done and it is anticipated that it will be debated in this Parliament early next year. A number of different issues arise under the MFP, one being the property development aspect of developing the site as a major real estate project, which clearly has some private sector issues and questions but also poses other planning, general urban development and environmental questions. Also, broad environmental issues are involved in a project designed to attract extra people to South Australia.

Thirdly, we have investment questions. We need talents that bring together the different issues and it is unlikely that we would ever find a person to head up the MFP who could bring together equal expertise in all areas. Therefore, we must rely on the capacity of an advisory board appropriately structured to bring in various inputs to cover those areas and a team of people employed by the MFP to also bring together different areas of expertise. That is precisely what we see happening, and Bruce Guerin's interim appointment brings together important contributions to this project, particularly when governmental relationships are of particular significance. I refer not only to State/Federal governmental relationships in the development of this national project but also to an understanding and development of Australian/Japanese governmental relationships and the broader more general area of Australian/Japanese relationships.

In terms of investment attraction, the department has an interest and will continue to have involvement in this area. In a moment I will ask Peter Crawford to comment. The way in which it will happen is both acting as an agency working with the MFP and in other areas, having what one could refer to as a delegated responsibility from the MFP for certain areas of investment attraction.

Dr Crawford: One can divide our responsibilities in two: first, the State's principal responsibility for investment attraction from abroad and interstate, which is the role we carry out continuously and the role that the MFP process draws upon. Also in that role is the relationship with Federal agencies such as DITAC so that we ensure that a capacity to attract from abroad is bound together at the Federal and State level. Secondly, the responsibility at request or as a result of our own efforts to develop certain investment projects is important. In that area the development has some four or five ongoing projects, which at a later point will become part of either the direct new core areas of the MFP or the satellite areas mentioned throughout. The core areas include education, environment and information tech-

nology. In some of those areas we have specific projects. Outside those areas, the Government proposed at the outset projects on which we are working, including the media, health, health informatics and telemedicine; and another one includes our generalised efforts in the area of space. These are examples of the specific projects we can develop.

Mr INGERSON: Do I gather from the answer that the Government places a higher importance on the qualifications of Government interrelationships than on a person with private enterprise expertise? Does the appointment of Bruce Guerin as interim Chairman of the MFP signal that he is likely to be the chief executive of the corporation?

The Hon. Lynn Arnold: It would not be appropriate for me to comment on who is likely to be the chief executive in six or 12 months or two years from now, as it is directly under the aegis of the Premier. The question should be directed to him. Bruce Guerin is not the Chairman. There will be a separate Chairman of the advisory board and I suggest that, when those positions have been filled and we have the interim position of Bruce Guerin and other staff deployed, it will be a case of looking at the mix and capacities of everyone together. The honourable member asked whether it means that we are giving a higher priority to one than another. That is an inappropriate way of looking at it as different things need to be done at different times.

At this stage it is very important that governmental relationships are correctly defined. That is not to say that there is not the equally important issue of private sector driving of the project. I would not want to take the honourable member's first statement as the way in which present efforts should be interpreted—I do not accept it. Over time the staffing of the whole unit will reflect the fact that it has to be a private sector driven project and we will be wanting a predominance of people with the capacity to work with the private sector. Some will have had private sector expertise whilst others will not but will have had extensive Government expertise in dealing with private firms. Not everyone employed in the department, which is focused on the private sector, has personal private sector expertise, but has had considerable experience in dealing with private enterprise over the years, whereas others have had significant personal private sector involvement.

Mr INGERSON: A constituent came to see me about the information utility after having written and spoken to the Minister. In his letters he states:

My initial concern was in relation to the probable effects which the proposed information utility would have on the business relationship between the State Government and companies. In the past we have made it our business to understand the long and short term problems associated with State Government requirements and respond with solutions through the normal competitive tendering processes. Should the proposed consortiums control the purchases and implementation of Government business, then we fear we will not be able to compete on a fair and equitable basis.

It would jeopardise the business, which employs some 35 people. His second concern was from the taxpayers' viewpoint as a result of a meeting with Dr Crawford. His letter continues:

My concerns are that the proposed information utility will commit the State to a telecommunication facility which will be very expensive, inappropriate and difficult to implement and manage, therefore not provide a cost effective solution. Many would agree that there is, and probably always will be a need to rationalise and improve Government services. However, an advanced telecommunications system which would meet the State Government needs can easily be accommodated from local companies and existing expertise from within Government areas and private business. I fear the multi-national led consortiums would lock the state into expensive and inappropriate proprietary systems. It should be noted that international communication technologies are now moving to what is known as 'open systems' and not proprietary systems.

The letter raises the concerns of many software and hardware operators within this city in respect of the general direction of the information utility. This is a genuine request from a small software company in this town. What does the Minister see as the answer to these companies becoming involved in what appears to be from the outside a conglomerate in which IBM, Digital, Telecom and the big players will monopolise the market?

The Hon. Lynn Arnold: I will ask Dr Crawford to comment further in a moment on the broad issues raised by the honourable member. I have seen the letter to which the honourable member refers; that particular matter is being worked on at the moment, and I will respond in due course. We do not see the creation of the information utility as an inhibiting factor with respect to information technology in South Australia; rather, we see it as something that has the potential to be catalytic against the alternatives, which might be that information technology development in this country would not focus itself in a State such as South Australia because of certain mind set problems of some investors in major information technology companies. For example, it may be focused east of the Blue Mountains, and that would be of no particular benefit to firms in South Australia.

Philosophically, the department's view is that the development of expertise in information technology in Australia requires the successful amalgam of contributions that can be made by large firms, including multinational firms, and by firms of small to medium size, including many companies successful in terms of technology and, in many cases, commercially in South Australia. So, if we had not tried to create an information focus in South Australia we could have seen a draining away in the years ahead rather than an enhancement of capacity.

The next issue behind the information utility is that we see it as an opportunity for Government to use some of its purchasing capacity, so to speak, in terms of demand for services along with some major companies to provide the best outcome not just for those companies but for the broader field of information technology in this State. The information utility is a proposed joint venture arrangement that should result in a greater level of investment in this State by major corporations in the information technology area, and it will also facilitate the construction of information technology infrastructure for the MFP.

It is early days yet, but we anticipate that the Government in conjunction with the corporations that are part of the joint venture will work on a number of initiatives proposed by them. These include a large-scale application development centre, a high performance computer centre and an executive management and training college. Those areas are included but they should not be seen as exclusive of other activities that will involve other companies in information technology in South Australia.

The Premier announced in June this year that the Government was proceeding with the next stage in the formation of the information utility, which will involve exclusive negotiations with two consortia. The first will include the Digital Corporation of Australia, Andersen Consulting and OTC Australia; and the second will involve IBM Australia, Telecom Australia and Lanes NTT International. The Digital lead consortium has the right to negotiate with us on a comprehensive communications system, initially for the Government itself and then to extend it to the private sector.

The negotiation phase is to prove-up the final financial and technical feasibility of the information utility concept that will occur over the next few months. It is anticipated that, if the case is validated, a joint venture of some form

will be developed involving the private sector partners referred to above and others. Before that happens, Cabinet would be required to agree to the final construct of the utility as well as the terms and conditions under which the Government itself would participate in the project.

Dr Crawford: To reinforce what the Minister has said about the basic reason for the development of the utility, we have to recognise that in the area of information technology the State had a relatively narrow base in software and certain specific areas of hardware. It was not gaining a major position in national or international terms in a broad enough way. There is concern about that because all major advanced industries of the future will very much determine whether or not they compete based on their ability to harness and use information technology to be good at computing communications and to be plugged into the world.

There was a need to do something to move the State forward rapidly in this area, and the information utility proposal provided an opportunity to better harness public sector cash flow so that we could do so. It creates a utility which is available not only for the Government but for the business community as a whole, so that small businesses could operate almost as business units within the framework of the utility. On a fee-paying basis they could get all the sorts of services they currently cannot get.

In terms of the utility itself, I think that the honourable member's correspondent is a little awry with some of his concerns. First, as the Minister has said, the utility will not be constituted unless it is cost effective. It has to perform at better than normal commercial rates. In other words, everyone who is involved has to get service, delivery of services and access at more than competitive rates. So, it has to be cost competitive and it has to be commercial.

Its hallmark will be transparency of systems and open systems so that the ability of major players in the marketplace today to dictate particular outcomes against the interests of either Government or business will be very much precluded, because the systems will be networked together and will be open. So, they will be world quality open systems; that is the requirement that the consortia partners have to meet.

It is also important to recognise that, because we are talking about public sector cash flow supporting an initiative such as this, the Government will be in a deterministic position in relation to what goes forward and what does not. One of the things that the Government is obviously looking for in the form of my department is that small local participants in the marketplace have good opportunities for the future. They will not necessarily have precisely the same captive market as they have today, but they should have bigger and wider opportunities within the public and private sectors in the future.

That will take a little time for local players to accommodate and one cannot deny that a few will be disadvantaged, but the vast majority of companies in South Australia that are in any way involved in this area are excited to seize business opportunities because they see large numbers of major companies coming to this State that would otherwise never have done so. For example, I instance the visit some three months ago by a group called Global Logistics Ventures, which is a subsidiary of American Airlines and CSX, a huge American transport company. That group came here to talk about the establishment of a major node in its world network to make this one of three nodes, and it did so because of the information utility.

By and large, this confers on local business major new opportunities and new access, and in numbers of areas it will lead to the establishment of major new service indus-

tries in health, education, the environment and so on. So, one or two firms could be disadvantaged, although in the case of the one to which the honourable member refers we are more than willing to work with that firm to see what we can do to ensure that it is not disadvantaged. My own personal view is that that firm probably will not be disadvantaged, but the new technology will change somewhat the marketplace in which it operates.

Mr INGERSON: It is reassuring to know that the Government is aware of the problems for small business in this area, because the history of IBM and other companies in this area in terms of compatibility of software is not one that would encourage the particular comments that the Minister makes. We hope that the directions being taken will insist that that sort of compatibility is available in the future. I refer to a project called the New Levels Village, which has been put forward as part of the MFP project by a group of local architects. That group asked the MFP board that its development, which includes the University of South Australia Technology Park, be looked at from a Government point of view. The disappointing thing is that the MFP board, through the Project Director, has replied as follows:

... the proposal cannot be supported as the first MFP village for the following reasons:

1. The proposal does not embrace all the aspects of the MFP proposal, that is, mixed use of buildings; integrated work, living and recreation areas, etc.
2. The site itself, while being in the core area [and it fronts on to Technology Park], is too far away from the geographical centre. We believe to get the full impact of the MFP development, the first area developed needs to remain as the focus.
3. The level of Government financial support is too substantial.

I understand that a reply addressing those issues has been sent to the Government.

The concern of the group is not that it has been knocked back but that it believed the concept of MFP Adelaide did not have a time focus on Gillman as the be all and end all to begin the project and that, in fact, the whole project was to be a series of developments, of which MFP Adelaide was to be a part. While I do not have the technological background to say whether this accommodation and recreation development project stands up, it seems odd to me that there has been a blanket refusal in the formal documentation that has gone back to this group as late as 4 September on a project of this type. Can the Minister give any further information on this? I understand it is in his electorate, or very close to it.

The Hon. Lynn Arnold: It is very close to my electorate. In fact it is in the electorate of my colleague the Minister of Employment and Further Education. Both he and I have been briefed by some of the proponents of this particular concept. At the outset, my personal view is that the development of the whole MFP concept can follow a number of alternative routes, one of which is going directly to the core site and starting there. Another quite viable alternative is to pick up a building block that is already there and to do something co-located with that. Indeed, this concept has proposed precisely that. I have to accept the fact that, if the MFP unit has its own assessment of that, it has made a decision a bit different in that regard.

The issue of whether or not this matter should be pursued further comes down to two other questions that are still asked in the reply the group received which, I think, to date, have not yet been fully answered. One is the fact that the project requires significant Government involvement. It must be remembered that the project is designed to be essentially private sector driven. There would be the potential for something of a wrong message to be given if the very first flag village, so to speak, of the MFP got up and

running only because it had significant Government involvement. That would cause a skewing of the whole image of the MFP. That question has to be answered before further consideration can be given.

Secondly, the suggestion that it does not comply fully with the concept of the village, still needs to be addressed. While the project as I saw it was very exciting and built together a number of elements that I see as important in the MFP villages, for example, the opportunity for close interaction between research and with the University of South Australia, and while it has had the opportunity to build new technologies into the residential units and also in the design of the village, it did not have the wider concept of the whole living environment that had been anticipated in the MFP feasibility studies. That is not to say that it could not have had that, but I still regard that as a question on notice which needs to be answered by the developers as to how that could happen. I suspect that the group should come back with that.

Putting that aside, I understand that there is a new modified proposal. Indeed, I have had the opportunity to see some of that new proposal, which is co-located with the University of South Australia and with the Technology Development Corporation—the Technology Park site—but is slightly differently placed to the previous proposal, it is a smaller project; it is now focusing on residential accommodation for those working with the University of South Australia or studying there, with some capacity to entertain other people living there as well. I hope that that is being given very serious consideration. Questions will still come out of that and the developers will have to answer those questions, but it certainly seems worth further investigation and questioning, I believe that even further work has been done on this matter and that these lines of investigation to examine significant reduction on any call for Government support, if not a total absence of Government financial support, are currently being investigated. The project did seem interesting, but there are still some outstanding questions in relation to the original project. It will be interesting to see what comes out of the new modified project.

Mr INGERSON: The major concern of the developers is that a message has been put out to the community that the MFP is, in fact, Adelaide and not purely and simply a flag-pole at Gillman. This was the first opportunity to put up a significantly combined concept within education, close to Technology Park and doing what, in essence, it had as the impression of what the Government wanted. The reassurance that it is not part of a political exercise to put the flag-pole at Gillman is very important to the group and to the community.

The Hon. Lynn Arnold: Had the original project been so inherently private sector driven without the need for Government, had it built on the broader aspects of the village concept in the MFP feasibility studies and plans, I would have thought the issue was worth pursuing further in terms of the decision not to support it. However, those questions still need further work.

Mr ATKINSON: I refer the Minister to page 124 of the Program Estimates, and the heading 'Support Services'. One of the 1990-91 specific achievements was the inclusion of alternative selection techniques more often to achieve more rigorous staff selection processes. One of the 1991-92 specific targets is to continue some selective recruiting. Will the Minister tell the Committee more about these lines?

The Hon. Lynn Arnold: I mentioned some moments ago that the department's primary focus is to work with private sector investors in this State. To do that the department has some people who have significant private sector exper-

tise, but there are others who do not. However, those others have had significant experience working with the private sector. Over the years we have tried to ensure that the team of people in the department is as well able to meet the needs of promoting investment in this State as possible. Therefore, that may well mean that we have to have some extra flexibility in relation to who we employ, how we employ—for what periods and so on—and whether the employment is on a contract or whatever. Over recent years the department has been trying to refine those ways of packaging together the team of people who have the best possible expertise. Essentially, that is what these two items in last year's achievements and this year's objectives identify.

Dr Crawford: I think we can divide the answer into two. Within the department, with our existing skills base, we have taken an aggressive approach to personal development and involvement of staff in the creation of a corporate plan and mission process which enhances their capacity to deal with their individual roles and to identify collectively with the overall targets being established, with Government assent and direction. We are trying to upgrade our internal skills base and to help people in communication, team play and so on.

In terms of selection, as we have moved to a somewhat more strategic orientation, we need to assure ourselves that our selection processes are reflecting those wider strategic skills that we feel we will need in future. Therefore, we are striving to ensure that those same skills requirements are being reflected in the selection processes that we are going through, and that, of course, is enhanced by the fact that we are upskilling existing staff. There is great support for it in the organisation. In the past the issue of personal development and training should have been given greater attention. It is being responded to very well.

Mr ATKINSON: At page 120 of the Program Estimates, under 'Encouragement of investments', one of the broad objectives is:

To attract appropriately skilled migrants and business migrants consistent with the State's economic needs.

How will the Commonwealth changes to the business migration program affect the department's efforts to attract business migrants to South Australia?

The Hon. Lynn Arnold: The longer-term answer is still being assessed, because we do not yet know the total new criteria that will be applying to the new scheme that is to be put into place. We are still dealing with some applications for business migration, because the applications that were in before the cut-off date are still live. Various accredited agents and the department are encouraging those people to come to South Australia.

When the program that has now been terminated was modified significantly a few years ago, the South Australian Government indicated its concerns about those modifications. We were not convinced that some of the changes made in 1988-89 were the correct way to go. We did not have an automatic feeling of confidence that the accredited agents system would be in the best interests of the country, let alone South Australia. South Australia's worry was that it would not have got as many applications if the bulk of accredited agents did not operate out of South Australia. There was a danger that we could be overlooked. We also had some doubts about the fact that the accredited agents system could effectively handle the range of powers that were delegated to them by the Federal Government, because they were able to do a lot of the initial vetting processes. We had some problems with that and indicated our concerns to the Federal Government at the time.

We also indicated at that time that we felt there should be some follow-up as to what was happening with business migrants so that we could assess who had come, what they had done and how successful their attraction to Australia had been for them and for the country. To this date, I understand that the South Australian Government is the only Government in this country that has done any evaluation of what has happened to business migrants in Australia. We did a survey a couple of years ago and we have done some monitoring of business migrants over time. Therefore, we are able to say what has happened to many of them, whether and what sort of businesses they set up, how many people they are now employing and what benefit the State and the country have had from their participation here. I think the failure of other Governments in this country to do the same led to the serious concerns that the Senate Committee identified and led to the Federal Government effectively terminating that program. If other States had operated like we had, it may be that the program in that form would have survived longer; and if the Federal Government had listened to us in the first place, the program might not have been modified in the way that it has been.

However, we now have a new business skills entry program which will come into place. We understand that the criteria for that program will be announced early in the new year. We hope that we have the opportunity to be part of the development of those criteria so that, yet again, we can indicate our experience and what we think we should be doing. We also understand that the accredited agents system, particularly in its role of having some delegated processing capacity for applications, will be significantly reduced. The other area that we would want to examine is the way in which the migration agents system has tended to disadvantage States like South Australia while favouring States like New South Wales or Victoria.

Mr ATKINSON: At page 122 of the Program Estimates, under 'Trade promotion', one of the 1991 significant achievements was:

... a preliminary mission for the hospital and medical equipment sector in Thailand, Malaysia and Singapore.

Will the Minister advise the Committee about the outcome of that mission?

The Hon. Lynn Arnold: That preliminary mission was undertaken to determine whether or not there was merit in a proper trade group being organised. The answer was that there was merit in that happening, and that was the outcome of that preliminary mission. Keith Hope was the officer who went on that preliminary mission. It was not the only preliminary mission. We had visits some years prior to that when David Day was employed by the department. He went on a mission that included Brunei, Dar es Salaam, Indonesia, Singapore and Malaysia. We have been building up a feel for this market over recent years.

The outcome was a proposal that a trade mission should go. Initially, the timing was to be May, but for logistical reasons that was postponed. Then it was to be July/August, but at the time it was felt wise that perhaps the trip should not proceed. There was a degree of discussion about how healthy our relationships were with one of the countries that was to be visited. I understand that we are anticipating that mission may yet take place later this year or early next year. I am not sure of the exact timing. We want the group to go to Malaysia, Thailand and Singapore. Consideration is also being given to its possibly going to Indonesia as well, because we think there is great potential there.

Last year, the department also supported the Medic/Asia Trade Show in Singapore. In the middle of this year the

department supported the participation by a group of local companies in the Tokyo Health Trade Show. A number of opportunities have opened up for businesses involved in the medical industry to seek out markets not just in South-East Asia but in Japan.

I understand that medical instrumentation and technology firms have formed some effective clusters to tackle overseas markets. Many of these companies are very small. Each one is too small to have its own export division or trade promotion division. The best way that they can tackle markets is by working together as teams, bringing together their particular skills and, in the aggregate, forming a viable unit to do business overseas.

Mr INGERSON: In relation to the specific objectives for 1991, what advice has the Minister given to the Government in relation to electricity charges, what advice has he given to the WorkCover Corporation with respect to its levies, and what advice will he give to the Government in relation to payroll tax? My questions are based on the statement on page 119 that the Minister will advise on these key parameters.

The Hon. Lynn Arnold: The tenor of the advice that I as a relevant Minister of Cabinet have given and continue to give is reflected in the statements made by the Premier on 22 March about precisely these matters, that is, that at all stages we have to ensure that we are as competitive as possible while recognising other issues. On 22 March the Premier indicated the hopes of the Government with respect to the charges that impact upon industry, and our track record over the past five years has shown a real reduction in the cost of electricity in this State. Significant benefits have accrued with respect to commercial tariffs. There are still some cost disincentives to industry with respect to some areas of electricity, and we are encouraging the relevant statutory authority to examine those issues. We are pleased to see the developments that have taken place. The tenor of that advice remains the same.

We have also been encouraging the examination of co-generation opportunities that offer particular benefits to companies involved in co-generation work but, also in terms of the longer term, forestalling the need for major new power generating infrastructure, because of the use of existing capacity in companies that can be used in a co-generating way, has a cost benefit.

Views have been expressed about WorkCover, remembering at all times that the essential issue is the right of the worker to be given a working environment that is safe and healthy and to be given the assurances that the due responsibilities of employers are met, while likewise employees have their own responsibilities to meet and it is the responsibility of employers to provide appropriate levels of compensation for those injured in the workplace. There should be an insurance mechanism that helps arrange the financing of that, given that it must be arranged in such a way that has minimal impact upon Government revenue and operates as it should do as a basic insurance activity. We fully recognise that and have been proposing at all times the need for efficiencies and a recognition of cost comparisons, comparing like with like.

Some unreasonable comparisons have been made, where workers compensation costs in other jurisdictions have been compared where there is not a direct comparison to be made. The impact of such things in New South Wales is not a fair comparison with what is happening in South Australia and we do not believe that that should be focused on as is so often the case.

With respect to payroll tax, this budget clearly indicates the very thing that I am saying—that the Government is

committed to reductions. We did not want to increase payroll tax last year. The Premier has clearly indicated the Government's view on payroll tax—that we do not believe it is a good tax but, in the absence of alternative revenue sources, there must be some money to provide the goods and services that the community demands of Government. Last year's increases in payroll tax were less than in the other two major manufacturing States, so we were competitive against them. This year, unlike the other two major manufacturing States, we have reduced payroll tax rates in this State. I think that is the first reduction in payroll tax since the States took responsibility for it in 1971.

The Government has a good record of varying exemption rates, where it has raised the exemption progressively over many years. We did that to give some immediate financial benefit. First, millions of dollars are being handed back into the private sector economy to help make companies more competitive, but, secondly, it is also a symbol that that is what the Government believes should be the trend line. As financial circumstances get better, as the economy recovers and there is general buoyancy in the economy, we want to look at further reductions in payroll tax in the years to come.

Mr VENNING: The three cities of the Iron Triangle formed the industry hub of South Australia for many years. A petrochemical plant is mooted for Whyalla, which is suffering at the moment, and I know local government has been heavily involved with that. What has the department's involvement been in that? Will it get off the ground? What is the forecast? In relation to Port Pirie, I know that the Dunstan Government toyed with the idea of a uranium enrichment plant and land was put aside. Has the department done any feasibility studies on that or had any involvement in relation to adding value to one of our raw products? As the Minister knows, I have made speeches in the House about value adding. I know that uranium and uranium enrichment are emotive issues but we have to look at all aspects. Should such a plant become a viable option, South Australia should be in the front row, not in the second or third row, because we have the raw material.

In relation to Port Augusta, has the department carried out forecasts for South Australia's future power needs? Has the department explored the alternatives—solar, wind, tidal and nuclear power? Port Augusta is well placed in all those things. It has plenty of sun and wind and it is at the end of the gulf, so tidal power could be considered. Has the department done any work in this area? Can the Minister give the Iron Triangle some encouragement?

The Hon. Lynn Arnold: The Government is very keen to work with industry in the Iron Triangle. The cities prefer to be known as the Spencer Gulf cities because of negative perceptions about the use of the term 'Iron Triangle'. We have been keen to work with firms in that area and with regional development mechanisms. For example, we actively support the Port Pirie Development Council, which is jointly funded by the Port Pirie city council and by the State Government to the extent of \$100 000 a year. In Whyalla we support the Whyalla Industry Development Executive to the tune of \$85 000 a year. In addition, over the years, the Government has provided support for WHYTEC in Whyalla.

In the case of Port Augusta, we have provided financial support to what is called the Port Augusta and Flinders Ranges Development Committee. I think that is of the order of \$20 000 a year, and I understand that there might be an approach to the Government to increase that support with a concomitant offer by local government to provide financial support. I have not seen that yet, but I was told as

much by some officers of the council when I visited the area at the invitation of the local member. That is what we are doing in terms of development committees. In addition, we have worked actively on a number of projects, one being the tioxide project in Whyalla.

We encouraged Whyalla to be chosen as the site for a titanium dioxide plant in Australia against fierce competition from a number of other locations—one in Queensland, one in Tasmania and one even in Victoria in the early running—and it was agreed by Tioxide Australia that Whyalla is the best place to locate such a facility.

We won that race, but there is a broader race that is still in process as the international company has determined there should be two plants, one of which will be in North America and one, in all probability, in Australia. It is a question of timing as to which comes first, and I understand the North American project will come first. As to the Whyalla tioxide project, the EIS is being prepared and should be completed within a week or so, and that would provide the environmental go ahead, subject to the statement coming up with what we anticipate will be the green light for the construction of a titanium dioxide processing plant valued at \$250 million, which would be scheduled to come onstream in 1994-95.

In addition, the concept of a petrochemical facility has taken much energy over many years, and I refer not just to the proposal to locate at Whyalla but there have been other proposals. Redcliff is one that comes to mind. There are two ways to go. One is the development of a fullscale petrochemical facility, and in recent years the Government has put in money to help pay for a pre-feasibility study that could be used to attract the interest of international investors. That cost money, which we put up front, alongside local government which also put money up front. We used that to help promote development.

Returning to the Whyalla industrial development executive, in 1991, \$85 000 was paid to that group and in 1991-92 we expect some increase in that. So, we have been trying to encourage international investor interest in a big petrochemical project, but the alternative line of inquiry that we have also been following is the building block approach where there could be a number of individual activities, all of which would come under the umbrella of petrochemical activity using the same feedstock but utilising a series of different investors. One investor might build one type of facility, making one type of product and another next door might be making another product using the same feedstock and perhaps using some of the output of the other investor.

We have been busy working on that as another way to attract increased investment to that area. Likewise, negotiations are in hand to develop a full feasibility study to utilise stored ethane at Moomba to produce a range of gas-based chemicals at a pre-designated and environmentally approved site at Point Lowly adjacent to the Santos facility. If this concept were to be successful, the full value of investment that could be achieved for that area would be \$1.23 billion.

As to Port Pirie, we work with the Port Pirie Development Council and there are other issues on which we are working. We have already referred to the SX project this morning. The honourable member referred to uranium enrichment. His Party fully and actively supports that as a development opportunity but it has not been something that this Government has been supporting, and that is something that will have to be accepted in the wider community as one of the differences between the two major Parties: those who want a uranium enrichment plant at Port Pirie and those who do not.

What has to be acknowledged is that over the years various aspects of that work will have been the subject of some cursory inquiries by various officers and departments, often for simple technical reasons, but no investment attraction has been sought by my department or by me to encourage such a facility to develop. We believe there are many other alternatives that should be pursued for the development of that region.

As to Port Augusta, the honourable member referred to the significant impact of the electricity generation industry in that area but also the transport industry has enormous potential there. If the north-south railway eventually proceeds, clearly there will be benefit for transport nodes like Port Augusta, and the State Government is expressing great interest in the ongoing development of the feasibility of the Alice Springs to Darwin railway.

We are also in the process of negotiating for the construction of a gas pipeline from the Amadeus Basin to Port Augusta. Other possibilities could be pursued and the honourable member, who has shown great interest in a number of those issues, earlier asked the question about the Agridev possibility, which unfortunately is not proceeding as rapidly as was hoped. Nevertheless, the potential remains there.

Even at a later time if Agridev does not proceed as quickly as possible, we have the hot water resource that was an important building block, plus the land resource, which was also an important building block, and the location to salt water, and it remains possible for other investors to use them.

The suggestion of alternative power generating issues should be addressed to my colleague the Minister of Mines and Energy, but I know that the SENRAC grants have been applied over the years to examine the technical facility as well as other questions of the viability of alternative generating sources. On the face of it (and I could be proven wrong) I believed that the tidal fall at the top of the gulf was not large enough to be realistic for tidal generation. I have once seen the La Rance tide power station in France, but the tide fall there is enormous. I may be wrong as to the suitability of the gulf in that respect.

Mr QUIRKE interjecting:

The Hon. Lynn Arnold: Yes. Dr Crawford wants to comment.

Dr Crawford: I would add three points to the Minister's comments. As to the petrochemical development, there has been much international interest in the pre-feasibility study leading, we expect, to the development of a major feasibility study that is tantamount to the first move of the actual development itself. There is a good deal of interest and we believe that private interests are likely to fund a \$1 million feasibility study.

Mr VENNING: Is there a time frame?

Dr Crawford: Yes: we have a mission next week to Taiwan to talk to interested investors. We have set three months to try to put together a consortium and, in the event that we are not able to do that, we have arranged with the Federal Government for Austrade to act as our marketing agents throughout the world. The idea is to be aggressive about the development of the petrochemical plant not only for the reasons raised in earlier questions relating to ethane reserves but simply to get such a major development going.

Secondly, on the question of value adding, we are working with many companies in the area. We are not always able to identify those companies because the value adding processes are highly commercially sensitive, but we are working with a number of major companies in the area.

The third point relates to the potential for major rail upgrades associated with the establishment of the National

Rail Corporation. In particular, high priority is being given to the Adelaide to Melbourne linkage and also to the possibility of the Darwin to Alice Springs linkage being put in place. There is the question of Port Augusta having the opportunity to tender competitively into the National Rail Corporation, which is something we have been working on aggressively in recent months, and there are good opportunities there if we can keep that operation cost-effective.

Mr VENNING: I refer to the development at Balaklava of a straw pulp paper mill by Arisa Limited. Where are we at the moment with this project? It is in my electorate and concern exists that the EIS will bog down the project, as it is doing currently. What involvement has the department had? Will the EIS be a problem? Can assistance be given in the funding of the EIS as developers do not want to put money into this when it could go towards the building of the mill. With value adding it is a real plus as straw is a reasonably worthless raw material, although not totally as some farmers use it for ground buildup—soil nutrients, etc. I do not want to see this industry lost; we have already seen Western Australia pip us at the post. I would like to see it get off the ground as quickly as possible.

The Hon. Lynn Arnold: I will obtain a detailed update on the Arisa project. As I understand the latest advice I have, interest is still proceeding in the area. The original proposal to use Spanish technology was changed by the proponents of the project who are now using technology from another part of Europe. I will check on that point. An environmental question must be addressed. That may seem irrelevant, when one is cropping land, if one is to crop the stubble for making paper. However, two issues are involved; first, hay is not valueless in itself as it does have a nutrient capacity which is important for stock management; and, more significantly, land care questions are involved because, if we are to take away the stubble we may lose the capacity to properly manage some of the land, which may cause erosion problems. These questions must be addressed. Putting aside those issues, it is acknowledged that each year an enormous resource is grown which has the potential for making paper projects as proposed by the Arisa consortium. I will ask Peter Crawford to comment.

Dr Crawford: We have had a series of discussions with Arisa and worked well and enthusiastically with them for the past year or so. The proposal has some gaps in its funding from the private sector, with significant shortfalls. It must establish marketing issues which are critical to the future product. They must assure themselves that they have exactly the market they anticipate. With regard to the EIS business planning phase, we have recently provided \$75 000 of direct support under the SAEDF and written to the Federal Government under new provisions inviting it to match the offer of funding. We have done a good deal in support of the project and, whilst we are enthusiastic and hopeful that the consortium can deliver an outcome, there are two problems, one being the ultimate level of private sector funding and the second being the issue of staffing with total certainty that it has the right sort of market for the product.

The CHAIRMAN: The Minister will be aware of my interest in the local personal computer manufacturing industry, to the extent that one can describe the industry in those generous terms. There has been a case of assembling important components and adding some small local content value added process to it. However, as a result of correspondence that we exchanged this year, the Minister alerted me to the fact that the department was working with State Supply, the Department of Education and a number of local suppliers who are attempting to broaden their base and add

significant value locally. Part of that was the negotiations to bring to the State a manufacturing capability for multi-layer printed circuit boards, which would assist in that. We have a number of part manufacturers in the State. Has the Minister any more up-to-date information on what steps are being taken to make more accessible to State Government departments, authorities and schools information on the local content capability and quality of locally manufactured machines? What success has been had to date in working with the local industry to extend their local content?

The Hon. Lynn Arnold: This requires the role of liaison and intercession with the relevant agencies, including the State Supply Board and the way in which it goes about dealing with the issue. It comes under another ministerial aegis. We are keen to see the development of a greater capacity in South Australia. Over the years we have encouraged firms to locate and develop here. We have given assistance under the development fund for such to happen. Microbyte was a company in point, the development of which received some support from us. It has had financial difficulties itself, although I believe that as a result of further discussions we have been able to see the maintenance of its manufacturing capacity in South Australia now that it has been reorganised into a new corporate stable. We encourage the development of Protech here in South Australia. That company was based solely in the Eastern States and now has half its Australian manufacturing capacity in South Australia. On other occasions we have tried to work with other component suppliers, for example, in the plate area, although not always with total success, it is acknowledged. However, we have done what we could to encourage cost effective manufacturing of computer componentry in this country.

As my letter to you indicated, Mr Chairman, there is some diversity of view as to what is local content. I do not find myself so fussed about that. If an Australian computer cannot identify itself as having 90 to 100 per cent local content, that does not worry me provided we are moving in the direction of increasing the local content and ensuring that, as far as possible, we have the high value pieces such as the research that goes into the design and some of the imported componentry being done onshore. A number of companies are working in that direction and we are happy to work with them. Protech is an example of one, but not the only one, involved in that area. We want to work with other companies in the future. In the case of Protech we have encouraged the purchase of computers of that sort by Government agencies and our own department has purchased the computers. We have a range of other Australian made computers under that looser definition to which I referred a moment ago. The questions of policy apply to purchase and supply. We have been involved in discussions on the GITC which determines how support is given for purchasing Australian information technology. I will ask Dr Crawford to comment further.

Dr Crawford: Picking up the last point first, we have had negotiations at a senior level with the supply authorities that have led to some restructuring of the board responsible for the supply purchasing functions. With the recent appointment of Bill Cossey, we have had discussions on the appointment of a business development officer in the Department of Supply very much directed at looking for local operations where local content can be brought forward.

In light of those discussions, I believe it is quite likely that that appointment will go ahead, and we have had discussions on how we can work together on that. Secondly, we have been trying to develop an IT strategy for the State

outside the information utility that will be very much about growth of local companies and enterprise. Interestingly, the first Chairman of that group is Kingsley Hannaford, who was the Chief Executive Officer of Codan at the time. So, we are very much concerned and driven by the local issues in that area. We are working with a number of local companies. Sometimes that is a consequence of the MFP or the information utility process; at other times it is simply a consequence of their having opportunities and of the department seeing what it can do to work with them. For example, that led us recently to work with Entech in a number of areas.

We have been very worried that under the partnership agreements at Federal level at times there has not been adequate support, particularly for these basic component areas, in the development of the Australian technology. So, it is with some regret that we have seen one of our principal companies in that area close in recent months. That whole issue of Federal partnership is important to us, and we are trying to do what we can to recognise the key building blocks as a consequence of that.

Mr QUIRKE: Is South Australia, and in particular the Minister's department, planning a presence at the international expo next year which, I understand, will coincide with the Barcelona Olympic Games; and, if so, will the Minister provide some details?

The Hon. Lynn Arnold: The international expo that will be held in Seville from 1 April to 12 October 1992 will be what is referred to as a category A expo. Category A expos are not held very often. The Brisbane expo was category B, which is a smaller scale expo. I understand that the last category A expo was held in Osaka in 1970. Indeed, the 1991 Seville expo will be the last category A expo to be held this century. So, it has the potential of being a major event. Australia, as the host nation for the Brisbane expo, was invited to participate in the Seville expo and has been given a prime location.

The location of the Australian pavilion is literally just across the road from the Spanish Government's pavilion, which faces over a lake towards the pavilions of all the regions of Spain. So, that location is very promising. In addition, there was talk of a private sector pavilion on one of the other roadways of the Seville site that was to be organised by Australian primary industry, but I do not know whether that will in fact proceed.

On the basis of those issues, the Premier indicated some time ago that South Australia would participate in the Australian pavilion. South Australia was the first State to indicate that it would do that, and the Government committed itself to a broad provision of about \$1 million if its participation went ahead. During my visit to Spain last year I inspected the expo site and had meetings with not only expo officials, and it appeared to us that in the planning of the Australian pavilion there did not seem to be a tangible South Australian character about it. I could not report back to the Premier that we could see that the \$1 million worth of money would show up as having a South Australian flavour, not that we could expect it to be a South Australian pavilion but we expected that idea to come through. So, we expressed our doubts about that.

We then talked about other ways in which we could have a presence in the pavilion or off site outside the pavilion grounds, but the outcome of that discussion was that we felt it would be better not to proceed with formal participation in the Australian pavilion, because the Australian pavilion will have to represent all States of Australia anyway and because no other State in Australia had indicated at that point that it would participate. I understand that may

still be the situation, but I may be corrected. So, that is disappointing, but we have to be careful how we use our resources.

We want to have a tourism presence at the Seville expo that will either be led by or involve Tourism South Australia—it may, in fact, be led by the Minister of Tourism—and we will try to time that part of the year when we think we will be able to promote South Australia as a tourist venue, using the facilities of the Australian pavilion. There is an exhibition centre on the top floor of the pavilion that can be utilised by the States.

I, as Minister, anticipate going to Spain next year with a small trade group during expo, which will be one of our ports of call. At the moment we are trying to work through all the sorts of companies that might be interested in going there, but we have to be very careful that we correctly target the time of our visit and what we are aiming to do, because 40 million people will visit expo next year and they will have a lot of other objectives rather than just finding out what South Australia has to offer. We do not want to see our activities dissipated, so we are still in the process of trying to work that whole issue through. The bottom line is that we believe there is merit in South Australia being somewhat involved in the Australian pavilion, although it will not be full participation.

Mr QUIRKE: With respect to the post-1991 March industry statement from Canberra, what will be the impact upon, in particular, the textile industry in South Australia? Has the Federal Government, which changed the ground rules some two years into the original plan, made any provision at this stage to help soften the blow of tariff reduction on the textile and footwear industry?

The Hon. Lynn Arnold: The honourable member is quite correct: the Federal Government did change the rules midway through the plan, and we were critical of that, because industry realised that change had to take place over a seven year period as identified in the plan that was first brought in, I think in 1988. The Government was working with industry in terms of encouraging investment; indeed, we had achieved extra investment in TCF in South Australia as a result of that plan. So, that plan being changed halfway through is of great concern to us: first, because industry cannot now feel certain that there will not be other changes for the worse in the years ahead; and secondly, because, of itself, the changed plan is worse than the original one.

We are picking up a great deal of concern from the industry about what the changes would be if there were a change of Government at the Federal level, in which case the plan would be dramatically changed because we would be into a severe tariff regime. To my mind, that would bring about the certain death of many firms in this important sector in Australia.

The setting up of the task force, which I chair, is designed to monitor what is going on and to work out the sort of things we can do to respond to those changes. The response we are getting to date is that firms are feeling shell-shocked by the changes, and there is a malaise in many firms in the industry that is putting off investment decisions and, more significantly, resulting in major restructuring of how they do their business. The number of firms now talking about cocktailing their product mix with large scale imports alongside reduced local production is alarming. So, we may see that the actual number of corporate name plates that exist in Australia in the TCF sector at the end of the decade is little different from what it is now. However, that will represent a major shift in employment away from this country. In other words, jobs will be lost to this country and located in factories overseas. To my mind, that would

be a very poor result in request of changes to the TCF industry.

We are trying to work out what we can do to help industry not make those decisions and encourage it to keep as much employment on shore as possible. For example, we have floated the question of whether there is benefit in enhancing the kind of support services in computer-aided design by enabling industry to access those services without having to make the capital purchases itself. The TCF skill and resource centre on Fullarton Road may be the place where that could be located or where such a service could be done. The Centre for Manufacturing is another case in point.

In terms of changes in guidelines, another issue of worry is the Textile Clothing and Footwear Development Authority (TCFDA). We are disappointed as to how much is actually coming through that authority in terms of funding support for industry to help meet the changes. It is a point we are going to take further with the authority and with the Federal Government, because the actual moneys outlaid to firms in South Australia under moneys available to the TCFDA is not a very big figure. I do not have the figure available, but it is, literally, negligible. More support has been available to TCF industries for restructuring under the NIES program, which has done some very useful work in supporting all sorts of industries.

Mr QUIRKE: Given the decline in the live sheep export markets that has occurred over the past couple of years, will the Minister tell us how we are doing in terms of value adding production and, in particular, in relation to the export of cold processed meats? How is the industry in general faring in that area in the current market conditions?

The Hon. Lynn Arnold: We certainly have been encouraging the meat industry to look at increasing output in the chilled meat market, because that is where the potential lies in the longer term, first because one gets a better price for chilled lamb or hogget than one would get from wethers that are currently being shipped live to some markets or for mutton that is being slaughtered and shipped out of, for example, the abattoir on Kangaroo Island—which is now predominantly a mutton abattoir and not a lamb or hogget abattoir. That has to be the way to go in the longer term.

However, the point I have made previously is that it really does require industry's picking up the changes in technology that are there for development, particularly the modified atmosphere technology that enables chilled produce to be sent by sea rather than by air. Of course, air freighting knocks it out of the cost-competitive water. We are ready, both in the Department of Industry, Trade and Technology and in the Department of Agriculture, to work with the processors if they want to further develop these areas. Like any other business enterprise, we consider applications for such developments.

Mr INGERSON: Looking at the salary structure of the department and, in particular, at the way in which salaries are structured in the programs, it appears that there has been a very deliberate shift away from some of the programs, for example, the encouragement of investment. Does the wages structure reflect that, or is it a reorganisation of the department? For example, there is a very significant increase in strategic planning, and so forth, whereas there is a reduction in investment programs. I would have thought that within the current environment the encouragement of investment would have a very high priority in terms of the direction of the department. Do the salaries and wages reflect that, or is it purely and simply another issue?

The Hon. Lynn Arnold: It is partly the way in which the PPB document reflects such things. However, program 1—strategic planning, policy formulation and implementa-

tion—as the honourable member has identified, has been assigned an additional 13.3 full-time equivalents. Program 2—encouragement of investment—has decreased by 7 FTEs. While the department's largest program—\$10.891 million—remains encouragement of investment, the structural adjustment in the economy in recession requires increased attention to the State and national economic agenda and new approaches such as the economic review—which the Premier announced recently—and the development of detailed business plans and feasibility studies for potential major projects. Resources are therefore assigned to reflect these objectives.

There has been a major shift from opportunity-driven investment attraction to longer term strategic investment attraction. This is a consequence both of the recessionary climate and the need to fashion major investment opportunities based on detailed business planning. However, the sense that there has been a move away from more investment attraction to a more academic policy formulation categorisation is simply an artefact of the way in which the programs are currently described under the PPB system.

Dr Crawford: As one goes through a strategic review—as we have done in the department recently—what one really ought to do is to go back and look at the PPBs to see whether they are still exactly right in the current climate. My own view is that before the next Estimates Committees that is what we ought to do. This is really an artefact; it is simply saying that the investment is now more strategic than it was previously and not that the resources have been changed because, if anything, they have been strengthened.

Mr INGERSON: Being a bit flippant, I hope that that was not a *Yes, Minister* answer. Will the Minister explain the apparently meaningless statistics referred to on page 120 in relation to the 970 jobs that have been created as a result of capital expenditure of \$45 million; in 1989-90, the 4 144 jobs that have been created or retained because of the expenditure of \$171 million; in 1988-89, the 3 500 jobs created or retained as a result of the expenditure of \$118 million; and in 1987-88, the 659 jobs? Obviously, at such short notice, the Minister may not be able to provide a detailed answer.

The Hon. Lynn Arnold: I will give as much detailed information as possible, but subject to preserving the confidentiality rights of the companies involved. We can be quite specific because the vast majority of funds provided under the development fund in South Australia are performance-related. In other words, the companies do not get paid, even if they have been approved by such mechanisms as IDC, the department's development committee or myself, as Minister—depending on the threshold figures—until the company can prove that it has done what it said it would do: either jobs have been retained or new jobs have been created and the company's share of the capital has gone in. So, they are not just figures plucked from thin air: they are tested against the advice given by the companies when they come for their money.

Mr INGERSON: I accept that, Minister, but I think the general explanation makes it a bit easier. Finally, as a new member of the IDC, I know many companies in this State are helped by that procedure. As it is a secret committee, in many senses, will the Minister give a very broad outline of the general direction of investment policy as it relates to South Australia and, in particular, how it relates to the investment policies of the IDC? The Minister may have to take that question on notice.

The Hon. Lynn Arnold: Broadly speaking, we want investment to be attracted to the State that benefits the State rather than detracts from it and, if taxpayers' funds are

involved, that it uses those funds well, complements the natural resources and skills that exist in South Australia and places us well to operate in a harsh competitive international environment.

The CHAIRMAN: There being no further questions, I declare the examination of the votes completed. I thank the Minister's officers for their attendance.

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

Office of Multicultural and Ethnic Affairs,
\$3 792 000

Chairman:

Mr M.J. Evans

Members:

Mr M.J. Atkinson
Mr G.M. Gunn
Mrs C.F. Hutchison
Mr G.A. Ingerson
Mr J.A. Quirke
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.

Mr INGERSON: My first question relates to 5EBI. What funding, if any, is available to 5EBI through the commission and is any money granted to the Ethnic Broadcasting Organisation?

The Hon. Lynn Arnold: In the past financial year no funds were allocated to 5EBI through any lines relevant to the Office of Multicultural and Ethnic Affairs or the commission. That does not mean that it would not be eligible to apply under the grants available under the budget lines, but no funds were expended in the past financial year.

There have been some discussions with respect to a joint program that could be run on the radio station with a view to providing general information on State Government services that would be of use to the station's listeners and that the commission would be prepared to be involved in. In particular, there has been a suggestion that the office may be able to allocate some small amount of money to help with the running of such a program, but that would be more by way of a semi-sponsorship arrangement to enable an information-type program to go to air that would merely contain advice to listeners on what different areas of government are able to offer to members of the community. Otherwise there is no other suggestion of any funding for the actual operations of 5EBI coming out of the office or the commission. I understand that the last time any funding was given was in 1989-90 when a special purpose grant of \$4 000 was paid to 5EBI for the cost of tapes for a particular program—an information type program.

Mr INGERSON: My next question concerns the amount of time being spent on 5EBI in translations using the English language. I understand that the Minister is concerned about the amount of time spent in broadcasting between 9 a.m. and 3 p.m. Monday to Friday. Is it general policy of the

Government to extend its interest into broadcasting in this area or is it purely and simply a one-off issue?

The Hon. Lynn Arnold: I want to put this issue into some sort of context. I was approached by the Greek Pensioners Society which was concerned that it was not able to get enough access to air time at 5EBI. I contacted 5EBI on this matter and it identified that already a significant number of hours per week were allocated to broadcasting in Greek. I cannot remember for certain, but the figure may have been 12 hours a week. It was therefore then up to the Greek Radio Association to allocate a reasonable amount of time to the various interests in the Greek community. They referred the matter to the Greek Radio Association, and that association indicated that it was giving publicity to activities of the society and felt it was giving a fair allocation. In the nature of the organisation of community groups which broadcast on 5EBI, that was quite a reasonable way for that to be pursued. It is up to the Greek Pensioners Society to pursue it through that group that has oversight of Greek language broadcasting at 5EBI.

Nevertheless, there was another issue that seemed to me to be of some personal interest. I reserve my right as a Minister to intercede in areas where I think there is a personal issue that ought at least to be followed through. I am not suggesting that I have any authority over 5EBI in terms of telling it what to do. I do not, and I do not pretend to have and do not want that. Nevertheless, I do not lose my rights in terms of being able to convey an opinion that I think may be of interest for it to consider.

In that context, I wrote to 5EBI saying that I noted that its policy in years past had been to broadcast in English between the hours referred to, because most of its community language broadcasts other than English language broadcasts were being targeted at audiences who may be out during the day. At the time that policy was made it was my opinion that it was a reasonable policy decision, and it may still be the correct policy decision. However, I wanted to raise with the station whether it had given consideration to the needs of those who are retired and may not be going out into the community every day or to those who are housebound for various reasons, by activities in the house or by disability of one form or another, and who would probably like to receive programs in their own language at times other than after 3 p.m. and before 9 a.m.

In that same context I was conscious of the fact that we have an ageing society in South Australia. One of the issues that has to be addressed in terms of ethnic ageing relates to those people who had better skill in English than they have as the years progress. In other words, there is evidence that some people retreat into their first language away from English. These people, either in their own homes or other accommodation arrangements, may appreciate having some form of communication during the day. It was in that spirit that I raised it with 5EBI.

The response that I received from 5EBI was that it heard the point that I was making but did not feel constrained to make any changes. That is fine; it is within its authority to do that. However, I am sorry to hear that, because I still think that the point I raised is worth further consideration, and I hope that it will continue to monitor it. For example, I note that 3EA in Melbourne and 2EA in Sydney broadcast from 6 a.m. to midnight in languages other than English. In other words, right through the window of time that we are talking about for 5EBI. They must do that on the basis that they determine there is an audience between 9 a.m. and 3 p.m. that wants to hear programs in languages other than English, especially as there are so many other radio stations broadcasting in English between those hours. How-

ever, I reserve my right as Minister to be able to make those comments, and I have to accept that those comments will be received, either positively or negatively, by those to whom they are addressed.

Mr INGERSON: I refer to the significant number of ethnic people who are disadvantaged in relation to legal aid; that is, they have difficulty in getting their story across when legal aid is their major concern. It has been put to me that the difficulty relates not so much to a communication problem as to translators but to the cost of the translators. What program, if any, has the Government to attempt to accommodate the difficulty of payment in respect of disadvantaged people in this area?

The Hon. Lynn Arnold: Before coming to the cost question, which is very important, there is another issue that has sometimes been of relevance to people in the community, that is, an awareness of the legal system and the way it operates. John Kiosogolous, Stipendiary Magistrate, gave an excellent paper to a conference some years ago precisely on that question, indicating that the legal framework from which some people come can be quite different. The very fact that Dutch Roman law is different from our legal system is evidence of that, and he was really drawing the attention of both those in the judiciary and those in the legal services that they needed to be aware that their clients may not have a full understanding of the difference between the legal system which they were used to and the one applying in the country in which they now live. That is a broader question.

As to the second question about interpreting, the Language Services Centre, which comes under my Ministry, provides language services and there are also other interpreting services. The Legal Services Commission provides services for persons needing interpreting assistance for their clients. That service is available at no cost to those clients. If other litigants who are not eligible for legal services want access to interpreters, they can obtain it as a normal cost of their own litigation but, in addition (and the most important point of all), the Language Services Centre that comes under my Ministry can be accessed by the courts at their discretion at no cost. In other words, if it is the opinion of the presiding judge or magistrate that a witness, litigant or defendant is not able properly to present his or her case without the services of interpreting, that can be accessed at no cost.

Mr INGERSON: Can the Minister, through the department, advise communities of that access, because this matter has been brought to my attention in recent days by several communities who were not aware, just as I was not, that the office supplies a free service for those people who are disadvantaged?

The Hon. Lynn Arnold: Let me recap on what happens. First, those who are eligible for legal aid under the Legal Services Commission can access interpreting at no cost. Secondly, those who the bench determines, in order to get full access to justice, have a problem with language and therefore need interpreting can, at the discretion of the bench, obtain those services from the Language Services Centre at no cost.

Thirdly, in a situation where a person's own solicitor determines that they wish to access interpreting services in addition to those that might have come from the Legal Services Commission or the Language Services Centre, they can go to the centre on a fee-for-service basis and access those services on a cost basis. The centre then bills the client, and the client would have to pay. It really comes down in the end to how justice can be best obtained. We leave that up to the discretion of the bench.

The general availability of services under the Language Services Centre is something we are examining now in trying to improve awareness in the community, involving not just those in the legal system but in other areas as well.

Mr INGERSON: I note in this year's targets that the booking system of the Language Services Centre will be upgraded or finished. What does that entail and how will it affect users at large?

The Hon. Lynn Arnold: I will ask Mr Barr to comment further on that in a moment. We anticipated that, since the major changes to the Language Services Centre a couple of years ago, when we changed from an essentially contract base with a large number of contract interpreters to a core of full-time interpreters, centralising that service away from individual agencies into the centre, we would achieve a much more efficient service and be able to be much more responsive to the needs of our clients. The process of refining that efficiency and responsiveness is ongoing, and we are constantly examining ways in which we can do that.

Naturally, we have to have a financial recoup and we are doing that by means of charging fees. We are examining the appropriate fee level that we should charge. I advise that in the near future there will be a further fee increase for the service charged to other Government agencies. However, the actual charging for service from the centre has not kept pace with inflation in recent years and, in fact, we will be changing the way in which we bill agencies. We expect that we will no longer be billing on call-out cases calculated at three hours but will be reducing to a two-hour call-out, which will result in a saving for each individual call-out.

Presently, as a result of the decisions made over the past couple of years and decisions we are now working on, centre services are available throughout the metropolitan area and in major country centres during normal working hours. Services are available 24 hours a day, seven days a week on request. The centre introduced a mobile telephone service to enhance the after-hours booking system previously undertaken by a pager system.

Mr Barr: The booking system is being enhanced so that clients have less waiting time before getting to a booking clerk to register their booking. Most bookings are made by clients who are not generally members of the community at large but rather agencies requesting services, for example, hospitals, courts, the Education Department and so on.

Mr INGERSON: As to the use of the telephone interpreting services instead of face-to-face interpreting services, why is there a need for that change?

The Hon. Lynn Arnold: In terms of the needs of client agencies or individuals with whom agencies are working, the most important thing is to provide a cost-effective way to enable them to communicate what they need to communicate. Sometimes that requires the physical presence of an interpreter and sometimes it does not. The telephone interpreting service enables the centre to promote a better availability of interpreting services in a number of situations, particularly in country areas where face-to-face interpreting can be expensive and, in any event, not always available.

Where the use of telephone interpreting is appropriate, agencies are being encouraged to consider this form of communication as an alternative to face-to-face interpreting. The use of a telephone interpreter for shorter jobs is cheaper than the use of an on-site interpreter by virtue of the fact that travelling time is eliminated. Those reduced costs would be reflected in lower charges to the clients. However, it needs to be noted that booking a call well in advance will ensure that any special requirements can be

catered for and that an appropriately qualified interpreter is available.

Mr INGERSON: I note from page 149 that last year there were 45.6 full-time equivalents, and that is proposed to go up to 57 this year. What is the reason for that significant increase? I ask that question because the general expenditure of the department does not appear to have increased much.

The Hon. Lynn Arnold: It is simply because we are progressively moving to cost recovery for the Language Services Centre either from other agencies or from private contract work that the centre is able to do. The major change in 1989 was to move from a system largely based upon employment of casual interpreters to one that had a core of full-time interpreters supplemented by casual interpreters. As we find particular areas justify, it is a cost-effective solution to move from a casual interpreter base to a full-time employed interpreter base.

There were difficulties in attracting suitably qualified (that is, NAATI Level 3) full-time interpreters and translators. As at 30 June there were five full-time equivalent interpreter-translator positions to be filled. Other full-time positions that were filled shortly after 30 June 1991 include the chairman, administrative officer and two base-grade clerical officer positions. It is anticipated that the five interpreter-translator positions will be filled by the end of 1991 but, to come back to the point I was making, it is our preferred position to employ a fully-utilised full-time person than to rely upon a mixture of casual interpreters to provide the services. The full-time services are mainly in the core languages of Vietnamese, Greek, Italian, Chinese, Polish, Serbian and Croatian.

Mr INGERSON: Under 'Issues/Trends. Promotion of Multiculturalism', it is stated:

There is a continued need to promote multicultural policies ensuring equity in service provision and equal employment opportunity in the public sector.

What problems exist in public sector employment that require that sort of comment to be made?

The Hon. Lynn Arnold: Some time ago Cabinet approved the decision that all agencies of Government should have to undertake the development of a multicultural management commitment plan. In other words, they would need to identify what it was that they as a department, first, were doing to ensure that they could meet the needs of their clients in a way that was sensitive to the multicultural nature of our society and, secondly, could do in terms of meeting the needs of their own employees in a multiculturally, sensitive way, in other words, giving full opportunities.

I have a document that is literally hot off the press in the sense of its just having come through in the past few days. It details all this information and it is labelled 'Developing a Multicultural Management Commitment Plan'. We will be forwarding this document to all members of Parliament. The document at page 29 identifies the timetable being applied to various Government departments doing their own multicultural management commitment plan, and the Office of Multicultural and Ethnic Affairs is working with those departments or agencies to help them develop their plan over this three-year schedule. In 1990-91 the agencies that should have done this were, essentially, human service agencies including the Office of the Commissioner for the Ageing, the Department for the Arts and Cultural Heritage, the Children's Services Office, the Education Department, the Department of Employment and Technical and Further Education, the Department for Family and Community Services, the South Australian Health Commission, the Office of Multicultural and Ethnic Affairs itself and the Office of Tertiary Education. Those departments

that are essentially being targeted for this financial year are mainly economic-related agencies including the Department of Agriculture, the Department of Fisheries, the Department of Industry, Trade and Technology, the Department of Marine and Harbors, the Department of Mines and Energy, the Department of the Premier and Cabinet, Tourism South Australia, the Treasury Department and the Woods and Forests Department. We can immediately make available a copy of that document.

Mr INGERSON: Regarding industry, trade and technology, in which area I am the shadow Minister, concern has been expressed in a very general sense that we have never really tapped into the opportunity to expand the trade relationships between some of our historical ethnic communities, for example, Italian, Greek and so on, or, more importantly at the moment, the Vietnamese, Asian and Indo-Chinese groups. What involvement does the department have in discussing with the Department of Industry, Trade and Technology opportunities that are available for the community generally to expand that area?

The Hon. Lynn Arnold: We look forward to those relationships being strengthened over time. The honourable member will recall that in 1989 there was an amendment to the legislation covering the then Ethnic Affairs Commission, and that included the addition not only of the change of name but also the addition of economic development as being one of the areas of interest of the South Australian Multicultural and Ethnic Affairs Commission.

Since that time we have seen the commission take an increasing interest in this area and, indeed, we have seen the recent appointment of Paolo Nocella as Chair of the Commission. He recognises not only the importance of community relations in that commission but also economic issues. Paolo Nocella comes from the private sector and has had extensive private sector experience. One of the outcomes of that has been the working together with the Department of Industry, Trade and Technology and the recently appointed Chair but, even before that, we started to see the outcomes of better cooperation. When the Premier visited Europe last year and included a visit to Italy as part of that trip, the agenda for the Italian part of the trip was worked on jointly between the Department of Industry, Trade and Technology and the Office of Multicultural and Ethnic Affairs. This year I led a small trade mission to the Fiera d'Oltremare in Naples that, essentially, was organised under the auspices of the Office of Multicultural and Ethnic Affairs, although with some assistance from the Department of Industry, Trade and Technology.

Likewise, we are already canvassing for next year businesses in the Australian community that have interest in Greek business, particularly the Hellenic Chamber of Commerce South Australian Chapter. We are looking to organise a small trade group to go to Thessalonika Trade Fair held in September each year, and there have also been contacts by the Chairman with other country-specific chambers of commerce including the Chinese, the Dutch and the Arab-Australia chambers. In addition, in October this year the commission will hold a meeting, at which I will be present, with representatives of the consular corps in South Australia, the principal purpose being to discuss ways in which the commission can assist in the enhancement of trade contacts between South Australia and the countries that they represent, either on a full-time basis or as honorary consuls.

Mr INGERSON: The Program Estimates (page 154) refers to the establishment of a three year corporate plan as far as the commission is concerned. Can the Minister advise what stage that is at?

The Hon. Lynn Arnold: The corporate plan has been some time in drafting, and I have been able to see some copies of it. In fact, it has been publicly released and distributed to many community groups. Indeed, I understood that it had been circulated to members of Parliament as well. If any member of Parliament has not received a copy of it—and I am not sure that the honourable member has—I will be happy to forward a copy. At this stage we are waiting for a response to that document, and I will ask Trevor Barr to comment.

Mr Barr: The corporate plan was published first in draft form with comments sought from the community. After these comments had been received the commission made some variations and incorporated changes into its plan, and it is now a three year plan from July 1990 to June 1993. A plan once set is not immutable and the situation is that, under the general framework of this corporate plan, work plans are set forth each year, depending on the resources that the office of Multicultural and Ethnic Affairs has to devote to the particular objectives and strategies that the commission has outlined. This document is expected to have a life to June 1993, but the work each year will be put before the commission as resources are available to enable tasks to be undertaken.

Mr INGERSON: I refer to the South Australian Multicultural Forum. In the projections for this year it states that the department will continue to promote and provide support to the forum. It has been put to me by several people that the forum is a very elite group of people who have an opportunity to meet, wine and dine at the commission's expense. Will the Minister comment on that and say what direction the forum is taking?

The Hon. Lynn Arnold: I am interested to hear that comment by the honourable member as it does not reflect the comments that I have heard about the forum, which was established to provide a venue whereby representatives of the community at large, particularly those in significant positions in the broader community, have a chance to hear about issues related to multiculturalism. It gives an opportunity for those members to meet together, hear individual guest speakers or discuss issues from month to month and digest the information forthcoming. People give their time on a voluntary basis and in many cases give a significant time commitment, given the many other things they have to do. The fact that we offer them some hospitality should not be seen as a drain on the commission's budget but rather simply as a way of paying some recognition to the fact that they are giving up time from their otherwise busy schedules.

The forum is an informal association of 55 people, both men and women. Its senior and executive decision making positions are drawn from Government, the judiciary, the clergy, business and industry, academia, unions, media, and community organisations. It meets monthly to hear about and discuss issues in multiculturalism such as the recognition of overseas skills and qualifications, tourism in a multicultural society, or any number of issues. It meets quarterly in an ethnic community setting, such as the Ukrainian Association, Fogolar Furlan Club, the Russian Hall or any number of venues. Its chief role is to be educative, with members experiencing a change in knowledge and attitudes. It is also there in an advisory role to the commission on certain issues. As I have identified, it is funded by the South Australian Multicultural and Ethnic Affairs Commission and supported by a consultant whose contract is on a part-time basis.

The forum has been subject to review. That review has come forward to the commission—and I have seen copies

of it—and it suggests that the forum should continue for another two years. It makes some suggestions as to change in membership and we are in the process of examining suggestions made on both the number of people and on individuals who could be invited to join that commission. It gives an opportunity for a wide spectrum of people from the community at large not only to be exposed to the issues important in multiculturalism but also to visit a range of clubs and venues which they would otherwise not have had an opportunity to visit.

Mr INGERSON: There is no expenditure line for the forum. What is the yearly cost of providing support to the forum?

The Hon. Lynn Arnold: The annual budget is about \$20 000, of which \$12 000 is for the consultant. The actual figure for the last financial year was \$20 392, \$392 of which was in excess of budget. The consultant received \$13 126 and other amounts included entertainment of \$6 354, motor vehicle hire \$123, printing and stationery \$85, sundries \$287, taxi fares \$21, and interstate travel expenses \$397.

Mr INGERSON: I refer to the Overseas Qualification Skills Board. This is probably the one single issue about which I am asked more than anything else as the shadow Minister of Ethnic Affairs. Many people experience difficulty in having their qualifications recognised. Will the Minister advise what advances have occurred in the past 12 months and say what he sees as the principal direction for this board in the next 12 months?

The Hon. Lynn Arnold: The honourable member will know that we have led Australia in what we have done with the establishment of the unit back in 1987, the expansion of the unit in 1989 and the establishment of the board covering overseas qualifications in 1990 under the chairmanship of Lyall Fricker. That whole process is now under review and I will be announcing in the next few weeks a review process that will examine what has happened in the past two years since the expansion of the unit and the creation of the board. That review will examine existing legislative arrangements and advise on what should be happening in future. I anticipate the review taking some months to complete and that will give us the directions that we should be following next year and beyond.

The issue is very important and we ought to be ensuring that we are providing not only a point of contact for those who feel aggrieved in the area of recognition of their qualifications to obtain information on where they should go (as provided essentially by the unit contained within the Office of Multicultural and Ethnic Affairs) but also an opportunity to challenge those bodies that have responsibility for accrediting or certifying professional, para-professional or technical occupations and the way in which they are going in ensuring that they are justly determining whether a person has skills that can be practised in the community or determining what top-up arrangements may be necessary. A person may have comparable skills in many respects, but the skills may not be attuned to the operating skills of this country, in which case they may need some top-up or modifying course arrangement. Alternatively, they may not be fully up to the standard that we expect in this country and may need top-up arrangements. That should not be the responsibility of the office or the board but rather of education and training institutions or possibly even employers.

One of the things that I have been concerned to see is that the board should be challenging different areas of Government, State and Federal, about recognising their responsibilities in providing training opportunities for others and in challenging professional associations. Some associations have taken a very good lead in this regard. The Institute of

Engineers is but one that has been significant in this area. It has led the field in terms of recognising that it has a professional responsibility to look at the translation into Australian circumstances of engineering skills that people trained overseas have brought to this country. I congratulate that association and can only hope that other associations will pick up the lead. We are in the process of reviewing it. I hope to have a report by the end of this year. The present term of office of members of that board expires in 1992. It is anticipated that there will be a continued commitment by the Government to overseas qualifications and the recognition for change. The nature of that will depend on what the review process comes out with.

It is not to be seen as a cost saving review process but rather as defining that we are doing things in the most appropriate way. During the past year, the overseas qualifications unit held 1 165 client interviews that assisted 788 clients (359 women and 429 men) with information, referral, counselling and advice regarding the recognition of their qualifications, retraining and associated income maintenance, work experience and employment opportunities. In addition, comparative assessment of qualifications was provided for 432 clients.

Mrs HUTCHISON: What is the situation with regard to the promotion of language policies in trade, tourism and economic development?

The Hon. Lynn Arnold: First, I made the point that the appointment of the new chair recognises that a multicultural society has many different aspects including a broader economic development aspect, and that we should be taking advantage of many of the connections that Australians of birth or decent from many different communities have to offer. That is one area on which we are working at present through specific country chambers of commerce, and by encouraging various groups from different parts of the world to establish contacts with South Australia. A number of regional authorities have been invited to send representatives to visit South Australia to learn more about the place to which some of their own people came to settle and also to examine areas in which cultural contacts can be built up and other forms of arrangements. It is pleasing to see that a number of regions of Italy are expressing interest in participating either in the Italian festival that is to be held later this year or in future festivals.

Mrs HUTCHISON: What support has been provided to local government associations and local councils on multicultural projects, and what sort of projects have been funded or looked at?

The Hon. Lynn Arnold: I will obtain a breakdown of the actual allocation of grants under various agencies of Government relating to different communities within South Australia. Over the past two years, about \$3 million has been allocated by the various Government agencies to community groups, some of which include groups sponsored by or even directly part of local government. The most important issue at this point is the consequence of or the follow-up to the report of the Local Government and Ethnic Affairs Task Force. As a result of that report, the Office of Multicultural and Ethnic Affairs has been involved in three local government projects. It has provided assistance to a project undertaken by the Local Government Association of South Australia to develop multilingual leaflets and the preparation of a supporting document entitled 'Leaflets in Lots of Languages'. The leaflet entitled 'Your Local Council Working With You' has been distributed in eight languages to all councils.

The office has also assisted the association and five councils involved in a local government migrant access project.

Further, a series of access and equity workshops was run jointly by the office and the association on the following topics: multicultural town planning; community services and ethnic affairs (mainstream or marginalised); developing a multicultural library service, and multicultural issues for council offices. I found particularly interesting the document relating to the development of a multicultural library service. I have referred that document to my colleague the Minister of Education asking him to draw it to the attention of librarians in the education system because those very same principles ought to be applied in school libraries.

Mr INGERSON: What involvement has South Australia had in the national arena of the development of State immigration settlement strategies?

The Hon. Lynn Arnold: The Government has been very concerned that for some time South Australia has not received its share of the migrant intake into this country. Our population share is 8.7 per cent, yet in recent years South Australia has received about 4.6 per cent of the new arrivals to this country. Those figures differ a little from program to program. For example, in the area of refugee settlement we receive 8.5 per cent of refugees coming to Australia, and in the area of business migration we were receiving about 7 per cent.

However, in areas such as family reunion and skills migration our figure was very low indeed, giving an overall average of about 4.5 per cent. We have aimed to double that figure to about 9 per cent and, in doing that we have not been attempting to suggest that there should be a separate migration policy for South Australia from the rest of the country: rather, we have been focusing on those issues that will make people aware that South Australia is a viable destination in which to settle. We can do that by, first, working with overseas immigration officers to make them aware of the opportunities available in South Australia; secondly, by working with companies in South Australia which, when looking for people to overcome skill shortages, may consider the skills migration program; and, generally, by looking at ways of improving the flow of people to South Australia.

That will involve a research component. The Bureau of Immigration and Research, following advice from its South Australian reference group, which was convened by the commission, commissioned a study to investigate the factors associated with the settlement location chosen by immigrants in general and by those who settle in South Australia, Tasmania and Western Australia, in particular. South Australia and Tasmania have received a disproportionately low share of immigrants over the past decade or two, while Western Australia has been recording a disproportionate gain in immigrants. As a result of this referral, the bureau is planning to commission a follow-up study of the destinations of prospective immigrants to Australia.

The Government has established a settlement unit largely within the Department of Industry, Trade and Technology under the control of George Klein, but some resources have been transferred to the Office of Multicultural and Ethnic Affairs. The role of the office in that whole process is: the provision of information and referral services; the provision on arrival of interpreting translation services on a fee for service basis; consultancy support in relation to language and information services within general programs; advice, referral and counselling to assist qualified persons from overseas to gain recognition of their qualifications; the provision of advice and resources to assist the organisation and development of social support networks within ethnic communities; the provision of public education and other measures promoting community understanding and acceptance

of diversity; the implementation of measures to remove and redress discriminatory practices in institutional, employment and service areas; and the enhancement of Government and non-government organisations' planning and delivery of responsive community-based development and services. In addition, the office is a member of the Commonwealth-State Migration Committee (COSMIC), which includes DILGEA representation as well.

Mr INGERSON: It is the intention of the commission to develop a multicultural skills register: has that work begun and why is it intended to develop that register?

The Hon. Lynn Arnold: One of the issues built into some legislation—certainly into the Act covering the South Australian Multicultural and Ethnic Affairs Commission and other legislation such as the Act covering the Children's Services Office—is the recognition that membership of boards should reflect the multicultural nature of Australian society. One of the problems for agencies appointing boards is having available to them a pool of people who may have the skills to be able to contribute to the board they wish to appoint. The question of the appointment of Government or statutory authority boards is never easy if it is intended to pick up all the necessary issues. If we are to see that boards in general reflect the multicultural nature of Australia, we need to be able to say that we can identify people who not only reflect that multicultural nature of South Australia but also have the skills needed to fit the particular charter of the board in question.

So, in as much as there has been what is referred to as a 'talent bank' in the area of providing names of women with suitable capacities for appointment to different boards, likewise there is a suggestion that the same could happen in the multicultural arena. So, at this stage, the multicultural skills register is still an embryonic concept, but one that is designed to address that. It would be used to provide a list of options to external agencies for selection of persons to a board or committee. It would also be used by the commission to provide nominations to a board or committee when the commission itself is invited to put forward a nomination. Of course, the availability of the register to decision making will be limited by confidentiality considerations. A database will be developed to help to clearly identify and to sort information. The current situation is that a draft nomination form has been developed and consultations with other agencies are in progress.

Mr INGERSON: It is mentioned in the document that the commission will continue to support the volunteer ethnic information network. Will the Minister advise what that continuing support is and at what cost?

The Hon. Lynn Arnold: The volunteer ethnic information network is comprised of individuals who feel they have a role to play in helping those principally of non-English speaking background to get access to information to enable them to participate in the wider community. They work on the principle that if someone is not able to understand something in the community around them, or cannot communicate their own views to the community then they are not fully able to participate and are the subject of a form of discrimination. It also recognises that very often it is at the volunteer level that this service can best be provided.

We have had a series of training courses, which have been organised and coordinated by the Office of Multicultural and Ethnic Affairs. Very recently I had the opportunity to award some certificates to participants in a program organised by the office in conjunction with the southern multicultural network. Some 22 people received various certificates at that time. In fact, that was the fifth program undertaken. To date, 110 volunteers have been trained

through those programs. Each of the programs has been of about 10 weeks duration on a part-time basis. However, it is of a fairly hefty duration—something like 40 hours of course work is involved—and the participants are exposed to a wide variety of information about different areas of Government or community agency work. Those officers will then be located at various information centres and premises of agencies, ethnic clubs and organisations to assist their respective community members with the provision of information.

A review of that program, completed in November 1990, found it to be successful and that is why the program has been continued into this year. The essential cost contribution will be by means of meeting the cost of those officers of the Office of Multicultural and Ethnic Affairs who are working on that program, and that amounts to about .1 per cent of one officer's time. The officer is Achilles Prinos. However, we will have officers from other groups, so other agencies are also contributing resources.

Mr INGERSON: I refer to grants made by the commission to associations or ethnic communities. Will the Minister table a list of those grants so that we can see which communities, in essence, have received Government grants in the past 12 months?

The Hon. Lynn Arnold: We are building up a list of those groups that have received grants from various Government agencies. As I mentioned before, that figure is about \$3 million over the past two years. We will provide a breakdown of that figure in the supplementary *Hansard*. I deliberately make that point, because there has been some criticism as to why the figure under the Office of Multicultural and Ethnic Affairs is only \$80 000 and that figure has not increased. In fact, the view that the Government takes is that we should see all areas of Government, recognising that we are in a multicultural society, and therefore some of the grants should go to groups whose particular charter is to help build that multicultural element. As I said, that figure ends up, over two years, at about \$3 million.

Mr INGERSON: As a community we would be more interested in the totality than having to explore every department, so we accept that.

The Hon. Lynn Arnold: We will provide all of it.

The CHAIRMAN: There being no further questions, I declare the examination of the votes completed, and I thank the Minister's officers for their attendance.

Agriculture, \$76 837 000
Minister of Agriculture, Miscellaneous, \$8 603 000
Works and Services—Department of Agriculture,
\$11 047 000

Chairman:

Mr M.J. Evans

Members:

Mr M.J. Atkinson

Mr G.M. Gunn

Mrs C.F. Hutchison

Mr E.J. Meier

Mr J.A. Quirke

Mr I.H. Venning

Witness:

The Hon. Lynn Arnold, Minister of Agriculture.

Departmental Adviser:

Mr K. Dingwall, Chairperson, SAMCOR

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

Mr VENNING: I have a very basic question in relation to the performance of SAMCOR. We have had a difficult time with SAMCOR. What is its trading situation? Is it getting its act together? Is the future of SAMCOR looking rosier than it was when the Minister had to make his statement about nine months ago, when he was not exactly happy with its performance?

The Hon. Lynn Arnold: The announcement I made last year was that we really did have to see major changes. We announced the appointment of a new board under a new chair. As Minister I am enormously pleased with the progress that has been made. It has not been easy; many difficult issues have had to be resolved, and there are further difficult issues to be resolved. We will endeavour to do that in the most appropriate way possible. However, the bottom line result, which has to be important to the Government, was that SAMCOR had to be significantly breaking into profit within a five year time frame. Indeed, we have been monitoring that progress year by year.

Remembering that SAMCOR lost \$1.7 million in the previous financial year, it was important to show that the trend could be different from that. I pay a tribute to the work that has been done by the board, under the chairmanship of Ken Dingwall, the General Manager and staff and all employees of SAMCOR. Each of those parties has from time to time had differences of opinion on certain matters, but in the final analysis success will be the teamwork approach, because everyone realises that there has to be a bottom line that sees SAMCOR operating profitably or it does not operate.

Mr Dingwall: In the past 12 months SAMCOR has converted the previous year's loss of \$1.7 million into a profit of \$220 000 at the end of June this year. That is a preliminary figure, but we have just about completed the Auditor-General's audit for the corporation. The preliminary result of that audit indicates that the profit will be better than the preliminary profit of \$220 000. We have made certain provisions which have been a little in excess of what is necessary for the year, so some of those provisions in long service and holiday pay will have to be written back and will increase the profit.

Some general non-specific provisions have been put aside in previous years that the Auditor-General feels are unnecessary. Subject to the board agreeing, we will write those back as abnormal profit, not having been provisions set aside in the past 12 months. The turnaround from the previous year is about \$200 000. That in itself is not a satisfactory return on the funds employed at SAMCOR by any means, because we have total assets employed of \$13 million to \$14 million. Obviously \$200 000 or \$300 000, as it will turn out to be, is inadequate in any commercial sense.

SAMCOR has made a number of improvements during that period. We started the year with about 450 or 460 employees. That figure has been reduced by 80 during the year. Many of those were casual employees. Any permanent people who were leaving have not been replaced. It has been across the board. It has not just been AMIEU employees who have gone; there have also been staff and maintenance people. That is the program that we have set.

Most of all, we struggled and had many negotiations with the meat union during the year in respect of going on to what we believe is the appropriate award to get the right

productivity and efficiency in the operations at SAMCOR. That created a number of disputes, mainly between January and July, which had an effect on the bottom line as well. However, early in August the final breakthrough came and we entered negotiations with the unions. We now have a new Federal award which is equivalent to the best award in Australia. It puts us on competitive terms with other meatworks in the country and specifically, when we need to compete on a fee basis against the largest two abattoirs in South Australia, we are on similar award conditions as from 12 August.

We have budgeted for a substantial further improvement in the current year, but that is subject to having sufficient livestock input from the farming community. The first two months of this year have been a little lower than last year with livestock turnoff being below what is normally a low part of the season from July to September. However, the numbers of livestock have certainly turned towards the better and volume is starting to appear in the second half of September. We believe that our current budget is sustainable.

Despite all the disputes that we had with union employees coming on to this new award, they have certainly approached the task very well in the past 3½ weeks. Within two weeks they were on the new award tallies and they were all working well as a team. That is a significant breakthrough in what has been one of the major deficiencies in SAMCOR's operations over a number of years. We are hopeful, as a board and management, that the worst and hardest part of SAMCOR's difficulties have been overcome. There is still much fine tuning to be done. There are many areas in which we can still do better. We need to induce further clientele to the abattoir to utilise the surplus capacity that we still have. Much of this through the year was and can be attributed to the fact that we appointed a new General Manager in October last year—a very experienced operator in the meat industry—who has built up a very good supervisory team below him and spent a lot of time educating and training those people to turn it into an efficient operation. I think that a lot of the better results that have been achieved can be attributed to the efforts that have been put in by the management and supervision over these past nine months particularly.

Additional Departmental Advisers:

Dr J. Radcliffe, Director-General, Agriculture.

Mr R. Srinivasan, Director, Corporate Services.

Mr R. Evans, Principal Officer, Poultry.

Mr G. Broughton, Manager, Rural Finance and Development.

Mr M. Holmes, Ministerial Liaison Officer, Department of Agriculture.

The Hon. Lynn Arnold: Mr Chairman, is it appropriate at this stage to read some other figures into *Hansard* by way of follow on to a question that the shadow Minister asked a couple of weeks ago about the numbers of people who had received rural assistance, particularly with respect to the new program under part B?

The CHAIRMAN: Does this relate to a question in the House?

The Hon. Lynn Arnold: Yes; but at the time I said this should come under Estimates, and the actual figures were not available to me immediately.

The CHAIRMAN: Are they available to be circulated.

The Hon. Lynn Arnold: These figures, which I can read out, might enable members to ask questions later if they have this information as quickly as possible.

Mr MEIER: The Opposition does have some questions on rural finance development later.

The CHAIRMAN: It would probably be better if that document could be circulated. It will not form part of the official record. It will be for the convenience of members to refer to it.

The Hon. N.T. PETERSON: Is the Minister aware that Australian National and a private operator have a proposal to alter the rail shunt system serving container depots; that is, freight bases, STL and Wooldumpers in Port Adelaide? I mention those three because they were in existence prior to the 1975 agreement. Since the inception of containerisation in 1979, the rail service has been into and out of the container depots and Wooldumpers. I believe that on 1 October this year this system will change significantly. I raise this because wool is obviously an agricultural product. Will Wooldumpers have to pay a significant surcharge for rail wagons going into and out of its depot? In a secret deal between AN and a private company operating a depot at Gillman a rail siding is being constructed parallel to the Grand Trunkway at Gillman to handle all import and export containers for depots.

This became public knowledge only when work was under way and bulldozers were consolidating the site. While on costs for all containers under this system will be significant, I believe the impact on the export of wool will be significant and so I bring this matter to the Minister's attention.

When Wooldumpers was originally set up, the depot was constructed to use the long rail siding on site for container traffic into and out of the depot. The whole system was structured to use it as a container storage area. When the facility was built it was accepted that that was the way it should be.

The system involves the empty containers on the rail being shunted into the depot. They are then stored, and loaded and put back. The system is effective and economical and allows the wool facility to work the extended hours that are necessary at times of huge volumes of wool.

The new system involves the rail load of empty containers being lifted off the Grand Trunkway onto road transport and taken to Wooldumpers. They will be lifted off the road transport and put on to a stack. They will then be lifted out of the stack to be filled and then lifted to the stack or transported back to the siding and on to a stack or on to rail.

Obviously, the on cost will be significant. This change in procedure will cause unnecessary handling, delay and undoubtedly it will cause a great increase in the cost of all goods, but particularly in respect of wool. The present system is probably as effective and efficient as possible, but under the proposed change the cost to all rural producers of wool will increase, as will be the case in respect of exporters of wool.

This system seems to be the result of a bureaucratic act by AN through a private and secret deal with an operator in Port Adelaide who will put on and lift off all container transport in and out of Port Adelaide at considerable on cost and it must create a threat to the transport hub concept pressed strongly by the Government.

The Hon. Lynn Arnold: The honourable member raised this matter with me earlier and the Government and I share that concern, because it is an important matter. We see that from 1 October the impact of the changes that have been put in place will be varied. On the one hand, there might be reductions of up to 36 per cent available, which is certainly good news, but there is then the possible prospect of increases of up to 28.9 per cent, which would have

significant implications for the transport hub proposal that we are pushing strongly.

As a result, the Director of the Department of Industry, Trade and Technology wrote to the Managing Director, Australian National, on 12 September this year. While it is a long letter, I will cite some of the main points as follows:

A number of matters have recently been brought to my attention which, despite Australian National's support for the Adelaide transport hub, seems like to impact negatively on our joint efforts. Specifically I refer to:

The proposed development of a rail-road container transfer facility adjacent to the Grand Trunkway at Gillman;
Recently announced interstate container price increase which could impact adversely on our competitive position.

I have had a number of people make representations to me and from those discussions as well as public information from AN, I understand that the block train facility is proposed to commence at Gillman on 1 October 1991. I believe that this means that rates will be increased above present levels for those that use it, and significantly increased for those that opt for the current *modus operandi* of delivery of containers into their private sidings by direct rail movement.

I also understand that Charlick Trading is proposed as the operator of the facility and would have exclusive rights to deliver containers from the facility to the depots at the proposed new rate. Clients that might wish to use their own carrier for pick up and delivery would be permitted to do so, but at additional cost.

I gather that this proposal has arisen from Australian National's wish to reduce its shunting costs to the depots and private sidings. I am told that the facility will involve the following cargo handling steps for a block train of 36 wagons with up to 108 (bcu) containers:

- lift off of container from the train
- placement on the ground
- lift on to truck
- truck exit from facility to depots close by
- truck stop at the depot gate whilst paperwork is processed (notwithstanding any queues that may arise from up to an extra 228 truck movements a day)
- lift off of container from truck
- truck stop for check at depot exit
- truck return to block train facility.

In contrast, receipt of the train direct to the depot requires breaking up of a block of wagons, shunts and local delivery whereupon the depot operator lifts the container direct from rail to stack or on to despatch truck direct to the client.

In view of the importance of private sidings to firms that established their operations around them, in the belief that they would gain cost benefits, it seems appropriate for us to study this matter jointly, particularly if as a result of AN's proposed policy increased road traffic to block train facilities were to result.

The establishment of the facility at Gillman appears to detract from our efforts to promote Outer Harbor and Islington as the two key intermodal centres for sea/rail and road exchange. Moreover, it has been suggested by various members of the business community that the move is aimed at promoting increased container trade through the ports of Melbourne and Fremantle rather than Adelaide, and that discriminatory pricing is to be applied. They also perceive the recent significant AN price increases for interstate and overseas containers to and from Outer Harbor as discriminating against hubbing of containers through Port Adelaide. I personally hope that these observations are not correct. Certainly, they could be damaging in our joint efforts to achieve hub objectives, particularly while we are negotiating with major operators who are considering hubbing international container cargo through Adelaide.

I suggest that we set up a team under the aegis of the hub task force to examine the best ways of achieving AN's commercial cost reduction needs while simultaneously strengthening Adelaide's competitive position as a hub. If we did that we could all benefit from the joint announcement that such a review is under way and invite input from interested parties. In those circumstances, I would request that the establishment of the Gillman facility and rate increases be deferred pending the outcome of such a study.

I am sure you will want to discuss this further and very much hope that you are able to give a favourable response on this matter.

That letter was sent on 12 September, but we have not yet had a response. That response will determine what further action we need to take as a Government. I will certainly keep the honourable member informed.

The Hon. N.T. PETERSON: The Minister's comments are correct. I was involved with containerisation in 1979 and I believe that a single depot/outlet concept cannot work. Is there any protection afforded to present operators under the 1975 railway agreement? Was there any consultation by arrogant AN or the bureaucrats concerned, or did they simply go ahead?

The Hon. Lynn Arnold: I understand that, if there were to be consultation under the 1975 Railway Agreement, it would be with another agency and Minister. I will take that question on notice and see whether there was consultation. I will then be able to answer 'yes' or 'no' to that. I am advised that we did not receive advice from the Federal authorities, which does concern us, because they have well known about the transport hub concept—especially AN—and it would have been reasonable to let us know of those changes.

Mr MEIER: The member for Custance had a question about SAMCOR when the relevant officer was present, and I would like to begin my line of questioning in relation to the egg industry. In Parliament on 12 September the Minister made a significant statement indicating that, in the final analysis, the egg industry would see deregulation occur to a greater or lesser extent by the beginning of July next year. I believe that that statement and its implications impinge on the financial considerations for this State and, in particular, for the agricultural sector as a whole. What was the salary of Mr John Feagan at the time he resigned as Chairman of the board, and what is the salary of the new Chairman, Mr Trevor Kessell?

The Hon. Lynn Arnold: The salary of John Feagan was \$35 000 a year plus a car. The decision was that the new Chair would not be employed on the same basis as the previous Chair, given the changing circumstances. I am advised that Mr Kessell is eligible for a Chair's fee of \$8 500, but the question of extra fees is to be determined in the light of extra duties, given the particular phase that the board is now going through with so many things happening such as the separation of the commercial activities and the green paper that, the Government's anticipates, would lead to deregulation of the industry.

Mr MEIER: It is an interesting drop in salary from \$35 000 plus a car to \$8 500 plus extra fees. The Minister may be able to indicate whether those fees would bring Mr Kessell's salary closer to \$35 000 or whether they would be far less than that. Further, in relation to Mr Kessell's appointment, is it a full-time or a part-time position, and was Mr Feagan's position full-time or part-time?

The Hon. Lynn Arnold: Mr Kessell's position is part-time. The supplementary fees will not take his total package close to John Feagan's remuneration. John Feagan's position was equivalent to about three days a week, but Trevor Kessell's will be less than that.

Mr MEIER: Will the Minister explain the procedures that led to Mr Kessell's appointment?

The Hon. Lynn Arnold: First, we have the separate issue of the major changes in the egg industry, which have been foreshadowed for some considerable time. I spoke to the industry a few months after being appointed Minister of Agriculture, and I told them that my view was that the industry had to prepare itself for deregulation. Members will recall that that was the time when New South Wales had, with very short notice and with use of taxpayers' subsidies, deregulated its industry. I indicated that it was not possible, nor was it the intention of the Government, to introduce heavy subsidies into the South Australian egg industry but that we should all plan for a deregulation time

frame that might take two to 2½ years and, consistently since that time, I have been indicating that.

Various processes have been gone through, one of them being the board recognising that the viability of the South Australian egg industry would be advantaged by trying to achieve economies of scale in the grading operation of eggs in South Australia. That involves trying to bring together as much of the grading capacity into one operation as possible, and that is being further worked on now.

Secondly, there is the recognition that the board itself would be changing in its regulatory regime. A few weeks ago John Feagan advised me that, for family and personal reasons, he wished to tender his resignation effective from the end of September. On that occasion I thanked him for the work that he has done, the advice he has given me, and what he has done to face the serious challenges facing the egg industry. I then sought advice from various sources as to a replacement Chair. In the process of that I indicated that we wanted somebody who has had private sector expertise and who might be able to bring a fresh look at the issues facing the egg industry, especially as the Egg Board faces deregulation and is facing the recognition that its commercial activities need to be separate from its regulatory activities. The outcome of that process saw Trevor Kessell's name suggested. I took his nomination to Cabinet, which accepted it, and we are very pleased that he has been able to accept the position, as he brings significant experience to it.

Mr MEIER: Does the Minister recall whether it was specifically his department that put forward the recommendation for Mr Kessell or was it from some other source?

The Hon. Lynn Arnold: The name probably came from the department itself.

Mr MEIER: Before Mr Kessell's appointment to the Egg Board, did the department seek information from Westpac about the reason for Mr Kessell's departure from the bank and, if so, what did the bank have to say?

The Hon. Lynn Arnold: The information we sought was from a former manager of Westpac who is presently serving the Government in another capacity. Mr Brian Annels is serving as Chairman of the Ministerial Advisory Committee on Rural Assistance.

Mr MEIER: When did Mr Kessell leave the Westpac Bank and for what reason?

The Hon. Lynn Arnold: I will ascertain that information.

Mr MEIER: Is Mr Trevor Kessell the same Mr Trevor Kessell named in a report published in the *News* of 3 October 1990 arising out of a court case relating to fraud charges in which it was alleged that Mr Kessell had set up the wife of a man charged with fraud by inducing her to sign her name on a mortgage document under a falsehood? The *News* report of October 1990 stated that a builder was found guilty of forging his wife's signature on a mortgage document and that a Mr Trevor Kessell, then manager of Westpac's South Australian and Northern Territory Business and Development Division, induced her to put her own signature on the document to make it legitimate and to allow the family home to be used as security for the builder's business.

The Hon. Lynn Arnold: I am very concerned at this line of questioning. I would have thought that if the honourable member had some doubts in his own mind about whether one person was the same person referred to in other allegations, he would not have chosen a public forum such as this until he was certain of his facts and that he would have taken the opportunity to consult with me as Minister. He has been offered the opportunity to do precisely that. This forum is for debating the financial matters and affairs of

the Government and I am here with my officers to answer such questions.

Allegations have been made in recent days about the person whom I have appointed to head up the Egg Board and, given that the matter has now been quite scurrilously raised in this Committee, I will put on record the facts of the matter as I have been advised. Information that would have been made available to the shadow Minister, had he chosen to speak to me privately about the matter (as I was aware that some people in the community had raised these concerns), comes from a couple of sources and I will read it to the Committee. One is from the Secretary to the Attorney-General who states, in relation to Mr T.K. Kessell, JP:

I have it on information from the Police Department's Fraud Task Force that there is no evidence at this time that Mr Trevor Kenneth Kessell has committed any offence. There is an ongoing investigation into allegations concerning a company known as Huxholl & Reis Pty Ltd. There were originally two main areas of investigations involving this company in which Mr Kessell featured. One of these has been disposed of without reflection on Mr Kessell, but did result in charges against another person.

The second depends on a number of factors and is yet to be determined. However, I had it on advice yesterday—

and the memo was written today—

from the Fraud Task Force that, while Mr Kessell's signature does appear on some documents in relation to this matter, there is nothing to indicate that he witnessed anything fraudulent.

In addition, I have further information from Detective C.P. Spencer to the Director of Investigations of the Corporate Affairs Commission and he states:

The undersigned is currently the investigating officer of allegations concerning a company known as Huxholl & Reis Pty Ltd. Allegations of misappropriation of funds, forgeries and other doubtful activities relating to that company have been made by a director of the company, Barbara Gesine Reis. The allegations primarily concern one of the other directors of that company, Joachin Huxholl. He is presently on bail awaiting committal proceedings due to commence on 1 October 1990 for forging and uttering a memorandum of mortgage. Mr Kessell is a witness for the prosecution against Mr Huxholl in the above matter. Mrs Reis alleges that in addition to Mr Huxholl, other persons are involved in these activities, including Mr Kessell.

The allegations against Mr Kessell are basically that he is either involved directly with the illegal activities alleged or was aware of the activities and has assisted others by signing documents related to various transactions. The allegations are broad and unsubstantiated at this time. To date, some of the broad and unsubstantiated allegations of Mrs Reis have failed when investigated. The charge against Mr Huxholl is actually the result of Mrs Huxholl, his wife, contacting the undersigned to report the forgery.

The allegations against Mr Kessell will be dealt with in the normal course of investigation. It is worth noting that Mr and Mrs Reis and Mr and Mrs Huxholl are the subjects of court action by the Westpac Banking Corporation to obtain possession of their homes. As Mr Kessell is the Westpac Bank Manager who signed various documents relating to the bank's action, it is to their advantage to create doubt over the authenticity of the documents.

I come back to the memorandum from the Attorney-General's Department dated today and repeat two points, namely:

One of these has been disposed of without reflection on Mr Kessell but did result in charges against another person—
and—

... Mr Kessell's signature does appear on some documents in relation to this matter, there is nothing to indicate that he witnessed anything fraudulent.

I would have appreciated the honourable member's seeking that information from me privately to avoid the scurrilous allegations being brought into the public arena.

Mr MEIER: The Minister will appreciate, as all members would appreciate, that his statement to the House on 12 September was very significant for the egg industry and for this State. It was significant in the sense that the industry was to undergo the biggest change that we have seen in the

years since the last world war. Because of possible ramifications to egg producers and to South Australian consumers, it was absolutely essential that any restructuring ensure that it had the complete confidence of the egg industry as a whole and of those involved at managerial level over many years. I therefore believe that the industry wants assurances and that the Minister was well aware that he had to ensure that Mr Kessell was a fit and proper person to take up the appointment of Chairman of the board.

Further to the Minister's comments that he has related up to October 1990, has he or his department undertaken, prior to Mr Kessell's appointment, any further inquiries into Mr Kessell's activities? What has been Mr Kessell's employment situation since leaving Westpac?

The Hon. Lynn Arnold: I repeat what I said a moment ago. I read into *Hansard*, dated 24 September 1991, a statement from the Attorney-General's Department based on information from the Police Department's Fraud Task Force, and as I read previously:

... there is no evidence at this time that Mr Trevor Kenneth Kessell has committed any offence.

I would have thought that it was appropriate for the matter to be raised privately so that unsubstantiated rumours could be dispensed with and substance dealt with.

Unlike members of the Opposition who, when they were in Government, did not as Ministers give due access to shadow Ministers to discuss matters, the honourable member will have to agree that I have not been a closed door to those wishing to raise matters privately in the better interests of this State. There have been many occasions when we have had productive discussions that have benefited the various commodity sectors of this State. Therefore, if the honourable member had wanted to raise this matter with me he would not have confronted a closed door. I can, therefore, only attribute the most dubious of motives to his raising this matter in this forum, which is about financial expenditure and not about unsubstantiated allegations about the new Chairperson of the Egg Board.

Mr MEIER: There is no question that we are referring to financial matters. I thought I made it quite clear that we are dealing with a multi-million dollar industry in this State, and that the egg industry needs to have complete confidence in any appointments made prior to total deregulation.

As a supplementary question, I ask what previous experience Mr Kessell has had at board level of any organisation which will particularly suit him for the challenging job of assisting in the restructuring of the egg industry in South Australia, enabling him to give confidence to producers on the financial viability of the egg industry.

The Hon. Lynn Arnold: I will obtain a copy of the CV—which I do not have readily to hand, but which I have seen—indicating Mr Kessell's significant experience in private sector business activities and in the essential questions facing the Egg Board and its commercial operations at the moment. The way in which the board will handle the future has very significant commercial questions attached to it, so we needed someone with private sector expertise. Trevor Kessell's CV indicated that he has that expertise, but for the information of the honourable member I will provide a copy to him.

Mrs HUTCHISON: I note from the Program Estimates that there has been a fairly significant increase in the allocation to the agricultural industries policy. There is also a note on the commentary of major resource variations to the effect that there has been an increased recurrent expenditure of \$8.8 million, which is largely comprised of an increase in re-establishment and household support grants and the provision of carry-on finance. Will the Minister

provide further information with regard to that significant increase and describe the way it is being used?

The Hon. Lynn Arnold: With regard to the agricultural industry's policy, the increase of \$8.5 million in proposed receipts is mainly due to an expected increase in Commonwealth receipts for rural assistance of \$11.6 million offset by a lower level of loan repayments by farmers of \$3.1 million due to low interest rates and an anticipated reduction in lump sum payments.

In the same area, the proposed capital expenditure has increased by \$4.3 million largely due to an increase of \$3.6 million for the proposed reallocation to the Waite campus, an increased RAS lending program of \$4.5 million, an offset by reduced principal and interest payments to SAFA of \$3 million, and a reduction in capital expenditure of \$700 000 for the rotavirus project. Under 'Capital receipts' the majority of the \$15.9 million decrease reflects the removal of \$19.4 million received in 1991 for the sale of land at the Northfield Research Centre to the Urban Land Trust offset by an increase in anticipated RAS borrowings through SAFA of \$3.5 million.

Mrs HUTCHISON: With regard to the recurrent expenditure of \$8.8 million being paid out in rural assistance for re-establishment and household support grants as well as carry-on finance, can the Minister provide details of how that money has been or will be spent?

The Hon. Lynn Arnold: Under 'Rural assistance' we have three broad areas: part A, which includes special farm adjustment programs and the debt reconstruction industry subsidy element; part B, the carry on finance debt interest subsidy component; and part C, the household support program, which enables people to receive some support pending the leaving of farming as an activity.

The budget for this year in respect of each of those areas provides: rural assistance part A lending \$15 million; rural assistance interest subsidy \$2.7 million; rural assistance part B interest subsidy \$3.5 million; and rural assistance part C \$6.6 million. These figures compare with last year's figures of \$20 million for RAS part A; \$2 million for RAS part C; and \$8 million for commercial rural loans. We did not anticipate last year that demand for part C funds would peak until the 1991-92 financial year; hence the significant increase in this year's budget.

Some questions have been asked about how moneys are allocated under this program. South Australia has taken a somewhat advanced view of this matter. We have not required people to commit themselves to leaving farming by signing a document when they receive this money; we give them time to think about it, although the essence remains the same. If they do not leave farming, that money is repayable to the fund; if they do leave farming it is not repayable and, subject to their residual capital assets they may be eligible to receive a removal grant.

Mrs HUTCHISON: One of the 1991-92 specific targets and objectives is to establish a farm planning service including property inspections and land capability based planning. Has anything been done to date with respect to that objective?

Dr Radcliffe: The department has established a farm planning service based in its Clare office. The hardware and software required to allow computer based drawing of farm plans is in place and is being put into operation. It is proposed that that group will initially do some planning in the local environment to get the equipment working and will then train staff from other parts of the State to be able to access the equipment, which will then be used as a State focus for a farm planning service for individual farmers.

That will be encouraged through the Soil Conservation Board's system.

Mrs HUTCHISON: Will the service that has been established in Clare be the only one in the country area?

Dr Radcliffe: All soil conservation officers will be able to access the hardware and software located in that particular office, which is located in an area which sees a substantial amount of soil conservation activity.

Mrs HUTCHISON: It is stated in the Program Estimates that an integrated program of research, training and service deliveries projects was provided for farm families affected by adjustment pressures and is continuing. Can some information be provided with respect to that program and the Rural Book that is also mentioned?

Dr Radcliffe: We have introduced a research program based on our rural affairs unit to try to get a better feel for the quality of projects we have been delivering. In particular, last year we carried out a major review of the rural adjustment coordinator's role. That research exercise established that the rural coordinators provide a very useful and constructive role particularly for farmers and farm families who are facing whether or not they should adjust out of agriculture.

The role of the rural adjustment coordinators is much more than just financial; it is also a role in terms of the future development of the family itself—whether it will relocate out of agriculture, what are the social and emotional pressures in the family, and so forth. The review, which was carried out for our Rural Affairs Unit by a trained sociologist, established the worth of that program and, based also on some of the responses we received, we have taken steps to change some of the ways in which we provide advice from the Rural, Finance and Development Division so that it is perhaps provided with a greater degree of sensitivity than may have previously been the case. That sort of research program has been very useful and it has impacted on the service delivery that flows from our various adjustment programs.

Mrs HUTCHISON: Do you have any figures on the number of people who have actually relocated out of the agricultural industry through that program?

The Hon. Lynn Arnold: We will take that question on notice.

Mr MEIER: Minister, in your statement on the egg industry on 12 September you expressed concern at the haste with which the board was then moving to acquire two metropolitan grading agents. You told the board that it should have sought your agreement prior to entering into contracts for the purchases. Information given to me indicates that the then Chairman, Mr Feagan, told the board that he had ministerial authority to proceed with the takeover of Red Comb and Pritchard's even though the Minister now says that he did not give that authority. Did Mr Feagan have your approval or not?

The Hon. Lynn Arnold: Two issues are involved here: the principle of the board's purchasing the Red Comb operation and the Pritchard operation and the question of the actual amount of settlement. It is correct that the Chairman of the board consulted with me on whether or not I was happy with the Egg Board moving in the direction of acquiring Red Comb and Pritchard's. Indeed, I indicated that I was happy for that to happen, because that was consistent with the working party report that had previously come to me and that had, itself, been the product of requests from the industry that we should have such a report to examine how the industry in South Australia could react to the New South Wales situation. However, that is quite different from the actual amount finally paid for the settlement. What the

Chair of the board told the meeting—and this is confirmed in the minutes of the board meeting—was that he had my concurrence, in principle, to proceed with the negotiations; what was not the case was the quantum of what was paid.

The figures that were quoted to me by the Egg Board were, in fact, less than the figure finally paid in settlement, and it was that extra amount that I did not approve. I was concerned that the board had followed that path and agreed to those figures to such a point where it was not possible, in practical terms, for those arrangements not to be concluded. My office indicated our concern about that process and that that should have happened. However, I stood by my support of the decision that the board should enter into discussions to arrange the purchase of both Red Comb and Pritchard's, remembering, of course, that we were dealing with a rapidly changing situation—there was the prospect that Red Comb might close its doors, which would have been a problem for the industry in South Australia. One responsibility the board saw itself as having was the maintenance of capacity for the grading of eggs in South Australia so that South Australian producers were not disadvantaged.

Mr MEIER: Page 330 of the Auditor-General's Report refers to the South Australian Egg Board as follows:

Regarding financial reporting and accounting, the audit review revealed that maintenance of financial records was in arrears and inhibited timely and effective management reporting of the financial position of the board and SAEG Limited.

It goes on to state that a report conveying audit findings was forwarded to the board in early July 1991. Is the Minister prepared to table any written advice that he or the Egg Board received from the Auditor-General's office?

The Hon. Lynn Arnold: The advice I have from the Auditor-General's office is what is contained on pages xi and 330 of the Auditor-General's Report. We have received no other advice directly from the Auditor-General, either to the department or to my ministry.

Mr MEIER: That is interesting because the Auditor-General indicates, as I said, that a report conveying audit findings was forwarded to the board in early July 1991. Is the Minister saying that this is actually the report?

The Hon. Lynn Arnold: The member's own words say where it went: it went to the board.

Mr MEIER: What is the current debt of the Egg Board and SAEG?

The Hon. Lynn Arnold: The Egg Board has the Treasurer's approval to work within a borrowing ceiling of \$2.5 million and it is presently at a level of \$2.4 million. A more detailed response can be provided as to the present situation. It is considered that the Egg Board will post a deficit of \$550 000 for the 1991 financial year. However, the Auditor-General has not completed the 1991 financial report, pending consideration of trading results for the July to October 1991 period. These trading results could affect the way assets are valued and also the 1991 trading results. Of course, that is reflected in some comments made on page 330, indicating that the results are in the process of finalisation. So, I do not have them.

Mr MEIER: It is probably not easy to gauge exactly what the debt—if we can call it that—will be. The Minister is indicating approval to work within \$2.4 million, but also an actual deficit of \$550 000. The industry has put to me that the real debt is about \$1 million to \$1.5 million. However, whatever the situation, assuming it is in excess of \$1 million, does the Minister acknowledge that the industry would face virtual collapse if it were asked to service the debt when the industry becomes deregulated next year? If so, what contingency plans does the Minister have in hand to overcome this problem?

The Hon. Lynn Arnold: I am not prepared to acknowledge anything of that sort. We are currently in the process of discussion about what should happen with the commercial operations of the Egg Board—I indicated that in my ministerial statement. We are offering the opportunity first of all to the producers to discuss with us how they might take over these operations. Indeed, the UF&S poultry section has appointed an interim executive to develop proposals for the transfer of the Egg Board's commercial operations to producers. Members of the interim executive are Michael Shanahan (Chair), David Heuzenroder, John Simpson, Stan Yoannidis, Mark Humzey, Geoff Munzberg, Michael Bressington and Stan Copeland. A preliminary meeting was held with the Egg Board on Friday 20 September.

From the point of view of the Government, I have appointed Mr John Shepherd from the office of Cabinet and Government Management, along with Mr Trevor Kessel and Mr Ray Evans, to facilitate negotiations for the Government and to consider the circumstances under which such a transfer should take place. However, I have indicated that those discussions should not limit themselves to only the assets; they have to acknowledge the issue of liabilities facing the Egg Board and its commercial operation as well. When I receive a report from the committee I have appointed as a result of those discussions further determinations will be made. If it is not possible for an effective resolution to be reached between producers and the Government, I will put the operations out for tender and determine what response we receive at that time. Again, I said that in the ministerial statement. If there is no satisfactory response to tender, consideration would have to be given to winding up those commercial activities.

Mr MEIER: As a supplementary, in relation to the Minister's last statement, if he should sell Keswick, what will happen to the \$300 000 building fund which producers have accumulated over the past few months with the shift of the grading floor from Red Comb into Keswick?

The Hon. Lynn Arnold: I accept that growers have a prior claim on the \$300 000 building fund levy. The Government's negotiating party is aware of my view on that matter, so when they enter into those discussions that amount would be quarantined out of any other figures.

Mr VENNING: As regards the Egg Board, one of my constituents is very concerned about his future and the future of people like him. This egg producer, Mr Johnson, from Napperby near Port Pirie, has spent thousands of dollars purchasing egg quotas with a reasonable expectation of a guaranteed income against those quotas. Is there anything in place that will assist people to descale this great debt?

The Hon. Lynn Arnold: I should like to know when he purchased the most recent of his quotas. Not long after I became Minister, when New South Wales took pre-emptive action, of which I was strongly critical and asked that it reconsider in view of the consequences for the South Australian egg industry, I had to acknowledge with the industry that we were on a time line to deregulation. I saw my purpose as making sure that was as reasonable a time as possible as I did not support a sudden deregulation of the industry. Those in the industry with whom I spoke at the time accepted that as being realistic. I also indicated that the Government would not consider compensation for egg quotas. I said one reason was that we were going to support a phased deregulation of the industry.

We are going back now to 1989 to a situation where, if all things ran as may be, it would be the middle of 1992. I think that is time enough for people to have made necessary adjustments. Anyone who bought egg quotas after 1989

would surely have had to be aware of that, because these were not hidden comments by me. I would much rather not have to be in this situation; I would much rather we had a stable situation where we could look at a much longer time frame, but the reality is that New South Wales did not give us that opportunity. Without regard to egg producers in other States, they went ahead and acted and gave taxpayer funds to their producers, which enabled some of their producers to increase their laying stocks and resulted in the prospect of eggs flooding into other markets. A more orderly marketing situation or move towards deregulation would have seen New South Wales commit themselves to that and then work with other States to do it properly. They did not do that. I have been strongly critical, but there is not much else I can do to stop it happening because it is beyond my jurisdiction.

Mr VENNING: My second question is a general one on the most important work of the department, particularly in these times of hardship for rural people. I refer to farmers' education, outreach and extension work by the department. I was fearful, when I heard various rumours and furrphies running around, that the department was heading for a 60 per cent cut in its staffing level. I brought it up with the Minister personally and he said that he could not tell me then where the cuts would be. I was very concerned that they may be in the important area of education. The recent Harrison report has highlighted that farmers generally are poorly educated with regard to the Department of Agriculture's finance and marketing advice. Many farmers believe the department needs to improve on its farm business marketing advice. I know that the department has very good personnel in this area. I know that Rob Reece, for example, is very good. We seem to be failing in this area; we are not getting the word through. Is there a 60 per cent cut? If so, I hope it is not in that critical area of the outreach of the department, the extension that is closest to the farmers, because they need bolstering up. I would hate to see that cut where it hurts the most.

The Hon. Lynn Arnold: If the honourable member is talking about extension services to farmers, there is no suggestion of a 60 per cent cut.

Mr VENNING: I do not know where it is; I am asking where it is.

The Hon. Lynn Arnold: Is the honourable member talking about a 60 per cent cut in the department's budget?

Mr VENNING: That was the furrphy that was floating around.

The Hon. Lynn Arnold: There are many furrphies floating around. For example, I heard that the department was to get rid of 200 positions. That is a furrphy. I have indicated that in these difficult financial times all Government departments are having to rein in their expenditure and do it in a variety of ways. We have an organisation and development review which is getting under way to arrange for that to happen. I have a table here, and I think it would be most appropriate to have it inserted in *Hansard*. I can arrange for photocopies to be circulated.

| Department of Agriculture Garg/Budget Savings Profile | | | | | |
|--|---------|--------|---------|---------|-------|
| | (\$m) | | | | |
| | 1990-91 | 1991-2 | 1992-93 | 1993-94 | Total |
| Original | | | | | |
| Expenditure . . . | 0.6 | 1.2 | 1.6 | 0.8 | 4.2 |
| Incr Revenue . . | 0.8 | 0.6 | 0.8 | 0.6 | 2.8 |
| Total | 1.4 | 1.8 | 2.4 | 1.4 | 7.0 |

Department of Agriculture
Garg/Budget Savings Profile

| | (\$m) | | | | |
|---------------------------------------|---------|--------|---------|---------|-------|
| | 1990-91 | 1991-2 | 1992-93 | 1993-94 | Total |
| Revised (Adjusted for inflation etc.) | | | | | |
| Expenditure . . . | 0.6 | 2.385 | 2.113 | 1.248 | 6.346 |
| Incr Revenue . . | 0.8 | 0.615 | 0.887 | 0.752 | 3.054 |
| Total | 1.4* | 3.0 | 3.0 | 2.0 | 9.4 |

* Achieved

The Hon. Lynn Arnold: That shows that over four years, which includes last year as a start, through to 1993-94, there will be expenditure reductions of \$4.2 million and revenue increases of \$2.8 million, giving a total of \$7 million. That was the original estimate. The revised estimate, adjusted for inflation etc—the other one was in constant dollar terms—shows that over the period there will be expenditure reductions of \$6.346 million and increased revenue of \$3.054 million, a total of \$9.4 million. That is the actual situation.

It is hard to give a definite figure with respect to the number of positions, but in our discussions with the PSA and other unions we have referred to the fact that about 70 positions may go over that four-year period. I have been quite keen to give the reassurance to farmers that the direct face of what they see will, by and large, be maintained though the deployment may differ. For example, I reserve the right to decrease some resources to some regions and to increase them to other regions provided that in total what they are seeing is basically maintained. That is not without a price as to what must happen in the central services of the department.

It is a very great price and there is a trading off, I guess, of what finally is achieved and what no longer can be achieved because of cuts. However, every Government department has to face this as well, so the Department of Agriculture is no different. We are trying to do it in the most constructive way, and I think the organisation and development review will give us that constructive outcome. The Director has been working with people in the department to achieve this and talking to community groups about the outcomes so that they can understand the context in which it all sits. If the honourable member wants any further information, we will provide it for him.

Mr VENNING: As a supplementary on the same issue, I have a press release of 27 August which says basically what the Minister has said. It says that staff cuts will be pretty severe and goes on to say:

It is understood Mr Arnold has made a commitment that the cutbacks in the Department of Agriculture will be in administration rather than in research or the regions.

I gather the Minister has just confirmed that. I note that the department has been talking about a fee for services for a long while. Is this part of the immediate picture or will the department wait for better times to implement that policy?

The Hon. Lynn Arnold: We already have some areas involving fee for service, for example, services under Vetlab, the State Chemistry Laboratories and other areas clearly involve a fee for service. Other services involve a modified fee for service whereby we recoup marginal costs of the production of the service or we may just recoup the consumables used by offices in providing a service.

That whole area is under further examination and I can advise that in August 1989 Cabinet agreed that a policy on marketing of information services in the department be negotiated with industry and staff. Since that time we have

been in the process of discussing that. As part of the development of commercial services the Director of Regional Services, Mr Geoff Thomas, visited New Zealand in May 1989 and the United Kingdom and Europe in November 1990 to discuss the kinds of approaches they followed in other countries.

I might say that it is a pretty patchy picture. Some people suggest that New Zealand has the answer to everything at the moment. However, I suggest that they ought to look at what New Zealand did to its agricultural extension service and realise that it has not the answer to everything.

That report led to further discussions and they are still continuing. We are now at the stage where it is intended to have the main requirements of commercial service in place and negotiations with staff and industry completed by June 1992. This is an embodied approach to marketing that involves making marketing part and parcel of all the employees of the department, whether the service is provided free, for a fee or for profit.

This will result in a more systematic identification of the products and services for development based on client needs, market and technological imperatives and the efficient and effective delivery of services. The point I want to make is that there will always be some services for which we could not even consider charging. It would be inappropriate to do so. We are not about to be like some law firms that charge for a telephone call. That would be a waste of resources and would be unreasonable.

However, there are other services that we should be considering charging for. We do it with manufacturing industry; the Centre for Manufacturing, which is the equivalent of the extension service to industry, now recoups well in excess of 60 per cent of its operating budget by selling services to its clients—the manufacturers. The concept of selling complex services to farming enterprises is a reasonable approach. It also gives farmers a much better guarantee that they are getting what they want, because they have the buying power. If they do not like the service, they do not buy it, and we then have to change what we are doing and provide services that farmers need. I have no problems with that, and that is the way it ought to be.

Mr VENNING: Will the department be holding back for a while and not implementing increased charges to a great extent immediately?

The Hon. Lynn Arnold: June 1992 is the date. Some packages are ready. We have six packages that Dr Radcliffe will comment on in a moment; they will be available by December this year and a further nine packages will be ready by June 1992. They have been prepared after consultation with the research and extension sections of the department as well as with clients.

Dr Radcliffe: There are two aspects to this. We are taking a bifurcated approach to it. On the one hand, we are seeking to market a series of products for which we believe there will be a demand and some of these we already have in place, for example, the irrigated crop management service based on the Loxton Research Centre. It was initially supported with some Federal help to get the capital requirements to put the thing in place. We are also looking at a service to the sheep industry and some months ago we conducted a test marketing exercise based on the offices at Nuriootpa and Murray Bridge to get a feel for what wool-growers might be interested in.

We are looking at a beef plan system. We already have a pig industry program in place that charges for its services and are moving gradually to produce a variety of specific products. However, we also have to address the needs of specific farmers who may not want to buy that product.

They may be seeking to redevelop their property and want a personal service that may involve bringing together a range of expertise, for example, farm business management, agronomy, soil conservation, and animal husbandry and, in that case, we would be offering a personalised service for the individual who was wanting to make a major change to his farming operation.

In that case we would be putting together, in effect, a handcrafted team of people to provide the advice to that individual. That approach is known in the trade as the account management approach in which, on the one hand, we meet the specific needs of the individual producer. In effect, they are looked upon as accounts and one has to meet their demand for service. If we are unable to meet that demand for service, they will take their business elsewhere. On the other hand, we have a range of specific products for which we think there will be significant ongoing demand, for example, fleece testing based at Turretfield and the like.

Mr VENNING: Is funding for rural counsellors, ongoing? Is there any dispute with the Federal Government about the level that each Government should pay? In relation to Venton Cook and Glen Ronan, are there continuing positions? Is the Minister happy with their work? Should they be more closely integrated with the work of rural counsellors in order to take the load off rural counsellors and country politicians? The Minister increased the funding for the advisory board, SARAC and rural youth. The Minister increased last year. Is that increase ongoing or is it static?

The Hon. Lynn Arnold: Rural adjustment coordinators are separate from, although interacting from time to time with, rural counsellors. The rural adjustment coordinators positions will be continuing. The rural counsellors positions will also be continuing and we are looking to provide increased coverage of rural counsellors in the year ahead.

It is the case that the State Government is still resolving the most effective way of contributing a financial allocation to that. I understood there was to be a board meeting of SAFA in recent days as to its position on that matter. It has a proposal before it (it is not appropriate to canvass that further now), but the point both the Premier and I made as recently as last Wednesday when we were in the South-East is that there need be no fears—and as I said in this House—that funding from the State Government will be maintained and not cut for support of the rural counselling service.

We will have to examine the broader question of whether or not increased resources might be needed. As to which lines of Government it will come from will be the subject of further discussion, but the outcome—the cheque in the post to the various rural counselling services—is that the money will be there. I am sorry it has taken time to sort out those logistical matters, because it has caused concern to rural counselling trust fund committees and the like. They have not immediately given some of the assurances that some rural groups have been seeking. In terms of the need for funds over the next two years or so, we have to take account of how much money is available or can be raised from rural communities themselves. Obviously, that is more constrained now than when the trust fund was first established and we have to be sensitive to that matter as well.

As to the issue of the other general groups, SARAC and the advisory board, last year we budgeted \$79 000 for SARAC, the advisory board, rural youth and the Women's Agricultural Bureau Council. In fact, we spent \$81 094. This year we are budgeting \$80 000, which is \$1 000 more than last year's budget allocation although \$8 000 less than last

year's outcome. I do not have the exact details as to why that outcome was higher than budget, but we can provide that information. Broadly speaking, our budget is marginally more than last year's budgeted figure, although slightly less than inflation, but every area has had to face those realities.

Additional Departmental Adviser:

Mr T. Kessell, Chairman-elect, South Australian Egg Board.

Mr GUNN: Can the Minister advise whether the board of SAMCOR intends to rationalise any of the current facilities and assets that it has at its disposal and whether it has any plans to remove or dispose of some of the facilities at Gepps Cross, which would appear to anyone driving along the road to be surplus to its requirements?

Mr Dingwall: The SAMCOR operation has land and buildings at Gepps Cross and a small property at Port Lincoln, which goes back to the days of the Port Lincoln abattoir coming under the control of SAMCOR. We have made attempts to sell the land. It is in the books at \$26 000 at Port Lincoln, but we have not been able to find a buyer for it over the past two or three years. We have been active on that only in the past six months and we have still not found a buyer for that particular parcel of land.

At Gepps Cross we have surplus areas other than the actual environs immediately around the southern works. The northern area where the old plant still exists is a problem, because our estimates on the disposal, destruction and removal of the old plant are higher than the value of the land it stands on. We have attempted to get some revenue from utilising some of the existing buildings and we get nominal rent for a small area from a mushroom grower, for example. However, the state of the buildings is not conducive to use on a leased basis to industry. There is some surplus land but it has derelict buildings on it and, in addition, we have the old northern rendering plant which is still in operation to handle the raw materials from the southern works. At some stage it was considered that the rendering plant would need to be rebuilt but, after a lot of examination of that in the past nine months, we have been able to increase its efficiencies and it is now operating basically on two shifts instead of three. There is still a minimum of five years life in the plant. To replace that plant would cost about \$5 million or \$6 million, so the decision to do that will not be made by the existing board for some years. That ties up the northern works area to some extent.

The other areas of surplus are in the cattle and pig saleyards. I think that members will recall that nearly three years ago SAMCOR sold a parcel of land that included the sheeyards to the Adelaide produce market people. We lease back the sheeyards and we renew that lease on a two-plus-two basis. It is essential that, from SAMCOR's point of view, the main saleyards in South Australia continue and it is an inducement for livestock to go through the meat-works because they are adjacent to the works. SAMCOR and, I am sure, the farming community do not want to consider selling off that land and closing those markets.

Apart from that, we have a small cottage on the northern road adjacent to our main entrance which we have now released because we have moved the General Manager's office into the administration building. We are currently renting that to the works manager at the commercial rent and he will be moving out in the next three months. We are hoping to lease it to one of our clients for use as an office. The answer is that there is not a great deal that we can do to sell off those surplus assets at present.

Mr GUNN: In view of the serious downturn that is facing agriculture in general across South Australia, are the Minister and the Government particularly concerned about the lack of opportunity for young people to remain in the agricultural sector? When I am in my electorate, I am approached on a daily basis by people asking what will happen to agriculture in South Australia. The farms cannot keep the young people there and, on looking around the various districts in the State, it can be seen that these young people are competing for jobs in the country towns that usually would be taken by other people. The concern is whether we will lose a generation of farmers. Farmers are getting older. A tremendous amount of work could be done on the average farm in South Australia but there is not sufficient income or inducement to keep young people on these properties. I have posed this question because I believe this situation will affect the long-term ability of agriculture to continue to be the most significant source of income to this State. Has the Government any plans or does it intend to make representation to the Federal Government to change the economic policies that are causing the problems? I refer particularly to the excessive and unreasonable interest rates and the employment disincentives that are currently making it difficult for people to be employed in the agriculture sector.

The Hon. Lynn Arnold: The Government has already indicated its views on some aspects of Federal economic policy including the need for interest rates to be lowered. The fundamentals facing most of rural Australia at the moment include things beyond the control of State and Federal Governments, principally the prices paid for commodities. The only area over which the Federal Government has some degree of control is the exchange rate, which determines what the Australian dollar equivalent is of monies received in the international marketplace. Beyond that we are price takers for most of our commodities.

As to the point that the honourable member raised, it is certainly a matter of concern to me. I hear it frequently as I go around the rural community. Indeed, last week in the South-East the Premier and I heard the same comments. Earlier in the year when we put a series of things to the Federal Government, one of the issues that we said it should consider was a change in the way in which benefits could be paid. At the moment, someone who has a farm has to rely on that investment in the farm for superannuation because he is not going to be eligible by and large for any social security payments after he retires. Therefore, it is his nest egg and he has to sell that if he is to have anything to live on in retirement. At the same time, it might be that his children are unable to get enough money to buy the farm or any other farm because they simply do not have the capital; they cannot afford the high interest rates and, therefore, they may end up receiving unemployment benefits because they cannot get employment. That is a real skewing of priorities.

We have raised with the Federal Government that it should consider arrangements allowing the easier transfer of properties from parent to child, which would then enable the parents to receive pension entitlements while the child would not have to rely on unemployment benefits and could become the operator of the farm. At the same time, the retirement nest egg principle—in other words, looking after oneself in retirement—could be preserved. There needs to be a lot of working out how that could be done effectively and fairly.

We thought it was important enough to raise. Both the Premier and I are concerned that we have not yet had a response from the Federal Government on the issue. We

raised a number of other issues relating to benefits, including Austudy, which have been partially but not fully addressed. In this area they have certainly not been addressed and, until they are, there is the real problem that we will see the ageing of the rural workforce and a whole group who are either unable to get into farming, because they cannot pay the ante, or see it as such a bad financial proposition that they just drift away from it.

Mr GUNN: Will the Minister advise whether the Government through its various agencies, particularly in the Department of Agriculture, monitors closely farming properties that have been subject to forced sale or closure by financial institutions to ensure that everything possible is done to protect the rights of those people in that unfortunate situation? Secondly, is the Minister aware that there have been disputes in relation to some of these forced sales where the Stamp Duties Office is attempting to collect stamp duty on stock and plant included in the purchase of a property? I am advised that recently a property was sold for about \$250 000, approximately \$100 000 of which was for stock and plant. The Commissioner of Taxes is endeavouring to get stamp duty on the \$100 000, and that is not the normal arrangement. Does the department monitor such sales to ensure, first, that those who are forced off their properties are treated fairly and, secondly, that the taxing section of the Government is not unduly putting in its clutches where that should not occur.

The Hon. Lynn Arnold: I will take the second question on notice, as it requires referral to the Commissioner of State Taxation. We do not monitor the follow up situation on properties that have been a result of forced sale. However, I can give information on the general sales of land. As to how many farms have been sold in South Australia in the past three months due to lack of viability, the banks will not release the number of such sales in which they have been involved due to non-viability as they consider the background of each sale confidential. This stance could be expected in any bank-customer relationship.

For the period 1 June 1991 to 19 September 1991 (last week), the South Australian Department of Lands recorded 130 sales of rural land designated 'primary production'. The information does not indicate viability. I have a purely statistical table and I incorporate it in *Hansard*. It shows a summary of rural land sales designated 'primary production' for the period 1 June 1991 to 19 September 1991 and gives the number of sales per local government area as well as average price.

SUMMARY OF RURAL LAND SALES DESIGNATED
PRIMARY PRODUCTION FOR THE PERIOD 1/6/91 TO
19/9/91, BY LOCAL GOVERNMENT AREA
(Source: S.A. Department of Lands)

| Local Government Area | No. of Sales | Average Price \$ |
|--------------------------------|--------------|------------------|
| East Torrens | 3 | 180 000 |
| Happy Valley | 1 | 415 000 |
| Yankalilla | 4 | 138 667 |
| Tea Tree Gully | 1 | 1 650 000 |
| Munno Para | 2 | 135 000 |
| Blyth-Snowtown | 1 | 68 900 |
| Mallala | 3 | 100 000 |
| Pirie District Council | 1 | 89 600 |
| Mount Gambier District Council | 1 | 155 100 |
| Tatiara | 2 | 262 500 |
| Murray Bridge | 4 | 88 000 |
| Hallett | 2 | 46 500 |
| Burra Burra | 1 | 141 036 |
| Clare | 1 | 85 000 |
| Saddleworth and Auburn | 6 | (see Note 1) |
| Salisbury | 1 | 228 000 |

| Local Government Area | No. of Sales | Average Price \$ |
|-----------------------------|--------------|------------------|
| Victor Harbor | 1 | 450 000 |
| Gumeracha | 1 | 87 500 |
| Mount Pleasant | 1 | 300 000 |
| Karoonda-East Murray | 2 | 205 000 |
| Kingscote | 1 | 195 000 |
| Warooka | 1 | 120 000 |
| Loxton | 9 | 63 374 |
| Mannum | 2 | 36 000 |
| Onkaparinga | 2 | 387 500 |
| Coonalpyn Downs | 4 | 298 750 |
| Mount Barker | 1 | 176 550 |
| Browns Well | 1 | 130 000 |
| Lacepede | 3 | (see Note 2) |
| Naracoorte District Council | 4 | 525 000 |
| Uia Northern | 1 | 392 840 |
| Ridley | 6 | 27 800 |
| Lameroo | 2 | 126 706 |
| Port MacDonnell | 1 | 415 000 |
| Renmark | 7 | 62 263 |
| Paringa | 2 | 47 500 |
| Barmera | 1 | 59 395 |
| Waikerie | 3 | 56 167 |
| Berri | 1 | 39 500 |
| Spalding | 1 | 117 000 |
| Rocky River | 2 | 93 000 |
| Strathalbyn | 2 | 167 000 |
| Streaky Bay | 1 | 186 000 |
| Lucindale | 2 | (see Note 3) |
| Mount Remarkable | 4 | 114 080 |
| Penola | 3 | 421 667 |
| Jamestown | 2 | 31 750 |
| Kimba | 3 | 245 367 |
| Tumby Bay | 6 | 68 000 |
| Cleve | 2 | 110 000 |
| Lower Eyre Peninsula | 1 | 35 000 |
| Elliston | 5 | 100 750 |
| Angaston | 1 | 91 000 |
| Tanunda | 2 | 74 800 |
| Robertstown | 1 | 84 299 |
| Morgan | 1 | 45 000 |
| Whole State | 130 | 159 554 |

Note 1. Saddleworth and Auburn.

The six sales comprise six separate Certificates of Title sold for a combined price of \$2 100 000.

Note 2. Lacepede.

The three sales comprise three separate Certificates of Title sold for a combined price of \$710 000.

Note 3. Lucindale.

The two sales comprise two separate Certificates of Title sold for a combined price of \$1 600 000.

The Hon. Lynn Arnold: It shows a total of 130 properties at an average selling price of \$159 554.

Mrs HUTCHISON: I ask a question of Mr Kessell through the Minister. Given the concerns expressed in this House by members opposite about the changing role of the Egg Board, how does Mr Kessell see the future role of the board in South Australia, and how will it impact on producers currently in the industry?

The Hon. Lynn Arnold: I ask Mr Kessell to respond.

Mr Kessell: I do not take up the position until 1 October. I believe that the shareholders or egg producers will be fairly treated by a brief that the Minister is to give me tomorrow, in which case a plan will be set down to ensure that a new transition will be set up due to deregulation. By the method of setting up an alternative business, I am sure that each of the growers will be fairly treated in the long term.

Mrs HUTCHISON: What were Mr Kessell's business qualifications before obtaining this position?

Mr Kessell: First, I was absolutely appalled to hear the comments made today in the Parliament. I am most disturbed that someone would raise that question. My career dates back 32 years with Westpac and I have an impeccable and outstanding record. I attained positions of State Man-

ager on two occasions in different areas. I have advised many members of both sides of this Parliament in their various activities. I left Westpac in July 1990—18 months ago—to take up a position at Natwest.

I was head-hunted in March that year and finally agreed to take up a new position of Chief Manager in this State to operate retail banking. It subsequently suffered substantial losses in its finance arm and has now withdrawn from retail banking throughout Australia.

Regarding the question that was raised, six years ago I was asked to witness a document in relation to a customer of Westpac. I refused to witness that document and it was subsequently proven to be fraud. The husband involved admitted to the fraud and at the time of producing it, approximately one year ago, I merely produced the document for the Federal Police. I do not know how the matter stands now. It is a matter of Westpac collecting its debts as the company went into liquidation. I am unsure of the situation of both parties.

Mrs HUTCHISON: I also refer to the citrus industry. We see a re-draft of regulations (page 134) under the Citrus Industry Act. Part of that was to resolve outstanding technical constraints for export of fresh citrus to the United States of America. What are those technical constraints for export to the United States of America, and what is the current situation regarding resolution of the problem?

The Hon. Lynn Arnold: As I recall the situation, in our view we are victims at the moment to something of a non tariff trade barrier between the US and Australia. A virus or bacteria known as septoria spot affects some of our oranges in South Australia. Interestingly, septoria spot also affects oranges in California. We accept that the septoria spot that affects those oranges is the same as that which affects our oranges, but they do not accept that the spot that affects their oranges is the same as the one which affects our oranges. We are in dispute in that situation. I understand that there was some resolution of that matter in recent months. It may be that they have agreed that what looks the same under a microscope is in fact the same. I understand that questions about fruitfly have been raised in the US, but we can get an update report of that situation to see whether my recollection is correct.

Dr Radcliffe: I understand that, with the outbreak of fruitfly in the Riverland, despite the fact that there have been numerous outbreaks in California, concern was expressed by the USDA in regard to that outbreak, although it does accept the freedom grid that we have located in the area between there and Victoria as a desirable adjunct which underpins the industry and which represents potential for the long-term export of citrus to California, and the United States generally.

However, an inspection group came to South Australia and inspected that grid earlier in the year. My recollection is that it was at about the time of the fruit fly outbreak in the Loxton North area. That group reserved its judgment in regard to that matter; however, we hope that within a year or so we will have resolved all the outstanding issues. I think the will exists to try to resolve those issues to the point where we can be assured of exports to North America.

Mrs HUTCHISON: I ask a supplementary question: what will be the potential of markets in the USA once these problems have been resolved, and how big will those markets be?

Dr Radcliffe: I think there is probably a fairly considerable export potential for top quality fruit. There would be no potential in terms of the juice industry because of cheaper facilities in Brazil. We need to be aware of other southern hemisphere competitors in the citrus industry. It will behave

us to ensure that if we move into that market we do so in terms of being a very consistent and reliable supplier of top quality fruit, and that we package and market that fruit in a way demanded by the recipients in the North American market.

I am afraid that some parts of Australian horticulture have tended in the past to market fruit opportunistically by sending it to an international market when the local price is depressed, but as soon as the local price increases they withdraw from the overseas market in favour of the local Australian market. That practice has given us something of a reputation of being unreliable suppliers. The fact of the matter is that South Australia can grow fresh citrus fruit probably better than any other part of Australia, but at the same time we must be aware that there are considerable plantings of young citrus trees coming into production and we will need to address the international marketing of citrus quite strongly. Indeed, that issue is being addressed through the Australian Horticultural Corporation.

Mrs HUTCHISON: As a further supplementary question: what other markets do we have for fresh citrus fruit. Dr Radcliffe mentioned that some work is being done in this area. In what markets is this work being done at the moment?

Dr Radcliffe: We have existing markets in South-East Asia, particularly Singapore and Malaysia. We have a long history of servicing those markets and we have also explored the possibility of exporting citrus fruit to the British market and the EC. Again, quality would be absolutely crucial. We have had two visits by importers from Britain in the past 12 months looking at the potential for export of citrus and other South Australian horticultural produce into the EC market. At the same time, we have also sought to open up markets in Japan. The opening of the market to Japan has constituted a similar sort of problem to that of North America, but with different beasties. The concern in Japan has been the problem of small quantities of Fullers Rose weevil being found in initial consignments and also a difficulty that the industry itself has not been able to meet opportunities presented to it.

A year or so ago we were given the opportunity to ship 20 container loads of citrus to Japan as a trial shipment. In point of fact, when the time came, prices were relatively high on the local market and we were unable to secure the fruit that might have established a foothold for us in those markets. So, I emphasise again that we need to address the need for consistent quality and our ability to supply markets, because they are very large markets and we need to be able to get into them; so, we must address the different quarantine issues in different locations.

Mr MEIER: A while ago, Mr Kessell indicated in answer to a question from the other side that there was some irregularity in a signature about six years ago. What comment does he have to make in relation to a report published in the *News* of 3 October 1990 arising out of a court case relating to fraud charges in which it was alleged that Mr Trevor Kessell had set up the wife of a man charged with fraud by enticing her to sign her name on a mortgage document under a falsehood?

The Hon. Lynn Arnold: I think it is appropriate that I ask the Chair-elect of the Egg Board to answer that question.

Mr Kessell: I was unaware of the comments made by that particular person on that day in court. I was asked to present a document on behalf of the Federal police, and I did. As I said before, it was a case of fraud, to which the man pleaded guilty. The bank took action against the husband's wife; hence that quote in the newspaper. For reasons of which I am not aware, the wife made those comments.

I believe that she may have done so to save the house which she did not want to lose, but I did not make any such comments.

Mr MEIER: In the article in the *News* it was reported that the woman's husband had admitted forging her signature in March 1988. Am I right to assume that this incident of three years ago is different from the one that took place six years ago?

The CHAIRMAN: Are any of these matters before a court in any pending sense?

The Hon. Lynn Arnold: I am unable to say that with any certainty. These matters, about which I have already expressed my very serious concern and disquiet, have been raised before this Committee.

The CHAIRMAN: The Chair would be more concerned if these matters were pending before a court at present, but if no information on that is to hand we have to assume that they are not.

The Hon. Lynn Arnold: I refer again to the Attorney-General's statement in which he says:

The second depends on a number of factors and is yet to be determined.

I do not know whether that means that it has to be determined by a court or by the fraud squad in relation to other people to be investigated, not Mr Kessell. I am unable to say whether that statement means that these other people are not before the court.

The CHAIRMAN: The Minister is not aware of any matter that is before a court now and neither is the Chairman of the board?

The Hon. Lynn Arnold: I am not aware of any such matter.

Mr Kessell: The case quoted in the newspaper referred to the criminal action against both clients by Westpac. I believe that action has now finished, and I am not aware of any other actions by Westpac.

Mr MEIER: Is the incident referred to six years ago different from the one referred to three years ago?

Mr Kessell: No. The negotiations when the customer first came under my control commenced about six years ago, and there were a number of fraudulent documents along the way.

Mr MEIER: Are there any other allegations of fraud involving Mr Kessell that he may know about at present?

The Hon. Lynn Arnold: That is the most outrageous question that I think I have ever heard.

The CHAIRMAN: Order! The Chair is also concerned that we are drifting a little away from the financial statements of the Government.

The Hon. Lynn Arnold: I think it is outrageous that, because the honourable member has got it wrong and has not checked his facts on the first point, he should come up with that kind of question, throwing mud all over the place. All I can say is that I have received a letter from the General Manager for South Australia and the Northern Territory of the Westpac Banking Corporation of 20 September 1991 which states:

To whom it may concern: re Trevor Kenneth Kessell.

This is to certify that Trevor Kenneth Kessell entered the bank's service on 3 February 1959 and remained with us until 20 September 1990 when he resigned of his own accord. At the time of his resignation he was of good standing within the bank.

The CHAIRMAN: The member for Goyder needs to direct his questions quite clearly towards the financial services of the Government contained in the budget.

Mr MEIER: I am quite happy to do that, Sir. What previous experience has Mr Kessell had at board level in any organisation? What previous experience does he have to suit him particularly to the challenging job of assisting

the restructuring of the egg industry in South Australia and to give confidence to producers on the financial viability of the egg industry?

Mr Kessell: I think that I have answered that before. I held senior positions—

Mr MEIER interjecting:

The CHAIRMAN: Order! If the member has asked his question, he should allow the witness to answer.

Mr Kessell: The senior positions I held with Westpac as State Manager, Lending, and State Manager, Business Development and Marketing involved me in controlling some 15 managers and 200 staff in my latter position. I have also been involved with large corporate customer relations and work-out situations. In the position of Chief Manager of the Natwest retail bank, I was also involved in board negotiations, with setting up a new bank in this State and assisting other States. I believe that my past experience and what I will show in the next six months will prove to Parliament that the Egg Board will have a very smooth transition through deregulation.

The Hon. Lynn Arnold: I wish to add that I am fully confident that that is the case and I am very pleased that Mr Kessell has accepted the invitation to join the board. We are very confident that he has the right mix of private sector financial experience that the board needs at this particular time given the commercial and financial challenges that face it.

Mr MEIER: I now refer to page 60 of the Estimates of Payments referring to the rural assistance budget and to which the Minister referred earlier in answer to a question from the Government side. It indicates that the budget has risen by over \$11 million, principally in the form of Commonwealth grants to South Australia, giving a total budget of about \$20 million. Who actually receives these payments?

The Hon. Lynn Arnold: Before commenting on that, I point out that we called in the Chair-elect of the Egg Board at short notice—interrupting his other board commitments. Is it anticipated that there will be any more questions to him? If not, are we in a position to let him go and thank him for his attendance, hoping that in the fullness of time the appropriate apologies for misrepresentation may be forthcoming?

The CHAIRMAN: As there are no more questions directed to that topic, I thank Mr Kessell for his attendance.

The Hon. Lynn Arnold: As to the question on rural assistance, the administrative support—that is, the money received to cover the costs of running the Rural Finance and Development Division—essentially is money that we receive from the Commonwealth and is paid into the Rural Finance Account. In fact, in the past year we have not received sufficient; the cost of new lending and the administration of the scheme has been unable to be met by the funds we have received from the Federal Government, so that has, in fact, been picked up in various ways by the State.

Mr Broughton: I think I understood that part of the question specifically focused on where the money from the Commonwealth went. I think the Minister has answered that question but, to make quite sure that the point is understood, it is my understanding that any moneys voted by the Commonwealth to the State have to be received by the State. That is the case to satisfy audit regulations. The money is received by the State of South Australia and immediately paid into a rural finance account, which is the responsibility of the Minister. It is an account that I and members of my staff in the Rural Finance and Development Division administer. Any interest which accrues on the

money in that account is retained within the fund and used to the advantage of farmers in South Australia.

Mr MEIER: I take it, therefore, that it is paid into the Department of Agriculture; it is not paid into Treasury or SAFA?

Mr Broughton: It is paid into a special deposit account, which is held within Treasury, but it is controlled entirely by the Minister in his capacity as Minister in charge of the Department of Agriculture.

Mr MEIER: When does the State receive these payments? Do they come annually, biannually or quarterly?

Mr Broughton: The payments come monthly and we are notified in writing by Canberra when the payments are made. It is my experience that they are paid into the rural finance account without delay—very promptly.

Mr MEIER: How are the funds invested?

Mr Broughton: As I understand it, any funds on deposit accrue at the standard rate of interest for such deposit accounts as are determined by SAFA from time to time. Any interest accruing accumulates in the account.

Mr MEIER: I seek further clarification. SAFA was just mentioned: do I take it that some of the funds are invested in SAFA?

Mr Broughton: No, my understanding is that none of the funds is invested in SAFA, but just as part of their Treasury functions, where we have funds on deposit—they are the ones that determine the rate, and that is the rate we are paid. To ensure that I am giving the information the honourable member seeks, I will check that and provide the information through the Minister.

Mr MEIER: Where does the interest earned on the investments finish up? In other words, does it go back into the fund or is it used in general revenue?

Mr Broughton: I believe that I have answered that question, but I will say again that any interest accruing from the funds in the rural finance account stays within the rural finance account. None of the funds goes anywhere else. They are disbursed for the good of the farmers in this State in accordance with the spirit and purposes for which the funds are provided to the State by the Commonwealth.

Mr MEIER: I take it that it is not possible to use accrued funds gained from investment of the original Commonwealth payments for any other purpose but for rural finance and development specifically?

Mr Broughton: My understanding is that that is correct.

The Hon. Lynn Arnold: I think the point needs to be made that over the years there has been an accumulation of some funds in the Rural Industry Adjustment Development Fund, which comes under the auspices of the RFDD, and that deals with funds lent out years ago and repayments from those loans. This Parliament has required that, when those funds are disbursed, they be disbursed for the benefit of the rural sector. That is why it is called the Rural Industry Adjustment Development Fund—it is to develop rural industry. There have been disbursements from that fund to help do precisely that and we have commented on that in previous Estimates Committees of this Parliament. For example, the Marketing and Development Division of the Department of Agriculture is supported out of that fund.

The lending program to date has seen \$1.8 million disbursed. Soil conservation loans were \$150 000 of that amount. Farm research and development loans amounted to \$350 000. There was other lending of \$1.3 million, which includes \$1.25 million for the Rotavirus project. There were grants paid out of those accumulated funds: for example, the marketing and development program under the Department of Agriculture, \$500 000. There will be a second payment of grants of \$300 000 for projects approved in 1990-

91, which include a strategic development economist in the Murraylands; rural education and training program (Barossa and Light Rural Counselling Service); alternative livestock industry extension officer; auto drench proportional dosing unit—that has been done by a private sector firm which has received support for it—soil water profile probes—again a private sector firm—and computer aided livestock marketing. Then there is an allocation for new grants of \$100 000.

Mr MEIER: Would some of that money be used to promote rural production overseas?

The Hon. Lynn Arnold: The trade mission that I led earlier this year was largely coordinated under the marketing and development section of the department. Therefore, a portion of its budget would have gone towards organising that trade mission. Hugh McClelland, the head of that unit, came on that trade mission. The whole purpose of the trade mission was to promote South Australian goods and products, principally agricultural products and technology. In short, the answer is that some of the money was used for that purpose indirectly. It is possible that applications for grants under the RIADF could include proposals to use resources for funding overseas promotion of South Australian commodities.

I have an exact figure of how much the trade mission cost. We will get the figure double checked, but it appears that the amount that came from the RIADF was \$34 257, and \$23 500 came from other State resources. I cannot say whether the auto drench proportional dosing unit has relevance to overseas promotion, but I know that the DRW, which received that, is significantly involved in the promoting of South Australian agricultural technology. Likewise, I cannot say to what extent the strategic development economist in the Murraylands is working on the promotion of products overseas. We will entertain applications for such things.

Mr MEIER: As the Middle East visit has been brought up, it might be appropriate to ask the Minister whether any benefits have been forthcoming in the three months since he came back. I know that the Minister gave a report to Parliament soon after he came back, but we are a little further down the track now.

The Hon. Lynn Arnold: A detailed report was prepared within a couple of months of my return and I am happy to make a copy available to the honourable member. That outlined the future directions that we thought would come from that trip. Since that time other things have been happening. For example, we have seen an Iranian trade group come to South Australia in recent days. There was a joint meeting of the Ministerial Commission for Iran and Australia in Canberra—only the second since 1979. As a result of the visit that we took to Iran, they specifically asked that they have the opportunity to come to South Australia and see what the opportunities were here for further technical and commercial collaboration. I believe it was a very productive few days while they were here.

Likewise, we have had responses from the Dubai Chamber of Commerce that they looked to accept the invitation that has been extended to them to come. Essentially, when they come, they will be on a buying mission because they are not major exporters of products to this part of the world. We have a group going to the Agrogap Fair in Sanliurfa, and that really is an outcome of this trip. That fair will take place on 16 to 20 October. It is an international fair and Austrade has agreed to participate. Because of the trade mission that I led, the bulk of the companies going to that fair, having heard the reports that we brought back, are South Australian. Ten South Australian companies will par-

ticipate in that fair, and they will be supported by Hugh McClelland, who will be returning to that area.

There is the prospect that we will see an automotive component mission going to Iran later this year as they plan to quadruple their production of automobiles, while still needing significant imports of components. The department's Director of Plant Industries and Natural Resources, Glyn Webber, will be visiting Turkey, Iran, Dubai and Oman to follow up outcomes of the trip. The General Manager of the South Australian Chamber of Commerce and Industry, Mr Lindsay Thompson, was invited back to Iran to participate in an international trade seminar at the export promotion centre of Iran. Again, that was an outcome of the trip.

I have already mentioned the Australian/Iran joint Ministerial Commission under Dr Issa Kalantari. Barie Thistlethwayte, representing three universities in South Australia, has been to Turkey to progress our offer to assist in the development of a new university. SAGRIC International has been pursuing two demonstration farm opportunities in Turkey. In the past week or so I received a letter from Dr Kamran Inan, a Minister in the Turkish Government, who has indicated that they are still very interested in the proposals that we left with them with SAGRIC International, and they are pursuing those matters. Those are just some of the things that have come out so far. It is a moving situation, because there are many more things still to come.

Mr MEIER: There has been recent speculation that the State Government makes a substantial profit from handling the Federal Government's rural assistance funding. We heard the answers, but no specific figures. How much profit has been made over the past three years?

The Hon. Lynn Arnold: In the supplementary answer we will provide a balance sheet accounting for each of the years for the funds about which the honourable member is talking. I have heard these allegations and I have publicly responded to them on many occasions. Each time my response has been consistent with the one before; that is, that we have not been siphoning off those funds into consolidated revenue. We have been using them for the purposes for which they are meant: either direct rural assistance or other activities which promote rural assistance in South Australia. Both are publicly proclaimed activities and legal within the Act and guidelines. On this umpteenth occasion, I say, yet again, that these allegations that the funds are being diverted away from supporting agriculture are incorrect.

Mrs HUTCHISON: My questions relate to page 134 of the Program Estimates. In respect of potatoes and potato products, the Program Estimates state:

Identify market prospects for new types/styles of potatoes and potato products; cooperate with Victoria to evaluate processing potatoes for the South-East.

First, what types of potato and potato products are referred to? Can the Minister estimate what is the market potential for produce in respect of the South-East of South Australia?

The Hon. Lynn Arnold: I will have to seek advice on some of the matters. As to processing, the main potato is the russet Burbank, which is the most ideal potato now available for processing for frozen chip production. The market potential is great. Australia imports a significant percentage of frozen chips from Canada and other countries. In fact, about 50 per cent of our frozen processed potatoes are imported, and the South-East has the potential to take that up. The Safries development has been part of that. It has two chip-making factories and it has been working with local growers to introduce the russet Burbank and new ways of cultivating them to get maximum returns.

There are other areas for potato development, and disease resistant potatoes are always the subject of research. Like many other plants, the potato is susceptible to disease, and we are constantly working on that. At present we have a problem because of an outbreak of potato cyst nematode in Victoria, and that is affecting the industry in South Australia because we get most of our seed potatoes from Victoria. We are presently in some dispute with Western Australia, having done everything correctly to give the assurances that potatoes leaving South Australia do not have potato cyst nematode, but we believe the Western Australians are not giving a reasonable recognition of that fact at this stage. I have written to Ernie Bridge, the Western Australian Minister, saying that, as there seems to be an impasse between our officers at the moment, I look forward to meeting directly with him to try to resolve the issue because the Western Australian market is a significant internal potato export market for us.

Mrs HUTCHISON: What possibility is there of extending the growing area for those potatoes?

The Hon. Lynn Arnold: It is hard to say what area will be finally planted over to potatoes. I will get further information on that, but the potato issue is part of a broader issue concerning the South-East horticultural development project that is jointly sponsored by the Agriculture Department and the Department of Industry, Trade and Technology. The project suggests that there is enormous capacity to increase horticultural production not only of vegetables but also of fruits from the South-East, particularly for the food processing industry and for whole fruit export as well. I ask Dr Radcliffe to comment further.

Dr Radcliffe: As to the varieties of potato, while I cannot give a detailed listing, we have a potato research officer based at our Lenswood Research Centre in the Adelaide Hills. He has a large program on new potato varieties, including potatoes needed for processing as well as those potatoes to be sold for domestic consumption. He works closely in association with the industry. That work is also supported by the Potato Industry Trust Fund, which was established upon the dissolution of the South Australian Potato Board some years ago.

At the same time another of our officers is being partly supported by the South Australian Potato Growers Association. She will shortly leave for Great Britain to look at potato processing and new opportunities in that country. In addition to the extent of development that is occurring—and the Minister referred to the South-East, which revolves in part around the Safries factory at Penola—there is also potential to ship potatoes to the McCain's plant at Ballarat. A major development is also coming into production in the Mallee region in the Upper South-East. Growing potatoes in Australia and particularly in South Australia potentially is much more profitable than in other areas, and the Upper South-East—the Mallee development in particular—is being carried out by a person who has had substantial potato-growing experience near Winchester, New Zealand. He believes that the economy of scale, the lower cost of production and higher returns are such as to make it well worthwhile for him to move a major enterprise into the Mallee.

That is very much in line with the attraction of new industries into South Australia that we are seeking to encourage, and that Mallee area grower is looking at five irrigation circles. He is already shipping potatoes to Penola and Ballarat, and I believe that there are substantial prospects in the longer term for the expansion of South Australia as a major potato producing State. At the same time we

have a good relationship with potato growers who are supportive of the extent of development under way.

Mrs HUTCHISON: Obviously, I am looking for other industries for my electorate. When is it anticipated that the technology transfer package on wine grape production for South Australian and Australian vignerons will be completed? Is it one of the specific targets/objectives for 1991-92.

The Hon. Lynn Arnold: I will ask Dr Radcliffe to comment.

Dr Radcliffe: It is being developed by departmental officers in association with a proposal to develop a cooperative research centre on the campus of Waite Institute. In the Riverland we have already prepared a technology transfer package available for sale, and we will be looking at extending access to that package to other parts of the State. It comprises a loose leaf ring binder in which a series of specific papers are placed. It is capable of being updated as additional technology becomes available. It has been well received in the Riverland and was an initiative of our Murraylands region. It has the potential for expansion to other areas.

Mrs HUTCHISON: What are the advantages to South Australia of that package? Is it merely that information is available?

Dr Radcliffe: The advantage to South Australia of the information transfer package is to encourage growers to redevelop their old vineyards. They can either rework their existing root stock by top reworking or, alternatively, they may wish to replace their existing vines with new and more appropriate varieties that are preferred by the wine industry. At the same time we have a package of rural finance available to facilitate that. It has been developed in association with Riverland wineries. If a grower has the opportunity to enter into a contract with a winery for a particularly sought after grape variety, that can be used to underpin a loan to the producer so that he can rework his vineyard.

In that process he needs to ensure that he has the appropriate root stock, where they need changing, and properly developed vine varieties. He will need new genetic material from the grower controlled vine variety improvement scheme based at Monash. He will need technology in terms of any plant pathology problems he has, such as mildew and so on. All of these issues will lead to a more effective and, hopefully, a lower cost of production industry and ensure that South Australia can maintain its dominance of the Australian wine industry.

Mr VENNING: I have a question about the cost of administering the department from the Grenfell Centre, commonly known as the black stump. We all know that we are restructuring and relocating the department to the Waite Institute. Is the cost of administering and housing the department in the Grenfell Centre prohibitive and would it be advantageous to move quicker rather than slower to save money?

The Hon. Lynn Arnold: The costs are comparable with other CBD office rental costs that are being paid by those who are already tenants of those buildings. I say that because there are very favourable packages at the moment for those moving into buildings at this time. We are keen to see the move as soon as possible but a number of things have to happen. Buildings must be built at Waite, there must be council approval for those buildings to be built and a number of other issues need to be addressed. It has been a very lengthy process and I must say that it has not been helped by some people who, for the most cynical of motives, have decided to raise all sorts of political concerns about this matter. Some local residents have had concerns and we

have gone to enormous lengths to answer those concerns, and I believe that most local residents have been satisfied in that respect.

It would be fair to say that a small group have continued to ask the same questions time and time again and we continue to give factual answers in response. I was very concerned to note that the State Opposition opposed the move to the Waite Institute, although I do not know whether that position has changed. All those things help delay the process. We could have made substantial progress, we could have got things done earlier and we could have been saving the CBD rent that the honourable member and I are keen to save.

The other point is that there had to be discussions with the University of Adelaide. This is not a criticism of the university but it has taken longer than we anticipated. We have to make sure that when the buildings are built they make the most sense for everyone, that we are spending only what we need to spend and we make good use of joint facilities as far as possible. Those discussions have been completed and about two weeks ago we lodged with the Mitcham council a detailed planning application. Quite reasonably, the University of Adelaide wanted a master plan of how we were proposing to deploy facilities at the site. As I said, the planning application has been lodged and it will be processed in the near future. We anticipate that the move should be substantially completed by the middle of 1993. Funding has been provided in this year's capital works budget and forward budgeting has been provided for next year's capital works budget. My guess is that the residual is there for the following year, so all the funds are pre-committed and available.

Mr VENNING: As a supplementary question, to what degree will the department relocate? At one stage there was the concept of an agricultural park and having the whole lot out that way. Has any planning been done to say what will end up at Waite?

The Hon. Lynn Arnold: It was never the intention that everything would locate out there. For example, it was not the intention that the piggery would be located at Waite. We are finding alternative sites for that and those discussions are ongoing. Nor is it proposed that the heavy farm machinery equipment accommodation be located out there. It is proposed that that will go elsewhere. In terms of administration, it is proposed that it will all move to the site. It is proposed also that the directorate will move to the site, and I ask the Director-General to comment.

Dr Radcliffe: There has been a considerable amount of negotiation with the university, really based on Professor Woodhouse's belief that the overall plan for the long-term development of the site, which included us, CSIRO, the university and other participants should be drawn up. It had not been drawn up in the past and, legitimately, Professor Woodhouse felt this was a desirable process to be gone through before committing ourselves to construction. That has been completed and we have negotiated with the university the use of the site. I believe it has a lot of novelty and potential because we are proposing to collocate many of our activities, and we will each pay for various aspects of what is to be done on the Waite Institute campus.

The current process involves the Department of Agriculture seeking to construct a major building on the eastern side of Waite Road opposite the present main Waite building and that will house an administration area and a number of other groups. We would also be seeking to build a major greenhouse complex. The design intends that it would be built on a platform up Hartley Grove and that the area underneath the platform could be used for growth cabinets,

the storage of vehicles and other facilities. At the northern end of that greenhouse complex it is proposed that there be constructed a laboratory building that would look over the northern part of the city.

In the horticulture complex, as it is known, there would be people from the Department of Agriculture and the university. Conversely, our own plant breeding people and some of our plant protection people will occupy space in the main Waite building, which will be refurbished by the university. It is proposed that there will be a new soils building that will partly accommodate the cooperative research centre and soil and land management, which has been jointly developed by the university, CSIRO and the Department of Agriculture. It will also provide accommodation for our own soil conservation people, including the infrastructure that services the Soil Conservation Council, soil conservation boards and the Animal and Plant Control Commission.

At the rear of the area occupied by the CSIRO Division of Soils, it is proposed to build a laboratory building that will house the amalgamated State chemistry laboratories and central veterinary laboratories and also have plant pathology, laboratories which are currently housed in the potting sheds on the Waite campus, and have been for a number of years. That will also provide accommodation for some of the staff of the Department of Animal Science of the University, who will be adjacent to our veterinary people.

The university will construct a new library building, which will take our library as well as the university's library. We propose to amalgamate those two libraries and, if possible, bring in the CSIRO's library to make a single, strong library facility. The university is also building new laboratories for student teaching out of some of the existing farm buildings. It is notable in the present environment that the tenders are 20 per cent less than the estimated costs. Again, that is an associated facility.

As the department will have some meeting rooms, they will be available for students and the department will be able to access the Hawker Centre, which the university built some years ago for large farmer meetings, forums and so forth. What we are looking at is a very large, coordinated development in which the Department of Agriculture and the Government will build some things, which a number of different people will occupy. The university will also be refurbishing its facilities and building new library and teaching facilities and an information centre, and the CSIRO will build new facilities, as well. We will all share the occupancy of those facilities so people will work together cooperatively rather than being in something of a Mexican stand-off, which can occur if these institutions are not brought together in a cooperative and constructive way.

The Hon. Lynn Arnold: The forward capital works for this year's budget sees \$4.5 million allocated in the capital works program. Tentatively forward budgeting for 1982-83 indicated \$20 million and, for 1993-94, it is \$25 million, bringing total project costs to just under \$50 million in today's dollars.

Mr VENNING: I refer to farm machinery. The agricultural manufacturing industry in this State and in Australia is in a parlous position. Should the Department of Agriculture be doing something about it? For example, John Shearer and Horwood Bagshaw, of Mannum, are the only companies in Australia manufacturing harvesters. The matter is very much tied up with the Minister's other portfolio area. The farmers of the State will be affected, as they must rely on overseas companies for machinery infrastructure.

The Hon. Lynn Arnold: Over recent years significant resources have been committed by the Government to help a number of manufacturers of agricultural implements. The honourable member correctly identifies that the matter comes under my other portfolio more so than this one. We have provided assistance to Horwood Bagshaw at Mannum. I am certain that we have provided over the years significant assistance to John Shearer, but I will double check that point. To Merino Wool Harvesting we provided a small amount of feasibility study support, but it was significantly supported by the private sector, which felt there was nothing more it could do. We had to make the comment that this very front end, leading edge of technology required significant private sector involvement. It would have been inappropriate for us to have gone in when another private sector investor had invested significant sums and then not gone any further.

We provide support through the Department of Agriculture for other facilities that help develop agricultural technology. For example, the Australian Irrigation Testing Centre, a South Australian initiative, was one for which we received significant Federal funds. We have the seeding test facility and the tillage test track which were both University of South Australia initiatives to which we provided some support through the rural industry research funds. We have been pleased to provide support for the application for the new soil Cooperative Research Centre (CRC). It will be a cooperative venture with the Department of Civil Engineering at the University of South Australia Levels campus.

Mr VENNING: I refer to my favourite subject of soil. This is the decade of land care and a substantial amount of Australian money is to be spent in this area—something like \$320 million over the decade. I have been speaking to the recipients of moneys for projects and find some areas of concern on which the Minister may care to comment. The allegation has been made that administration costs absorb an unreasonable amount of total funding that could well be spent on the land itself. This includes the cost of the Land Care Australia office in Sydney and the swish award presentation evenings and associated publicity.

Further, there is little assistance with capital costs and soil conservation for farmers, for example, for building dams, waterways, contour banks and so on. Thirdly, there is often little feedback when projects are rejected, and that does not help groups to submit more successful proposals in the future. The Federal Government is heading in a good direction in this area. Farmers are joining in the spirit, as they have done since the 1930s, but see frustration creeping in as there is so much money there but they are getting only a fraction of it. It is using the system, and the system is taking too much before it drops out to the practitioner on the ground.

The Hon. Lynn Arnold: I support the concept that funds, as far as possible, should go to on-the-ground projects. The honourable member may recall that I made some public criticism of arrangements at the national level with respect to land care as a national group. I am pleased to say that I believe it significantly altered what it was doing, or at least improved the general performance and got on with the job. It was not getting on with the job and there was a danger of money being frittered away while it was waiting to do that.

At the State level, we have seen significant increased funding for soil conservation both from new funding and thus the reallocation of funding. Funding increased from \$2.2 million in 1988-89 to \$3.5 million in 1990-91. Major initiatives involved in this increase of funding have been the establishment of the State Tree Centre at Brookway

Park, which has been very successful. It could not be accused of being razzamatazz: it has an occasional function, all for the purpose of genuine extension work. It makes good use of all those things. There is a coordinator with three regionally-based tree officers.

In addition, we have seen a major expansion of the land capability mapping program and the establishment of a support facility, the Geographic Information System at Northfield. That is a fundamental part of land management programs in that area. In terms of support from the national level, 29 departmental projects have been supported by the national soil conservation program in 1991-92 and are divided into the following: eight community land care support projects; 16 major program support projects; and five public participation, education and training programs. They are worth a total of \$2.03 million. In addition, 27 community land care projects have been supported by the national soil conservation program, together with 14 new projects yet to be announced by the Minister for the 1991-92 financial year at a combined value of \$434 000. It is worth giving another guernsey to Lynette Dohle, the soil conservation officer on Kangaroo Island, who won the Young Achiever award recently. She represents the spirit of so many people involved in soil conservation in both the public sector and in the farming community.

Furthermore, 24 soil conservation boards have been formed and two new boards are currently being formed in the South-East. That takes us just one short of full coverage of the State, which I promised by the end of 1990. We are a touch behind; nevertheless it is being properly done. Approximately 150 land care groups have been formed and are operational across the State, including groups both receiving and not receiving NSCP and other funding. In addition to the 41 groups receiving NSCP funding, it is estimated that another 50 receive funding from other sources. The soil boards are budgeted to receive \$245 000 this year for their forward operations?

Mr VENNING: Could I have a copy of the comment to which the Minister referred a moment ago?

The Hon. Lynn Arnold: That was in relation to Land Care Australia, a Federal program. In fairness, that criticism was made a long time ago. I believe that they got their act together after that. I would not want it touted about now as something that I am saying, because I think they did shape up their act. So, I am pleased about that, but I will supply that information to the honourable member.

Mr MEIER: I refer to the tripartite committee for wine grapes. Because of problems experienced by many wine grape growers in the past two seasons, is the Minister considering implementing an indicative price mechanism for wine grapes, and what action is being taken or has been taken to seek a unified approach from South Australia, Victoria and New South Wales, in other words, in relation to the tripartite committee?

The Hon. Lynn Arnold: Yes, I am giving consideration to that matter. We have been through various phases of the discussion. I reiterated my opposition to a minimum pricing situation, but I have indicated to growers that I believe there is merit in an indicative pricing situation, recognising that complementary legislation between the various States will be needed.

The situation at this moment is that the UF&S and the Wine and Brandy Producers Association of South Australia are currently considering the development of new legislation relating to indicative prices in terms of payment, which the UF&S would like to have operating by the commencement of the 1992 vintage. The wine and grape industries also hope to have substantive authorisation granted by the Trade

Practices Commission in 1991. Authorisation would allow three States to meet jointly to discuss and determine the respective indicative prices to apply in particular to irrigated areas of New South Wales, Victoria and South Australia.

My officers are presently in the process of discussing the proposed legislation with growers. John Radcliffe advises me that they have at the moment a bush lawyer's draft, which we will work into a Parliamentary Counsel draft in due course and which I propose to introduce to the Parliament. It may be tight in terms of the 1992 vintage, but we are going about it in the proper way ensuring that everyone is consulted both here and interstate.

Mr MEIER: Will the Minister acknowledge that it is almost essential for that legislation to be considered and passed by Parliament this year if it has any hope of being in place for the 1992 vintage?

The Hon. Lynn Arnold: That would require the concurrence of local growers to draft legislation that we put to them. It would also require the concurrence of interstate growers to legislation that would not be antipathetic to legislation that we would introduce here; legal advice to the effect that it was sustainable legislation, in other words, that it is not in breach of any Federal legislation, for example, that covering the Trade Practices Commission or anything to do with the Constitution; and the concurrence of members of both Houses to enable its passage. If all those matters can be answered in the affirmative, we will be in business, but if there are any questions about any of those, there will be a problem.

Mr MEIER: What is the Minister's assessment of the attitude of Victoria and New South Wales?

The Hon. Lynn Arnold: There may be more recent information, but as I understand it, in principle, Victoria and New South Wales agree with us that there should be complementary legislation covering indicative pricing.

Mr MEIER: Is the Swine Compensation Fund, which I believe is connected with the Pig Advisory Service, still operating?

The Hon. Lynn Arnold: Yes. I recently approved projects for funding under the Swine Compensation Fund.

Mr MEIER: How much is in the fund, and how much do producers pay into the fund per pig or by any other system?

The Hon. Lynn Arnold: I know that the honourable member asked the Director questions about levies for animals about a month or so ago and that that information was supplied, but I will have that information printed in *Hansard*. We have to maintain a balance in the fund in the event that there might be some endemic disease amongst pigs that would require compensation payments to be drawn on the fund. However, each year we set aside some of the interest earned by this fund to finance research projects relating to the pig industry and associated matters.

Currently, \$214 000 worth of projects have been approved, but I suspect that they do not include the three that I approved yesterday. These projects involve the Australian Pig Science Association; risk factors for pleurisy; improved communication in South Australia; the RAS carcass competition; the South Australian carcass competition; the pig improvement program; pig industry promotion; pig industry newsletter; the central boar testing facility; the pig health monitoring scheme; and antibiotic residues and Field Pig evaluation. Some of these projects are continuing, because they have been funded in earlier years, and some are new projects, which I cannot detail. I will obtain a statement on the Swine Compensation Fund detailing where the revenue comes from and where the expenditure has been going.

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

Mr MEIER: Will the Minister indicate to the Committee his view as to the long-term future of the Swine Compensation Fund? Does he see any changes occurring, or does he see it performing much as it is performing now?

The Hon. Lynn Arnold: I guess the most significant issue will be the definition of what are the diseases that pigs have that might be eligible for compensation under the fund. An issue of concern lately to pig producers in South Australia relates to the import of pig products into this country and the possibility that there might be contamination or disease in those imported products. As I understand the situation at this time, that is not one of the listed diseases that could be compensable under the Swine Compensation Fund because, in fact, that fund compensates for endemic diseases in Australia.

However, my view is that consideration ought to be given to extending it to the wider area. We are still pursuing that matter to determine whether or not it would need a wider agreement than we would give in South Australia. As I understand the situation, the diseases listed under that are the outcome of discussions at the Standing Committee on Agriculture. So, I think the issue is worth considering further, which may then mean that, if there is a threat of damage to the industry in South Australia from imported products that bring with them an imported disease that is not endemic to Australia, it ought to be eligible for compensation under the fund. However, that is not currently the case.

Mr MEIER: I am pleased that the Minister has that matter in mind. He mentioned imported or potentially imported diseases such as transmissible gastroenteritis (TGE). Given that we are dealing with pig industry matters, has the Minister made any representations to the Commonwealth Government to see whether the importation of Canadian meat may be disadvantageous to our industry from the point of view that there is some risk of transmissible gastroenteritis coming into this country at a stage when it is the last thing we would want when our rural industry is in decline—although the pig industry has generally held its own? Has the Minister made representations recently and, if so, when; and, if not, has he any plans in this regard for the future?

The Hon. Lynn Arnold: The very point I referred to before in fact relates to the fears that some pig producers have expressed in relation to TGE. As I understand it, TGE is under negotiation with Federal authorities at the moment with a view to placing it on the cost-sharing list along with other exotic diseases. In relation to the actual risk assessment, the honourable member may be loading that statement too much. All the advice we have at the moment is that the risk is very low indeed. Nevertheless, if there were to be any outbreak of TGE, I think that matter would have to be addressed properly in the arrangements we have. We would be reliant, of course, for future arrangements on risk assessment by the Commonwealth and would react accordingly.

Mr MEIER: Questions were asked earlier regarding the relocation from Northfield to Waite. I want to make it quite clear that I have great concerns about the land at Northfield being used for housing. It is irresponsible that a large tract of land that is not built upon, to all intents and purposes, is to see urban development such that that potential open landscape will disappear for future generations. I say that in the light of the fact that the Government has supposedly prided itself on creating new national parks and wilderness areas, and I would have thought that when an opportunity

such as this came up close to the centre of the city the Government would act responsibly and seek to dedicate that land for the purpose of parks, reforestation or woodland, etc. What is the proposal if the Government still intends to proceed with the housing development? How much of the land will be occupied by housing and what is the time scale?

The Hon. Lynn Arnold: I will obtain the relevant information from the other Ministers who have responsibility for this matter. My guess is that at the very least 12.5 per cent of the land will be allocated to reserve. I can say with a degree of certainty that the whole design of that residential area will be very well done. I hear what the honourable member is saying and I think that Governments over the years have done things—and that includes previous Governments—to ensure that we maintain the amenity of the city of Adelaide. The Torrens linear park is an example. It was planned by the Tonkin Government—and I give credit for that—and it has been maintained under this Government. Other linear park developments, such as the development over the years in Salisbury for the Little Para River linear park, are, likewise, very sensible projects. There are other areas where open space development will take place in the years to come.

One has to recognise that Adelaide will grow; more people will live in Adelaide. Even if there were to be no more migration as from tomorrow—and that is an unrealistic scenario and one we would not support in any event—the citizens of South Australia will still have children in the years to come and a percentage of them will live in the city of Adelaide. They have to live somewhere. One ends up saying either that they should live in high rise accommodation with its consequent effects on amenities or that the urban sprawl should spread out further. We take the view that we do not want to see the urban metropolis spill over into the Barossa Valley, where there would be hewing of vines to make space for extra housing accommodation, or into the Southern Vales. We would rather see a policy of urban consolidation.

This vast area of land at Northfield provides an opportunity for nearly two-thirds of one year's supply of housing allotments. I would have thought that that would be something that all members would favour, because if we do not use that land we will have to find somewhere else to house two-thirds of one year's supply of houses. If the honourable member would rather have the Barossa, the Southern Vales or the productive areas from Waterloo Corner on the way to Virginia, maybe that is a view he has a right to hold. However, it is not the view that the Government holds. That is not to say that we deny the development of proper reserve facilities within the metropolitan area as opportunities arise. We have done so and will continue to follow the tradition of the past in that regard.

Mr MEIER: I am surprised to hear the Minister's answer. My memory goes back some years when I had the opportunity to visit the city of West Berlin. Many things struck me during that visit, but one thing in particular was that they had a huge area of woodland very close to the centre of that city. People could literally get lost in it. The Minister is perhaps trying to overplay things when he says that if we do not develop Northfield we will have to develop some other area. I could say the same about Berlin, which is much older than Adelaide, but they seem to have managed with their problems.

The Hon. Lynn Arnold: I think the honourable member should examine the proposals for the MFP site and the villages. They represent a positive set of proposals for the interaction of the built environment alongside reserve devel-

opments, including forest reserves, which, with water reserves, will be placed between the various villages. It is a very exciting concept. That will give us the sorts of things about which the honourable member is talking. We have land here which is well capable of carrying residential subdivision at a cost significantly less than building on the outer urban fringe.

In terms of providing basic services, such as sewerage, water mains and electricity supply, that can be done more cheaply there than providing for the same number of houses on the outer urban fringe. We have school and other community facilities in the nearby vicinity which are presently under-utilised and which will be able to pick up the education and other community demands of the people who live in that area. As a responsible Government looking after the money that the community gives to us in taxes, surely that is a reasonable way to go.

Mr GUNN: Is the Minister prepared to have a referendum of barley growers to determine once and for all the question that many barley growers are asking, namely, why they cannot participate in the democratic process? The Minister will be aware that there have been four meetings of barley growers in South Australia at which there has been overwhelming support for a motion calling for a referendum of barley growers to determine whether future board members from South Australia are either selected or elected. I point out by way of explanation that since we have had the selection process for the Australian Wheat Board, South Australia no longer has a representative on that board, and that has not been in our interests.

I believe that the Australian Barley Board has performed a worthwhile function and in the circumstances has provided a good service to barley growers in this State. I believe that there are many more important things that the rural industry should be concentrating on, and the best way to bring this matter into effect is to have a poll and resolve the matter once and for all. Is the Minister prepared to make arrangements to have a poll as soon as possible to resolve this matter once and for all? We are happy to accept the results of a poll of barley growers. We do not want this controversy to persist any longer as we believe that there are more important things in which the farming organisations should be involved than defending themselves over this matter.

The Hon. Lynn Arnold: At the outset, I pay tribute to the constructive comments that I have received from a number of members on both sides of the Parliament on this broad issue. I particularly acknowledge that one of my colleagues, the Hon. Ron Roberts in another place, has gone to a lot of trouble to listen to the views expressed by barley growers and to communicate those views to me.

I do not think that the Australian Wheat Board is a good analogy, because essentially we are dealing with a two-stage situation. It comes under two State Legislatures and two State Ministers. It would be remarkable if, under a selection process, South Australia, the barley State of the country, and its Minister did not approve the selection of any South Australian members of the Barley Board. I cannot see that as being a realistic outcome. Nevertheless, I acknowledge that many opinions have been expressed about going to election rather than selection.

The question whether or not there should be a referendum is complex. In the first instance, the advice that I have—I know there are people who have counter advice on this matter—is that it is not legal for the Barley Board to fund a referendum. That is not deemed within its legal charter of operation, so it could not fund a referendum. Therefore, somebody else would have to fund it. Then we would

require a referendum that picked up not just some barley growers but all barley growers in the State; in other words, not just those who might be members of a certain association. In any event, in the present very heated climate, there would be some doubt as to whether or not we would get a dispassionate view on what was considered the best long-term response for the industry.

I have raised the point that having selection gives the capacity to choose a team of people who, in their mix of skills, can make the best contribution to a particular commodity. I cited the example of the citrus industry without downplaying the role of those who served in the past when essentially the board was an elected body. I think that we are better placed—and this Parliament seems to accept it—with selection. That is the view that came out of the review that suggested changes to the Barley Act and that is presently being considered by us and by the Victorians.

In the longer term, I suppose one could put forward very good arguments on both sides of the equation, but I want to make sure that we end up with something that represents the barley industry in this State. I do not want to end up with a situation that would see a contradiction in legislation between Victoria and South Australia, a contradiction that may tear apart the fabric of orderly marketing in the barley industry. That would be the worst outcome, and I do not suggest that anyone would want that. We have to think very carefully about any changes that we might want to bring in. I have had some discussions with my Victorian colleagues. I appreciate that South Australia is the principal barley State and that we have that clout. Nevertheless, we have to think very carefully about the implications of any changes that we might wish to make.

In terms of trying to analyse the real fears that people have about the selection process, and as a number of my colleagues have brought this matter to my attention and expressed their views, we shall have some further consultations on the issue to hear the different points of view and find out the depth of concern. On the face of it, there seems to be more being said about what is wrong with the proposition than seems reasonable to apply to the situation. In any possible reasonable assessment about the outcome of a Barley Board by selection, I do not see, in my wildest dreams, the sorts of fears that some people suggest would be the outcome. Nevertheless, it is worthy of further consultation, and that matter is presently under way. Again, I appreciate that a number of Opposition members have constructively contributed to that process.

Mr GUNN: The next matter I wish to raise with the Minister concerns proposals to bring spray drift legislation before the Parliament. Will the Minister guarantee that, before any legislation is drafted or brought before the Parliament, all the concerns that have been expressed to the Minister and to the department are resolved concerning the draft paper that was circulated and caused considerable concern in the agricultural sector about how impracticable it would be to put some of the recommendations and suggestions into the legislation? As someone who has read the proposals and has some knowledge of practical farming, I was concerned that they would make the life of the average farmer nearly impossible. For example, in areas in the Mid-North we have what could be classed as certain water courses. Great concern has been expressed to me by a number of my constituents in the Mid-North and elsewhere about some of the proposals and how difficult they would make their normal farming practice.

The Hon. Lynn Arnold: I cannot guarantee that nothing will come before Parliament until all concerns have been satisfied because I do not know that there would ever be a

situation in any major issue where everyone's concerns can be satisfied. Already there are contradictory concerns amongst the 600 submissions received to date and it would not be possible to design a document to meet all those 600 concerns. True, 300 might be met and 300 not met because of the decision, but I can undertake that when we have worked our way through the next stage there will be further meaningful consultation with all parties involved.

The 600 submissions received thus far are now being appraised and that information will be presented to the steering committee, which has representation from the Department of Environment and Planning, the Department of Agriculture, the Health Commission, UF&S, the Advisory Board of Agriculture, the Agriculture and Veterinary Chemical Association of Australia, the Aerial Agriculture Association of Australia, the Australian Conservation Foundation and a community representative. As honourable members know, the working party is comprised of two people from the Agriculture Department and one person from the Department of Environment and Planning.

The steering committee will then report to the Directors-General of Environment and Planning and Agriculture who will then consider all the submissions and present them to the relevant Ministers, the Minister for Environment and Planning and me. We will have further discussions and consultations before any proposition for legislation comes before Cabinet, let alone before Parliament. I cannot give the assurance that the honourable member seeks that every concern will be taken into account because, whatever we do, that may be an impossibility.

Mr GUNN: Concerns have been expressed to me, and those that I consider will cause difficulty are contained in the green paper circulated. If those recommendations were put into effect, it would make the life of the average farmer very difficult. There has obviously been strong input from a fringe group that is anti-chemical. They want to frustrate the use of chemicals at all costs. I am sure the Minister and his officers are aware that agriculture requires the responsible use of chemicals and that, in many cases, it would be impossible to farm economically without using chemicals. I am unaware of any farmers who buy a litre of chemical more than they have to or sprays a hectare of land more than they have to. I ask the Minister to bear that in mind because of the great concern amongst farmers.

The Hon. Lynn Arnold: I am sensitive to the fact that farmers are not spendthrift in their use of chemicals. Chemicals are a cost to their production, and what sense would there be for anyone sensibly managing an enterprise unnecessarily using chemicals? Nevertheless, there are issues on the other side that genuinely need to be taken into account. I ask people to look seriously at the recommendations and say where they genuinely believe they will impede the genuine operations of a farming enterprise. Essentially, the recommendations come down to the following seven:

- All people who apply agricultural chemicals (excluding home gardeners), undergo training and accreditation to upgrade skills. A two-day course is suggested. Staff at State Government agencies and councils would also need to be accredited.
- A code of practice for the safe and effective application of agricultural chemicals be prepared and included in training courses.
- All properties where agricultural chemicals are used be licensed. Persons without a licence would not be allowed to buy agricultural chemicals.
- Failure to comply with conditions or a notice may result in a suspension or cancellation of licence.
- Members of the public have access to information on chemicals being applied. An authorised officer would play a mediatory role if conflict occurs.
- Ground spraying not be permitted within 50 metres of built-up areas without a permit.

- Aerial spraying not be permitted within 100 metres of a built-up area.

I understand the sorts of concerns that may come up in respect of each recommendation, but I ask people seriously to consider the issue behind each of those recommendations. If they find a recommendation is unacceptable, they should determine whether the issue at its heart is unacceptable or, if it is not—and I suggest that the issues at the heart of some of those recommendations are not unacceptable—we should find alternatives that we can consider.

As Minister of Agriculture I am interested genuinely in hearing constructive possibilities in this area. There is no purpose in the Government's unnecessarily wanting to stifle the reasonable use of chemicals. On the other hand, we have to build in some safeguards, as the community expects, and I believe that the majority of people within the rural community would also expect that we have them in place.

Mr GUNN: The Minister has detailed those recommendations. If it became necessary to have a licence or training before people could use agricultural chemicals—and I refer to people who have been using chemicals for 20 or 30 years, or in the case of someone like me who has used them on and off over a number of years—they would not be able to remain as farmers, and that is the question causing me concern. Will the Minister respond?

The Hon. Lynn Arnold: I cannot give a definite answer to that as we are still receiving and considering submissions. There are various options. One is to require people who have been appropriate users of chemicals for years to perhaps answer a set of questions about the use of chemicals to determine their practice patterns. In all probability it will rely on competent farmers in the field using chemicals to train others, anyway, because they are the people most likely to have the knowledge base. It is premature to say what is the answer to the question because, generally speaking, we are listening to the submissions and we will arrive at answers accordingly. There may be modifications or alternative directions to those set out in the recommendations that I have just read out.

Mr MEIER: The District Council of Naracoorte has forwarded to me a copy of the letter it sent to the Premier almost a month ago about stock disposal in its area. The letter states:

The purpose of this letter is to sound warning once again well in advance we hope, of the likelihood of further stock disposal which may occur in the foreseeable future.

The letter goes on:

... it has come to the council's attention that particularly stock freshly off-shears, are failing to attract a bid. It is therefore the concern of the council that the 'slaughter pits' which became necessary from October 1990 to around March 1991 may become a reality again.

At that stage the council had to spend thousands of dollars on stock disposal and it has requested that appropriate action be taken now to establish a scheme that can be in place prior to any recommencement of stock disposal. Has the Minister been made aware of that through the Premier's office and has he any contingency plans in hand?

The Hon. Lynn Arnold: I appreciate that the honourable member has been in contact with various groups in the community, including Naracoorte council, about issues that are before them. It might have been useful if he had got back to them in recent days to hear more about what has happened, because the Premier and I were in the area last week and had discussions with, amongst others, the Naracoorte council. We updated the council on the situation in respect of this issue. The council seemed satisfied with the advice we gave it. That verbal advice was confirmed in writing a day later by the Premier. Had the honourable

member got back to the council he would have been given all this information.

The information is this: the State Government indicated that it was not in a position to provide financial support for the disposal of sheep but that it believed that something should be done at the national level and, as the honourable member knows, something was done at the national level. The problem that faced the District Council of Naracoorte was that it had been ahead of the field, it had actually gone to the trouble of doing things earlier and therefore missed out on getting payment under the scheme offered through the Australian Wool Corporation.

The Government has taken up that matter with the relevant authorities and did so again a couple of weeks ago. This is what we told the Naracoorte District Council last week and what the Premier confirmed in a subsequent letter that I have written to Simon Crean, the Federal Minister, asking him to intercede with the AWC on this matter, and I have also written to the AWC, asking that it gives special consideration to helping meet the costs that have been sustained by Naracoorte council in this matter. There is a case that would justify its being given treatment as other councils have been given for the disposal of sheep after the scheme was put in place.

Mr MEIER: I have received a letter from a constituent of mine who was apprehended earlier this year for selling dried fruit that had not been inspected by the South Australian Dried Fruits Board. He acknowledges his error but is very upset that there is so much concern about our local fruit industry, with strict laws regarding what can and cannot be sold from our own producers, but that we allow dried fruit to be brought into this country with little or no control over it.

He cites an example that was brought to his attention, that a leading supermarket chain can import American almonds that, according to my constituent's wholesale agent, are in excess of two years old and have been infected by bugs. He also says that he believes people buying dried fruit such as banana chips, pineapple and paw paw believe it to be Australian, but he assures me that it is mostly imported. My constituent also seeks to have documentation placed on dried fruit that indicates where it comes from, the grade of the item and, preferably, the date by which it should be consumed. Is the Minister aware of any changes that might occur in this area to help people like this and to help consumers generally?

The Hon. Lynn Arnold: In the first instance, I take it that the shadow Minister is totally in support of the moves I took on behalf of the dried fruit industry of South Australia when this State took the lead and had other States follow in saying that we should work with retailers to have them apply to imported products the same standards that regulations require be applied to domestically produced products, and also that it seemed reasonable that imported products should be labelled accordingly and that there should be fair description so that a product that is not a product of Australia should be identified with equal significance alongside of issues to do with packaging in Australia. One of the problems is that some packages of imported products have large labels stating that they are packaged in Australia and small labels stating that they are a product of some other country. I took those steps some time ago and I think that the best interests of the honourable member's constituent were addressed.

I have even discussed the matter with the Turkish Minister of Agriculture with respect to one particular country and one particular commodity, namely, apricots. I indicated to him that it was not my desire to say that we should not

be importing Turkish products but that they should be required to meet the selfsame standards that we require of Australian producers of dried apricots and other dried fruit. He understands that and I take it that advice has been given to Turkish producers about the position in South Australia. The position we took was adopted by New South Wales and Victoria and I hope that the shadow Minister supports those initiatives.

Mr MEIER: My Victorian Liberal colleague, the member for Mildura, supported it, too.

The Hon. Lynn Arnold: Yes, he was one of the first to support it, as well as the Governments of Victoria and New South Wales. We have issued a dried fruits marketing green paper and we are still in the process of receiving submissions on it. One of the things that worries me about the honourable member's question is the outcome if people want to rapidly change the rules. One of the things I had going for me as a State Minister in trying to take this position early last year is that I was able to say that this is what applies to Australian producers; therefore, it should apply to you, too. Even if I cannot enforce it in law—we were busy testing that out—at the very least retailers should be expected to apply in all justice the same principles to imported products as to local products. However, if some local producers do not want to be associated with any grade standards for dried fruit and want to put it in the marketplace without regulation, that might be fine in a deregulated environment, but it offers grave danger for the type of position we were trying to argue with respect to the importation of products that could be substandard.

Secondly, it introduces a new threat to orderly marketing arrangements. While I am not opposed to deregulation processes, we have to be careful how we move from an orderly, regulated situation to an unregulated situation. Anyone who attempts to pre-empt this green paper is not working in the interests of the industry, but in their own interests. A better thing to do would be to contribute positively to the green paper process and then a new policy will be set or deregulation or new regulations will be determined, and we can work out something that is in the interests of all players, not just some who are seeking to obtain some short-term advantage. I have said some of this to people who have expressed to me that they want the right to be able to sell unlicensed produce. The price might be very high and it might put at great risk the viability of a lot of other people in the dried fruit industry. I think they have to look carefully at how it will work through.

At this stage we are in the melting pot because the process is still out there for discussion. It will be back in Parliament in due course. In fact, there will have to be a minor piece of legislation presented to Parliament before Christmas to extend the regulations to allow us to deal properly with this process. I hope that the Opposition will see its way clear to supporting as a matter of urgency that minor piece of legislation to enable us to get this issue right.

Mr MEIER: What is the closing date for submissions to the green paper? If the date has passed, will the Minister still accept submissions from my constituent or someone else?

The Hon. Lynn Arnold: I am not sure of the exact date but I think it is about now. I am expecting something in the next couple of months and it will take some time after that. I will not be bloody-minded about someone coming in with a submission now. If they feel they have something constructive to say, I will listen to it.

Mr MEIER: I refer to the Program Estimates (page 133), which provides that a working party established by the Minister will review storage/handling of South Australian

grain. I was a little surprised to read that in light of the 1988 McColl report on the handling and storage of grain. Is there a specific reason for South Australia to be looked at further now?

The Hon. Lynn Arnold: In this matter two issues are involved. One is the downstream effect of the Royal Commission into Grain Storage, Handling and Transport. The second is the regulatory review framework that the Government has put in place and that therefore needs to be done. The report of the South Australian Government interdepartmental committee into the Royal Commission into Grain Storage, Handling and Transport was released in October 1990. That report did not recommend major changes to the system for the storing, handling and transport of grain in South Australia. However, it investigated a number of areas where potential gains could still be achieved, principally legislative barriers to a more competitive grain storage, handling and transport system, road funding issues relating to a change in the balance of road and rail transport of grain and port services, particularly pricing systems. Two of the major recommendations of the IDC were to:

- (i) Remove sole receivership rights in the Bulk Handling of Grain Act 1955 to provide all grain traders with the same ability to store and handle wheat and barley as is now given to the Australian Wheat Board and the Australian Barley Board.
- (ii) Review the Bulk Handling of Grain Act 1955 in light of changes to marketing legislation which impacts on bulk handling legislation.

I established a working party in March 1991 to review the Bulk Handling of Grain Act 1955. Members of the working party include: Mr Peter Edmonds, SA Co-operative Bulk Handling Co. Inc.; Mr David Thomas, Australian Wheat Board; Mr Michael Iwaniw, Australian Barley Board; Mr Kevin O'Driscoll, United Farmers and Stockowners; Captain Robert Buchanan, Department of Marine and Harbors; Mr Glyn Webber, Chairman of the working party, Department of Agriculture; and Mr Robert Rees, Executive Officer, Department of Agriculture.

The terms of reference for the review are as follows:

1. Examine the current appropriateness of and the future need for the Bulk Handling of Grain Act and in so doing ascertain whether any feature of the Act should be incorporated in:
 - (i) The articles of association of SA Co-operative Bulk Handling Ltd (SACBH).
 - (ii) Another Act or Acts.
2. Extend that examination to:
 - (i) Legislative and regulatory impediments to the provision of efficient and effective storage, handling and transport of grain from South Australia.
 - (ii) The ownership, operation and management of the respective grain loading facilities at South Australian ports.
 - (iii) Identify changes which have occurred and are likely to occur to the year 2000 in the storage, handling and transport of grain from South Australia.
3. In the process of examination, consult widely with primary producers, Government departments, grain marketing authorities, waterside employer and employee organisations, shipping companies or others connected with the handling and sale of grain.
4. Recommend to the Minister of Agriculture the course or courses of action to be taken.

It needs to be noted, in the context of 2 (ii), that the Minister of Marine issued a statement with respect to his intentions on the matter of ownership of DMH facilities which will be taken into account by the working party and naturally by Cabinet subsequently. At this stage there is, conditionally, unanimous agreement by the working party that the current Act should be repealed provided there is clarification over the future of a number of issues raised by working party members. They include:

- Long-term investment decisions to erect terminal bins, deep sea ports and adequacy of bulk handling facilities in a district.

- Recourse to the Trade Practices Act to settle disputes can be expensive; prone to lengthy delays and is evidence that communication between sectors of the industry had broken down.
- On repeal of the Act, SACBH could trade in grain and grant preferential treatment to its own clients.
- Charging policies would have no checks and balances—under current arrangements the Auditor-General must approve changes to SACBH charges.
- Issue of effective accountability by SACBH to growers and Government needs to be addressed.

The notion of a formal/informal consultative committee structure is generally supported. A decision is still to be reached by the working party on this issue. It is anticipated that I will receive a report from that working party by the end of November.

Mr MEIER: I refer to page 135 of the Program Estimates at which reference is made to increased interest in developing the deer, goat, alpaca and ostrich industries. I am surprised that there is no reference in that item to emu farming, although I highlighted in this place in August of last year a letter that I had received from the Minister for Environment and Planning indicating that certain procedures had to be gone through before it would be allowed. The Minister and others would be aware that Western Australia has been gaining economically for some years now from a multitude of emu products, which I identified to this House before today. I believe that Queensland is doing the same thing. I was hoping that South Australia would get in on the ground level. It is now 18 months since that time and it appears that little progress has been made towards allowing people who have an interest in that area to proceed with emu farming. Has the Minister any comments?

The Hon. Lynn Arnold: Further discussions are taking place within the portfolio of my colleague the Minister for Environment and Planning that would be relevant to this matter because currently in South Australia it is not possible to farm emus under the national parks and wildlife legislation. In Western Australia the same legislation applies but they have to find emus in the farm situation differently from emus in the wild; in other words, they are apparently no longer emus and it makes them legal for farming. I do not know what the final outcome will be. We will pursue the matter and obtain an updated report on progress as some opportunities could be further pursued.

It is interesting to see developments taking place with deer, alpaca and ostrich farming. It will never be the mainstay of husbandry in South Australia but will offer important opportunities for a number of producers and shows great potential at this stage. We are pleased to support some of that potential. We have residual questions to do with the introduction of new bloodstock into some of those areas, arguing the case of ostriches in terms of fertile eggs that still have to be pursued in terms of quarantine. I have had drawn to my attention another aspect of the capacity of quarantine facilities to cater for fertile ostrich eggs. We are pursuing this issue currently and the possibility exists that Christmas Island might be available for such purposes. I am busy pursuing it with my Federal colleagues.

Mr MEIER: I hope that the Minister will do everything that he can to encourage emu farming. I could go on further with this line but I have extended well past the time.

The Hon. Lynn Arnold: I have circulated some figures. Yesterday I approved a schedule from the RFDD on applications for rural assistance and approvals for applications, but of particular relevance is the intra subsidy applications under part B. In June this year five applications were approved and two declined. The total approved amounted to \$38 655. In July we had 37 approvals representing \$195 634, with 26 applications declined. In August 26 appli-

cations were approved amounting to \$142 371, and six were declined.

I was asked by the shadow Minister for this information earlier and he was concerned that I was not able to give the figures off the top of my head. This schedule did not leave the RFDD until early September. It came to my office on 18 September and was approved by me on 20 September. I will insert in *Hansard* a table showing the general situation with regard to rural finance and development with current applications, those having been processed up to 20 September 1991 for the individual months and for the year to date. Subsequently we will obtain figures for the past financial year.

Rural Finance and Development Division
Summary of Current Applications as at 20 September 1991

| | On Hand at Start | Applica- tions Received | Applica- tions Processed | On Hand at Date |
|--------------------------------|---------------------|-------------------------------|--------------------------------|--------------------|
| RAS (Part A) | 65 | 44 | 29 | 80 |
| Commercial | 50 | 9 | 21 | 38 |
| RIADF | 1 | 0 | 0 | 1 |
| Re-establishment | 26 | 3 | 3 | 26 |
| Household Support | 7 | 10 | 11 | 6 |
| Total | 149 | 66 | 64 | 151 |

Dissection of Applications Processed for Month.

| | Declined | Withdrawn | Approved | Approved \$ |
|--|----------|-----------|----------|----------------|
| RAS—SFBU | 0 | 0 | 0 | — |
| RAS—other (inc. 13 IRS inc. 3 HHS) | 26 | 2 | 1 | 150 000 |
| Commercial | 9 | 0 | 12 | 1 578 000 |
| RIADF | 0 | 0 | 0 | — |
| Re- Establishment | 0 | 0 | 3 | 75 133 |
| Household Support | 1 | 2 | 8 | 17 731 |
| Total | 36 | 4 | 24 | 1 820 864 |

Dissection of Applications Processed for Year to Date.

| | Declined | Withdrawn | Approved | YTD \$ |
|--------------------------------|----------|-----------|----------|-----------|
| RAS—SFBU | 1 | 0 | 2 | 410 000 |
| RAS—other | 133* | 8 | 31 | 2 898 000 |
| Commercial | 31 | 7 | 33 | 4 847 000 |
| RIADF | 0 | 0 | 0 | — |
| Re- Establishment | 3 | 1 | 17 | 505 066 |
| Household Support | 5 | 4 | 47 | 139 150 |
| Total | 173 | 20 | 130 | 8 799 216 |

* Many farmers declined loan assistance under RAS Part A are subsequently offered other forms of assistance. In the period 1 July to 20 September 1991, of the 133 farmers initially declined assistance, 44 were offered a Part A interest subsidy on existing commercial debt (to a maximum of \$25 000 per annum for two years) and five were offered household support.

Rural Finance and Development Division
Summary of Interest Rate Subsidy Applications as at
20 September 1991

| | On Hand at Start | Applica- tions Received | Applica- tions Processed | On Hand at Date |
|------------------|---------------------|-------------------------------|--------------------------------|--------------------|
| Part B | 17 | 5 | 10 | 12 |

Processed This Month

| | |
|------------------|----|
| Part A | 13 |
|------------------|----|

Note: Part A interest subsidies are offered after assessing loan applications for Debt Reconstruction.

Dissection of Applications Processed for Month

| | Declined | Withdrawn | Approved | Approved \$ |
|------------------|----------|-----------|----------|----------------|
| Part B | 6 | 0 | 4 | 23 294 |
| Part A | 0 | 0 | 13 | 131 309 |

Dissection of Applications Processed for Year to Date

| | Declined | Withdrawn | Approved | Approved \$ |
|------------------|----------|-----------|----------|----------------|
| Part B | 30 | 0 | 67 | 361 299 |
| Part A | 1 | 0 | 57 | 554 742 |

Membership:

The Hon. Ted Chapman substituted for Mr Venning.

The Hon. TED CHAPMAN: It is not my intention to question the Minister but to place on the record my recognition of his efforts, albeit somewhat belatedly, in the area of assistance to the rural community. I understand the difficulties that the State has had in mounting the sort of assistance plan that it desired. I am aware of the difficulties that the State has had in securing the necessary funds from other sources. Whilst it is easy to be critical of what is not being done, when there are real positive signs of some attempt to do it properly, albeit belatedly, they deserve recognition.

The Hon. Lynn Arnold: I thank the member for Alexandra for his comments, and I am very pleased to see him here today. I appreciate the constructive role that the honourable member played in our earlier discussions this year in trying to examine the options as he represented the interests of his constituents, particularly those on Kangaroo Island, who came to see the honourable member about a series of propositions. That was useful in my working through the possible responses.

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

Fisheries, \$7 771 000

Works and Services—Department of Fisheries, \$1 000 000

Chairman:

Mr M.J. Evans

Members:

Mr M.J. Atkinson

The Hon. T. Chapman

Mr G.M. Gunn

Mrs C.F. Hutchison

Mr E.J. Meier
Mr J.A. Quirke

Witness:

The Hon. Lynn Arnold, Minister of Fisheries

Departmental Advisers:

Mr Rob Lewis, Director of Fisheries.
Mr John Johnson, Research and Development Manager.
Mr John Jefferson, Acting Fisheries Manager.
Mr Peter Bailey, Administration Manager.
Mr Barry Burr, Accountant.

Mr MEIER: What progress has been made since last year's estimates on determining whether a fishing licence is property? Do the department and the Minister now recognise fishing licences as being property?

The Hon. Lynn Arnold: The situation has not changed substantially from last year. It was decided in *Pennington v McGovern* (1987) that the basis for a licence was deemed to be property. As I have said since that time and as my predecessors have said, it is up to the Government either through further cases coming before the court to appeal the matter to a higher court to seek reversal or to put legislation before the Parliament to define that licences are not property. That is the situation in terms of the legislative sense: the judicial sense has not been further advanced over the past 12 months. That is not to say that there have not been numerous discussions about the matter within Government, particularly in relation to the issue of liability for stamp duty upon the transfer of a licence, given the understandable position of the Commissioner for State Taxation that, in the context of that legal decision, they should be eligible for the payment of stamp duty. The matter is being further considered, and I hope to be in a position to advise the Parliament in the coming months of the Government's views.

Mr MEIER: Has it been determined that stamp duty is to be paid when one purchases a fishing licence?

The Hon. Lynn Arnold: The Commissioner for State Taxation has deemed that stamp duty is payable on the amounts for the simple reason that there exists in the body of common law the finding to which I referred. The Commissioner does not have the option not to accept that in the absence of any other common law finding or legislative decision. It is that matter which has been determined by the Government as to whether any other legislative decision should be made. There is no judicial vehicle presently available to us to pursue the matter in the area of common law. In any event, as I understand it industry has accepted the liability to pay that amount, but I accept there is a broader issue that needs to be resolved, and I look forward to some form of resolution one way or the other in the coming year.

Mr MEIER: What rate of stamp duty is being applied?

The Hon. Lynn Arnold: I think that question ought to be asked of the Minister responsible for the Commissioner for State Taxation, but I will obtain that information for the honourable member and have it inserted in *Hansard*.

Mr MEIER: Is stamp duty being charged retrospectively; and, if so, to what date?

The Hon. Lynn Arnold: I will confirm the position arrived at between industry and the Commissioner for State Taxation. I understand there have been discussions and a date was agreed upon, but I will have to obtain that information for the honourable member.

Mr MEIER: Are fines being applied to fishers who have not paid stamp duty?

The Hon. Lynn Arnold: Again, these questions should be referred to the relevant Minister who has responsibility for the Commissioner for State Taxation. I will refer that matter to the Minister, obtain an answer and have it inserted in *Hansard*.

Mr MEIER: It has been brought to my attention that some fines have been applied. I suppose it is a matter for the Government to determine, but I would have thought that the Department of Fisheries was the logical department to advise any fisher who has purchased a licence that he or she could be liable for the payment of stamp duty. If the Department of Fisheries is not doing this, what chance is there that people who have purchased or are going to purchase licences may be subject to a fine?

The Hon. Lynn Arnold: Again, stamp duty comes under the Commissioner for State Taxation. There are many areas of stamp duty. The point being raised by the honourable member is that relevant departments across Government should take on that matter as their responsibility to advise people of the likelihood that they may have to pay stamp duty. That may be a valid point, and I will certainly ask my department to ensure that, where licences are transferred, if this has not occurred in the past (and I will check that), in future we advise people that there will be a liability for the payment of stamp duty unless there is any change to legislation which alters the nature of the whole situation.

Mr Lewis: The application form for the transfer of a licence contains a clause that refers to the need to pay stamp duty. We attach to that application form the Commissioner of Stamps' determination, but we do not actually apply the stamp duty as it is not our responsibility.

Mr MEIER: I take it, therefore, that people purchasing licences are being informed that they are liable to pay stamp duty?

The Hon. Lynn Arnold: The answer has just been given to the Committee.

Mr GUNN: I refer to the draft green paper on the scale fishery. The Minister would be aware that there has been considerable discussion in relation to the recommendation that netting ought to be permitted again in Murat Bay. I draw the Minister's attention to the fact that at Ceduna 72 local marine scale fishermen or 65 individual families are actively involved and relying on the income, three fish factories are processing the scale fish and 14 families are relying on that income. The Murat Bay District Council is particularly concerned and wrote a letter to the Minister dated 16 September, which states:

I am writing on behalf of the district council of Murat Bay, in relation to the recommendations contained in the supplementary green paper on the South Australian marine scale fishery review. Council is most concerned with the recommendations contained in the above paper and the impact it will have if implemented on the total welfare of this and neighbouring communities.

At its September meeting, council formed a working party to review this document in detail and present a report as council's response to the recommendations contained in the supplementary green paper. As Minister, it is your responsibility to ensure that an open forum exists for the full and frank consideration of this most important document. It is our observation that such a forum is not available due to the apparent biased attitude displayed by your Director against sections of the scale fish fishery. This, coupled with the fact that our previous submission was ignored, council requests that you appoint a select parliamentary committee of inquiry to review the worthiness of the supplementary green paper and investigate the efficiency of the Department of Fisheries. A small delegation from council is available to attend your office in deputation . . .

The council is most concerned that there was no recognition of its earlier submission on the review. Many years ago, the local community and the fishing industry agreed to close Murat Bay to netting. The local fishing industry is most concerned by the suggestion that netting should again be

permitted. I suggest to the Minister that this proposition ought to be discarded forthwith, otherwise these communities will become most agitated, as I believe it will threaten the livelihood of a number of people and will damage the total fishery.

The Hon. Lynn Arnold: Can the honourable member repeat the last part of his question about what the Murat Bay council is proposing that is different from the supplementary green paper proposition?

Mr GUNN: It has said that, because its earlier recommendations and suggestions have been ignored, it wants a parliamentary select committee to be established.

The Hon. Lynn Arnold: No, I refer to what it wants with respect to closures.

Mr GUNN: The council's view is that the existing arrangement at Murat Bay should remain and that no netting be permitted in Murat Bay. It was closed many years ago and the local fishing industry is totally opposed to the reintroduction of nets. The community and the council cannot understand why the department appears to be obsessed with putting forward this suggestion, which will do great damage to the long-term viability of the industry. They are just amazed and, may I say, they are very cross at the present time.

The Hon. Lynn Arnold: I understand that; I have seen some correspondence. We are busy checking through what happened to that and to other submissions that should have been formally acknowledged in the supplementary green paper. I can provide separate advice on that subsequently. However, I asked that question of the honourable member because, as I understand it, the supplementary green paper, which we have released for discussion—and it is just that, a discussion paper, and a lot of work has yet to be done—recommends that there should be no change to closure areas except the one in the Port River.

If the Murat Bay council is saying it wants the *status quo* to remain that essentially seems to be what the green paper, with respect to it, is recommending, in which case I would have thought the council would be satisfied with that. It may be that I am losing something in the translation but we will certainly double check with the council that that is what it wants. That is not to say that we would ultimately necessarily agree with what any particular submission sets out, but I give the assurance that the process is a genuine one and we are going to listen to all the views that come forward. On the face of it, it seems that the council ought not to be worried about the supplementary green paper.

Mr GUNN: The council was particularly disappointed; it went to some trouble to make the submission and there was no acknowledgment of it in the second green paper. Members came to Adelaide and a delegation had met with his backbench committee at the Minister's request; they were most satisfied with the response. They were most upset that they had not appeared to convince those they should have convinced. I can assure the Minister that there is a genuine view by the overwhelming majority of people that they do not want nets in Murat Bay. It would destroy the livelihood of many people and ruin the fishery. It has taken years for the fish stock to build up and they cannot understand why people would want to reintroduce nets.

The Hon. Lynn Arnold: We are certainly following through what happened in the failure to recognise the submission in the list in the green paper. But, on the first issue, I will double check that point to see whether or not there is an outstanding issue between us and them.

Mrs HUTCHISON: I believe that there is considered to be favourable potential for aquaculture in South Australia. Given that that is correct, is the Department of Fisheries

doing anything to educate the industry and, for that matter, the community in general, as to the information that is necessary for the industry to succeed?

The Hon. Lynn Arnold: In fact, we have been doing quite a lot of work with those involved in aquaculture in South Australia. We are on the threshold of some very exciting developments in the years to come. It has to be acknowledged, however, that the industry is very volatile and experience in other States has indicated that a large number of start-ups is not always matched by a large number of successful projects finally developing. That is partly because so many people are on the learning curve as to what ought to be done. In terms of this State's development of aquaculture industries, in response to those needs, the Department of Fisheries has recently initiated an aquaculture training and education service to operate primarily in the rural regions of the State.

Martin Smallridge, a biologist with considerable experience in both freshwater and marine aquaculture, has been employed to coordinate this program. His duties include the provision of information pamphlets, seminars, workshops, training courses and field days. It is anticipated that the better access to technical information available to the industry will greatly assist it in achieving its full potential in South Australia.

Funding of \$72 000 has been made available through DEET initially for a two year period, after which the service is expected to become self-supporting. To this end, cooperation with industry associations and other related organisations such as the South Australian Fishing Industry Training Council, the South Australian Rural Industry Training Council, the Department of Employment, Technical and Further Education and the United Farmers and Stockowners will be undertaken to develop the structures necessary for a successful long-term program. In addition, we have allocated research funds under the Fisheries Department Research Development Fund, which is funded by revenues from licence fees of fishers generally. In fact, that has meant that since the revenue achieved is significantly in excess of aquaculture licence fees, the research in that area has been funded generally by the development fund. That would always be the case with a start-up area of fisheries.

Mrs HUTCHISON: The Minister would be aware of the recent tragic death of a scuba diver at Aldinga Beach. It was presumed that that was due to an attack by a white pointer shark. What research is the Department of Fisheries carrying out to find out more about this species in our waters?

The Hon. Lynn Arnold: Certainly, I know that all members of this Parliament would share with me concern at the tragedy that the family of the diver who was presumed taken by a shark is suffering and the great grief that they must be feeling. Understandably, of course, that raised some suggestions from some sections about certain actions that should be taken—namely, perhaps the hunting of the particular white pointer that might have been responsible for the attack or the more general hunting of white pointers. The Government's point of view is that white pointers are a little understood species. It has been acknowledged by the Jacques Cousteau Society and by our own research evidence that there is a need to understand more about the shark as a species and where they fit into the marine environment.

A program studying the white shark biology commenced in 1989 as a joint effort of the Cousteau Society and the South Australian Department of Fisheries. Until now, four expeditions taking a total of six weeks have been dedicated

to research on the white pointer shark, and at this very time a fifth expedition is under way on board the Department's research vessel *Ngerin*. All these trips have been funded by the Cousteau Society.

Amongst the numerous tasks undertaken to date, scientists from both organisations have tagged the animals with passive dart tags to provide data on long-term movements and home range patterns; carried out telemetry tracking to provide information on short-term movement, swimming speeds, depth preferences and home range patterns; quantified the extent of dispersal of berley and its rate of dilution; taken samples of tissues of live animals for population studies through genetic analysis; evaluated various repellents, examining visual discrimination abilities and stimuli evoking an attack response; examined general behavioural responses and intraspecific interaction; and implanted a computer data logger on a single shark to provide long-term information on swimming patterns and patterns of distribution and segregation by sex around various islands and reefs.

To date two scientific publications have resulted from the efforts and more are planned as details become known. The present trip is designed to expand on the existing data and further define various biological aspects relevant to our understanding and managing of the species. Departmental and society scientists will continue the tagging program and hopefully again resight previously tagged individuals. The department is also hoping to recover the data logging computer implanted on a shark in January 1991 that is believed to be a resident of Dangerous Reef. The data collected from that instrument includes time of day, swimming depth and water temperature, being relayed every 60 seconds; it will assist in the interpretation of long-term movement patterns of the animal.

Mrs HUTCHISON: My last question relates to a matter raised by the member for Eyre, involving the marine scale fishery supplementary green paper. As that was open for public comment, what was the response? I understand that it has now closed.

The Hon. Lynn Arnold: No; the supplementary green paper is still open. The initial closing date was 30 November and, at the request of the industry and a number of people, that was extended until 29 February next year, which is a leap year.

Mrs HUTCHISON: Has there been much response to date?

The Hon. Lynn Arnold: Yes, we are getting a lot of response to that paper, as I would expect, because it will make major recommendations that will determine for a considerable time to come the framework of fisheries management in this State.

The Hon. TED CHAPMAN: The comment made by the Minister about the allocation of research funding to aquaculture in the community at large and in particular to the rural community is well noted. I have recently received correspondence from constituents in the rural community who are anxious to diversify their activities in order to live and meet their commitments. On their behalf, I can say that the Government's offer to make advice available to them is appreciated. What is not appreciated, however, is the suggestion—I do not know how official it is—that those people who are attempting to diversify into aquaculture practices may or will be subjected to fees to license the practice.

If licence fees are envisaged to be applied to these rural community people for the purposes of breeding and harvesting and ultimately marketing yabbies or marron or any other swimming species in their dams or creeks, I think we

should look at the precedent that would set. I mention precedent because, as far as I am aware, in rural Australia no licence is applicable to any farmer for any on-farm practice, whether it be in the dam, the creek, the paddock, or the back yard for that matter, other than the licence that is applicable to a dairy bull (in South Australia) and the registration applicable to the owner's dogs.

If the Department of Fisheries has the support of the Government to proceed with the licensing of farmers for the purposes I have outlined, in my view they ought to take a good hard look at the implications of entering into this area and explain to the community at large, if it has that proposal in mind, precisely where the notion came from to do so in order to justify the action. Indeed, if it is of the kind that I have mentioned, all this gobbledegook about services via research, advice and so on is something that the department is selling rather than offering, as has been put to us this evening. I invite the Minister to clarify that position. I can provide him with the correspondence from my constituents about their understanding, and hence my reference to that matter.

The Hon. Lynn Arnold: I certainly would appreciate that. It may be that at this juncture there have been some crossed wires, which we can remedy with the information we have available. I understand that proposals have been put out with respect to the aquaculture operations of fresh water species as to the licence fees that should apply. The fee proposed is about \$20 to \$50 per licence, but that has not yet been accepted. At some point a licence fee may be put in place, despite the opposition of the industry. It is not a particularly onerous licence fee that is being considered for fresh water applications.

The situation is a bit different with respect to other areas of aquaculture. The Government was very sensitive to the fact that there seemed to be many areas of Government which, for legitimate reasons, had a say in what was going on. We were keen to see that we got our act together better by having these departments sit around one table and try to come up with one set of views for Cabinet. In February last year we approved the formation of the Aquaculture Coordination Committee to streamline Government involvement and advice to the Government on aquaculture. The coordinating committee's terms of reference are, among other things, through an approved subcommittee, to provide advice to the Government on lease and licence fee and the collection and distribution of fees to other Government departments.

Another recommendation is to establish coordinated arrangements for the ongoing management of the aquaculture industry, including setting procedures, policies, lease and licence conditions and a fee structure. Some costs have already been incurred and they must be met by licence revenue, if not immediately, in the longer term. We are presently expending more on management of aquaculture than we are earning in licence fees, but that is pitted against a longer-term recoupment on anticipated licence fees in years to come.

We are talking with the aquaculture industry on the level of licence fees. We do not want to be in the position of killing off the goose that lays the golden eggs, so to speak. We are going to be sensitive to that. On the other hand, the community has a right to expect that costs incurred in ensuring water quality issues, for example, are being assessed and that the exclusion of people's rights of access to certain areas by virtue of aquaculture activities has a penalty cost from which the community benefits. A wide number of issues are involved there. I will come back with a more detailed report on the stage we have reached with respect

to some of those discussions. On the face of it, I think that the proposition with respect to fresh water aquaculture should not be feared by the honourable member's correspondents.

The Director makes the point that other areas of fishing are saying that they are cross-subsidising some of the work that is taking place in aquaculture and they are expressing concern about that because they could be cross-subsidising a major competitor. In some areas they are competitors to existing areas of commercial fisheries. As I said before, this is largely the situation that applies to any start-up fishery.

The Hon. TED CHAPMAN: To pick up the Minister's last point first, the alleged cross-subsidy, that is bad luck. As far as I am concerned, the fishing industry, like all other South Australian industries, at some time or another has enjoyed the services of the Government which are contributed to by the people. In the fishing industry generally we are talking about a resource which is primarily a public resource. As an amateur or as a farmer wishing to diversify, I would not be too concerned about seeking advice from a State Department on a particular practice. I would not feel that I should suffer any embarrassment that might be passed on by way of a reference to being cross subsidised by an industry that is licensed and therefore has exclusive access not only to the catch but to market the product.

The reference to fresh water aquaculture needs to be clarified. I am referring only to fresh water dams on private property. I can understand that for health reasons and all the other hygiene elements that may need addressing in the marketing of a product for human consumption, whether it be red meat, white meat, fish meat or any other vegetable or consumption line, licensing and proper regulations and controls need to be applied.

But that has nothing to do with the production in this case of fish in a waterhole on a person's property. It is a dangerous area for a Government of any persuasion to seek to extract from primary producers in respect of their own land a licence fee for diversifying their practices, whether it be in the cultivation of land, the breeding of stock in a waterhole on that land or even in the household rainwater tank. In my view it is just not an acceptable or justified venture for the Government to indulge in.

I would like to know where in the material the Minister has undertaken to provide me this notion was sourced, whether people out in the rural community have said to the Government at any stage individually or collectively through their own farmer groups, 'Will the Government provide a service for us and in return we are willing to pay?' If that is the case then on behalf of my constituents I would have to back off.

At this stage I understand that they have sought advice from a State department from which they are entitled to receive advice, but they should not be saddled with a licensing structure of the kind my constituents understand they are about to cop. I would appreciate receiving any information in that regard now or at the Minister's convenience.

The Hon. Lynn Arnold: We will certainly provide extra information. There is another issue apart from the level of licence fee, that is, the validity of our seeking to regulate this area in any event. There is an argument in favour of it but, when I first heard it, I had doubts about the validity of a degree of licensing that should take place within one's own water source, that is, in respect of waters quarantined off from main water courses.

However, there has been enough experience of the flooding of local dams that then feed into other water courses, because some fish species in a dam could get into main water courses. If we have a species that we regard as a feral species that we do not want to see running rampant in a

main water course, some threat is posed by it. Some species will breed well in those circumstances.

The Hon. TED CHAPMAN interjecting:

The Hon. Lynn Arnold: Some kinds of goldfish, if they were breeding in a dam and if there was flooding of the dam, could become part of a much wider waterway by virtue of the flood plain and a contained group of fish could then break out and cause major problems for everyone else. In this case there would be some merit in our knowing what is going on in bodies of water that might at some point become connected with a wider water course.

The Hon. TED CHAPMAN: The Minister's concerns are noted, but there are ways of controlling such behaviour without the introduction of licensing. If there is a bad species, whether it be kangaroos, emus or goldfish, one can ban the housing or harboring of such animals or fish. We do it with the mafia, with criminals and all sorts of other activities that are undesirable and we do not need a licensing system to do that. Licensing, regulations and controls are suffocating the people of Australia and people in South Australia are no exception to the blanket cover of domination of the community at large. People have had a gutful of it.

There is no more vocal group in the community on that subject than those people with their backs to the wall. In recent months the rural community is in that category. People in small business and other areas are also in that situation. On behalf of the people who are bleeding to death and clamouring for an opportunity to diversify in order to get a quid to eat, for a Government, a department or a statutory authority to be seeking to capitalise on this situation by introducing yet another licence fee is totally unjustified and, on my part and on behalf of my constituents, it is unwelcome.

Mr QUIRKE: Can the Minister provide details of the department's current staffing levels? I seek a breakdown of the number of staff directly connected with policing the fisheries, those involved in the department's research functions and those involved in other work.

The Hon. Lynn Arnold: The actual outcome for 1990-91 saw the enforcement areas having 47 FTEs, the other research program having 34.4 and a further one (I do not know why those figures are not together, but the figure then is 35.4). Research is 34.4.

Mr QUIRKE: Are there equal numbers in administration and in research?

The Hon. Lynn Arnold: I ask Mr Lewis to comment.

Mr Lewis: They were the figures put forward as actuals for 1990-91. I refer to pages 141-2 of the documentation. A significant change is proposed for this year. A number of people had previously been in interagency support or administration, such as our storeperson at North Arm, and a number of people like that whom we have now correctly reallocated for this year into their correct position. This relates mainly to people associated with our research laboratory and research vessel, for example, the crew.

The actuals for 1990 are the firmest figures that we can estimate and about a third of the department is in support services but from now on it will be a much lower number. It comes down to about 18 people if we look at the figures for the next year.

Mr QUIRKE: I do not get that figure. In policing we have 14.7 FTEs, 35.4 in research and 34.4 in administration. They are the figures and it makes a total of 86 staff altogether. It would be a pretty generous third if it was 34.4 out of 86.

Mr Lewis: Our actual for 1990-91 is 110.5.

Mr QUIRKE: I am trying to find where the other 25 are employed. I am missing 25 on the figures given a moment ago.

The Hon. Lynn Arnold: The number of staff for the total program, 'Determination, Improvement and Distribution of Aquatic Resources' (page 141) is 34.4. Add to that the total program 'Protection of Aquatic Resources', 40.7, and add to that one person for the total program 'Protection of Aquatic Habitat', the figure should come to 76.1. Then you add the total interagency support services (page 142) of 34.4, which brings the total to 110.5.

Mr QUIRKE: I asked the question of the three—policing, research and administration.

The Hon. Lynn Arnold: The policing would be 40.7, 34.4 plus one for research and 34.4 for administration. That was the outcome of last financial year.

Mr QUIRKE: How was the GARG exercise treated at the Department of Fisheries?

The Hon. Lynn Arnold: A number of things were finally proposed. First, 2.8 positions will be saved. There will be the abolition of a library clerk position and a further librarian full-time equivalent will be converted to a .6 position. There will be the introduction of a position for author keying, but that will reduce keyboard staff by one full-time equivalent. With respect to the staff required for triennial recreation registration licence renewals, there will be a reduction of one FTE. Cabinet approved the schedule of these fees yesterday, so they should be gazetted soon.

We will be implementing a fee for service for some licensing functions and a five year renewal of exempt fish processes. The implementation scheme for these options is summarised. In addition, savings in the area of capital expenditure amounting to \$125 000 were identified. Capital receipts were increased by \$170 000, achieved by the rationalisation of vessels and vehicles. Recurrent receipts are estimated to increase by \$48 000 per year. That is the first round. We are looking at other issues that can still be pursued. There is a joint Treasury/Department of Fisheries working party looking at alternative funding sources for the department. I have seen the initial paper produced by that working party, and it is going before GARG for its further consideration.

Mr QUIRKE: From the breakdown of figures, I presume that the 40.7 FTEs who are associated with policing are stretched over the whole of the coastal waters of South Australia. What is the breakdown of personnel into the main fishing zones?

The Hon. Lynn Arnold: They are located in nine areas: three at Ceduna, two at Kingscote, two at Kingston (South-East), two at Loxton, two at Minlaton, 2.25 at Mount Gambier, four at Port Lincoln, two at Port Pirie, five at Port Adelaide and two at Victor Harbor. In addition, with respect to the Commonwealth fisheries of the southern blue fin tuna and shark, there is an additional .75 FTE at Mount Gambier (making a total of three people) and a further 2.5 at Ceduna (making a total of 5.5 FTEs).

Mr QUIRKE: Is it possible to get a further breakdown of the staffing costs associated with the three principal areas? Can we have a breakdown of the actual costs of administration in dollar terms, the cost of research in terms of staffing, and the cost with respect to policing?

The Hon. Lynn Arnold: We can certainly provide further information on those figures, not only in relation to the staffing costs and how the staffing profile takes place, but also with respect to the Research Development Fund, where we can identify the moneys that have come into that fund in recent years and the outgoings from that fund. The surplus in the fund has been run down and it is anticipated

in this financial year that that residual surplus over the years will be wiped out. That is why licence fees had to go up in excess of the rate of inflation this year. I will provide that information on notice.

Mr MEIER: Why was consultation with the commercial fishing industry (SAFIC) restricted to a week or so rather than the usual few months prior to the recent hefty increase in licence fees? The fee increase for the marine scale fishery was of the order of 68 per cent and fishermen who have contacted me have indicated that it is a financial burden to some of them at a time when they had been hoping to contain costs.

The Hon. Lynn Arnold: There should have been a longer period provided for consultation with the industry over the licence fee situation than took place this year. That view has already been expressed by me and the Premier to the industry. We want to ensure that next year longer periods are put in place. However, the fundamental question remained, which would still have remained even if the consultation process had been six months or a day, namely, that by statute the proceeds from licences go into the Research Development Fund.

I have my own views on that matter. I think licence fee revenue should also be used to fund other activities, not tied solely to research programs. However, all licence fees go into that fund. We have a schedule of research programs, both ongoing and new programs, that are wanted by the various fisheries in this State and, as I mentioned to the member for Playford, that research fund had a surplus some years ago. However, with increasing costs in research, matched with a decline in some fisheries in terms of the number of fishers, the actual licence revenue is down in some cases, so a cost pressure squeeze was being put on the research fund, and the accumulated surplus will be eliminated this year.

There were two ways of resolving that issue with respect to licence fees. We could have done what happened last year, which was to have a CPI increase for fees, with which the industry would have been happy, resulting in a deficit in the research fund. Alternatively, we could have put up licence fees sufficiently to meet the funding needs of the research fund, resulting in the increase being greater than CPI. Both those points of view were put to the industry and its first reaction was, understandably, that the Government should pick up the tab. In a recession, it is not possible for that to happen, and I indicated that it could not happen. Somehow or other it had to be picked up, either by licence fees or by cutting back the research programs. No-one was able to say which programs should be cut back, nor do I think it was fair to expect people to come up with reasonable answers, even if it had been one week or six months, because that might have resulted in one area being played off against another.

In the end I recommended to Cabinet that we increase the fees by the amount necessary to stop it going into deficit this year. However, there was one important point that I acknowledged from the fishing industry, namely, that it wanted to be assured as to the greater ownership of the types of research programs taking place. If it was to pay the money to meet the cost of that research it should have some input into what was being researched. I have agreed with that and we are now in the process of establishing a joint industry departmental research committee that will be responsible for the allocation of a significant proportion of the research funds spent by the department each year. I am still waiting for the final outcome of these discussions and when I have it I will give further advice.

Mr MEIER: Does the Minister envisage that the licence fees next year will stay closer to CPI increases?

The Hon. Lynn Arnold: That is hard to say. I do not know what will be the outcome of the research programs for which the new committee will have a feel. We must still work our way through what will happen with the Commonwealth situation. The honourable member will know of the Commonwealth research levy which is in the process of being applied, and we have to work out where we sit in relation to that. There is no value in the Government's wishing to increase licence fees in excess of the CPI as these are difficult financial times. Nevertheless, we have to weigh up the various things that we know the fishing sector wants. If research is considered valuable enough, it will somehow have to be paid for.

In the longer term there are questions relating to how one derives revenue from fisheries. Whether or not the question of resource rent is the way to go, the Government has expressed over many years the view that that should be the longer-term goal. However, we understand the practical difficulties of going to a real resource rent situation in most of our fisheries at this stage. It is simply not a feasible proposition in the medium term, but in the longer term the question still remains on the agenda.

Mr MEIER: Does the Department of Fisheries allow fishing licences to be issued on a permit basis, that is, for a restricted period?

The Hon. Lynn Arnold: There are some situations where under the Act exemptions can be offered for limited periods for varying purposes, but there is no provision for a temporary licence to be issued. I will ask the Director to comment.

Mr Lewis: A fisheries licence is clearly defined in both the Act and the subordinate regulations. We have the power to exempt people from certain provisions of the Act and the regulations for specific purposes such as research and a number of other related areas. We issue a large number of exemptions for *bona fide* people who apply to us, but we cannot issue a licence as an exemption.

Mr MEIER: Does a Mr Mark Pennington currently have an abalone permit that has been renewed annually for the past 4½ years?

Mr Lewis: Mr Pennington has a ministerial exemption until April 1992 to operate effectively in the abalone industry as a result of the outcome of the *Pennington v McGovern* court case some years ago.

Mr MEIER: What is the difference between a ministerial exemption and a permit?

Mr Lewis: No provision exists under the legislation currently to issue an additional licence because the number of licences that can be issued is deemed in the regulations. Therefore, a permit is an exemption from provisions of the Act given by the Minister to carry out certain functions which, without a licence, would be illegal.

Mr MEIER: So, I take it that the permit is a reissue of the former licence C06 in the name of John McGovern but not renewed in 1987 because McGovern was convicted of a series of abalone offences concerning the possession of undersized abalone and the use of an unlicensed diver to assist his operation.

Mr Lewis: Technically the answer is 'No', as C06 disappeared when that licence was not renewed and subsequent penalty provisions were enforced. The exemption is technically stand alone and separate from it, but one could say that there is a nexus between the two.

Mr MEIER: Can the Minister say whether the unlicensed diver at that stage was Mark Pennington and whether it is a fact that Mark's father, Robert Tyrer Pennington, was the

owner of licence C06, that he employed his son and McGovern to take the undersized abalone and that Robert Tyrer Pennington was the master of the boat used on the day of such an offence and shucked the abalone which were found by a court to be undersized and taken by the two divers?

Mr Lewis: I am unaware of the detail to that extent and prefer to take the question on notice to clarify the information which I do not have readily at hand. The honourable member used the word 'owner' with regard to Mr Pennington senior. It was shown in court that he had a financial interest in the licence. The Fisheries Act recognises the licence holder at the time as being Mr McGovern as it recognises only one person, and it must be the diver. With regard to the actions of Mr Mark Pennington, I will have to check the files.

Mr MEIER: Will the Minister indicate why licence C06 or C07 was not offered for tender to the community, as the tendering price would have been in the order of \$1 million?

The Hon. Lynn Arnold: That situation could be looked at again after the present exemption process has expired but, before my time as Minister for this area, it was deemed that the exemption model should be followed.

Mr MEIER: I ask again: was there any specific legal reason for the ministerial exemption or the permit not being tendered for rather than being simply allocated to one person?

The Hon. Lynn Arnold: As I have said, this took place under a previous Minister, so I think it would be appropriate if I obtained a full report on the decision making process.

Mr MEIER: Is there a fee for a ministerial exemption? Does a fisherman have to pay to be given the right to fish under a ministerial exemption?

The Hon. Lynn Arnold: In a technical sense, there is no fee, but one of the conditions of the exemption was that the fisherman pay an amount which, by coincidence, turned out to be equivalent to the licence fee.

Mr MEIER: I take it from that answer that the equivalent of a licence was paid for the ministerial permit.

The Hon. Lynn Arnold: It is being paid.

Mrs HUTCHISON: I refer to page 146 of the Program Estimates with respect to fisheries enforcement. What work has been done in the area of surveillance of fish processors with a view to reducing the commercial incentive for illegal fishing for the purpose of sale, and how successful has this been to date?

The Hon. Lynn Arnold: On that page the honourable member will see a table of performance indicators for 1990-91 and 1991-92, which refers to what is targeted for the coming year. It is anticipated in the coming year that there will be 540 checks of fish processor premises to ensure compliance. That figure is down on the preceding year probably because this year's figure has been higher than previous years. A blitz campaign was conducted—indeed, there were some complaints about that campaign from members in this place.

The suggestive figure for checks of vessels and fishing operations to ensure compliance is 1 000 for the coming year. However, these figures are simply performance indicators. If more checks are required, they will be done. Obviously, we are not going to call all the shots as to how that surveillance activity will take place, because by definition this covers a very wide-ranging area and we need to be able to ensure that those who break the regulations cannot be certain that they will not be the subject of surveillance at any point in time.

Mr MEIER: I refer to a letter from a Mr Robert Wilson, on behalf of the South Australian Chartered Fishermen's

Association, in which he expresses concern that the catch for shark is to be reduced from 3 000 tonnes to 1 000 tonnes. Mr Wilson feels that no such reduction should occur. He says that the fishery has been set for the past 20 years and he believes—I assume on behalf of the South Australian Chartered Fishermen's Association—that a reduction in catch to about 2 000 tonnes would be more appropriate.

The Hon. Lynn Arnold: This matter is presently the subject of ongoing discussions between scientists in different States and, I hope, with the industry itself, because it has the right to some input. As happened with the blue fin tuna quota last year, we were able to work with industry to reach a successful compromise. The shark fishery is, by and large, a Commonwealth fishery, most of the fish being taken in Commonwealth waters. The practice is that when new limits are set in the Commonwealth fishery they are applied by the relevant States in their waters. Technically, there is the possibility that a State need not do that, but that would be against the principles of cooperative management between those involved in managing the waters where fish do not follow State boundaries—they swim where they will. So, that matter is being further discussed.

I understand that there is not at this point sufficient scientific evidence to support the contention that a catch of 2 000 tonnes would be sustainable. That matter is still the subject of ongoing discussion, but at the end of the day a decision will have to be made with which some people may not be happy. We can take a gamble and get it wrong and lose the fishery for commercial purposes for a long time or we can take a more cautious approach that will involve dislocation for those involved in the fishery but will result in a sustainable fishery for a long time to come.

It really is a case of weighing up those two ends. My guess is that no-one in this place would want to support willingly a situation where we take a gamble and where there is a high risk factor that we might be wrong and that, in being wrong, we then undermine the commercial viability of the fishery. Certainly, the views expressed by Mr Wilson will be taken into account. I will certainly ask that the Department of Fisheries in South Australia liaise with the Shark Fishers Association as we go into further discussions with the various other authorities. I will ask the Director to make further comment.

Mr Lewis: Mr Wilson is a representative on the Southern Shark Subcommittee of the South Australian Fishing Industry Council, which I Chair, and he also frequently represents South Australia on the Southern Shark Management Advisory Committee. He is heavily involved in the discussion and consultation that takes place. As background, towards the end of last year, there was a meeting of every prominent shark researcher in Australia. That group was split into three teams to assess the current status of sharks in Southern Australia. I am referring mainly to school and gummy sharks. Three independent assessments were made of the current status of the stocks and they came up with very similar answers, which, as the honourable member stated, indicated sustainable production levels at the current level of parental bio-mass of somewhere between 600 and 800 or 1 000 tonnes, compared with the traditional 3 000 tonnes. The report went out to industry with a very extensive consultation process, in which we went through almost all the shark ports in southern Australia.

The South Australian Department of Fisheries, under contract to the Commonwealth, developed a very good interactive package called Sharksim, which simulated the shark fishery. It was an interactive communication package that has been recognised as being of world standard. In April industry came back and asked that the assessments

of late last year by the most prominent shark scientists in Australia be reverified. That was done. The South Australian Department of Fisheries was again the principal contractor and the results are going to another meeting of the scientists in October, to be followed by at least a one-day and possibly a two or three day meeting immediately after that with the shark industry to look at the reverified data. By then we will know whether the original estimates have been reverified or have been adjusted up to 1 000, 2 000, 3 000 or whatever the figure may be.

Mr MEIER: In fact, Mr Wilson refers to an experimental computer model of the fishery, which I assume is Sharksim. He states that there is an indication that a company is being formed to patent the concept of the computer model and market it. Can the Minister give any specific information on that?

The Hon. Lynn Arnold: Yes, Sharksim and Absim—the abalone simulation model—and other possible computer programs that model population growth patterns of various marine species offer the opportunity for us to commercialise that intellectual property. That is precisely what we are now looking to do, and arrangements are being discussed by the department with officers in Government as to how that can most effectively be done so that we can get some return for the investments that have been made in the development of these complex and very good models.

What is being proposed in the case of the shark simulator is that in the year just gone we have attracted \$38 000, and it is anticipated that in this year we will attract \$79 000. Just to give some idea of the broad program for all our areas related to this—the abalone computer model, the shark, tuna, gemfish simulator, the shark simulator, the tuna simulator and Fish Insight—in the past year we achieved \$205 000 external funding and this year we anticipate getting that up to \$331 000. One thing that is being proposed this year is the creation of a business enterprise to market the shark simulator computer model. Depending upon its success, we will look at it being applied to other intellectual property developments within the department.

Mr MEIER: I believe that the department has sold some unwanted Department of Fisheries boats in the last few months. I also believe that one of those boats was originally valued at about \$4 000 but that, through the tender process, a sum of more like \$40 000 was received for it. Such figures are very disturbing to me. I seek clarification from the Minister: what boats have been sold recently and what sums have been received?

Mr Burr: Some of these items have already been up for tender. We have sold some of the items on this schedule which are expected to bring in \$170 000 this financial year. There was a delay last year in our being advised that the GARG committee had accepted our proposals to sell off some of this surplus plant and vessels. It is only just progressing through in this financial year, so the receipts are only now beginning to flow through. We do not have the exact figures of what we are realising on the vessels so far.

The Hon. Lynn Arnold: We will obtain information on the original purchase prices of those vessels which are up for tender this year, including the year they were purchased and what was estimated to be a realistic write down value in the market circumstance. Because a vessel might have been quite expensive at the outset, the realistic market assessment may not say that any more. A tender situation in the final analysis is simply aimed at trying to read the market.

Mr MEIER: My next question relates to the new patrol boats that are now operating. I understand that the new patrol boat operating out of Port Lincoln has run very

infrequently because there has been insufficient money available for fuel. How often has the boat been out, and has its operation been limited because of lack of appropriate funding for the purchase of fuel?

The Hon. Lynn Arnold: We have had a few new vessels come on stream. In 1989 we had two 11 metre patrol boats, *Vela* and *Carina*, which are currently based at Port Adelaide and Ceduna. A further two 15.8 metre patrol boats, *Cygnus* and *Tucana*, were delivered in December last year and late January this year. These are currently based at Robe and Port Lincoln. *Tucana* was commissioned in February 1991 and commenced patrols on the West Coast area in the same month. That vessel has undertaken 30 days work for fisheries related matters and five days work for other agencies, meaning that it has been out on business for 35 days since February this year.

Cygnus commenced patrols in December 1990. So far this year it has been out for 36 days, but in the period from now to the end of the financial year it is anticipated, on the existing schedule that has been proposed, that it will be out for 78 days. It is estimated that the *Tucana* will be out from September to June next year for a total of 80 days. The actual rate of its being out looks on a year long basis to be consistent with what has been achieved on the half year basis that we have seen to this point. One must remember that vessels cannot be out at sea all the time in any event and there is the other work that has to be done by those officers operating the vessels. I ask the Director to comment further.

Mr Lewis: The use of the vessels involves a balance with our overall enforcement needs. The vessels patrol when the fisheries operate (for example, the prawn fishery operates on a spasmodic basis and is not operational all the time) and when officers are not required for other land-based duties associated with processors or recreational activities.

Mr MEIER: The figures given show that vessels are used only 22 per cent of the time and that seems a small proportion of the time when they are not related to the investment involved. Also, I did not get an answer about whether they have not been operating as much because of a lack of funds available for fuel.

The Hon. Lynn Arnold: The real question is whether there is a feeling that breaches of fisheries legislation and regulations are taking place in the absence of those vessels going out more frequently. That would not be an assessment we would make, but I will ask for further comment on that. As indicated, there is little purpose in sending out a vessel to inspect fisheries in circumstances where no-one would be out there fishing because there would be no fish out there. There are times of the year when there will be no prawns available for catching and everyone recognises that there is no purpose in sending an inspection vessel out to see that no-one is catching prawns because no-one would be out there anyway. We could spend money on fuel and send out the vessel, but to little purpose.

Likewise, it is not simply a matter of just the one-off resource. There are other inspection resources, including land and air-based activities and helicopter inspection from time to time. The combination of these activities gives us the most effective means of policing. Clearly, it would be better to have to pay for only 22 per cent of a vessel, because we will use it for only 22 per cent of the nights, but one cannot do that and one has to buy the whole ship.

Mr QUIRKE: What is the total value of fishery production in South Australia? Much of the department's work has to do with recreation fishing as well, but has the Minister a commercial figure of the total value?

The Hon. Lynn Arnold: The commercial figure is \$120.5 million in the last financial year. I seek leave to have a statistical table inserted in *Hansard*.

Leave granted.

SOUTH AUSTRALIAN FISHERIES PRODUCTION 1988-89 to 1990-91 (a)

| | 1988-89 | | 1989-90 | | 1990-91 | |
|-----------------------------|---------------------------------------|-------------------|---------------------------------------|-------------------|---------------------------------------|-------------------|
| | Catch Whole Weight (*000 kg) | Value (\$'000) | Catch Whole Weight (*000 kg) | Value (\$'000) | Catch Whole Weight (*000 kg) | Value (\$'000) |
| Abalone | | | | | | |
| Southern Zone | 115 | 1 771 | 127 | 2 393 | 121 | 1 950 |
| Central Zone | 285 | 4 233 | 237 | 3 984 | 187 | 2 995 |
| Western Zone | 573 | 8 538 | 595 | 10 316 | 555 | 9 063 |
| Total (b) | 973 | 14 542 | 959 | 16 693 | 863 | 14 008 |
| Prawn | | | | | | |
| West Coast | 107 | 1 237 | 130 | 1 502 | 184 | 2 113 |
| Spencer Gulf | 1 629 | 18 587 | 1 671 | 19 060 | 1 767 | 17 879 |
| Gulf St Vincent | 248 | 3 202 | 169 | 2 185 | 134 | 1 725 |
| Total | 1 984 | 23 026 | 1 970 | 22 747 | 2 085 | 21 717 |
| Rock Lobster | | | | | | |
| Northern Zone | 868 | 9 811 | 997 | 13 983 | 1 104 | 18 244 |
| Southern Zone | 1 407 | 17 080 | 1 528 | 22 505 | 1 562 | 26 687 |
| Total | 2 275 | 26 891 | 2 525 | 36 488 | 2 666 | 44 931 |
| Other Marine Species | | | | | | |
| Australian Salmon | 418 | 406 | 404 | 478 | 508 | 497 |
| Mullet | 119 | 132 | 176 | 161 | 152 | 168 |
| Pipi (Cockles) | 163 | 326 | 139 | 148 | 293 | 232 |
| Tommy Ruff | 489 | 398 | 339 | 243 | 308 | 256 |
| Shark (g) | 2 516 | 6 133 | 2 096 | 5 065 | 2 216 | 5 662 |
| Snapper | 447 | 1 715 | 423 | 1 648 | 457 | 1 745 |
| Squid (Southern Calamari) | 265 | 990 | 208 | 835 | 279 | 1 069 |
| Whiting (King George) | 620 | 4 793 | 634 | 4 173 | 692 | 4 178 |
| Garfish | 463 | 1 543 | 516 | 1 402 | 454 | 1 315 |
| Oceanjackets | 887 | 1 330 | 917 | 1 093 | 949 | 1 104 |
| All Other Species | 1 276 | 3 089 | 1 421 | 3 490 | 1 516 | 4 307 |
| Total (excluding Tuna) | 7 663 | 20 855 | 7 273 | 18 736 | 7 824 | 20 533 |
| Tuna (c) | 4 872 | 10 053 | 4 226 | 17 584 | 2 565 | 12 395 |
| Deep Water Trawl (d) (f) | 5 033 | 11 692 | 4 374 | 10 142 | 1 881 | 2 576 |
| Total | 17 568 | 42 600 | 15 873 | 46 462 | 12 270 | 35 504 |

SOUTH AUSTRALIAN FISHERIES PRODUCTION 1988-89 to 1990-91 (a)

| | 1988-89 | | 1989-90 | | 1990-91 | |
|-----------------------------|---------------------------------------|-------------------|---------------------------------------|-------------------|---------------------------------------|-------------------|
| | Catch Whole Weight (*000 kg) | Value (\$'000) | Catch Whole Weight (*000 kg) | Value (\$'000) | Catch Whole Weight (*000 kg) | Value (\$'000) |
| Aquaculture | 42 | 315 | 101 | 652 | 293 | 2 002 |
| Inland Waters Species | | | | | | |
| Golden Perch (Callop) | 96 | 522 | 139 | 736 | 164 | 816 |
| Murray Cod | 8 | 125 | 4 | 27 | 0 | 0 |
| Bony Bream | 984 | 359 | 1 172 | 460 | 977 | 341 |
| European Carp | 437 | 157 | 502 | 207 | 657 | 266 |
| Black Bream | 16 | 85 | 10 | 58 | 4 | 22 |
| All Other Species | 520 | 936 | 645 | 843 | 640 | 904 |
| Total | 2 061 | 2 184 | 2 472 | 2 331 | 2 442 | 2 349 |
| Summary of Fisheries | | | | | | |
| Abalone (b) | 973 | 14 542 | 959 | 16 693 | 863 | 14 008 |
| Prawn | 1 984 | 23 026 | 1 970 | 22 747 | 2 085 | 21 717 |
| Rock Lobster | 2 275 | 26 891 | 2 525 | 36 488 | 2 666 | 44 931 |
| Other Marine Species | 17 568 | 42 600 | 15 873 | 46 462 | 12 270 | 35 504 |
| Aquaculture (e) | 42 | 315 | 101 | 652 | 293 | 2 002 |
| Inland Waters | 2 061 | 2 184 | 2 472 | 2 331 | 2 442 | 2 349 |
| Total | 24 903 | 109 558 | 23 900 | 125 373 | 20 619 | 120 511 |

(a) Production and Value figures have been rounded to the nearest thousand. Individual figures provided in the columns may not sum to the 'total' for this reason.

(b) Value of abalone shell is excluded.

(c) Tuna production for 1988-89 is valued using net prices paid to fishers (gross price minus marketing costs) whilst 1989-90 and 1990-91 prices include a component for value added.

(d) Includes some marketing value added—transport and commissions at Melbourne market.

(e) Aquaculture production figures for 1988-89 have been amended and are for the six month period of January-June 1989 only.

(f) Deep water trawl production figures provided from AFS are preliminary for 1990-91.

(g) The total shark production has been amended for 1989-90.

The Hon. Lynn Arnold: Last year it was about \$109 million. It is difficult to estimate the value of recreational fishing because we have 300 000 South Australians who sometimes do it but sometimes they do not do it well. We do not know the value of their total catch.

Mr QUIRKE: Leaving aside the question of the \$1 million comprising part of this appropriation for capital items, is the cost to the State of administering fishing in South Australia \$7.7 million, about 6 per cent of the commercial return?

The Hon. Lynn Arnold: Yes, there is a difficulty in terms of what is the total value of the recreational fishery that has to have some imputed value added to it. The commercial fishers suggest that the imputed value is almost as great as what they are taking in the commercial fishery, so we might be able to double that figure. The recreational fishers might dispute that. With respect to the environmental questions, I must say that the Fisheries Department is one of the environmental managing departments in the Government. There is also the matter of the Commonwealth fisheries, as well, that may add some extra figures.

Mr QUIRKE: In terms of the relationship of recreational to commercial fishing, I imagine that it would be the same in each of the six States and the Northern Territory. How does the 6 per cent that is derived from departmental expenses *vis a vis* the commercial fishery compare in the other States? Is the cost of policing the regulations, research and administration any more expensive per commercial dollar in South Australia, or does it compare favourably?

The Hon. Lynn Arnold: I will certainly have compiled a table of figures on that matter because we will have to do some research on it. The Director's initial understanding is that the more populous States spend more on administration to the total commercial value, but that is an initial assessment.

Mr VENNING: I have received a letter from a Mr Balustrin of Port Broughton concerning the 20 tonne snapper limit which, this year, was taken in 36 hours. He wonders

why the department cannot let each fisherman take up to 2 tonne, thereby sharing it around. Apparently a lot of fishermen were out there and the fish were under the boats before the season opened this year. There was a meeting with SAFIC in the northern Spencer Gulf region and it voted in favour an immediate amendment to the current system, the proposal being that there be a 2 tonne limit on individual netters until the 20 tonne limit is reached. When it is reached, that is the end of it.

The Hon. Lynn Arnold: That matter will be factored into the green paper discussion process and it will be considered along with the many other submissions from other fisheries. We have enough time, given that the closure has already taken place for this year, to plan ahead for next year. What happened this year is no different in principle from what has happened in previous years. It is just that the fish got caught quicker. That was the net period and does not preclude the line fishing that is still going on.

Mr MEIER: My understanding is that there are three inspection agencies: the Department of Fisheries, the Department of Marine and Harbors and marine police. This duplication is excessive. Has the Minister or his department had any discussion with the other two agencies with respect to rationalisation of these inspection agencies?

The Hon. Lynn Arnold: Various matters are examined from time to time and I can say at the moment that some work is being done for cooperative use of resources by those agencies in the lakes and Coorong jurisdiction. There will be further discussions over time as to what other options might be possible, remembering that each has its own legitimate objectives, and we do not want some areas of enforcement forgotten about if there are to be further cooperative arrangements, rationalisations or amalgamations.

Mr MEIER: What does the Fisheries officer who is in command of his boat do when that boat is being serviced? My remarks relate to the Adelaide shoreline. It is my understanding that the service can take the better part of a day

and the officer might not be gainfully employed during that time.

The Hon. Lynn Arnold: There are a number of forms of inspection work they can do. There is coast-based or shore-based inspection work that will take up much of their time. I do not think that they want for activities that fulfil their job specification.

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

ADJOURNMENT

At 10.1 p.m. the Committee adjourned until Wednesday 25 September at 11 a.m.