

HOUSE OF ASSEMBLY

Thursday 24 September 1992

ESTIMATES COMMITTEE A

Chairman:

Mr K.C. Hamilton

Members:

Mr M.J. Atkinson
 Mr H. Becker
 Mr M.K. Brindal
 Mr M.R. De Laine
 Mr V.S. Heron
 The Hon. D.C. Wotton

The Committee met at 11 a.m.

The CHAIRMAN: If the Minister undertakes to supply information at a later date, it must be in a form suitable for insertion in *Hansard*, and two copies must be supplied no later than Friday 9 October to the Clerk of the House of Assembly. A flexible approach will be adopted in giving the call for asking questions, based on about three questions per member from alternating sides. Members may also be allowed to ask a brief supplementary question—and I emphasise that it should be brief—to conclude the line of questioning before switching to the next member. Subject to the convenience of the Committee, a member who is outside the Committee and desires to ask a question will be permitted to ask that question once a line of questioning on an item has been exhausted by the Committee. Indications in advance to the Chairman are necessary.

I remind members of the suspension of Standing Orders that allows for Estimates Committees to ask for explanations on matters relating to Estimates of Receipts and the administration of any statutory authorities. Questions must be based on lines of expenditure and revenue as revealed in the Estimates of Payments and the Estimates of Receipts. Reference may be made to other documents, for example, Program Estimates, the Auditor-General's Report, and so on. Members must identify the page number in the relevant financial papers from which their question is derived. Questions are to be directed to the Minister and not to the advisers, but Ministers may refer questions to advisers for a response. I understand that an agenda has been agreed.

South Australian Housing Trust, \$39 948 000

Witness:

The Hon. M.K. Mayes, Minister of Housing and Construction.

Departmental Advisers:

Mr R. Parker, General Manager, South Australian Housing Trust.

Mr J. Messner, Director, Corporate Finance.

Mr J. Luckens, Director, Home Ownership and Community Programs.

Ms C. Charles, Manager, Corporate Financial Strategy.

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

The Hon. M.K. Mayes: Yes, Mr Chairman. The South Australian Housing Trust is looking at innovative and lateral means of providing housing services to the public of this State in these challenging economic times. The Commonwealth-State Housing Agreement is due to be renegotiated by June 1993. The CSHA is offering \$1 billion nationally for three years, an extra \$2 million per year to South Australia for community housing, and a shared home ownership package which will help this State put together up to 2 000 shared opportunities for households on very low incomes. The option is open to us to bring forward Federal funds if necessary.

In South Australia, the Housing Trust is aiming to house 8 000 new tenants this financial year. This is in line with the number of new tenants housed in the past year. In order that there is no confusion over how this will be achieved, I point out that most of these new tenants will be placed in existing trust stock, which will have been vacated by previous tenants. Some of the new tenants will be placed in new trust houses. The SAHT expects to add 890 houses to its stock in 1992-93. Eight hundred and thirty-five of these will be built, and 55 purchased. At the same time, the trust's sales program will see approximately 500 houses sold. Many of these will be sold to existing tenants who, as low income earners, often choose to take advantage of low start HomeStart loans. As part of our State housing strategy, funds raised through the sale of houses become capital for further projects. This 'recycling' of resources enables the creation of new housing opportunities.

The strategy recognises that large scale expansion of the public housing sector is a thing of the past. The trust's net additions to stock this financial year will be 390 houses, compared with just over 2 900 houses in 1985-86. This is due to a reduction in Commonwealth funds. In response, the State has significantly increased its housing contributions in real terms. At the same time, the trust has moved away from the traditional model of looking at the construction of new units as the only way of providing housing opportunities, and is leading the way in housing through innovation. We are judging our performance on how many people we are housing rather than how many houses we are building.

This is highlighted in initiatives such as Rosewood village—the renewal of Elizabeth North. There some existing properties have been sold, whilst others will be updated and enhanced to attract private buyers. Expanses of often underused backyards can be cleverly adapted for extra housing. It is cost-effective and provides additional accommodation without a large outlay for infrastructure and utilities. The overall effect is a revitalised, modern suburb, with a greater mix of public and private tenants.

In fact, the South Australian Housing Trust has a strong focus on urban consolidation and urban renewal, in line with many of the objectives in the *2020 Vision* planning review. For more than five years, the trust has

concentrated on making better use of its existing resources. It realises the need to constrain excess growth at the fringe of the interests of urban and ecological sustainability, social justice and the best use of infrastructure. An initiative which demonstrates the Government's commitment to the principles of urban consolidation and renewal is the amalgamation of the Housing Trust with the South Australian Urban Land Trust (SAULT). The partnership includes an expansion of SAULT's powers to include an ability to assemble inner city land for urban consolidation projects, whereas previously it was restricted to land supply in the fringe.

The amalgamation also gives the trust a greater capacity to plan future housing supply in relation to changing demand. Smaller households with fewer children, and our ageing society means looking ahead beyond existing detached three-bedroom stock, to future needs for smaller more manageable houses closer to the city and services. The South Australian Housing Trust is actively looking to provide more choice and more services to those in greatest need. Top priorities for the coming financial year include high need areas such as emergency housing, cooperative housing and housing associations.

Emergency housing will receive an extra \$2 million this year, taking its budget to \$13.7 million. This reflects an increase in demand of 27 per cent last year, and a forecast jump of 30 per cent this year. It is planned to add up to 300 houses to the cooperatives program this financial year, and 100 to the housing associations as community housing. The community housing program has received a \$2 million shot in the arm from the Federal Government, which will complement the \$2 million already allocated to the Local Government and Community Housing Program (LGCHP).

Demand for rent relief services is also expected to be high due to the recession. South Australia will add an extra \$1.5 million to the rent relief budget, on top of the joint Commonwealth-State contribution of \$5 million. The trust is also looking to help more South Australians achieve their dream of home ownership.

The Government's highly successful HomeStart program will continue to help low income earners into a home of their own. The low start loan scheme will be expanded to assist households on very low incomes who are unable to afford outright purchase to secure a share in their home. The Federal Government supports the initiative and has earmarked \$48 million nationally for three years, and that will enable another 2 000 South Australians to buy their own home.

In closing, I point out that the Housing Trust will continue to do all it can to assist South Australians into homes. This State has arguably the best public housing in Australia. It is the only State which does not have financial barriers to securing a trust tenancy; we have Australia's most progressive home loan schemes which actively assist people out of the rental spiral and into home ownership; and we have amongst the most affordable housing in the country—at the cheapest levels for nearly a decade.

The Housing Trust will continue to embrace innovation in order to maintain housing levels and to meet the housing needs of South Australians. I invite the Commit-

tee to inquire about any aspect of the department's budget performance and forward estimates.

The Hon. D.C. WOTTON: What was the cost of the amalgamation of the South Australian Housing Trust and the Urban Land Trust? I note from the Auditor-General's Report that reference is made to some \$92 million. Will the Minister provide an organisational chart regarding the structure of the Housing Trust and of the Urban Land Trust, and will he indicate how these agencies will continue to report separately, if that is intended, in order to identify specific costs, asset levels and so on?

The Hon. M.K. Mayes: By way of background, the amalgamation was initiated to extend the best features of the existing developments and the capacity of Government to achieve urban consolidation—urban infill; to remove duplication and overlap between agencies; and to provide a greater skill base, and that is a very important aspect. We have certain skills in SAULT and certain skills in the Housing Trust. In 1991, when this was first mooted, and in 1992, the overall philosophies and objectives are quite different but, if one looks back over the history of the Housing Trust (and I am sure members will reflect on what has been done over the years, at Elizabeth for example), one sees common themes between the achievements of the Housing Trust in 1945 to 1968-69 in Elizabeth and the proposals under the amalgamation of the functions of those two organisations, to some extent.

The skills base was a very important part of that, particularly project management within Government and the project team approach. I guess it is fair to say that, if we look at what is available in both the public and private sector, we see that there are only a few people who are highly skilled in some of these areas. Particularly in Government—and I am not denigrating anyone—we have very few highly skilled resource managers who are capable and who have the experience and the skills. We needed to bring them together. As the honourable member knows, the two boards are still separate. In some ways, that recognises and respects the differences in approach of the two bodies. One is an organisation with a charter to look after and maintain housing in this State: the other provides a resource for the housing industry, that is, an opportunity for the private sector of the housing industry to develop housing in South Australia. We have brought those skilled people together into a foundation within the organisation, but the boards are separate.

We will take on notice the question with respect to costs. We do not have an exact costing of the transfer at this time. Members must bear in mind that it is not yet complete, because we still have the premises where the SAULT organisation previously operated. I will provide both debit and credit as to what the costs have been and what we expect the savings to be. With respect to the Auditor-General's reference to \$92 million, that might involve the funds related to SAULT. Will the honourable member clarify that?

The Hon. D.C. WOTTON: I will come back to that later.

The Hon. M.K. Mayes: We assume that that is what the honourable member was referring to, but we would appreciate his clarifying that so that we can provide additional information. As to the organisational chart, we will provide that information in detail later. Suffice to say

that what has been provided is an amalgamation of the organisations. They have been specifically designed to provide that support we have talked about in terms of skills being devoted to the urban development aspect, that is, urban consolidation. Most of the staff have now combined into the major projects division and the development division. Those people from SAULT and the Housing Trust who have particular skills in that area have been absorbed under the Housing Trust organisational chart.

The General Manager of the trust is also the General Manager of SAULT, and he has administrative responsibility under a formal agreement between the two organisations. To take that a step further, the two boards operate separately, and this relates to the final point of the honourable member's question.

The Hon. D.C. WOTTON: Will they report separately?

The Hon. M.K. Mayes: Yes; we meet with the Chairman of SAULT and the Chairman of the Housing Trust. In fact, we met the other day to discuss some areas that are mutually inclusive. Generally we meet separately on those matters that are obviously the domain of the trust and those which are in domain of SAULT. We are now conducting a review of the amalgamation. Mr Michael Schilling is operating with my approval to look at the process of amalgamation of the two organisations and how much further we should take it.

The Hon. D.C. WOTTON: Why have not the budgets of the agencies been consolidated for the purpose of the Estimates Committee?

The Hon. M.K. Mayes: There are two points to make. First, they are separate organisations with separate funds. SAULT does not come under the ordinary processes of the budget and is a self-funded organisation, standing aside but obviously accountable to the Minister through Parliament, but in this process it is outside the domain of this budgetary exercise.

The Hon. D.C. WOTTON: It is confusing that, while recognising that the two agencies have amalgamated, as has been stated publicly, we are looking at two different identities or boards. I would have thought that if there has been a proper amalgamation it would be totally appropriate for the budget of each agency to be considered by the Estimates Committee.

The Hon. M.K. Mayes: I appreciate the question and to some extent it is a matter of semantics. We announced it as an administrative amalgamation. The boards are separate and their accountability is separate. We did that deliberately because of the gradual process and exploration into the development of the boards in this area and their particular charters. To use the honourable member's term, there has not been a proper amalgamation: it is an amalgamation of the administrative functions but the two boards operate separately with their own charter.

The Hon. D.C. WOTTON: The Minister has referred to the benefits that will be evident as a result of this so-called amalgamation, but when is it anticipated that these benefits will be evident? How long will it take? When will we see the positive results that the Minister outlined? On the same subject, but perhaps taken on notice rather than taking up the Committee's time now, I presume that the broad overall objectives of the consolidated Housing Trust and SAULT agencies are in written form. I would

appreciate receiving them later. Do those objectives exist in written form?

The Hon. M.K. Mayes: I shall be happy to take that question on notice and I may be able to provide that information before 4 o'clock. My assessment of the benefits flowing from the administrative amalgamation and the closer cooperation between SAULT and the trust is that it is already happening. We are already seeing that in areas where we are looking at inner urban redevelopment, renovation or infill. Those major projects we are now contemplating will have direct benefit from the cooperation of the skilled staff working together on those projects. In focusing now on projects like Mile End and the Horwood Bagshaw site, the AN railway site and other urban infill areas, we see the combination of the skills, because one can identify various individuals and recognise what they will be able to offer individually to both their own organisation and now through the process of amalgamation to the other organisation. I can think of individuals in SAULT who will add enormous power to what the trust did not have and I can think of the converse for individuals within the trust.

So, we believe the result will be very beneficial. As the honourable member would know, we are working on some of the major projects, and this arrangement fits in with the Government's focus of trying to eliminate duplication and of having ministerial accountability by one Minister and not two or three, as some major projects have involved in the past. The sort of accountability being achieved allows for easier direction and clarification benefiting not only the Minister and Parliament but also staff. I could not measure the benefits empirically at this stage, but I have already seen the benefits from some of these projects on which these various skills have been combined.

The Hon. D.C. WOTTON: On page 256 of the Program Estimates, reference is made to the financial benefits of the integration, implying that it already exists. Where are the financial benefits of the integration shown in the Estimates for 1992-93, and what is the positive financial impact, particularly on the South Australian Housing Trust, resulting from this amalgamation?

The Hon. M.K. Mayes: I will need to take that question on notice. Some of the benefits can be measured clearly but some will be reasonably subjective. In the coming financial year, we will be able to set up a benchmark by which we can measure in absolute terms the resultant savings. I am happy to take that question on notice and provide the Committee with what we believe will be the dollar savings from this amalgamation.

The Hon. D.C. WOTTON: Is the Minister saying that those financial gains are not, at this stage, evident in the Estimates?

The Hon. M.K. Mayes: They are there, but we will have to make some calculations to draw them out. We envisage savings in the areas of staff and resources—that is, overheads such as computing or office accommodation—and we will provide that information to the Committee.

The Hon. D.C. WOTTON: On page 256 of the Program Estimates there is a broad objective to ensure that the rental housing resources available are allocated on a basis that reflects priorities of need. How are those

priorities determined, and is the trust sure that it has got them right?

The Hon. M.K. Mayes: A waiting list of priorities is drawn up and the applicants are assessed by priority committees: that is the fundamental process by which allocations are made. No doubt the honourable member has made contact with the regional committee in his area to find out what is happening about individual applications. If someone has had a stroke or a heart attack or has contracted cancer or some other disability or debilitating illness and a local member of Parliament seeks clarification of the sorts of facilities that are available by way of priority, that matter would be dealt with by the regional committee, which would assess the needs of the individual and what can be offered by way of housing facilities. Priorities are determined depending on the needs of the individual. I am referring particularly to the allocation of housing, not to resources in the general sense. The honourable member's question might be much broader than that.

The Hon. D.C. WOTTON: Because of the process that the Minister has just outlined regarding the involvement of the committee, I am sure that the priorities would be in written form. Will the Minister make that list of priorities available to the Committee later?

The Hon. M.K. Mayes: I will be happy to do that. I guess we call them 'criterion guidelines' by which those priorities are set. Of our applications, approximately 11 per cent are of a priority nature. Most members of Parliament probably have contact with those priority applicants through their local offices. Of course, 85 per cent of our applicants are rebate tenants who are able to claim discounted rental or reduced rental. That is very significant and I am sure members appreciate that the whole profile of applications has changed significantly in the past 10 years. Certainly in the period that I have been Minister I have seen a swing from the high 60 per cent level up to 85 per cent.

Mr HERON: What plans does the Government have to further its urban consolidation program in 1992-93, particularly in relation to the utilisation of the Better Cities funds?

The Hon. M.K. Mayes: The urban consolidation program is very significant for the Government. With respect to 2020 Vision, the Government, with the support of Kinhill, has conducted a very thorough audit of the cost of continuation of expansion of the outer city—that is, the greenfields area—versus inner city consolidation. When I talk about the inner city I refer to the second ring of the doughnut—the Hills face area and areas such as Marion and Mile End. They are very important and valuable sectors of the city. I do not mean that tongue in cheek, because I think we have overlooked areas like Mile End and other areas that have been seen as basically industrial land.

When we look at that land in terms of its importance to this community we see that it is extremely valuable. In many ways it has been inappropriately or inefficiently used. The utility of that land is quite enormous, and we must place far greater value on that. I believe that everyone will be delighted at the end result of the Horwood Bagshaw development at Mile End. That area already looks much better now that the awful rusted

galvanised iron sheds have been demolished. It will look a thousand times better when it is completed.

Through the 2020 Vision project Kinhill has taken a scientific approach to the whole issue of the cost of a block of land in the inner city—in the second ring doughnut—and the outer fringes. Our figures are confirmed that it costs between \$3 000 to develop a block at Mile End versus a block at Seaford, or further on, where it costs about \$18 000 to develop. That does not include a whole lot of other services that will have to be provided to that community. Our community has come to expect that and it is what we have provided; for example, child care facilities, community centres, sporting facilities, recreational activities and so on. We have come to expect those things as part of our quality of life in this State. People demand those services; the consumers demand them. I guess we have become reasonably spoilt, and rightly so. However, if one makes comparisons with cities such as Sydney or Melbourne, one sees that what we provide in our city is far better. It is chalk and cheese; we are not comparing apples with apples.

If one looks at what is provided and the cost of it, one sees that it makes a lot of sense for us to move back into the city. We are selling off schools. I am about to lose the high school in my electorate. Numerous schools have been closed down because of lack of numbers in the inner city area—and again I include the hills face zone. I believe we must look very seriously at what we are doing in regard to urban consolidation or urban infill, because there are very good economic arguments to support the consolidation of sites, such as the Horwood Bagshaw site and others around the city.

Our overall approach focuses on not only the inner city areas but also areas such as the MFP—which is, of course, a very significant exercise—and the Elizabeth/Munno Para area. I could go on almost indefinitely explaining what is happening in the Elizabeth/Munno Para area, the philosophy behind it and what we hope to achieve there. We have focused on the inner west and the south and it is very important that we do that. The Elizabeth/Munno Para area has had that focus for a number of reasons, not only because of the economic value of consolidation but also because we can regenerate, rejuvenate, renovate and recuperate all of those areas.

The whole approach focuses on those areas. Members will have noticed the old Cooperage site. We watched with interest to see what would happen with the facade—whether or not it would stay. I think it has been retained in a very tasteful way at least to recognise how significant it is in heritage terms. It has provided fantastic housing. I have spoken to several of the tenants and they are absolutely delighted with the accommodation and the facility. I think that will be improved 1 000 per cent when we get into the AN yards. We hope that that is not far away; we are probably 12 months away from getting bulldozers onto that site to clean it up and make it much better.

At Marden there is the development of the Glynbrook caravan park site on Lower Portrush Road; at Kensington there is the Norwood caravan park site on Portrush Road; and at Unley we have the Mornington House development, which was very significant for a number of reasons because we restored what is a very valuable

heritage building with the support of the Unley council. That is an enormous focus for our local community. Of course, there is also the Mitchell Park redevelopment, which is being shared with a private developer and which will provide a much needed development because our stock in that area is pretty awful and we need to upgrade it significantly.

Finally, there are the techniques we use for both identification and development of sites. We have large infill sites and we talk about those in terms of the AN and Horwood Bagshaw sites. We also have small infill sites. Each member can probably name an area in his or her electorate that the trust has clearly identified. It may be an old factory, a foundry or a disused piece of dirt which has not previously been identified but which is now attracting attention. We have seen some very tasteful and fantastic developments.

In relation to special housing, those of us involved in the select committee dealing with cooperative housing saw some of the work that is being done in that area. It often assists both the intellectually and physically disabled. All of those things are very important. We have also been involved in the conversion of the old double units all around the State to offer a greater opportunity to lift the environment for those people living in that type of housing. There has also been the recycling of non-residential buildings and upgrades where the area is now tired.

We are also creating sites out of backyards. Mitchell Park is a very good example of that, where people have huge backyards—200 feet deep and 80 to 90 feet wide. Most people do not want blocks that size these days. Some people do, but those who do are probably fewer and fewer in our community. We can now provide more housing and better quality housing. We employ a cut-off approach with respect to corner blocks. This technique is applied principally to houses on corner sites. We have also created sites in double unit estates. I think I have given a fairly broad picture of where we are going.

Mr HERON: What services does the Housing Trust provide to its tenants who suffer from disabilities?

The Hon. M.K. Mayes: We offer a whole range of services, not only directly related to the focus of those disabilities but also in the broader sense with respect to what we need to address in the way of policy issues and how we look at what might be the future needs. Last week in Prospect I had the opportunity of opening a complex of new units that was a part of offering opportunities, and independence as a consequence, for young people, with Downs Syndrome and other very disabling illnesses. We worked with parents and the association to set that up. It was, I think, the Community Housing Project. It was a fantastic feeling because we are housing about eight young adults who previously had been in a dependent situation. They are now able to be very independent. I invite members to look at the complex, which is a very significant development because of what has been done.

For example, we have lowered bench heights and allowed for folding doors so that they can get the wheelchairs in under the sink and do dishwashing and food preparation. The fridges have been especially designed with lower handles so that people can reach the freezer, the crispier and so on and get any item out. There

is also special access to doors and light switches: it is a very significant modification of a house. They have worked very closely with the builders, who have done an outstanding job. These young people are now independent. To see the delight on their faces and those of their parents was exciting. That is the sort of thing that we are deliberately doing.

We have been purchasing houses tailored to the needs of the tenants, who do not have the capacity to deal with a normal house. The trust has developed around 20 dwellings. At least one has been suitably provided for disabled tenants, so about one in 20 is being modified to accommodate disability. The trust also provides assistance through the Community Tenancy Scheme. At 30 June roughly 140 properties were leased under this scheme to non-government organisations extending accommodation-related support services. Again, we are providing not only through our own programs but through our community development programs the opportunity for people to enjoy independence and freedom as you and I have the capacity to enjoy them.

It is a very significant program, probably ahead of the rest of Australia. In talking to colleagues and heads of departments interstate, it seems that we are often looked at as leading the way in terms of offering a range of opportunities for people with disabilities.

Mr HERON: As a supplementary question, does the Housing Trust design a particular unit for a particular person with a particular disability or are they all standard units?

The Hon. M.K. Mayes: Yes. We address specific disabilities. Obviously, one needs to do that because of the nature of the disability, and we have done it on numerous occasions.

Mr HERON: How is the Government addressing the problems of long-term residents in caravan parks?

The Hon. M.K. Mayes: That is a very important question because it has been of great concern not only to me but to my colleagues and, I am sure, to all members of this place. Some interesting things are unveiled as one moves around the community: I am sure that some members get out more often than others to see these things happening. It is clear that a number of people use caravans as permanent accommodation. We estimate that some 4 000 individuals reside in approximately 2 000 sites in caravan and mobile home parks in South Australia. That is not a bad thing: in the United States I am sure that members have seen that a huge population—I have heard estimates of 10 to 15 per cent of people—reside in caravans or mobile homes. Often it is related, as I guess it has been traditionally from our point of view, to seasonal workers.

Having once worked in the fruit-picking industry, I realise that there is another population of people who move around in those industries and who live very comfortably, or certainly did when I was exposed to that industry, in mobile homes. They enjoy that: that is part of their culture and social structure.

However, some people are forced to live in those sorts of situations and do not want to be there, preferring to be in a traditional home. We undertook a task force study, which commenced in February 1992 and which was resourced and chaired by staff of the Housing Strategy Unit of the Housing Trust. Members included officers

from the Department of Environment and Planning, the Department of Public and Consumer Affairs and the LGA. The role of the task force was to report to Cabinet through the Minister of Housing and Construction on a wide range of issues relating to permanent residency in caravan and mobile home parks in South Australia. The discussion paper was completed in mid-September 1992. The process of community consultation was undertaken over six weeks prior to the preparation of our Cabinet submission.

It is important to run through the key recommendations because often this is overlooked in some of the discussion. First, the task force recommends the inclusion of a long-term dwelling rental tenancies charter in caravan and mobile home parks in South Australia: in other words, a coverage by the RTA of those people living in that sort of accommodation. Secondly, there needs to be the development of a mandatory code of practice under the Fair Trading Act and the Residential Tenancies Act to cover all long-term rentals in caravan and mobile home parks in South Australia and the introduction of specific policies relating to mobile dwellings in the development plan which are consistent with the standards of health, safety and compatibility. The LGA is very supportive of this. In other words, we must have a clear direction as to what is going on so that the people know and that we do not end up in a situation where suddenly it is revealed that the local council has decided to adopt this policy on long-term residential accommodation for caravan and mobile home parks, and the local residents discover this and all hell breaks loose. We have to avoid that at all costs.

It is also recommended that there be a separate definition of 'caravan' within the Planning Act, so that local government can set clear guidelines for the community which knows where it stands. I take my memory back to an outbreak of public outrage about one of those areas that we had to address several years ago. That is what is proposed. I hope that we can address it shortly so that we have a clear arrangement and so that local government and the industry know where they are going.

The Hon. D.C. WOTTON: Turning to Issues and Trends on page 256, it is a pretty sad story. We are talking about declining capital, recurrent funds, structural imbalance between non-rental income and expenditure associated with operating and maintaining the existing stock, and other areas. It begs the question: is the trust broke? Are these early warning signs, perhaps, of another State Bank fiasco with some billions of dollars tied up in the Housing Trust? What specific measures have been taken to reduce costs, and what will the financial impact be?

The Hon. M.K. Mayes: It is not another State Bank fiasco. The Housing Trust is a very sound financial organisation. It is monitored very carefully. I would defend the General Manager openly, without any qualification. I guess I have the privilege of Parliament at the moment. I certainly would not compare our General Manager with the former General Manager of the State Bank. I would not want to prejudice any future actions with regard to what might happen with the Manager of the State Bank; I hope something happens, and I am sure I am joined by the majority of South Australians in

saying that. I am very proud of what our General Manager has achieved. He is a highly skilled individual, and I think he has added significantly to the management capacity of the South Australian Housing Trust and will continue to do so. I find his candour, his probity and his propriety as an officer outstanding, and I do not hesitate; I would have no fear in standing up anywhere and saying that publicly on any occasion.

An organisation as large as the trust must be vigilant, because it is dealing with large amounts of cash. We deal with about \$340 million per annum, and about \$140 million of that is related to rents. An organisation of that size warrants very careful financial management and scrutiny and, obviously, the cut-backs in Federal funding have had a significant impact on the organisation. I know we have had this debate across the floor of the Chamber; we have exchanged views about what the Liberal policy would be at the Federal level, but I believe it would be devastating for the Housing Trust, and there would have to be some major changes in the overall financial structure and operation of the Housing Trust if the Federal Opposition were to come into government this year, next year or whenever the election is held.

The Federal Opposition spokesman has said quite clearly that \$400 million would be cut off the overall grants, and the adjustments for first home owners under the introduction of GST would mean the adjustment of another \$125 million from the housing allocation. That is what the Federal Liberal Party said it would do, and that was confirmed by the Opposition spokesperson. We need to be very wary of what might come out of that; some major adjustments would have to be made in terms of how the trust is structured and operated.

The finances of the trust are quite sound, but over the past four years we have suffered a significant reduction, because the CSHA reduced funding significantly at two levels. First, cheap loan funds were cut off as a resource for us, and we drew on those significantly over the 1980s. That allowed us to expand our trust stock by about 18 000 units from the beginning of 1983 to the end of the 1990-91 financial year. That is a very significant contribution in a stock of 63 000. Our assets are roughly \$3.2 billion and the liabilities total \$1.5 billion. So, in terms of having assets to match liabilities, we are well placed; the net asset value is very sound. But we must watch the recurrent situation very carefully because, during the period I mentioned (3½ years ago now), nationally we were accessing about \$1 400 million per annum. That cake that has to be shared between the States is now back to \$1 billion. That \$1 400 million was made up of grants and loan funds.

Because that has been cut back significantly and because our per capital allocation through the Grants Commission has been adjusted downwards, there has been a significant reduction in the funds we have. As I mentioned in my opening comments, this reduction in Federal funds has meant an increase in the real contribution from the State, which has drawn on our State budget quite significantly. So, we recognise the need for caution but we have also taken into account the adjustments that are required in making sure that our revenue matches our expenditure and that we can draw on our capital funds and not sell off the farm to do that. We are still in a situation where we are showing net

growth in our assets, but we must manage that very carefully to ensure that the funds do not dry up in the process. So, I can assure the honourable member that we are in a good financial position. We watch our arrears very carefully. I think our arrears management would probably be the best in Australia, and we are very conscious of the need to maintain a vigilant assessment of that process.

The Hon. D.C. WOTTON: As a supplementary question, the Minister would refute claims that the amalgamation of the Urban Land Trust with the Housing Trust has come about to save the Housing Trust?

The Hon. M.K. Mayes: It is to assist urban consolidation and good government, rather than any other process. The trust is a sound organisation; it has had good management but, like any organisation, there is room for improvement, and we would always be looking for some way of improving efficiencies in operation.

We have reduced the number of staff in the Urban Land Trust this financial year by a further 26—a 4.7 per cent reduction in the number of full-time equivalents. From June 1990 to June 1992, the number of full-time equivalents in the Housing Trust has decreased from 1 075 to 1 031. So, there is an active process of reduction in operating costs in that area and, again, that process is not complete; we are still looking at reductions in FTEs further to reduce our burden.

The Hon. D.C. WOTTON: Supplementary to that, the Program Estimates refers, under 'Issues and trends', to specific measures that have been taken to reduce costs. The Minister has referred to staffing, and staff is mentioned separately under 'Issues and trends'. Can the Minister provide in written form, if he cannot provide the information now, the specific measures that have been taken other than the reduction in staff to reduce costs, and will he indicate what the financial impact of those measures will be?

The Hon. M.K. Mayes: There is a whole range of things. I appreciate that the Program Estimates states that measures have been taken to reduce staff and overheads. I guess the focus would be the overheads. There is not an area that has not been examined in terms of where we can realise savings or reduce our overheads or servicing costs. For example, we have done a complete audit of our industrial land stocks and how we can reduce those. They require servicing charges. We have done a complete review of the accommodation that is required, cash flow management, the rates we pay and how we can rationalise them, and how to improve the operation through recognising business units, that is, achieving an amalgamation not only of staff (although one could focus on that) but of the equipment and services to be provided to those units. If we achieve a rationalisation, we can realise savings. We believe that we have increased employee productivity through the staff reorganisation exercise that we went through by providing not only a much better service at the counter but also a much more economic service, because we have increased staff training and we realise therefore that they do not have such a large draw on so-called fixed costs or overheads. That is basically a summary of what we are doing.

The Hon. D.C. WOTTON: With reference to specific targets, there are three areas of interest. What has been the cost to establish the rental operations business unit,

and where is that included in the 1992-93 financial plan; what will be contained in the asset condition data base; and when will the regional management plans be developed?

The Hon. M.K. Mayes: The regional assets plan will be developed by the end of this year or early next year. I will pass the other questions over to the General Manager.

Mr Parker: At the beginning of last financial year, the trust moved to a newer form of accounting for the business units which flowed from the last triennial review to this Parliament, and a form of business unit approach was introduced that identified the rental operations as a separate business unit. All last year we operated under that structure, and the costs associated with that would have been absorbed within the overheads of normal financial management and accounting practices. We are further developing and refining that approach, and those costs of our moving further towards a rental operations business unit will be picked up in general overheads. The objective is quite clear: to make the rental operations more efficient and more accountable in the financial sense.

The Hon. D.C. WOTTON: As a supplementary question, I would have thought it would be possible to place some costing on that. Rather than your just saying it will be absorbed, a cost must be involved in the establishment of such a unit.

Mr Parker: There are no extra staff involved—I want to clarify that. This is really just a financial management approach. In fact, if anything there has been a reduction in staff. If the honourable member would like further information as to the actual costs involved in establishing that system, we can provide that in the near future.

The Hon. D.C. WOTTON: I did ask about the asset condition data base. What will be contained in that data base?

Mr Parker: The asset data base will contain a more comprehensive analysis of the trust's enormous property stock and how that stock is performing in a financial sense; it will be split into a small scale locational dimension so that we can get a better understanding of the way the assets are performing on a regional and sub-regional basis. We expect that work to be under way by the end of this calendar year and to be fed into management and policy decisions by the latter part of this financial year.

The Hon. D.C. WOTTON: I refer now to page 257 of the Program Estimates; one of the broad objectives is to facilitate the State's industrial and commercial development and employment growth through the provision of land, buildings and related financial services. To what extent will the Government be put at risk in doing this? Are we talking about speculative land development projects, speculative housing development projects or speculative financial servicing development projects?

The Hon. M.K. Mayes: I would not describe any of the projects that we address as 'speculative'. The broad meaning of that word might capture what we do, but certainly there is a very tight risk management. Our industrial development unit has been operating in specific areas since the 1950s. Under the former General Manager (Mr Alec Ramsay), that was a very active unit of the

trust and had a lot to do with the establishment of General Motors- Holden's and shopping centres at Elizabeth and throughout the metropolitan and regional areas of the State, including Whyalla and Mount Gambier. That continues with the same charter. For example, I know of a very important and large industrial organisation in my electorate that is currently negotiating with the Housing Trust industrial unit regarding relocation into industrial estates. It is looking at potential industrial estates. I guess we carry some risk with that, but the organisations that we deal with, both in this State, nationally and internationally, are fairly carefully scrutinised. I do not think we have had too many disasters.

I might be corrected but I think that most of those projects come through the committees of the Parliament, and some members here have served on those committees. Most of those projects are vetted and are either recommended or not recommended by the Parliament, so the risk aspect is reduced significantly. One would have to say that, in any commercial endeavour, there is always a risk. We work to reduce that and keep it as insignificant as possible. In those areas, and with respect to the issue referred to—the State's industrial and commercial development and employment growth through the provision of land, buildings and related financial services—we continue to do that. It has been a very successful program. I would venture to say that most of Elizabeth and the industrial enterprises based there came about as a consequence of the activities in this area.

The Hon. D.C. WOTTON: As a supplementary question, when we consider that in conjunction with the trust's ensuring that the creation of new assets is achieved at a cost which is less than their market value upon completion, how does the Minister suggest this can be better achieved by the trust as opposed to the private sector? Will the Minister specify details with respect to that?

The Hon. M.K. Mayes: We can provide details of projects that come under the broad objectives. 'Facilitate' is the way I would describe it. A personal friend of mine, who is the Managing Director of a very successful South Australian company that manufactures and exports to Japan, has expressed a very clear interest in working with the trust to develop a new factory and a new opportunity for him and his company to export. He is very keen to see that opportunity, to which he might not otherwise have had access, although he could do it commercially. He has expressed to me a very clear preference for what is being offered by the trust through the incentives to the commercial sector. That involves something that he would normally have to engage, whereas we have the resources available to do it. We have the people who know their way around, and the land and all the resources and infrastructure that he needs can be provided.

As a businessman, he has put his pencil through the bottom line. His assessment is that it is something he would have to pay for at a premium. He believes he is getting it at a cost, and that is a cost to us but it gets a return to the taxpayer and provides an infrastructure and service that would not normally be there. I have had interstate and overseas people talk to me about this after they have looked around South Australia. They can see

that we do things a lot better in South Australia than some other States. Members will have that confirmed by colleagues interstate. I refer in the broadest possible sense to Delfin and what has been achieved at Golden Grove and West Lakes and so on. Members can talk to the managing director of those companies to see the relationship that has been formed, the trust that exists and the benefits that have flowed to the private sector and the community as a whole. Golden Grove is a showpiece in Australia. International experts visit it and say that it is fantastic. They ask us how we do it.

Members interjecting:

The Hon. M.K. Mayes: Yes. You, Mr Chairman, would probably celebrate that success as well. That project is unequalled in other States. They say, 'We could not do that in Melbourne.' Leading industry people have said that they cannot achieve it and in Sydney they would not even bother because they could not get that relationship. It is a function of the relationship that exists between Government and the private sector in this State and I hope it continues indefinitely because it brings enormous benefits.

The honourable member referred to ensuring the 'creation of new assets . . . at a cost which is less than their market value upon completion': as to the price at which resources are provided, when we talk about Golden Grove, Northfield or any other asset, we would say that the final result is a total cost less than the market value. There is plenty of evidence to support that and I invite members to approach people who have been involved in those developments.

I can give statistics both from our own figures and from ABS publications. As to building approvals in South Australia at June 1992, the following figures show average costs of dwelling constructions:

	Public Housing	Private Housing
1986-87	\$42 700	\$56 500
1991-92	\$47 100	\$69 100

Wherever one looks, whether it is industrial, commercial, residential land or the final product, domestic housing, we believe we can deliver the goods and we believe that the relationship with the private sector has been excellent, bearing in mind that the trust does not employ craftsmen or artisans because they are private sector employees. Some of them have related to the trust for 40 or 50 years and I am sure that members know many of the people involved who have worked for the trust for that length of time. They have done a first-class job. I hope the relationship continues and that we will continue to deliver that product on the market.

I am sure that we can improve and we are always looking to improve. We need only test the position against some of the products that are delivered in the private sector. I believe our private sector product in terms of affordability is extremely competitive. I believe our private sector product is better than is provided in other States, other than Western Australia, which is probably on a par. The cost in South Australia is very comparable, compatible and competitive with any other product around Australia. People in the public sector, because of the relationship we have with the private sector that builds our stock, believe we deliver a product that is well below market value. We are constantly increasing our value added through that process.

Mr De LAINE: I refer to page 258 of the Program Estimates. As to the 1992-93 specific targets, what will be the financial benefits to the Government of its redevelopment strategies in Elizabeth?

The Hon. M.K. Mayes: Let me say in the broadest possible sense that there are a number of benefits that flow to the community. We are talking about a community asset, but we have to remind constituents of this aspect. True, the State Bank has reminded them of their liability, but we have a net asset that belongs to the community and every South Australian, an asset of about \$1.8 billion that has been established over the years as part of the operating growth of the massive South Australia Housing Trust. People can look at this asset and see what a significant investment has been made in this program. Every one of the 1.6 million South Australians can see that.

Although we would never do it (God help us if we did), if we sold off that community asset as they did in the United Kingdom, it would be regrettable because we know what is happening in the UK now. It is a disaster. As members know, I have been privileged to represent South Australia when travelling overseas. I have visited the United Kingdom five times in the past 12 months and I never let the opportunity pass without asking about what is happening in the housing sector. The position gets worse every time I go there. God help the Brits with the current turmoil in the financial markets. Interest rates have increased by 5 per cent.

Mr ATKINSON: They have come down.

The Hon. M.K. Mayes: Yes; they came down 2 per cent. How would someone get on taking out a loan? I guess that speculators are having a field day but for the ordinary Brit trying to buy a home, after being encouraged by local government and the Thatcher Government to purchase a council flat, the position is difficult. People purchased at a premium time when the market was high. Values in and around London have dropped by 25 per cent and by as much as 40 per cent in other regions.

Many people have a mortgage over their heads which, in terms of realising an asset, involves a net liability of anything up to £40 000 or £50 000. These are ordinary workers in the community. That model of selling off the family farm has nothing going for it. Two or three years ago they were saying that they had realised a net asset growth when property values went up, but now values have fallen and they have realised a net loss. People have a mortgage to repay on an asset valued at less than their liability.

People are asking now, 'Where will our kids get a home?' Traditionally councils provided housing for young families starting off but now there is not that stock in the market to provide such accommodation and we find many young families are living with their parents in order to simply provide a roof over their heads. That is not a good model to follow. Let us look at what we have. South Australia has a net asset of about \$1.8 billion that belongs to the community, and we have an important responsibility to ensure that that asset value is maintained.

With the development of trust areas in Elizabeth and Munno Para there has been in my opinion an over-concentration of rental accommodation and not only has

that detracted from the quality of the environment because we have not got that broad public housing mix that we have always promoted, but it has also led to a situation where an asset is devalued.

We can upgrade that asset by encouraging people to improve the physical environment of their house and we can also provide additional services and improve the environment in respect of open space around those houses. By doing that we will reap an increased return, that is, the value of our asset will increase. They are the cold hard facts by which we will increase the asset statement in our balance sheet.

Our program is designed to reduce significantly the Housing Trust asset in those areas from the current 50 per cent to about 15 per cent, and that will significantly change the character and outward appearance of Elizabeth, as I am sure the honourable member would appreciate. We will do this through sales and renovation of the area which will, I believe, not only increase the value of the properties we own but the livability—if I can use that term—of Elizabeth and Munno Para. So, that is how we will improve those areas in the broader sense. Better Cities funding will be spent. Mr Luckens is working with a project team in that area to look at a whole range of matters, including training, recreational, social and employment opportunities for the whole of the Elizabeth area.

So, we are working as a team with other departments and local government. Local government, the business community and the community in general are absolutely enthusiastic about the way in which these issues are being addressed. We have launched various programs in the area. The community at Elizabeth and Munno Para really appreciates this because, to some extent, it feels its suburbs have been forgotten. The Government and the community have now focused their attention on assisting those people by providing within their area better opportunities, which they deserve and to which they are entitled. I hope those programs will develop significantly over the next two or three years and that we will see a changing face of Elizabeth. I think we will see an attitude that existed when members of this place, such as the member for Elizabeth, grew up in that area.

Mr Becker interjecting:

The Hon. M.K. Mayes: The member for Hanson suggests that the member for Elizabeth might be too busy if he is a Minister. I was reflecting on the sorts of opportunities that existed when the member for Elizabeth was growing up in that area. A number of my mates at university were from that region, which was seen as an area of opportunity and growth. We want to see that again in Elizabeth and not have it referred to by other members of the community as an area that is suffering under the recession.

Mr De LAINE: Will the Minister provide information on the success or otherwise of the agreement with the Housing Industry Association for the development of Montague Farm at Pooraka?

The Hon. M.K. Mayes: This is an exciting project, although it has copped some criticism and attention from some sectors of the industry. I was privileged to open this project with Mr Don Kennett, the Chief Executive Officer of the Housing Industry Association, and a number of his officers who are playing a significant role

in the development of Montague Farm. The member for Playford was there enjoying another opening of another facility in his electorate, and one which I am sure he is very pleased to have.

This project represents a significant relationship that exists and will be a milestone for a number of achievements within our community. I am sure members know where it is located: as you go north on the Main North Road, you pass the abattoir and Gepps Cross and go through the intersection; on the left is The Levels and on the right is Montague Farm. I remember as a child going to the markets in the truck with my father, and that area as you looked towards the east and the hills consisted of open wheat fields. There will be 700 allotments developed with the HIA and a display village to be called Housing Industry Association Homeworld where 42 display homes will be available for people to inspect. About 12 leading South Australian builders, including Ian Wood Homes, Distinctive Homes and Homestead, will have displays. The area consists of almost 62 hectares and is less than 11.5 kilometres from the city centre. If one were to draw a comparison with what is available in Sydney, Melbourne or Brisbane, one would never find anything of this quality 11.5 kilometres from the GPO.

The streets and parks will be named after our fallen heroes who gave their lives in the service of their country in Vietnam. At the opening I was joined by Mr Norm Coleman, President of the South Australian Vietnam Veterans Association, and many of the families of those who had fallen also attended. So, this project will be significant not only because of what has been achieved through the association between HIA and Government but also as part of our history in recognition of those South Australians who gave their lives during the Vietnam conflict. Although the Vietnam conflict was never considered to be a war, we now recognise their contribution.

People are already living there, and I think it will be a significant environment in which to live. It is strongly supported by the Salisbury council and surrounding councils. I think this development will enhance the quality of life of its residents. I have spoken to the first family to move in—I think they moved down from Salisbury Heights—and they were quite delighted with the facilities and with what was happening there.

Mr De LAINE: My next question could be termed a perennial question, I suppose, but as I am the local member for a large Housing Trust area I am under increasing pressure to ask it. I refer to page 256 of the Program Estimates: because of the increasing number of Housing Trust tenants on subsidised rents and the long waiting lists for accommodation, is it intended to change the aim of the Housing Trust from that of public housing to welfare housing?

The Hon. M.K. Mayes: No, but with the natural effluxion of time some changes will occur in the very profile of Housing Trust tenancy. At present, 73 per cent of our tenants are rebate tenants—that is, they receive subsidies for living in Housing Trust homes. Because of this, our profile is changing from public housing to welfare. We will not embark on a change in objectives or mission, but we will focus on a greater mix of housing in terms of our public housing profile. In other words, we

will advance more and more into areas with the private sector to give a greater mix of housing between the Housing Trust and the private sector and, by that means, we will achieve a public housing profile.

For instance, with respect to inner-city developments, such as Mile End, a percentage of the housing will be Housing Trust but the majority of the allotments will be offered to the private sector. At Mile End, about 20 per cent of the allotments will be Housing Trust and 80 per cent private sector. So, what we are achieving—not by direct policy but by indirect policy—is the same as if we offered our housing to those who have applied and are on the waiting list. But, as we get more priority housing and as more people receive concessional incomes or subsidised incomes that profile will change. However, as I am sure the honourable member appreciates, the physical quality of Housing Trust dwellings has improved enormously in the past 20 years.

I relate the story about the Emmett development in my area where there was a degree of resistance about the quality of the Housing Trust accommodation. I took a couple of my constituents, who live not far from the Emmett development in Clarence Park, down one particular street which, given the events I have enjoyed in the past couple of months, has particular infamy for me. The boundary of that street is on the tramline. I showed those constituents a very good Housing Trust development that has been there for 20 years. I asked them to identify which was the public and private housing and they got it wrong. They identified the Housing Trust development as private dwellings and the private dwellings as the Housing Trust development. I rest my case there as to how we can go about achieving this public housing blend and maintain the service to those people in need but provide an urban environment which meets the public housing profile.

The CHAIRMAN: As the member for Albert Park I ask: what will happen to the land in Royal Park that was previously owned by the Catholic Church? I understand that Housing Trust homes are to be built on that land. Secondly, in relation to the Hendon Primary School property, I understand that some land will be disposed of by the Education Department. What will happen to that land and does the Housing Trust intend to purchase all or any part of it?

The Hon. M.K. Mayes: I will take that question on notice. We are looking at the Hendon site.

Mr BRINDAL: I note in the context of the Minister's opening statement that this Government 'has a strong focus on urban consolidation and urban renewal'. Indeed, Financial Information Paper No. 3 (page 46) refers to 52 per cent of new construction and 91 per cent of purchases in the central metropolitan area. Will the Minister supply the Committee with a list of all properties in the central metropolitan area on which the trust has made purchase offers since the Government announced its policy? Which of those offers has been successful, what were the costs and what is the number of units constructed on each site?

The Hon. M.K. Mayes: Given the detail of the question from the honourable member I will take the question on notice and I am happy to provide that information.

Mr BRINDAL: As a supplementary question and something that is much more specific, information has

been put to me about the Minister's electorate of Unley. The information concerns a list of properties. The Telecom site in Mary Street has been purchased and trust units are currently under construction. It was publicly reported that the Minister favoured the purchase of the shopping centre site for low cost housing, in which one presumes the trust was unsuccessful if indeed it put in a bid. It was publicly reported that a bid was made on the Parkside/Eastwood institute site. It has also been reported to me that the Thomas Street Army depot is a site in which the trust has expressed interest. Finally, it has been suggested to me that the trust has just completed negotiations to purchase some or all of the Goodwood Tech site for the installation of Housing Trust units. In view of the fact that the Minister is the member for the most marginal seat held by the Government, the rather astounding allegation has been made that the Minister is using his office as a Minister of the Crown for specific electoral purposes—

Members interjecting:

The CHAIRMAN: Order! I will take the question from the member for Hayward. There will be no interjections.

Mr BRINDAL: —to manipulate the vote in his electorate and win at the next election. I ask the Minister to comment.

The Hon. M.K. Mayes: I resent that comment, and I may take this matter further. I believe that that final comment perhaps should be considered by the Privileges Committee. I really think that the honourable member is getting in the gutter when he makes that sort of comment. I am surprised that he has made it, because I think that it reflects an attitude on the honourable member's part in suggesting that I would engage in that sort of project. It also reflects an ignorance of how the trust operates. There is in fact a board that makes decisions to purchase. It certainly makes any final decision in regard to which areas are to be purchased. But, I resent strongly the member's implication that these programs are being influenced for my purposes of being re-elected as the member for Unley. We are interested in purchasing any areas of land within the inner city area—within the Hills face area—and are active in all areas of the State and city in looking at those particular purchases.

I will take this matter further and take advice on it, because I strongly resent it and I think the honourable member has to reflect on his own attitudes when he makes that sort of comment because, of course, he is the preselected candidate for Unley and obviously has a personal interest as well. One can draw inferences from his comments and from why he has directed them to me. In regard to the shopping centre, the honourable member has completely misrepresented what was said and what I said about it. He may learn to his own peril that that is a complete misrepresentation. In fact, a significant developer spoke to me at the opening of the Rossiter shopping centre site a fortnight ago. He indicated that he believes that the current development does not fit into the character and amenity of the area. In fact, in his view, it would have been a much better arrangement to have some housing to buffer and allow for a much softer cushioning of the shopping centre into the Mornington Road, Thomas Street and Arthur Street area in Unley.

My proposal was for the trust not to purchase and not to be involved in the development of the Unley shopping centre. The trust was looking at the option of some housing development in conjunction with the private sector on the western side of the Mornington Road profile of that particular development. From my point of view that would have been a much better opportunity. The member will learn in due course that the council is now in a terrible dilemma because it does not know what it will do with regard to the traffic flow situation. It will be horrendous. Residents of Mornington Road are now becoming very concerned about commercial vehicle access to and from the shopping centre and the council is having to rethink its whole traffic management process because of the nature of the development.

I believe it would have been much better had there been some development by the private sector—not the trust, although it could have had some small interest in it—to develop housing and retain the existing housing along the Mornington Road profile. That would have been very appropriate. In relation to the housing that the council knocked over, my beef is not with Woolworths but with the council and the way it has managed the whole thing. If one ever asked questions about financial management one would have to ask about the financial management of the Unley council in regard to this project.

I would have liked to see the focus from the council giving an opportunity for some houses to be built in the Mornington Road area to allow a proper buffer between, I hoped, the shopping centre and a community facility focus, which is not there at all. To look at it now, it is horrendous; it is even worse than I envisaged. The comments that I am getting from residents and outsiders about that development are of absolute dismay that the council allowed this process to go ahead.

We have a focus of a 30-foot sheer concrete wall or slab facing Thomas Street, profiled along the area where we had some superb old bluestone homes. We had probably the oldest home in Unley, which was demolished in the early hours of the morning by the council against the council's agreement, because it was due to be knocked down after the historian (Yvonne Routledge) had done a survey of it. The council sent the bulldozers or front end loaders in prior to her arriving. Then the council knocked down the war widows' homes, which are referred to on the epitaph at the Unley War Memorial as providing shelter for the widows of those who had fought in the First World War.

However, the council decided to demolish those houses for progress—progress of a shopping centre and car park. I believe that those homes could have been retained very tastefully. The shopping centre could have been developed—and I did not oppose that—with much better facilities for the community. As it is, it will be basically a concrete jungle. I do not blame Woolworths, which has its bottom line in dollars and is a commercial organisation, but the council has allowed this on council land. What sort of standard does it set for the rest of the community when it preaches to others about good planning and proper planning processes when it has done this in this way?

I put on record my horror and anger, reflecting what the community has said. My constituents continue to say

it. Residents are horrified. I had a meeting the other day in my electorate office with residents who again are horrified at what they have to contemplate. Let us get the record straight in terms of the Unley shopping centre. I did not propose that the Housing Trust would buy it. I did not propose that it would be developed by the Housing Trust. I spoke to a number of large Adelaide developers privately about their interest in doing something at the bottom end of the shopping centre to fit in with the character and amenity of the shopping centre. That would have been an appropriate way of dealing with it.

I also indicate that the Trust is again interested in the Army site. Negotiations have been going on with the Department of Defence through the Minister (Hon. Gordon Bilney). Those processes have not gone very far forward because Wanslea is using that site for temporary accommodation while its facilities, which were burned down recently, are being redeveloped. The Parkside institute was being pursued by one of the community housing organisations as part of a development, and it commissioned the trust to negotiate that. I had no involvement other than knowing what was going on and some involvement in terms of the advice that I was receiving from the board and the General Manager as to the progress of discussions. Again, some strange events transpired in relation to that one. It appears that we had an outstanding bid which the officers of the council seemed to ignore and which was \$25 000 more than the price on which they settled the property but the council officers did not bother to get back to the trust. Again, this was all unknown to me. They did not get back to the trust on the outstanding offer made by the trust on behalf of the community housing organisation. Unley council realised \$25 000 less than it could have for that property if it had processed the sale for the community housing organisation.

The Mary Street Telecom site is progressing. The trust purchased that in the same way as it is purchasing in any other areas around the city. If one compares the percentage of purchases in Unley and in other electorates it is probably small beer. If one looks at Mile End, the AN railway site, the inner western program and Hindmarsh the stock of housing that we have in Unley is pretty small compared with that in other electorates.

The trust is interested in the Goodwood Tech site and has been for a number of years, knowing that there may be a potential for sale. The council is also interested in the site, as I understand it. The trust is proceeding to negotiate with the Education Department, as it has a right to do. We will look at what comes out of that in discussion with the council.

I am not sure whether the Unley council can stretch itself any further in terms of public debt to do anything on any site. It has been looking at that site, and the Goodwood Primary School site, and is interested in some sort of community facility development on the Goodwood Primary School site or in one of those locations. The current position is unknown to me and it is a matter for the council to clarify. In general, the Housing Trust is interested in any Education Department site that will be relinquished or sold in the member's current electorate or in the electorates of any members in that area. I resent strongly the member's statement that this is some attempt

to shore up the seat of Unley. I have managed to hold Unley despite the predictions of the Liberal Party in every election that it will take it off me. I am still of that ambition. Let us have a fair contest and not the snide remark that comes from the member for Hayward. I expected better of him and I am disappointed that he has made it, and I hope that he withdraws it.

Mr BRINDAL: I am sorry that the Minister is disappointed in me for making the comment and that he resents the comment. He has a perfect right to the recourse to the privileges of the House and to seek the protection of the Chairman of this Committee and of the Speaker, and he is welcome to do that, but I hope that it was not implicit in his comment any threat that the Government would use its numbers to discipline me for making the remark. The record shows clearly that I reported that as an allegation made to me. I raised it in the House because of the freedom of speech in this House to give the Minister the chance to answer allegations that he must have heard in his own electorate. He has so far attempted to refute them: if he can do that, well and good; and it is not an issue. However, if he cannot refute them it is an issue. It is valid in this Chamber to raise issues of public concern, and this is an issue of public concern. I make no apology for raising it. If the Minister wants to raise it with the Speaker that is his right.

I understand that the Minister has long been not totally in agreement with the Unley council, but it is not very fair for a Minister of this Government to talk about the level of public debt. This Government has created more public debt than any other Government for a very long time, and to talk about emotive issues like pulling down widows' homes is fine, but we also have a Government that unashamedly pulls down hospitals, schools and all sorts of buildings all over the place for a very good purpose, which is that it can do better there by doing something differently elsewhere. So, to criticise the council for either its financial processes or for—

The Hon. M.K. Mayes: What is the question in this matter?

The CHAIRMAN: The Chair is mindful of the sensitivity of this matter. However, I take the point that, whilst the Minister had considerable time to respond, I would ask the member for Hayward to direct a question through the Chair so that the Minister can respond. The member for Hayward.

Mr De LAINE: On a point of order, Mr Chairman, may I ask to what the question pertains?

The CHAIRMAN: I have not heard the question yet and, as I indicated, because of the sensitivity of the allegations, the Minister was given a considerable time to respond and was listened to with due attention. The member for Hayward has responded to some of the comments made by the Minister, and I believe that the Chair has been fair in that regard. I would now ask the member for Hayward to ask his second question. The member for Hayward.

Mr BRINDAL: I will do so, and under some protest, but I acknowledge that you have been very fair all week, Sir. The Minister said in answer to his last question that the trust decides on sites to be purchased by a board process. Will the Minister provide the Committee with a

briefing on the board process that is used to decide sites for urban consolidation?

The Hon. M.K. Mayes: I am not sure what the honourable member wants in the way of criteria by which the board determines sites. As I have said, and as I am sure the General Manager will reinforce, the trust will look at every vacant parcel of land in the metropolitan area in terms of the potential for some sort of development, whether jointly or individually or through a process by which development for housing is encouraged. As a process under its regular meetings, the board will consider the purchase of new land for development. So, all I can say is that it is a formal part of the process of the board. There is a method by which it deals with that. The honourable member asked for the statistics on purchases, the success of purchases, costs and so on, and we will take that on notice and provide the information. All I can say with regard to the process is that the board deals with it on a day-to-day basis and that all decisions that relate to the implementation of purchase would go to the board.

Mr BRINDAL: I understand that there is a board and that it is part of its day-to-day process but, presumably, the actual properties it looks at must be arrived by some mechanism. I would surmise that there may be a conveyancing officer or some other officer whose job it is to find out which parcels of land become available, to make some sort of analysis and to put them before the board, and I am asking for details of the organisational structure for that process.

The Hon. M.K. Mayes: That is not the board; that is the administrative process that leads to the board's making the decision. I am more than happy to provide the organisational chart and the flow chart as to how the board arrives at decisions on the purchase of land. I will take on notice some aspects that are part of that process in relation to all those sites, such as Thomas Street, the inner western area, Hindmarsh and so on. It involved financial feasibility, soil contamination, social suitability and aspects of cost. I think there was also a question about the number of units developed on those sites and what sort of ratio is used. The trust broadly applies a formula to arrive at the cost as an end result for the development that might occur.

Let me just restate that I take seriously an accusation that I am using this portfolio for the benefit of my electorate. I guess that, by breathing, by being a member of Parliament and working in my electorate, one could interpret anything I do as being something to assist my constituents. The very fact that the member for Hayward is sitting in here as a preselected Liberal candidate for Unley assists him in his interests as a candidate for Unley. I am not questioning that; I believe that is a proper part of the democratic process by which this country is run, and I endorse and support that and accept the voters' result on every occasion. From my point of view, I absolutely and categorically deny that these decisions are taken to assist me as the candidate and sitting member for the seat of Unley. I will deal with Unley as I have always done—fairly and squarely.

Let me also say that I rarely resort to making public comments with the privilege of Parliament with regard to what might be happening in my electorate. What I have said in here I have said out there about the Unley

council, and I am happy to do so every time. I do not use this Chamber as a shelter for my comments. I am utterly outraged by the Unley council's handling of the Unley shopping centre; it will be an eyesore and it will always be a millstone. It will be an albatross around that council's neck—I have said that publicly time and time again—and it will continue to be one. The problems the council will face with traffic and parking and so on in that area will continue to be a burden.

Mr BRINDAL: On a point of order, Mr Chairman, in fairness I feel I should raise the same point of relevance as was raised against me a moment ago.

The CHAIRMAN: I ask the Minister to come back to the issue.

The Hon. M.K. Mayes: I think I have addressed the relevant questions from the member for Hayward.

Mr ATKINSON: I refer the Minister to page 256 of the Program Estimates and the heading 'Rental housing'. What savings will accrue to the Government from zone tendering regarding Housing Trust maintenance contracts?

The Hon. M.K. Mayes: This is very important, because we have made significant changes in the overall administration of the Housing Trust and its maintenance programs. We believed that there was a need from the point of view of not only reaping savings but also accountability to build a better product as an end result. We have worked on establishing an operation that gives a tendering arrangement and focuses on particular areas and particular opportunities for local maintenance contractors. The commercial practice gives us a far greater accountability.

The history of the trust in dealing with those processes was somewhat vague and needed attention, because we were vulnerable to criticism about the way in which the processes have operated in the past. So, in line with what one would regard as common commercial practices, the trust has developed concepts for awarding maintenance by competitive tendering, in particular zone maintenance contracts, for day-to-day or breakdown maintenance.

A plumber, electrician, carpenter or joiner might have focused on a local environment and offered a very good and responsive service, so we collectively recognise the capacity of that person to tender and do that work, but we also recognise that they have what might be seen as a comparative cost advantage for tendering in that area. This has been through a detailed consultative process with industry, the UTLC and contractors, and four specific trade areas have been identified: plumbing, electrical, carpentry and internal painting.

With regard to plumbing, initial consultations started in 1988 and resulted in the establishment of a pilot tender for plumbing zone tenders through 1988 to 1990. Issues of subcontracting arose and were resolved in 1991 along with broad issues of basic contract principles. Based on the pilot outcome, Statewide zone tenders for the plumbing trade were offered to existing contractors in May 1992 and contracts reflecting savings in excess of \$1 million have been awarded. By recognising a local organisation, we get savings by bringing the focus to specific areas, for example Whyalla. By doing that, we have realised, in contrast to the previous year, approximately \$1 million in savings. We think that is significant.

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

Mr ATKINSON: I refer the Minister to page 258 of the Program Estimates in relation to community assistance. What will be the benefit to borrowers of the loan contract offered to low income home buyers by HomeStart in the Golden Grove joint venture?

The Hon. M.K. Mayes: The Golden Grove joint venture with HomeStart finance involves the development of a low cost house and land package to focus on many of those people who are on our Housing Trust waiting list. We hope that we can encourage them to pick up the packages that we are offering. This scheme is seen as a pilot project to combine house, land and finance in a total low cost package. We look forward to having that on the market this year. The joint venturers are enthusiastic about it, and we expect that approximately 23 homes will be available through the joint venture partner Delfin and two previously selected builders. We hope that people will be able to purchase the package for approximately \$85 000. From my point of view, that is a fairly attractive arrangement and, given what we have seen in other areas using HomeStart as a formula, will offer additional ammunition to our program to attract people from the Housing Trust waiting list or those in private rental accommodation who do not believe they can muster the capital to embark on a home purchase. We believe that the Golden Grove area will be very attractive to low income families who are having difficulty getting together a financial package to venture into home ownership.

Already our experience is that approximately 4 000 people on our waiting list have been encouraged to take up HomeStart loans to purchase a home, something they would not have been able to do if that package had not been put together. We expect that the land will be available for \$12 000 a block. That can be compared with the average block price at Golden Grove of approximately \$45 000. It is a very attractive offer, aimed at low cost budget housing, but it will be a good quality home and it will be theirs. It is a significant package as part of the Golden Grove program.

Mr ATKINSON: With respect to the same page, what subsidies does the Government offer to tenants of private dwellings who cannot afford their rent?

The Hon. M.K. Mayes: In my opening remarks I focused on the amounts of money devoted as assistance to those in the private sector. One of the interesting aspects of the negotiations over the past year with the Federal Government was the addressing of the ongoing problem of equity between those public tenants who enjoy living in Housing Trust accommodation currently and those in the private sector who do not presently enjoy that privilege. There is quite a disparity. The member for Price was a member of a related select committee. The member for Spence was concerned about the size of the subsidy passed onto the cooperative housing occupant. The current cost of a new home for a trust tenant can be anything between \$80 and \$100 a week in subsidy, if we consider the overall cost of running the program, that is, taking into account the whole cost structure of rental rebates and so on. The private sector warrants considerable attention.

In 1991-92, as the budget papers indicate, \$18.43 million was allocated for the purpose of rental assistance, of which \$2.1 million was derived from repayments of previous advances to private renters. Approximately \$16 million was provided as direct financial assistance in the form of bond money, removal expenses and subsidies. The rest was used to manage the programs. This assistance, known as the Private Rental Establishment and Support Service (PRESS), is available from all 16 trust regional offices. During the year, approximately 50 000 households were assisted with information and advice under this program, with 27 000 receiving financial assistance in the form of bond, rent, furniture and other expenses, at a cost of approximately \$9 million.

The trust also administers a rent relief program which provides direct rent subsidy to private renters. Grants of up to \$25 per week are paid directly to the renter and eligibility for assistance is reviewed regularly. During 1991-92 the trust received 10 189 applications for rent relief, and 9 291 were approved. The number of households receiving rent relief as at 30 June 1992 was 8 828 with an average value of \$16.28 per week. The total value of payments during the year was approximately \$7 million.

The trust also provides short-term crisis accommodation. At 30 June 1992 the trust was managing 212 short-term leases. The Whereabouts service assists people seeking accommodation by providing free listings of vacancies as well as share accommodation in the private rental market. Information on boarding houses, caravan parks and other types of shelter is also available. During the year, the service assisted 11 365 inquirers. So, we offer a fairly extensive program. The private rental sector is not forgotten in the overall approach that the Housing Trust applies.

The Hon. D.C. WOTTON: With respect to the payment of water rates by Housing Trust tenants—a subject which is fairly topical at the moment—I am informed by the E&WS that some bills forwarded to Housing Trust tenants are not being paid because the Housing Trust is unable to enforce payment. Can the Minister provide any statistics regarding the number of bills returned 'not paid' or just not paid at all? Also, there is a concern about the number of Housing Trust tenants who live in shared accommodation, have a shared meter and who do not receive accounts, as I understand it. What percentage of tenants would come under that category, avoiding the payment of water rates?

The Hon. M.K. Mayes: There are approximately 44 000 separately metered properties owned by the Housing Trust. That leaves about 62 500 and about 18 500 are not metered separately—cottage flats, combined units and so on that are all under one meter. Since October 1991, \$1.4 million has been charged for additional water to 14 568 households. To date, just under \$500 000—about a third of the overall debt—has been recovered by the trust. Just under \$1 million is still outstanding and to be collected. During 1991-92 phase-in concessions applied resulting in \$3 million in additional water charges not being passed on to tenants. That was part of the phasing-in process, so we can see that about 17 per cent of the total additional water bill was for developments not separately metered. Meters will be

progressively installed in these properties. That is the background to the situation.

The Hon. D.C. WOTTON: I understand that a special projects branch will be set up within the trust: what are its objectives and what assurances can be given to private industry that it will not be a Government operation competing with private enterprise from a privileged position?

The Hon. M.K. Mayes: I can probably give a more detailed expose of the unit, but basically it is not intended to cut across the role and practice of the private sector in any way. It is to focus on small projects and develop them as part of the overall emphasis of the trust's programs. I will ask the General Manager to comment on that question, because it warrants some detail.

Mr Parker: The decision to set up a major projects group within the trust came out of the working group that was established. It was chaired by the Chairman of the Urban Lands Trust, Mr Keith Lewis, and included Andrew Strickland, myself and other senior officers to oversee the bringing together administratively of both the Urban Lands Trust and the Housing Trust.

At the same time Cabinet and the Premier wish to give the trust a more extensive role in the management of major urban development projects within South Australia and particularly within the city. The major projects group was set up within the trust essentially by regrouping the resources that were capable of handling this sort of work, that is, those with particular financial and project management skills.

At this stage the major project group comprises about eight to 10 people who are our most experienced project managers and support people for this kind of work. The projects they are handling include the Mile End project, the Horwood Bagshaw project, the Pooraka project, which was discussed earlier, the inner west redevelopment project, which is the sale of the old MATS plan land throughout Bowden and Brompton, and the trust's central city project.

In addition, they are doing feasibility work on some Education Department school site projects, which were also referred to earlier. Essentially, they are dealing with most of the big urban consolidation projects.

The Hon. D.C. WOTTON: What action has the Government taken to have banks and other financial institutions develop home financing products for home buyers similar to HomeStart? What discussions have there been with banks and major financial institutions about this?

The Hon. M.K. Mayes: I am not sure that it is our task to tell banks how to develop their products. In fact, we were somewhat disappointed (and I refer to my experience as Minister of Agriculture) with the lack of flexibility or innovative style that banks exhibited in the late '80s. We can all reflect on the profligate nature of the banks during the period, but based on my experience their managing of portfolios on the West Coast of South Australia left a lot to be desired.

We are not in the role of telling banks how to develop their products or how to proceed along that path. It is difficult enough to get them to attend meetings to discuss issues of common concern, let alone telling them how to put their products together. We look at where they are deficient and, if they are interested in developing their

own product in that area, terrific, they can have the role but, if they are not offering something to the community, for example, where HomeStart has done that, obviously we have seen it as a responsibility for Government. I refer not only to this Government, because the New South Wales Government and Governments of all persuasions have seen it as being appropriate to step in and offer alternatives. We have had good relations with a number of key financial institutions in marketing the HomeStart product and we are continuing to look at options for them.

The Hon. D.C. WOTTON: I would have thought that it would be appropriate for the Government to have discussions that may have avoided the State's having to tie up money in funding generally in the HomeStart project. On that basis I would like to know what is the actual cost of HomeStart to the State; what level of funding does the Government tie up through that scheme; what proportion of people (and I am happy to have this information provided later) having taken on HomeStart loans have been unable to meet their repayments as initially arranged; and how many HomeStart loans have been cancelled within the first 12 or 18 months of their being agreed to? What proportion of HomeStart loans are being provided for welfare housing in South Australia?

The Hon. M.K. Mayes: We have all the detail in regard to the loans and how they are structured in terms of refinancing, reclaims and so on. As to the actual cost, prudent management of HomeStart provides that there is no cost to the taxpayer: it is a stand-alone self-financing arrangement. I am not sure what detail the honourable member is seeking but I am happy to explore it further.

The Hon. D.C. WOTTON: The Minister must know what level of funding is tied up.

The Hon. M.K. Mayes: That is a different question from that of cost. I will provide our calculations: \$733 million is tied up but there is some adjustment to that. During the course of consideration of the trust's activities I will provide refined figures on that.

Mr De LAINE: I refer to the Aboriginal housing review on page 258 of the Program Estimates: what are the details of that review and how will its implementation be effected?

The Hon. M.K. Mayes: It is important to look at the overall review and what came out of it. This area is of significant concern not only to the Government but to all Aboriginal communities throughout the State. I think it is fair to say that there has been criticism both internally and externally of the overall management—some of it fair and some unfair—and the allocation of resources, the involvement of ATSIC and how funds should be delivered to the communities. So, we thought it was very important to have an overall review.

The Federal Government is also looking at a review of the whole situation of Aboriginal housing on a national basis, and some discussions will occur in the next month or so that will focus on the Federal Government's priorities in this area. What we think will come out of this review process is very important. We looked at some of the areas that need close attention and at the sorts of efforts that need to be put into matters such as funding and capital budget provisions.

We are still in a process of negotiation and gauging community reaction, so we are unable to consider the recommendations of the review, but one thing that interests me is the clear need for accountability to both the community and Government. It is difficult to get a clear outcome from such a vexed question: should we take the whole process away from the Aboriginal community and give a Government Minister total accountability to run the thing efficiently and thereby remove it from any influence or involvement of the community in its own programs? We do not believe that would be beneficial; in fact, it would be retrograde from the point of view of looking at how—using the broadest possible terminology—we as a community deliver those services to the Aboriginal community. The other extreme would be to give it totally to the Aboriginal community and say, 'There you are, folks; away you go. Here's the allocation of funds. See you when you've finished your program'—whenever that might be. I guess that would probably be never in terms of the needs for funds and resources that we need to address.

So, there was the combination of those competing forces. The review committee, which had extensive consultation with the Aboriginal community, picked the middle path, which is not surprising. There needs to be accountability to Government and the community as a whole in the financial and resource sense and also to the community for a whole range of reasons not the least of which is to see that the product that is delivered is actually what the community wants. In Australia, we have always worked on the sort of philosophy that suggests that you give people what they want. We have seen that in marketing as well as in a whole range of services provided by the Government and the private sector, and I think that philosophy has been proven to be wrong—certainly internationally it has been a disaster. We have to move away from that philosophy and get suitable products for the areas concerned, which include the urban fringe, rural, the outback and inner-urban areas.

As the honourable member knows, we need to be able to respond to situations that occur in those environments. In many cases, they are like chalk and cheese. There is no real comparison of outback areas such as Pukaja and Amata with areas in the honourable member's electorate. So, we have to focus on opportunities that are geared towards the end results in order to give good quality accommodation to the Aboriginal community. Currently, we are focusing on the best way of structuring the operations administration so that the Aboriginal Housing Board has a degree of autonomy but is also accountable to both the community and the Government. This will provide an opportunity to develop the product that the community wants so that it can be delivered as the end result.

However, as I have said, this is complicated by the fact that the Federal Government has now expressed a keen interest in looking at this area through the Federal Minister, Mr Tickner, and the Deputy Prime Minister. We have taken steps to implement an interim arrangement pending the outcome of the discussions with the Commonwealth. We have stressed to the Commonwealth that at the local/regional level—and this has been reinforced by the communities—the sort of model we want is an Aboriginal Housing Board with

accountability both ways rather than something administered from Canberra.

Mr De LAINE: What are the possible financial implications to the Housing Trust of the next Federal election, which is due this financial year?

The Hon. M.K. Mayes: I have given an outline of the consequences of the Federal Opposition winning Government, but I suppose it is a real option. What we have learned from the comments of the Federal Opposition's spokesman is that there will be a \$4 million reduction in capital expenditure on public housing. That will reduce our net additions by 360 annually, roughly 4 000 nationally, and on this year's figures that would mean a net addition of about 30.

Also, the management of public housing stock would be transferred to the private sector, and that could be quite serious in the long-term. I have touched on what happens in the UK. If anyone wants to see a disaster that has been created by Government, they should go and see that. They also said they would redirect remaining CSHA funds to rental assistance, that is, into the rental market. That is quite suicidal because all that would do is fire up the demand side of the equation; it would not address the question of supply. In the long-term, that would mean no impact at all on the market other than to encourage an upward spiral in rents. Anyone who wants to argue against that could do so, but it seems that most of the practical experiences of life—and I am not referring to models—reinforces that argument.

We estimate that the GST will have a net effect on the cost of the average home of about \$2 850. There will also be compensation of \$2 000 for first-home buyers with an income of up to \$40 000 per annum. Those funds will be deducted from the moneys set aside for housing, so we will have a further reduction in funds provided to the State that could amount to \$175 million, according to the package.

Those figures have been reinforced because the shadow Minister in Canberra actually reacted to a speech that I made here. That was later reinforced by one of my colleagues in the Federal Parliament. The reaction was that that would happen. So, we would be looking at a massive reduction—possibly more than 50 per cent—in CSHA funding. Our guess is that we would have to sell up to 1.5 per cent of our stock to replace the CSHA funding. We would be looking at the actual sale of stock. There would be a net loss of Housing Trust stock and we would be talking about anything around 1 000 units a year to continue maintenance and other programs to keep Housing Trust properties and the asset at a reasonable level.

My assessment in terms of the Fightback package is that there would be an increase of about 4.4 per cent in the CPI because of the impact on the housing sector, and it is likely that rents would rise. There would be a direct impact on the demand side. That is, putting more stock out to rent and putting additional subsidies into the private sector rental market would only fire up the market, increase demand and push along the price of that asset because of the limited stock. It is not a good picture and one which I would fear if the Federal Opposition comes to Government. It will have a devastating impact on our housing sector in South Australia.

Mr De LAINE: I turn now to the Budget and its Impact on Women (page 127). I note a new initiative in 1992-93 for the Housing Trust is the introduction of an integrated domestic violence policy. Unfortunately, this is necessary. I have a lot of problems with this in my electorate. I note that the aim is to ensure that women who have suffered domestic violence are given appropriate, prompt and responsive assistance. Can the Minister give details of this program and how that aim will be achieved?

The Hon. M.K. Mayes: Given the program that has been running on the ABC in the past couple of weeks and also various conferences here and in the rest of Australia addressing this issue of domestic violence, and particularly violence to children, it is very appropriate that we look at this issue of what steps we can take as a housing authority.

In 1990, in keeping with the Domestic Violence Council report, the then Emergency Housing Office introduced a partnership service with the Department for Family and Community Services which sought to coordinate both agency's responses to victims of domestic violence, reduce assessment duplication and minimise client run-around. The original EHO domestic violence policy and guidelines have now been revised to include specific eligibility criteria for the range of trust programs and services available for those affected by domestic violence. The policy and guidelines are compatible with all other operational policy guidelines.

The 1991 Women's Housing Issues Working Party Work Program, which was endorsed by all Housing Ministers in April 1990, prioritised the development of a resource manual for State and Territory housing authority personnel in recognition that staff from these agencies are often the first point of contact for women fleeing domestic violence. The project was a joint initiative between the Department of the Prime Minister and Cabinet. The trust's policy provides facility for installation of additional security items for this client group. It is important, of course, that we recognise that the victim is there and may already be experiencing violence in the relationship, albeit the perpetrator of violence may or may not reside on that property. I saw a program on ABC television last night which quite clearly highlighted the violence some women are subjected to. It is staggering that one in five households experiences some form of domestic violence, whether it be verbal or physical.

The avenues that we are taking to establish a greater security provision for those who are already suffering is an important step. The costs associated with the installation of additional security items are a tenant charge; they go back to the tenant. The trust responds to requests for security by installing the required items immediately and providing the facility for the costs to be repaid in instalments. So, part of our ongoing package to assess and support women who are in situations where they may be subjected to this sort of violence is to extend a whole range of security options that will give them greater comfort. As a community we have to do more than that in addressing the cause of it. That is something for the long term. It was very interesting to watch last night's program, which dealt with why men perpetrate violence against women—mostly their spouse or partner.

It is something that we as a community have to address as a whole.

Mr BECKER: This is question number eight from the Opposition. I understand that in about 1983 a program for urban consolidation was commenced in the western suburbs, particularly in the Hindmarsh area, involving land that was originally owned or controlled under the MATS plan and that the Government promised to spend about \$6 million on this program. I understand that Hindmarsh council played its part in this program and is owed \$2.8 million by the Government. Can the Minister explain to the Committee how the Hindmarsh council is owed this sum of money and when the amount will be settled?

The Hon. M.K. Mayes: Part of the overall transfer of the SAULT responsibilities involved the transfer of this MATS land. We dispute the claim by Hindmarsh council that we owe it \$2.8 million. Can the honourable member provide further details so that we can break it down into a detailed response to him? It is a very reasonable question in terms of obligations that Governments have between each other.

The ACTING CHAIRMAN (Mr Atkinson): Before the member for Hanson goes any further, in response to his assertion before the last question that the Opposition had asked only eight questions, my records show that the Opposition has asked 11 questions and 14 supplementary questions for a total of 25.

The Hon. M.K. Mayes: I wish to clarify something in relation to the first point that the honourable member has raised. I want to make clear what is happening with this land. This land is being jointly managed with the Hindmarsh council. In fact it is State Government land over which Hindmarsh believes it has some claim. Just to put the record straight, it is not moneys that we owe it or that it has claimed against us. I make no judgment about the reasonableness of its claim, but it is related to the land itself.

Mr BECKER: It is work required under the program, which has been a model program, but I will pursue it further because we ought to have these things cleaned up rather than have them sitting around. As the Government is committed to urban consolidation, and as housing is in strong demand, we should not let these things go on forever and a day without coming to some resolution. I refer to 40 houses that the trust built in the Bowden-Brompton (Hindmarsh council) area. About 20 houses have now been vacant for 10 months because the industrial land on which they were built has been contaminated. What is being done to resolve the situation? It seems an awfully long time for the houses to be vacant: people who apply for Housing Trust accommodation tour the metropolitan area, see the vacant houses, wonder why, and become upset.

To decontaminate some of this land and prepare it for building has cost between \$80 000 and \$100 000 per site. So, before a house is provided one is looking at a considerable cost. It costs another \$60 000 to put a reasonable two or three-bedroom house on it, which makes it expensive welfare housing. What is being done? The prospective tenants are becoming upset because they have to wait for accommodation and these houses are vacant.

The Hon. M.K. Mayes: I personally know of this block of units: it was the first stage of that development around the old foundry. We had built that section of the project. The member is right and may recall that I had to go on national television—the *Today* program, I think—with the tenants' representative to debate the issue: what we were doing, how we would clean it up and approach it in the future. We were part way through the clean-up program. There is no question that it was contaminated land and it has brought this issue of contamination to the fore in the debate. We have to go through a lengthy process and establish clear procedures and guidelines in dealing with it.

The Department of Environment and Planning and the Health Commission have to work closely with us and local government to address these issues. We were cleaning it up so that it would be safe for residents. The tenants association representative had a couple of young children. As we have seen with Pirie, and lead contamination, it is not good to have children playing in the soil, where metals may be right on the surface. Also, when one plants vegetables in the garden, through the osmosis process some of those chemicals are drawn up through the plant and can contaminate not necessarily the fruit but some of the leaves. It is important that we address that.

Part way through this a review of the handling of the contamination went through. The regulations were significantly tightened which was necessary, and we had to revisit the site. When we reviewed the process under the regulations we had not met the requirements in the initial stage of our clean-up. The member may be right: I would not dispute the number of 40, but I would have thought that it was more like 20.

Mr BECKER: Twenty were vacant.

The Hon. M.K. Mayes: They all were at one stage, but we had tenants there. We offered to move them out or transfer them temporarily while things were cleaned up. Some accepted moving out, and some wanted to go back because they liked the locality, with the assurance that it had been totally cleaned up. During the clean-up they were all vacant. We moved some of the people back, thinking that we had cleaned up those houses and lots appropriately. The regulations changed and we had to revisit to ensure that it was safe for human habitation. Again, they were vacant. It was a lengthy process. It is part of the learning process that we had to have. We now have a much more refined system; it is a very safe process. We can assure our constituency and the Housing Trust tenants that it is up to international standard and will secure the property, so that they are not subject to any dangers or hazards. We believe that all the residences on the old Brompton foundry site are now occupied.

A development opposite the foundry on an old tyre disposal factory site was vacant when we initially discovered the contamination on the site where the 20 units were. We had problems because we had to keep the dust down during the transfer and the cleaning process in summer. We had to make sure that the process was safe. The council went in during one of the dustier days of summer and started moving dirt, which did not please anybody. That was stopped part way through the process of moving the dirt to a council site. I then had complaints by people who lived near the council site to which the

dirt was being moved. Now I am informed accurately that all properties are occupied and that it was part of our learning process of getting the contamination out of those sites.

Mr BECKER: I understand that under the urban consolidation program the Housing Trust is now looking at a location in Kidman Park bounded by Housing Trust houses in Sydney Avenue and Kelsey and Morris Streets, to consolidate some of the properties. As the Minister mentioned in his introductory speech, by utilising under-used backyards the trust will provide greater space for public and private tenants. I do not know what research has been undertaken by the Housing Trust, but how far has the Kidman Park development proceeded? Some of the tenants are not very happy at losing their backyards. The average South Australian resident—owners or tenants—likes the openness of their backyards and the space that is created. Is taking over part or half of a backyard in the best interests of tenants, particularly when some of them have been there for 30 to 40 years? To lose their backyards and have someone else living there could create problems and unsettle some of the tenants. How much research is done before the trust moves in to consolidate these areas?

The Hon. M.K. Mayes: A lot of research goes into this, and we have already mentioned the benefits that flow to the trust from the consolidation of SAULT and the Housing Trust. One of the great achievements of SAULT is the social policy sector, which is under the direction of Sue Crafter. That is an area to which we give a lot of attention to ensure that there is sensitive handling of those issues which concern long-standing residents who have had a backyard of a certain property size. I mentioned Mitchell Park; some of the blocks are 220 feet deep by 80 feet or 90 feet front profile, so they are pretty big blocks. We do not push people or force people; the trust is not into that. We negotiate with them to achieve consolidation, and packages are offered. If it is something that we think can be resolved by offering a transfer to a newer property, we will entertain that. If it comes to the crunch, we do not evict people or force them; it is really a matter of negotiation, so those people in Kidman Park can be assured that this will not happen compulsorily. Most people want to reduce the size of their backyards.

I have talked to a couple of residents of Mitchell Park who were looking forward to the whole process. One resident was moving and was keen to get out of the old double unit, which was built in the late or middle 1950s. They were more than keen to get out of the area and to move into a new trust home, and others were looking forward to the consolidation that was conducted with Hindmarsh. They were really quite excited about the prospect of a major upgrade of the housing stock in that area and about the benefits of consolidation—more communal open space but smaller block sizes for individual houses. The General Manager informs me that the general feeling is that most people are quite happy to have the block sizes reduced, but there is no pressure on those who want to retain their backyard, and we will negotiate with them.

Mr BECKER: As a supplementary question, what stage has the Kidman Park project reached?

The Hon. M.K. Mayes: The General Manager informs me that we will have to take that question on notice.

Mr ATKINSON: I refer the Minister to page 256 of the Program Estimates and the program entitled 'Rental housing'. The member for Hayward has been hectoring the Minister about the honourable member's proposal to have private land agents, instead of the trust, manage trust tenancies. Is there potential benefit in the proposal?

The Hon. M.K. Mayes: I thank the member for Spence for his precise, erudite question. Certainly, the member for Hayward has been promoting the idea of private management of trust rental stock. I have personal experience of what are called professional property managers and I have not been impressed, although not for any philosophical reasons, because I have used the services myself. I am talking about a couple of major operators in Adelaide. The tenants left the place in disarray and basically the agents said 'Tough.' There was no really close management at all. I was very disillusioned by it, and my wife took over the management role.

So, I have some concerns about the approach, but I do not deny that there is always an opportunity to look at another way of doing things, and I believe it is incumbent upon us to do that. From that point of view, I think it is important for us to look at the options for services provided and for the services that might be provided by the private sector. We should bear in mind that the delivery of the dollar from the Housing Trust is predominantly through the private sector in terms of many of the activities in which the trust engages. We do not have a building sector as such: the private sector builds all the Housing Trust stock, and it has always done that, so we recognise that is horses for courses in a very real way.

We are undertaking an assessment of what, for example, property managers such as Weeks and Macklin might be able to offer. That firm approached the trust back in 1990 and the member for Hayward raised this matter in 1992, focusing particularly on the commercial opportunities but, in doing so, I do not think he focused on the large community obligations. These are reflected in the trust's charter, and we do have a significant community responsibility. I think that his assertions were basically that private property managers or rental agents (however one describes them), each with a caseload of about 200 properties, were more efficient than trust managers.

Some assumptions underlie that general thrust. Greater efficiency by the private sector in essence ignores the actual on-site management that is involved. We find that a whole range of services are provided outside those offered by the normal property manager. These include the assessment of rebated tenant rents of 44 500 tenants (75 per cent) who are financially disadvantaged; the establishment of supports, counselling and referral for disadvantaged tenants including young people, the frail aged, victims of violence, the intellectually and physically disabled, substance abusers, and so on; financial counselling; and intervention in neighbourhood disputes. I am sure that the honourable member has also referred matters to the trust where there is a difficulty between tenants.

Other services include the assessment of applicants for priority housing; the housing of applicants in order, regardless of potential for difficulty with tenancy; and the

encouragement of tenant participation in decision-making. We have developed tenant associations on each major site, and they have representation and they negotiate. Further, the trust meets strict maintenance and vacancy standards for each property, regardless of the living skills of past, present and potential tenants.

They are the aspects that we have to address and, from my point of view, I do not ignore the fact that there might be benefit in some areas. However, overall, if one looks at the caseload management, property management or numbers of properties, one sees that our Housing Trust managers have a load of about 500 properties compared with the caseload of around 200 of those who are seen as professional managers. As well, they provide a whole range of additional services, with the back-up of other staff, through the Housing Trust office.

We are doing an assessment of the issues raised by both the industry and the member for Hayward, and I think it is fair to say that, where we can, the trust is never backward in using the private sector where it believes it has those skills which can effectively and efficiently be applied. I mentioned the building sector, but I did not point out that sales and purchases are conducted through the private sector and have been for many years, in my experience. Suitons, for example, are land agents who go back two generations of family involvement in representing the Housing Trust in purchase and sales.

Mr BRINDAL: I seek leave to make a personal explanation. I believe I can do that, because there is no question before the Chair.

The ACTING CHAIRMAN (Mr Heron): What is your personal explanation?

Mr BRINDAL: I will be very brief. I just want to—

Mr ATKINSON: On a point of order, Mr Acting Chairman, I am sure that a personal explanation is not appropriate in these proceedings.

Mr BRINDAL: It is. We follow—

The ACTING CHAIRMAN: Order! If the member for Hayward will wait, I will have that checked. I will take another question in the meantime.

Mr ATKINSON: I refer to 'Support Services' on page 259 of the Program Estimates. I understand that a former Lord Mayor, Mr Jim Jarvis, provides public relations services to the Housing Trust. In the House on 20 August, the member for Hanson implied that Mr Jarvis obtained this work because he was a member of the board of Foundation South Australia. Has Mr Jarvis received preferment because of his board status on Foundation SA?

The Hon. M.K. Mayes: I was very surprised when this matter was raised by the member for Hanson, because Mr Jarvis has been a prominent member of the South Australian community not only as Lord Mayor but also because he and his family have been involved in a significant number of charities and community activities over many years. I guess he is well known for his philanthropic work and contribution to the community. I make quite clear that the process was appropriately and properly followed. I will set it out, so it is clearly on the record. I am sure that Mr Jarvis, who, I might say, was spitting fire and flames when I last—

Mr Becker interjecting:

The Hon. M.K. Mayes: I do not think he needs to have the courage. The honourable member is the one who made the accusation.

Mr Becker interjecting:

The Hon. M.K. Mayes: Mr Jarvis has written to the Leader.

Mr Becker interjecting:

The ACTING CHAIRMAN: Order!

The Hon. M.K. Mayes: A copy has fallen off the back of a truck.

Mr Becker interjecting:

The Hon. M.K. Mayes: I will let the honourable member explain that to him. I want to make sure that the record is quite clear in terms of Mr Jarvis's involvement and how things have been done properly and appropriately. This was news to me when the member for Hanson actually let the missile go. I must say I would be a bit aggrieved if I were Mr Jarvis, but it is not my role to make an assessment of how he should feel about it. The letter states:

J.B. Jarvis and Associates were reappointed as the trust's marketing and design consultants in October 1991 following the biennial call for registrations of interest from members of the Public Relations Institute of Australia with offices in Adelaide.

The trust's marketing and design consultants are required to:

- provide general advice on design and marketing matters;
- provide design, artwork . . .;
- provide advice and focus on marketing the trust and its services to various audiences . . .; and
- provide an event management service as required.

I can provide a copy of the consultancy brief for the Committee. I will table it, because it is appropriate that it be a public document. The letter continues:

J.B. Jarvis and Associates were selected from a field of seven proposals on the basis that:

- The firm has a history of successful campaigns for other organisations as well as the trust.
- Having won the trust's previous contract the firm was responsible for the development of the trust's current logo, design image and standards of presentation. The trust considers that these initiatives have been most satisfactory and in reappointing J.B. Jarvis and Associates the trust consciously opted for consistency without the need for familiarising a new firm with established standards.

* The firm offers guaranteed access to its principals, an important consideration in an environment where consultants may substitute unknown or less experienced staff for the individuals the employing organisation believed would be providing the service.

I can assure members of the Committee that Mr Jarvis often attends these functions to ensure that the service being provided is up to scratch, and I know that he checks with senior management of the trust to ensure they are satisfied with what has been given. If there are any complaints, he personally takes them back and addresses them in his own organisation. The letter continues:

* Although the retainer proposed by J.B. Jarvis and Associates was not the lowest offered, it was structured to cover incidentals as well as contact/preparation time. Other quotes provided for incidentals to be invoiced separately and therefore precise comparisons would have been possible only on the basis of a known workload.

I might say that this decision was taken on the recommendation of management and the board. I cannot even recall seeing it in the minutes, as a matter of fact. I guess it was probably there, but it was something I

probably paid little attention to, given the track record and past experience.

Mr Becker interjecting:

The Hon. M.K. Mayes: It was not the lowest, as the member for Hanson says but, *ceteris paribus*, it was the best. I have no reason to doubt the board or the management of the Housing Trust. I had no say and no influence, and Mr Jarvis has a right to be offended by the accusations against him and his role in Foundation SA. The letter continues:

Payments to J.B. Jarvis and Associates over the past four years have been:

1988-89	\$27 500
1989-90	\$38 214
1990-91	\$46 007
1991-92	\$92 770

The figures for 1990-91 and 1991-92 have increased, but they include the costs of typesetting services invoiced through J.B. Jarvis and Associates. As far as I am concerned, it is all fair, above board and totally acceptable. It is an awful slur on a well-known South Australian family. I do not know what they have done wrong, but I know that Mrs Jarvis has been an active campaigner for the Liberal Party. She had a lot to do with the campaign in my electorate in 1985. It is interesting to see that Mr Jarvis has written to the Leader in the following terms:

I deeply resent the snide comments, made by Heini Becker, about me in his Address in Reply speech on Thursday last. At a time when the Opposition (under your leadership) has begun to at last look like a credible alternative, comments like this made in 'cowards castle' do your Party no credit whatsoever. Has Mr Becker not heard of fairness or checking his facts?

What amazes me is the inference that because I sit on the board of Foundation SA, my company, J.B. Jarvis and Associates, is the automatic recipient of a Department of Housing and Construction account (that is, South Australian Housing Trust). The statement that 'someone has done extremely well in working for the Government and serving on that board' is insulting of both me and the trust, and shows little understanding of the process of tendering, which is strictly adhered to by the incumbent Government.

Perhaps Mr Becker should note that J.B. Jarvis and Associates has tendered three times for this account and that the tendering process appears to be integral to the trust's selection of consultants. In our case an independent panel was formed to deal with selection. Whilst I am the first to acknowledge—

The Hon. D.C. WOTTON: Are you going to wind up?

The ACTING CHAIRMAN: Order!

The Hon. M.K. Mayes: You can give it but you can't cop it back.

The Hon. D.C. Wotton interjecting:

The ACTING CHAIRMAN: Order! The member for Heysen is out of order.

The Hon. D.C. Wotton interjecting:

The Hon. M.K. Mayes: This is about the Housing Trust. There has been a serious accusation against an outstanding member of the community and you cannot have the facts cleared up. We owe it to Mr Jarvis to put on record his feelings; it would be less than fair not to do so. I will wind up very quickly. I am happy to provide any information—I have never avoided it. The letter continues:

Whilst I am the first to acknowledge that the Government is blessed with some individuals who appear not to have done the right thing by the system, appearances do not seem always to bear fruit upon proper scrutiny! I also acknowledge the watchdog

role of the Opposition. I would urge however that this role, under your leadership, assumes an approach which is informed.

Dean, I assure you that my activities for Foundation SA and indeed each of the State-associated boards which I sit on are for the benefit of South Australia. For many years I have devoted an enormous amount of personal and business time and effort to the betterment of the State of South Australia, without an eye for personal gain. If I were to calculate the time expenditure versus return in Becker's language, my financial loss would be enormous. I will however continue to contribute to South Australia's well being for as long as that contribution can be constructive. Yours sincerely, Jim Jarvis AM.

Members interjecting:

The CHAIRMAN: Order!

The Hon. D.C. WOTTON: I can only assume that the time taken to answer questions by the Minister indicates that he does not want to provide important information to the Committee.

The CHAIRMAN: Order! The Chair will determine that.

The Hon. D.C. WOTTON: I want to ask a question about HomeStart and I refer to page 258 of the Estimates of Payments, point No. 7, under targets and objectives: will the Minister provide details of how the scheme will work, including an outline of the extent of risk taken by the trust with such a scheme?

The Hon. M.K. Mayes: I take it that the honourable member is referring to HomeStart?

The Hon. D.C. WOTTON: I just said that.

The Hon. M.K. Mayes: I am sorry, I missed that. Are we talking about shared ownership?

The Hon. D.C. WOTTON: Yes.

The Hon. M.K. Mayes: As I indicated earlier, the terms of the HomeStart progressive home purchase scheme or shared equity, which is what the product will be called, is one of the new products we are looking to offer as an alternative to people in the community who do not believe that they are able to achieve home ownership themselves. Applicants will be eligible for a low start loan to purchase shares ranging upwards from 30 per cent.

The program will be targeted at moderate to low income households. Progressive ownership provides greater purchasing power by up to \$15 000 for low incomes, and we believe that it is an effective alternative to public housing. We are also offering another package, and currently there are schemes somewhat like this operating in four other States: New South Wales, Victoria, Queensland and Western Australia. This scheme would expand on shared ownership programs under which 200 houses have been sold by the trust and will be available to public as well as trust tenants.

Under HomeStart the top-up loan is a similar product in that the Government through HomeStart will own a share of the property after the interest free loan of about \$10 000 lapses after five years. The program is available in other States so that there is a prudential model available for us in terms of management. As to the concern about the risk at which we are placed, we believe that we can manage it very safely so that there is a security based on the asset and the management of that loan to ensure that the individuals concerned do not get into a situation where we cannot manage them or they cannot manage themselves out of it either. It will be a carefully monitored program and it is not something that is totally new, because we have the four other States of

New South Wales, Victoria, Queensland and Western Australia that have similar products and a model is available.

The Hon. D.C. WOTTON: As to page 257 of the Program Estimates and the fifth dot point under specific targets, the Minister's colleague the Minister for Environment and Planning in this place has often suggested that urban consolidation is effective and cost effective. I am interested to note that this dot point deals with additional costs concerned with urban consolidation. What is the true cost of this Government urban consolidation policy?

The Hon. M.K. Mayes: Given the nature of the question, there is much detail in terms of either specific or general comment. If we look at individual urban consolidation programs we can probably give the honourable member a specific costing on each project. If we look at the inner western suburbs, we can give clear costs in terms of those overall outlays that have been incurred above and beyond what might normally be incurred in a greenfields development.

In terms of general costs, if I can take the specific example I would be happy to provide additional information for the honourable member in terms of the projects in question. If one looks at the overall policy, there are certain additional costs which occur and which would not occur if we were in a greenfields area. They are balanced against the credits that one gets from not having to put in additional stormwater pipes, cables, roads and schools.

Of the two major costs that I would factor in (and I might have to provide additional information on this), the first would be the cost of the land. In dealing with inner city land, it is obviously more expensive because its location provides that additional premium that the trust or anyone else has to pay in order to purchase that land. The second one is areas which are quite obvious and which we just touched on in the question of the member for Hanson, that is, contamination of the Brompton site, and the treatment of that. That can add significant costs.

I am not sure what the Minister for Environment and Planning offered by way of information on that, but I am sure that one point she would make is that we are looking for assistance from the Federal Government and so is local government looking for assistance from us, and rightly so: we are all looking for a united national approach to dealing with this issue of contamination of land and urban infill. However, I am more than happy to provide individual detail to the honourable member on the areas on which we are working so that he can have a cost comparison.

The Hon. D.C. WOTTON: We really do not know what the costs are to offset the additional costs of pursuing this policy, which is the point I am trying to get at?

The Hon. M.K. Mayes: I do not have the costs at my fingertips but we can provide that information on individual projects and calculate it on the basis of what we need to have in the way of additional funds to address those issues that I have talked about, that is, the higher cost of land, the cost of dealing with contamination and the cost of planning, which is sometimes more complex when one is dealing with an existing zone that might be light industrial, industrial or commercial. There are

additional costs and I am happy to provide them on notice to the Committee.

The CHAIRMAN: Will the Minister make that information available by 9 October?

The Hon. M.K. Mayes: Yes. Further, there is no such thing as comparing apples with apples because, wherever a development occurs, different costs are involved. If we compare an area like Seaford with Golden Grove there are different factors to be taken into account, for example, drainage, contours and so on. It can vary between greenfields as well. We would be providing the overview of costs of those individual projects which we would be arguing with the Federal Government need additional funds to address those things like contamination and planning costs.

The Hon. D.C. WOTTON: What has it cost the trust so far to maintain its previous headquarters in Angas Street? What is the status of the building? Has the property been sold? If it has, what was the price and, if not, what is it costing the trust to maintain that property?

The Hon. M.K. Mayes: We can give an exact costing. From December 1989, when the trust moved to Riverside, until 30 June 1992 expenditure on the Angas Street property was as follows: council rates, \$116 899; E&WS, \$26 614; maintenance, \$74 800; and security monitoring, \$13 205. From these calculations the total should be \$231 518.

The expenditure on maintenance was incurred for: removal of asbestos for health and safety reasons, maintenance of security to avoid unauthorised and potentially dangerous access, maintenance of fire equipment, basic maintenance of other equipment (for example, electrical services) to avoid any risk to users of the building, and also minimal preservation of the fabric of the building, that is, to fix any leaks in the roof if they occurred.

The Hon. D.C. WOTTON: I take it that the building is empty?

The Hon. M.K. Mayes: Yes, the bulk of the building is empty. The Housing Trust computers are housed in the rear section.

The Hon. D.C. WOTTON: What is the rental cost to the trust of its office accommodation in the Riverside Building on North Terrace for the past 12 months?

The Hon. M.K. Mayes: The total cost of leasing the trust's 11 000 square metres in Riverside, including rent and all other charges (light and power), from January 1990 to June 1992 was \$9 498 900 with an offset of \$1 million from subleasing on levels 1 and 5. So, the total is approximately \$8 480 000.

I will now provide some additional information in response to questions asked earlier about Royal Park and the Hendon Primary School. For property in Dover and George Streets, Royal Park, the Housing Trust made an offer of \$367 000 based on a land exchange on 17 November 1989. The offer was not accepted by the Catholic Church Endowment Society, so no further action was taken. In respect of the Hendon Primary School, the Housing Trust expressed interest to the Education Department on 16 June 1992 in approximately 2 000 to 2 500 square metres of the school oval, land that is understood to be surplus. Cottage flats of about six to eight units are proposed for that land.

The CHAIRMAN: I thank the Minister for that information.

Mr HERON: In 1991, in a ministerial statement, the Minister expressed support for the community housing association program. What resources have been allocated to the program to develop community housing?

The Hon. M.K. Mayes: This question is important to a large number of people, not only tenants or potential tenants but community organisations that are sponsors or supporters of community housing. That is a very wide net that captures a whole range of community organisations, including churches such as the Catholic Church, which is actively involved. I have just announced the formation of the Inter-Church Housing Unit, which will bring into effect a significant relationship between the Housing Trust and inter-church housing operatives, including the Anglican, Catholic and Uniting Churches, which are active participants, and I believe it will be on a scale that we have not seen in this State in terms of community housing development, providing us with some exciting opportunities.

We have made a commitment to the community housing associations. I believe we have been a little remiss in not addressing their needs. We became preoccupied with putting the cooperative housing program in place and, to some extent, we ignored the needs of the community housing associations. To redress that matter, I have assured them that we will devote resources and effort to their needs. They form a very valuable part of our community, and they offer a very unique service and opportunities to people who would not normally be in secure housing without their support and cooperation. As the honourable member has said, I stated in 1991 that 100 housing allocations would be made to the associations' program. To date, 81 houses have been approved for allocation to 10 associations, and the process of distributing houses to other associations will commence in the next week or so. That process will be well under way in the next few days. So, there is a growing trust and the relationship with the community housing associations is improving, and I hope we can continue that development for the benefit of the community and the State.

Mr HERON: The Minister mentioned the Inter-Church Housing Unit. What initiatives will come out of that unit?

The Hon. M.K. Mayes: It is a very exciting product. It comes out of the initiatives taken in Victoria in particular by the inter-denominational church program which looked at housing. Those initiatives are quite innovative and provocative in what they present to the community. In March this year, the AGM of the South Australian Council of Churches recommended the formation of the Inter-Church Housing Unit based on the Ecumenical Housing Unit established by the Victorian Council of Churches in 1987. About four or five months ago, a conference was held in Adelaide sponsored by the Anglican Archbishop, the Roman Catholic Archbishop and the Moderator of the Uniting Church in South Australia. It was a provocative and challenging exercise and both Archbishops took advantage of a very good medium through which they could promote the need for Government and the community to address the needs of the poor.

Often we get away from talking about the poor. It is time we actually described them as they are and not as socio-economic disadvantaged groups. I have been very concerned about this for about 10 years, because the so-called experts have hijacked the English language from its ordinary every day use. The Archbishops and the Moderator said, 'It's time that the churches did more for the community and got together with the Government as they have in Victoria, and that the community realised that a fundamental right of the community is a decent level of accommodation.'

To date, the Victorian unit has helped local parishes to develop 50 projects, resulting in more than 300 units of accommodation—and I think that is quite staggering—at an estimated worth of \$30 million. The unit estimates the value of land made available by local churches during this time to be more than \$9 million. There is a church in my electorate that could well be interested in devoting some land. I am not sure whether I am promoting my own interests, but I am sure the church would be keen to see this sort of accommodation, because churches in my area have been keen to support the development of housing for the poor.

In recognition of this, the Minister has approved funding of \$45 000 towards the employment of an officer in inter-church housing and the unit will provide a data base of available land, expertise and interest, raise awareness and help parishes and Government explore options for the provision of housing and lease arrangements. Any member who is interested in this area and who has contact with a local parish of any denomination should encourage this to happen. We would be more than delighted to field any inquiries, because we think this is an exciting opportunity for us to develop with this sector of the community. Most of the mores that have been developed in our society have come from the Christian practice. Any of those churches, whatever their religious basis, that are interested in this would be more than welcome and I hope they will respond.

Mr HERON: I refer to Issues and Trends on page 257 of the Program Estimates where reference is made to the establishment of test sites in the metropolitan area to trial new construction techniques and materials. Can the Minister explain these new construction techniques?

The Hon. M.K. Mayes: It is probably more appropriate for the General Manager to answer that question, because he has the technical information at his fingertips. It is something that warrants a fairly detailed response.

Mr Parker: The paper refers to a very exciting proposal that the trust has been developing with the University of South Australia to pioneer a new form of house footings for areas where the notoriously difficult expansive clays of the Adelaide plains are in their worst form—areas such as Hillcrest and Northfield in particular. The idea has been developed jointly between the University of South Australia and the trust. Essentially, the simplicity and ingeniousness of this proposal should be noted by the housing construction industry and, if possible, taken up.

Instead of a traditional very heavy slab being installed at ground level the idea is to build a square or rectangular footing sitting on three deep piles extending into the soil. As is the case with a milking stool, or any

three-legged stool, when one of those legs moves it does not crack the footing. The technology that has been developed is to try to make the top slab of the structure strong enough to withstand movements of any one of the legs and still not crack. Progress had been a little slower than we hoped, but as soon as the weather clears up the trust will test the first houses with a footing system of this type, and we look forward to a very good result.

The Hon. D.C. WOTTON: I notice on page 259 of the Program Estimates that a State housing strategy is proposed. Can the Minister provide a copy of that when it is available and can he indicate when it is likely that that strategy will be completed?

The Hon. M.K. Mayes: I would be more than delighted to provide the honourable member with a copy of that, and I am sure the General Manager would be happy to give him a briefing on that strategy. We expect the strategy to be available in the next few weeks.

The Hon. D.C. WOTTON: I refer to a recent speech to the Indicative Planning Council by the Vice President of the Housing Industry Association and subsequent press coverage of that event in which the HIA claimed that land controlled by SAULT had risen in price by 250 per cent during the past 10 years. As a result of this dramatic price rise the flow-on effect to the established real estate market has been quite substantial. Currently, the public housing waiting list has over 40 000 people, many of whom we can safely say are there because they have been priced out of the market. I also note housing industry figures which show building costs during the same period rose by only 63 per cent. The residential building industry in South Australia contributes about \$2 billion per annum to our local economy.

The relatively low entry level of home ownership in South Australia has been a crucial factor in maintaining our local housing industry. However, as houses get dearer fewer people are able to buy them. In light of these facts, what will the Minister do to diminish the role of the South Australian Urban Land Trust to some extent in favour of the private sector and what advice does he have for the thousands of South Australians who are on that waiting list?

The Hon. M.K. Mayes: I have already had a fairly interesting and animated discussion with Mr Day, who has a very personal view about the role of the Urban Land Trust. I think he has gone a little over the top in relation to some of his statements about the impact the land trust has had and has not really seen its value. For me to say that what he said was complete rubbish may be a little harsh, but I really do not think he has come to appreciate what the Urban Land Trust has delivered by way of product to South Australians.

To some extent his figures are accurate, but they are not representative, nor do they compare with interstate. That is very important. The product that has been delivered here is much better and compares well with that in any other State in Australia. I say that knowing that in Western Australia, for example, they are taking some useful and productive steps in the area of providing land to the market. In relation to the comparison of costs, in Brisbane, for example, at the volume end of the market—that is, the middle price range of land which attracts the middle income group—\$40 000 to \$65 000 is the average price of a block, and at the upper end it is

\$75 000 to \$90 000. In Sydney, the average price is \$85 000 to \$95 000, and in Melbourne it is \$35 000 to \$45 000. In comparison—and I refer to purchases through the Urban Land Trust—it is around \$35 400 for a block. Comparing that with Brisbane—which is a reasonable comparison—we are well below what is called the volume market, which I am advised is the first home buyer market.

If we look at Mr Day's claims—and certainly there are statistics and lies—on the surface it looks fairly dramatic to say that building costs have increased by 63 per cent and land prices rose 250 per cent from 1981 to 1991. In fact, if one reflects on what has happened interstate, market trends taken into account, one can see that the cost of land to the developer, builder or landowner here is considerably cheaper than it is in an equivalent city such as Brisbane, where I do not think services are anywhere near as good as those offered in Adelaide, certainly when looking at new areas.

Mr Day has levelled a fairly serious accusation at us, and it ignores some of the market distortions which occurred during the 1980s. For example, in 1981 there was a glut of allotments. I have offered to go through this in detail with Mr Day personally and I am happy to do so. We are going to get together in the next few weeks to outline our position and why we strongly support the Urban Land Trust. In addition, in 1981 to 1983, allotments in growth areas could be purchased for less than the replacement cost. There was an absolute over supply, and that gave the market a very artificial price at that stage. There was very little private sector development of residential lots between 1981 and 1983, and the Land Commission's residential development powers were taken away by the Liberal Government in 1981. Between 1983 and 1985 substantial market price increases occurred due to low private sector development and high demand for existing lots.

So there was a rapid demand increase which led to about a 114 per cent price increase between 1983 and 1985. That was reflected not only here because the indices will show that it was a characteristic not only in the same time path but in a national sense. The return of Government as a joint venture developer of first allotment releases at Golden Grove occurred in 1985. The average price in the June quarter of 1985 in the Tea Tree Gully council area was \$41 721. On the first release of lots in Golden Grove in October 1985 the average was \$26 000.

Mr Day ignores the market effect. We are in a market-driven economy: this is what we are about. We deliver that at a cost-plus price, which is not at a market profit-oriented price. It is not, 'What can we get for that asset? What will it deliver in the market?' It is delivered as a very comprehensive product. The average price in Tea Tree Gully reached a peak in 1985 and again in 1991. Since 1985 supply and demand have been generally balanced, and in relative terms prices have declined. For example, in Campbelltown Government was not involved as a developer or land banker. Prices increased by 376 per cent from \$15 175 to \$72 268 in 1991. That covers the point that even in the non-government area level of the inflation—because of the demand and supply situation—was much greater than the 250 per cent referred to by Mr Day. I do not query his figures—I

never have—but he is taking it out of what the economists would call the real world and putting it into a model situation and extracting these things that affect it. I deny that the Urban Land Trust has been a market inflator. It has still delivered at very good cost to the consumer.

The Hon. D.C. WOTTON: In talking about the South Australian Urban Land Trust, can the Minister tell us how much money has been spent thus far on infrastructure by all State Government departments in Golden Grove and how much has been budgeted in this coming year?

The Hon. M.K. Mayes: We could probably give the honourable member what we are spending, but we would have to take it on notice. We would have to summarise FACS, local government, education, health, roads, the STA, E&WS, ETSA, the gas company, CSO and TAFE (because TAFE is out there as well). We have had an on-going debate about what is infrastructure, covering the areas I have just mentioned. Is that what the member is driving at? In another exercise I have been involved in there is a huge debate as to what is the infrastructure of a development, but I would have thought that pipes, wires, roads, schools and hospitals would be fundamental things.

The Hon. D.C. WOTTON: Is the Minister satisfied that young people will be adequately dealt with as a result of the responsibility for youth with the South Australian Housing Trust now being in the hands of standard housing managers rather than youth housing managers?

The Hon. M.K. Mayes: I understand the member's concerns: they have been expressed to me by representatives of the youth housing sector because of the change that we adopted in our policy with regard to youth housing officers. As the member probably knows, since 1986 the trust has catered to the special housing needs of young people by appointing youth officers through the operation of the youth housing priority scheme. There has been an increase in demand for services. We reviewed the direct lease youth priority scheme, which was completed in May last year.

At the moment the trust has 10 specialised youth housing managers located throughout the State, and eight youth advisers located at eight of the trust's regional housing centres, providing a range of services to youth clients, including housing information, assessment, referral, advocacy and support. Within two years the specialised services provided by the youth housing managers will be integrated into the overall housing service delivery function. Given the alteration in the role that we are giving our housing managers—that is, we are broadening their role and also that which everybody plays within that structure—we will be able to address the very concerns that the Burdekin inquiry has highlighted.

Combined with the organisations that are out there directing their attention to housing needs for youth, we will be able to confidently maintain a support mechanism and the quality of accommodation for young people. Those things that we are looking at involve a range of both physical (housing) options and support services that we believe will secure the sort of support, but I understand the concerns of the youth housing sector when dedicated officers have been focused on these functions. It is important to realise that they have built up a special

link and information service. It comes back to the nub of the management situation.

Mr Parker: The issue of whether we have specialist youth services staff or slightly more general staff called housing managers has been fully discussed and thrashed out within the organisation. Some groups are not 100 per cent satisfied with the outcome. To some extent the pressure that the trust faces on resources comes into this issue, but it is also a result of multi-skilling and broadening the skill approach and, base of the trust as a whole, having in the delivery of services the maximum flexibility of the people on the ground to do that, and giving them the broadest expectations that they will be able to deliver a range of services, be they for aged, youth, disabled or normal tenancy services. Essentially, the policy is that we will have specialists in some areas: for youth, but other managers will pick up a lot of the responsibilities that were handled in the past.

The Hon. D.C. WOTTON: Does the Government have a youth housing policy?

The Hon. M.K. Mayes: Yes. It is part of the overall housing policy, which deals with a whole range of specialist groups within that framework.

The Hon. D.C. WOTTON: Will the Minister make available a copy of that policy?

The Hon. M.K. Mayes: Surely.

The Hon. D.C. WOTTON: Supplementary to that, I have received representation that suggest that it may be necessary to change current policy to allow young people who through the direct lease program have been doing the right thing in paying their rent and keeping the conditions of tenancy to be rewarded, for example, by having their tenancy rolled over rather than having to move on, which is currently the case. This could apply particularly if these young people were unemployed or on low salaries. Does the Minister see that a change of policy is necessary in this area?

The Hon. M.K. Mayes: The honourable member has raised an issue which is sensitive and which has to be very carefully managed because of the ambitions and aspirations of people who are on waiting lists and who want to be part of that program. We will have to manage that very carefully and, from discussions we have had in the past, the General Manager and I are aware that it is a very sensitive issue which must be managed sensitively for the very reasons that the member for Heysen has raised. There are people who do have real expectations about the scheme.

The Hon. D.C. WOTTON: I appreciate the sensitivity of the question, but will the Minister keep me informed in that matter, because it is one of particular interest to me?

The Hon. M.K. Mayes: Yes.

The Hon. D.C. WOTTON: I have been concerned about publicity in the Tea Tree Gully area and also as a result of correspondence that has come out of the Tea Tree Gully council regarding landscaping. I have received a copy of a letter from the City of Tea Tree Gully which was written to the General Manager and which refers to a resolution that council request the South Australian Housing Trust to implement the policy of preparing the grounds surrounding all its properties throughout the city to a level requiring maintenance only. As I understand it, the resolution was prompted by a number of issues,

although the overriding concern was for equity of the tenants, regardless of the style of their residence, their location or their sequential order of occupation.

Will the Minister provide a copy of the Housing Trust's landscape policy, and will he explain why certain new properties within the Seaford Rise, Hillcrest and Dudley Park areas have received extensive landscaping, including moss rocks and mulched and lawned areas, bringing these properties to a low maintenance level to the tenant, while other new properties receive only a few plants and some lawn seed?

The Hon. M.K. Mayes: This relates to one particular tenant, who has raised this issue and, as I understand it, we have partly addressed the issue with regard to that tenant. I believe that the slope of the block was causing some problems. In relation to landscaping, I do not think there is a written policy but I believe a policy has been adopted by the trust in regard to the overall approach to landscaping. From memory, the general rule is that we do not do landscaping for individual, separate properties but, where there is common access or shared land, we provide landscaping. If we went into individual landscaping for tenants, the cost would be astronomical; I think it would have cost about \$3.5 million to provide landscaping for the stock that we are talking about over the past 10 years or so.

However, we provide gardening information and hold gardening competitions and, in the case of access or common land, there is assistance to tenants from the trust garden service in both landscaping and the provision of additional plants and facilities for beautification. I can give the honourable member more details on that, but I think we have partly addressed the concerns of the individual tenant; it was because of the topography. We do not have a written policy, but longstanding practice has been that we do not provide landscaping for individual tenants where there are separate properties.

The Hon. D.C. WOTTON: Is the Minister prepared to provide a more detailed response?

The Hon. M.K. Mayes: Certainly.

The Hon. D.C. WOTTON: Has the Minister advised his Federal colleague, Senator Cook, of the extreme concern felt by the housing industry in South Australia relating to the Federal Government's controversial contractors legislation? If so, is the Minister satisfied with Senator Cook's reaction and, if not, what further action does the Minister intend to take on behalf of the housing industry in South Australia?

The Hon. M.K. Mayes: At the moment, we are exploring the impact of the Federal Government's policy in this area, and I will get to those points in a moment. A good deal of anxiety has been expressed by the industry, and it is probably not justified, given some of the information that has been brought to my attention in the past couple of weeks—since the honourable member asked the question in the House. We have not had any further discussions with the Federal Minister with regard to the contractors issue, but what I can say is that, from our point of view regarding the assessment we have provided and the discussions we have had, we do not expect the legislation to have any material impact on the cost of housing in South Australia.

There is much anxiety, and many members of the building and construction industry have commented to me

about that. We believe that the MBA now concedes that the impact of the legislation is unlikely to lead to any increases in home prices, although back in April, when that issue was raised with me by both the HIA and the MBA, it was claimed that the legislation would lead to an increase in the cost of housing of about \$25 000. We believe that is not the case now, given further discussions we have had with Federal officers. I was talking to one of those officers yesterday, and we are expecting additional background information.

The legislation was amended following the discussions I had when Senator Cook was in Adelaide, and I met him in Canberra some five months ago. Some of the original clauses that were concerning employers and builders in this State have been withdrawn. I am not sure whether the honourable member is aware of that, but I am happy to detail them for his information. The jurisdiction of the Australian Industrial Relations Commission to deal with the proposed use of independent contractors was withdrawn; the requirement that an independent contractor be or have applied to be a member of a union before a dispute regarding a particular contract could be referred to the commission has been withdrawn; and the application of the provisions to other than natural persons, thereby excluding application of the provisions to all independent contractors who have been incorporated, has also been withdrawn. I think it was point 3 that attracted the most animosity and acrimony within the community.

My observation now from the discussions I have had—although not with Peter Cook; I have not had any further discussions with him on this—and from the information that has been given to me by a number of sources, including my officers, would suggest that the matter is now almost resolved and that there is no great need for anxiety—*anxiety which is shared by all of us—as to the impact on the housing industry of the Federal legislation.*

Mr De LAINE: I refer to page 258 of the Program Estimates, under the program 'Community assistance'. What benefit has HomeStart been to South Australia, how many people have received loans and does HomeStart run on a subsidy or does it make a profit?

The Hon. M.K. Mayes: HomeStart is very different from the product, called HomeFund, that has received a good deal of criticism and public attention in New South Wales. When that program went to air on television, we received many calls from concerned South Australian constituents who were involved in HomeStart, and rightly so. We can reassure them—and I did that in this House—that the products are totally different. We have a very flexible funding arrangement whereas HomeFund was based on a fixed financial package, both at the HomeFund end and at the mortgagee end, and that caused enormous pressure on the mortgagee. HomeStart has produced a healthy surplus of \$12.5 million for 1991-92. During the year, 8 064 applications for loans were received, and they were registered, with 3 866 loan settlements totalling \$269 million. As at 30 June 1992, 10 863 loans had been settled by HomeStart with a value of \$733 million. We believe that is a significant contribution to the housing sector in this State. It provided an opportunity for some people, particularly when home loan interest rates were 17.5 per cent or 18

per cent; those people made the financial commitment to go into housing, and that helped to keep the housing industry going as well as helping industry generally in South Australia. This is useful information for members.

The average income of the HomeStart borrower is just under \$600 per week. If one considers the package as it is offered, it is very interesting to see that we are reaching those people who most need it. The average loan is \$69 500, and we are finding even in these tough times that many people are repaying a higher amount than is necessary under the loan repayment arrangements. They are actually paying off a level of principal. Under HomeStart, as one's income grows and as the children become independent, the hump is reduced, and it is reduced significantly by their reducing the principal now. It is a very good scheme and one that has worked well. We think it has been a tremendous boon for home buyers as well as an advantage to the community.

Mr De LAINE: Some time ago the trust discontinued the use of housing inspectors, the obvious aim being to put as much money as possible into new housing accommodation. Under the new administration structure of the trust, in addition to their other duties, do housing managers have the brief of inspecting trust stock?

The Hon. M.K. Mayes: Yes. As the General Manager indicated, there is an opportunity for people to develop their skills and get more job satisfaction, as well as providing a better service to the community. Rather than the tenant or client being passed from one officer to another, wasting a day trying to find their way around and being frustrated when they did not get the result they wanted, the idea is to multi-skill these people so they can actually perform a whole range of functions. If they need specific direct technical support, that is available also.

Mr De LAINE: Some time ago an exciting concept called tenant participation was proposed. My perception is that that has languished somewhat, coincidentally, under the restructuring of the administration of the trust, particularly in relation to housing managers. It might be only my imagination, but has that tenant participation concept been absorbed within the new structuring of the trust, or is it still alive and one of the policy aims of the trust?

The Hon. M.K. Mayes: I do not believe it has languished: it is being actively supported. There are two organisations that purportedly represent trust tenants: the Trust Tenants Association and the Public Tenants Association. To some extent, they might have stolen the limelight from the tenant participation scheme. Both organisations have been very active in encouraging the development of tenants' individual rights and recognising the positive contributions that tenants can make to the management of the trust asset. It would be fair to say that, although it has been very quiet, it is succeeding, and we have built up a very good relationship as a consequence. There are 158 trust tenant participation groups throughout the State, so it is continuing to grow. The Trust Tenants Advisory Council (TTAC) has been a very strong advocate and has given encouragement to those tenant participation groups to continue. It might be that no news is good news, and it is all quiet on the western front. That would apply to the district of the member for Price in both a metaphoric and a literal

sense, because things are going along quite well in terms of the development of trust tenant participation.

Mr De LAINE: As a supplementary question, will the Minister provide a list of the groups involved in tenant participation in the district of Price?

The Hon. M.K. Mayes: I will be happy to provide that information to the honourable member.

The Hon. D.C. WOTTON: I refer to page 252 of the Program Estimates. I notice under 'rental housing' that, in terms of capital expenditure, the budget for trust housing operations has dropped by approximately 17 per cent. Why is the trust planning to reduce its commitment to rental housing operations?

The Hon. M.K. Mayes: I have given the obvious answer in terms of the overall funding package offered by the Federal Government. First, we have reduced capital to play with, so obviously the overall program will be reduced, and that has occurred. We are also looking at diversifying the delivery of our services. Earlier today I talked about those services that we are looking at, whether it be cooperative housing, community housing, the inter-church housing program, diversification or the joint development with the housing sector in this State. We all see that there is basically a diversification. We cannot deliver our public housing policy as we once knew it, because we do not have the resources available to do that. We are looking at delivering a public housing policy by working closely with the private sector to see a joint development of projects and schemes. The shop window will look significantly different as a consequence of the lack of funds, but in the end result there will still be a component of public rental housing, but other opportunities will be built in using other sources of funds and HomeStart.

The Hon. D.C. WOTTON: In real terms the trust's commitment to Aboriginal and pension housing has diminished. Why are these areas no longer regarded as having the importance they previously had?

The Hon. M.K. Mayes: Pensioner housing reflects the funding arrangements and the tied funding, but there is a simple explanation in respect of recurrent expenditure. Aboriginal housing and pensioner housing have been absorbed within the trust's general operations. They go into the general accounts within the trust's operations.

The Hon. D.C. WOTTON: I note that it is proposed to increase capital expenditure on housing cooperative construction by 50 per cent. How many groups will benefit from that increase? What are those groups and where will the development occur? What controls are placed on this expenditure in housing cooperative construction?

The Hon. M.K. Mayes: We have committed ourselves to supporting a significant increase in the cooperative program. That depended on the legislation because we needed to have prudential and parliamentary management of the cooperative program before we were willing to venture down a fairly tricky legal path. We had to stitch up about 880 units already out in the community and ensure that there was financial accountability. We are committed to the program. We want about 300 additional units to the program for 1992-93.

The capital allocation of housing was delayed because of the Act and we are catching up on what we said we would do this financial year in terms of the commitment

we gave to the cooperative housing sector. Basically, that is why we are adding 50 per cent. Originally the program was for 200 units a year but, because in this financial year we had a seven-month delay while the select committee investigated and reported and the legislation was resubmitted to Parliament, we are picking up the extra 100 units, making up for the lost time.

Mr BECKER: About 18 months or two years ago the trust bought the old Fulham Primary School site and sold part of it to the St Hilarion community for development. The other half was developed for trust tenants and the private sale of land. The original asking price for blocks of land available to the public was about \$85 000 each. What progress has been made on that site? How many trust houses or units have been built and tenanted and how many blocks of land have been sold to the public and at about what average price?

The Hon. M.K. Mayes: We can give some information, but I think we should take the question on notice in order to give accurate and detailed information about block costings. As the local representative, the honourable member would know that a planning appeal was involved which I am advised delayed the project, but we will have to take the question on notice. I am happy to meet the requirements about the statutory time.

Mr BECKER: The purpose of the question was to ascertain whether the project has been successful financially.

The Hon. M.K. Mayes: I understood what the honourable member was driving at and we will provide the information.

The Hon. D.C. WOTTON: I refer to page 252 of the Program Estimates, relating to recurrent expenditure. I note that industrial/commercial premises far exceed the proposal for 1991-92 and is up by 48 per cent. Why, and was this at the expense of Aboriginal housing, crisis accommodation housing and pensioner housing, all of which have nil recurrent expenditure?

The Hon. M.K. Mayes: I will have to take the question on notice. None of our explanations is conclusive. I do not have the information to explain why we have gone from a proposed \$10.5 million to \$15.5 million. I will take the question on notice because I need to be convinced about the explanation.

The Hon. D.C. WOTTON: Can the Minister say exactly how he intends to reduce executive, professional, technical, administrative and clerical support costs from \$39 000 to \$22 000? It sounds like a considerable jump. Can the Government deliver this promise?

The Hon. M.K. Mayes: There is a technical explanation. There was a management expense of \$5 million because 1991-92 was the first year that estimates were prepared in the Treasury program format, which differs from the internal method of program accounting and overhead allocation. We will have to provide an apples with apples comparison to clarify exactly what in real terms will be realised in 1992-93. Included in that is reduced interest payments due to the transfer of the HOME scheme and higher allocation of overheads to the rental allocation of \$12 million. So, a deal of complex accounting needs to be explained. I will take that question on notice and provide a full explanation.

The Hon. D.C. WOTTON: How many people are actively employed in each section of the South Australian

Housing Trust on the section programs contained in the estimates sheet? What is the extent of assets of the South Australian Housing Trust and SAULT in the following areas: undeveloped residential land; unsold developed residential land; broad acres not listed; rental—detached housing; rental—detached higher density housing; and commercial property, including land and buildings or any other assets held by either of those two organisations?

The Hon. M.K. Mayes: I will provide that information to the honourable member.

Mr BECKER: What action is the trust taking to assist aged tenants to provide greater security in units of accommodation without creating a dangerous fortress for themselves? I understand that the police and fire brigade personnel are concerned that the length to which some tenants go to secure their premises is creating a dangerous situation, and that it is difficult for emergency services to enter premises in case of fire. Will smoke detectors be installed in or encouraged for each unit of accommodation?

The Hon. M.K. Mayes: This is a matter of concern to all people with aged parents. Approximately 16 per cent of our accommodation is occupied by aged tenants who do not wish to transfer to cottage flats. That is roughly 10 000. We are faced with a similar situation to those who live in private rental accommodation or in their own home. I am sure everyone has talked to their aged parents about this—I know I have. What should we do? Should we install smoke detectors? How should we provide proper security? I know that the cottage homes for the aged offer a marvellous service that provides information to residents on how to properly secure a home without making it into a fortress.

A working party report entitled 'Housing for the Elderly' was formally handed over to the General Manager of the trust three weeks ago. The report placed considerable emphasis on allowing the elderly to remain in their own home for as long as practicable and included matters of security. We will have to address a range of options in terms of where we are going with upgrading. I have heard the Chairman wax lyrical about this on many occasions during the grievance debate. Securing a home involves not only the house but the siting of shrubs, fences, street lighting and street numbers. So, this program is addressing a range of issues which the community must address also.

There is a large onus on local government to do some work in this area also. The honourable member's electorate, yours, Mr Chairman, and mine have a high proportion of aged people, and there is an ongoing inquiry about security. People tend to concentrate their efforts internally and not externally, and a large part of what can be done to address the problem of vagrants hovering around is by reducing obstructions and allowing a clear line of vision. Infra-red lights or lights that are movement oriented offer tremendous security. We will look at those matters as part of the total package, but we must all encourage tenants in our electorates to look at doing simple sorts of things to address security directly. One of the cheapest and obvious options is to put \$3 locks on the windows. They give tremendous security, and you do not need massive bolts. Putting bolt locks on doors enables one to get in and out. I know the fire brigade is concerned about this, but it can get in and out.

For an ordinary burglar who makes an instant assessment of a house and breaks in, it can be a major obstacle. Those who made a deliberate attempt would make a lot of noise if they removed tiles to get in through a ceiling. So, this matter is of concern and we are addressing it. The Trust Tenants Advisory Council and the PTA are very active as well. I welcome any suggestions from local members about how we can improve the situation, because I know that any idea is a good idea.

The CHAIRMAN: I suggest that people contact the Police Department also because it has a security section. The member for Hanson.

Mr BECKER: When will a tenant representative be elected to the Housing Trust board? I understand this is ALP policy, but the trust has established several tenant management groups that fulfil a superb role in communication between the trust and tenants as well as in large groups of flats in my electorate. There are some wonderful people who volunteer to support tenants, and I have always believed that somewhere along the line there should be a tenant representative on the board of the trust.

The Hon. M.K. Mayes: I have always held a similar view to the honourable member; however, events in the past few years, as well as being in this job, have significantly coloured my opinion about conflict of interest. I am very conscious of the conflict of interest aspect, and it would worry me greatly to move down that path. For example, the current board, which is a very sensitive and community oriented board, is not in favour of the idea, not because it wants to have total sanction with an iron fist over the rights and direction of the SAHT but partly because of responsibility and conflict of interest. The problem is that 95 per cent of the board's time is spent outside the boardroom.

The Government is about to put proposals before this Parliament relating to corporation/public responsibility, and I think the honourable member's suggestion would be in direct conflict with the proposals contained in that Bill. The standard of public accountability and responsibility rests with this Parliament. I know that the honourable member has always been a strong advocate of this, and it is something that we will have to address very carefully before we take any steps towards putting on so-called representative board members. I will have to contemplate this matter very seriously in respect of boards with which I am involved, as some of them represent industry and have a large cash flow. Although I have sympathy with the honourable member and agree that there are enormously talented people among the tenants, we cannot let emotions govern this issue and we will have to deal with it in a legal sense because of the conflict of interest.

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

Housing and Construction, \$36 939 000

Chairman:
Mr K.C. Hamilton

Members:

Mr M.J. Atkinson
 Mr H. Becker
 Mr M.K. Brindal
 Mr M.R. De Laine
 Mr V.S. Heron
 Mr J.W. Olsen

Witness:

The Hon. M.K. Mayes, Minister of Housing and Construction.

Departmental Advisers:

Mr D. Mitchell, Director, Corporate Services, SACON.
 Mr G. Inns, Chief Executive.
 Mr D. Lambert, Director, Program Services.
 Mr B. Griffin, General Manager, Office of Government Housing.
 Mr P. Hankinson, Director, Maintenance and Construction.
 Mr R. Frindsdorf, Director, Office Accommodation.
 Mr M. Rose, General Manager, Security.
 Mr L. Park, Acting General Manager, Aboriginal Works.

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

The Hon. M.K. Mayes: With your permission, Mr Chairman, I would like to make some introductory comments about the activities of the Department of Housing and Construction over the past 12 months. For the past couple of years SACON has been moving away from the traditional role of a Government department to a more commercially driven business agency with the dual objectives of becoming competitive in pricing and customer service oriented in performance. The adoption by Cabinet of the findings of the Hudson review group in July 1991 confirmed this objective and was the commencement of a three-year program to restructure SACON's operations along business lines.

These past 12 months have seen enormous changes in the shape of the department. The effect of these changes has been to restructure SACON's operations into business units and to bring about more effective decision-making by flattening organisational structures. Some of the specific major organisational changes are as follows:

- The regional structure of maintenance and construction was abolished in favour of a more streamlined and customer oriented area office network to provide the shop front for maintenance and some minor works services. This network is supported by an operation services group comprising service vans and workshop services and an asset services group providing technical advice; local minor works project management and data collection for the Building and Land Asset Management System.
- Microeconomic reform principles were introduced into the Construction Services Branch in an endeavour to make the area more competitive and to provide leadership in reform initiatives for the broader construction industry in South Australia.

- As a result of the GARG review workshop, activities were amalgamated and rationalised across Government.
- The Office Accommodation Division, the Aboriginal Works Division and the Office of Government Employee Housing were restructured to focus on core business and to improve service delivery to clients.
- Security services was made a separate business unit. This was formerly part of the Maintenance and Construction Division.
- A marketing unit was established to coordinate marketing related activity and to develop a corporate marketing plan for SACON.
- Business manager positions were created for each business unit to facilitate the transformation of activity along commercial lines.
- The Professional Services Division was retitled Program Services and the emphasis of activity was refocused on service delivery to assist clients to meet their asset development programs.

While establishing the new organisational structure has been an important factor in creating the new business directions for SACON, another important change crucial to the future success of the department is also underway.

We are well advanced in establishing an integrated financial and management information system to service our new commercial directions. Following approval by Cabinet, tenders have been called for a new system, which will provide the facility for SACON's commercial accounting processes. In addition, the system will interface with all other property management services for the business units of the department. At the beginning of the financial year Cabinet gave approval for SACON to offer voluntary separation packages to its employees on a selected basis. Registrations of interest have been called on three occasions during the year and approximately 250 people have left the department in the past 10 months through the acceptance of these packages.

To become a more competitive and business-like agency of Government it is critical that SACON achieves a more flexible work force arrangement. The objective is to reduce the size of SACON by at least a further 140 positions as soon as possible; however indications are that it will be extremely difficult to reach this target through the use of voluntary separation packages. SACON is experiencing the effects of the tight budgetary position facing the Government in these difficult economic times. While we anticipate a profitable operation within two years, it is important that the department's transitional performance is not judged too harshly, particularly in this next year as it seeks to cover its fixed costs and declining income.

Last year I expressed my concern that SACON did not have sufficient appropriately trained staff in commercial accounting and business practices. I am happy to report that a number of suitable qualified staff have been recruited to SACON and training programs have been conducted to add to the skills of existing staff in commercial practices. In transferring from the traditional Public Service accounting methodology into commercial accrual accounting it will be necessary to continue using consultants and short-term contract employees who possess these skills. The year has seen many significant

changes all contributing towards making SACON more viable in its aim to become a customer oriented commercially competitive organisation. The coming year will see further changes and challenges as the department continues to rationalise its business activities and focus more clearly on its core functions.

One of the core functions that SACON will be concentrating on is providing expert advice to Government and client agencies on asset management. Government recognises the importance of proper management of assets, particularly in terms of occupational health and safety standards. In fact, on Monday 21 September Cabinet approved a five-year audit program to identify hazardous materials within Government buildings. SACON will play an important part in this audit program and will be working closely with agencies to ensure that the audit program is achieved. This program will identify hazardous materials in buildings, within the provisions of the Occupational, Health, Safety and Welfare (Asbestos) Regulations 1991 and Occupational, Health, Safety and Welfare (Synthetic Mineral Fibres) Regulations 1991, and prepare management plans for each of the buildings to manage, if required, any hazardous materials identified.

Mr OLSEN: The Auditor-General's Report refers to management information systems, and the Minister's statement also refers to that and to the program for putting in place appropriate information systems. Have there been any discussions with other sections of Government in relation to the information utility, and will there be any interface between the management information system that the Minister is proposing and the information utility?

The Hon. M.K. Mayes: When the information utility issue was raised with me in the context of a subcommittee of Cabinet my immediate concern related to the direction that SACON was taking with regard to developing its information systems. I had a conversation with the CEO immediately after that meeting. As I am advised by Mr Mitchell, there have been discussions with John Shepherd, the CEO of the information utility, and we have been given the okay to go ahead with the development of our information system. The concern that we all have is that there is an interface between what SACON is doing and what the information utility will provide in its overall service to Government. As I understand it, and I have not had a full briefing—there is the capacity for interface in some areas of that information service that will be developed within SACON.

Mr Mitchell: One area in particular that we believe may end up interfacing with the information utility is the supply component of the system. There is also the possibility that the human resource component will be not only compatible but will interface directly with the information utility. At this stage we will not know until we have fully evaluated the current tenders that we have in, and that will form part of our evaluation process.

Mr OLSEN: I assume, therefore, that the discussions that have taken place to date and the tenders that the department has called for its own management information systems will ensure that the product is compatible and will be able to interface with the future information utility.

The Hon. M.K. Mayes: I cannot speak of the detail that the tender process has entered now, but as Minister that is what I would be looking for, particularly in the areas that are critical and the human resource information system is very critical to organisations. One of the things that we see in major organisations and in major failings in organisations is that we do not have this personnel record information. One sees many organisations falling apart because of that. That is a critical area in which we would want to see interfacing between the information utilities provided for the whole of Government, personnel information that is needed in Government, the common orders and the economies of scale in stock that is handled and held by SACON in relation to what is stocked and stored by other Government departments. I would be looking for that in any of those tenders that come before me and go on to Cabinet for final decision. I can assure the honourable member that I will look for that. The CEO will indicate what detail has been raised to this point.

Mr Inns: The tender process has now reached a stage where each of the short listed tenderers is being evaluated and interviewed. The interviewing and demonstration process is extremely thorough and will last well into October until we are satisfied that the short listing of those tenderers has been fully explored. The important interface is not only with the information technology unit but with all aspects of SACON. The important interface is internal, but the external interface is also extremely important. It is intended that by the end of October our selection process will be well down to short listing, and that will be done in full consultation.

The Hon. M.K. Mayes: The information utility people will be consulted in the process of the selection of the tender.

Mr OLSEN: Will the information utility be advanced far enough that it can give you guidelines as to what it will require to have the interface and be compatible?

The Hon. M.K. Mayes: I cannot answer definitively. As a general answer, it would be possible. A number of agencies which are more advanced than we are and which have an information service established will give the information utility some guidelines as to what to look for in respect of interfacing with the areas particularly mentioned. Those are two that come to mind, but there may be some other areas of activity, whether commercial or not, that need to be interfaced within the whole broad information service that the Government requires, but I will have to take the question on notice.

It is a useful question, which has been raised with the information utility people. I will respond in the required statutory time because Mr Shepherd and his people will have to answer very clearly in any process in which they involve themselves, particularly in dealing with what we want in an information service because anything that is required may add a cost or difficulty to the tender process we are going through to get our information services in place.

Mr OLSEN: I raise it because our track record in information systems within Government has not been that good. In the Justice Information System we are paying \$30 million more for a procedure that is doing less than we originally envisaged. One could mention the Motor Vehicles Registration Division, and others. In information

systems we have managed to get it wrong to the tune of tens of millions of dollars. Do I take it therefore that the suggestion in the Auditor-General's Report that a contract will be signed with suppliers at the end of October 1992 will not be met and that there is flexibility with that date now?

The Hon. M.K. Mayes: That still can be met. I understood that the CEO indicated that the way the tender process was going the contracts would be resolved by the end of October 1992.

Mr OLSEN: I understood the CEO to say that the evaluation process would be complete but not necessarily that the contracts would be signed.

Mr Inns: The contract being signed is a short process after the end of a valuation.

Mr OLSEN: The information utility has not clearly defined what it wants. If the interface and compatibility are not determined by the end of October, will the Minister go ahead and sign the contract despite the fact that the information utility is still vague about its final requirement for compatibility final interface?

The Hon. M.K. Mayes: We will have to make a judgment about that given the information that the information utility provides. I anticipate, because of our needs and because of the observations of accountability that we want to build into the system, we will be keen to get this contract wrapped up and going. If the information utility has some significant information that alters the direction or requirements for further information in regard to the tender I hope that that could be addressed in a short time and not delayed for months or into the new year.

I cannot see that repeating itself here in this situation. There are different parameters, different needs and different products, and we know what we want out of the system. That also applies, to a large extent, to the information utility. I am not sure that the people driving the JIS knew what they would get out of the system and, on reflection, they would have to admit that. What they got out of it might not be what they expected, but we have a very clear view of what we need and what must come out of it. It is not a unique information system: huge numbers of public and private companies now have these sorts of systems. They are tried and tested, and it is a question of our ensuring that what we want has some link with what is going on with the information utility.

Mr Mitchell: The JIS system was a developed solution, whereas we are a single agency and going for packaged software. Therefore, we would anticipate that the dimensions of our problem are nowhere near the size and complexity of the JIS system. With regard to the information utility, within the past fortnight I spent some time with an adviser of the information utility discussing the progress of our evaluation process, without prejudice to any of the tenderers and their offerings. They were quite satisfied with the way in which we were handling the process and the direction in which we were heading, and the advisers told me that they did not foresee any great delay in their approving our proceeding, again without prejudice, with whatever solution we were recommending. Of course, we have yet to return to Cabinet to get final Cabinet approval for the purchase.

Mr OLSEN: The Auditor-General's Report also refers to the fact that five Government departments had a

stocktake of land, buildings and assets relating to the profiling of assets of land and buildings in five Government departments by outside assistants, and that that information can now be forwarded to those departments. Of all the Government agencies and departments regarding assets of land and buildings, how many have now had a complete asset stocktake undertaken similar to that? The Auditor-General refers to the fact that, when funding arrangements are available, further stocktakes will be resolved with the Treasury Department. How many are outstanding?

The Hon. M.K. Mayes: The scheme is called the financial asset register—STARS is the acronym. Agencies whose assets have already been put on STARS include the Department of Correctional Services, DETAFE, the Department of Environment and Planning, Treasury, and the Department of Recreation and Sport. I am advised that more than 14 are involved, but we will take that on notice and provide a detailed response.

Mr OLSEN: In relation to the management of the State's assets, has the Government received submissions from the private sector regarding the coordination, control and management of the State's assets; if so, from whom; and what was the basis of the submission?

The Hon. M.K. Mayes: I have been involved in discussions about that, but I am not aware of any proposal from any private sector organisation as to an asset management program. We cannot confirm that a proposal has been brought forward.

Mr ATKINSON: I refer the Minister to page 89 of the Auditor-General's Report. The Auditor-General criticised SACON in his 1990-91 report, in particular querying SACON's decision not to publish financial statements for all its business units. Has the Minister accepted these criticisms, and what has he done to remedy them?

The Hon. M.K. Mayes: Obviously, we accepted the Auditor-General's comments in that regard. On a previous occasion I did not, to my peril. We have addressed our whole financial management system; we have highlighted and never hidden from the need to improve the quality of information that is recorded and reported on within the system. Obviously, there were inefficiencies and inconsistencies in the information provided. As we say, through support from outsiders—that is, consultants and -contract staff—we have put in place a financial management system with an integrated system operating on a relational data base. Tenders are currently being evaluated, and a contract should be signed with the successful tenderer at the end of October 1992, the system being implemented on a business unit basis.

To improve the calibre of its accounting staff and to alleviate what happened in 1991—and as the Auditor-General commented, for example, some areas of the business units were unable to provide that information—all business units now have qualified accountant business managers. So, we have directly addressed the Auditor-General's concerns in both a broad financial information systems sense, because the Auditor-General expressed concerns about that, and at the level of qualified staff whom we had available within SACON to address those very concerns.

Mr ATKINSON: I refer the Minister to page 246 of the Program Estimates and the program entitled

'Provision of security services to Government'. Is SACON security competitive with private security firms?

The Hon. M.K. Mayes: It is an interesting question and one that is often raised among my Cabinet colleagues, who also express concerns about the cost of SACON services. We are competitive. We have done some studies on this, because it has been important to know what is delivered, that is, whether we are comparing apples with apples. The Government Agencies Review Group examined SACON Security and determined it could provide cost effective physical security to the public sector.

A component of the review was a study to compare private enterprises profit and loss and performance indicators with SACON Security. GARG noted that SACON Security returned a profit of 6.6 per cent for 1990-91, based on percentage of sales. A major private security company was providing services Monday to Friday at \$16.20 an hour, whereas the SACON cost was \$16.70; on Saturdays, the private company charged \$23.50 and SACON's cost was \$21.80; and on Sundays and public holidays the private company charged \$31 an hour compared with SACON's \$29.

With respect to alarm responses, a major private security firm charged \$42 per alarm response compared with SACON's charge of \$35 or \$40 where it was the client's fault. With respect to alarm monitoring, the charges for a major private security firm were \$8 to \$20 per hour, compared with SACON's \$12 to \$17 per hour. The variation is quite significant. To allay fears amongst the community, I point out that, in a comparison with the private sector, we are fairly competitive. There is only one charge that is marginally higher, and that applies to the Monday to Friday security patrols, and that is 50c per hour.

Mr ATKINSON: As a supplementary question, how effective has SACON Security been in reducing the number of offences against public assets?

The Hon. M.K. Mayes: I guess the honourable member would have to ask the agencies that, but I think it has been a reasonably successful program. During the period January to December 1991, SACON Security was involved in 14 362 security-related incidents to 140 Government assets and 850 electronically-monitored sites. Over the previous year, there was a 20.2 per cent reduction in reported vandalism and a 42 per cent increase in apprehensions at sites secured by SACON. Whilst SACON Security attended 62 fires during the period, the cost of damage was reduced as a result of earlier detection. Based on the statistics for the previous year, we have seen a reduction in the incidence of reported vandalism and a 42 per cent increase in the number of apprehensions. As we are extending the services provided to agencies, we are achieving a positive result and saving money. It is an important aspect and, I believe, something that is actually providing a valuable service.

As an aside, we will be increasing the security for members of Parliament to make sure that everyone has a duress alarm, because some members do not have them, and we will look at extending security for Ministers and Opposition front bench members. We need to provide increased security for obvious reasons. I will be meeting with the Presiding Officers to talk about increased

security in this building. It is overdue. In relation to some people who want to undertake activities that are less than socially acceptable, we will need to introduce secure monitoring at the entrance. If the Lower House clerks could resolve with the Upper House clerks that we have one entry point for the public, we would be able to provide better security. Obviously, members have access at other places, which I will not mention.

We need to upgrade our security in keeping with that provided in other Parliaments around the country. South Australia has been always very trusting, and we have been relaxed about how we do things, but the time has come to upgrade our security, and that will be looked at in the next month or so. The Deputy Leader, whoever he or she is, ought to have some home security, because there is an increased risk, as we have seen from a recent incident in Canberra. I will have to negotiate that with the Presiding Officers. Increasingly, it is a matter of grave concern. The situation here leaves a lot to be desired, in my view.

Mr ATKINSON: I refer to property maintenance services, page 244 of the Program Estimates. What has the Maintenance and Construction Division done to market its services better, and has it attained financial viability?

The Hon. M.K. Mayes: Given the philosophy we have had to adopt in terms of the overall competitive and business unit profile, we have also had to adopt an ethos. It is fair to say that SACON is one of the elder statesmen of Government departments. There is no doubt that there has been a view, which has been accommodated through the many years of government—certainly through the Playford years—of a very stable and solid provision of services to Government. What has been adopted and what has obviously become the flavour of the 1990s is that we have to provide the best return for the taxpayer's dollar. No department is exempt from that philosophy.

In many ways, it is very hard to turn around attitudes. I do not think it is necessarily the workers who are at fault: to a large extent, middle level management might be more inflexible than are many workers in terms of changing the philosophy of a department. In a real sense, we are having to perform. There is no question that we are on notice. Part of that is our having to get out and actually sell the product to the clients. In the past, SACON has provided a service as the old Public Works Department; it was there, one had to go through it, and that was it. It is not as fixed these days. The message we have had to get across, in particular to our middle management—I think most of the actual hands-on-tools workers out there daily doing the job have probably realised that this is a new era—is that we have to deliver the service that the client wants. The old adage: 'What you give is what they want' no longer applies. We have to give what they want. It will have to be very much geared that way.

We have appointed a marketing/sales manager to promote the Maintenance and Construction Division. We have prepared a divisional marketing brochure for distribution to clients. We have produced a divisional marketing plan, which is currently being implemented. We have identified 400 agencies that could be considered as possible new clients, and we are going out to market them. The new clients mentioned are agencies that

receive some form of Government funding or subsidy. Our aim is to gain additional revenue from non-traditional clients, to increase our client base and to improve services and sales to traditional clients. The traditional accusation is that the local high school, primary school or police station has complained about the services provided by SACON. We are finding that there is more and more acceptance of SACON's response time, their interest in the client need and the delivery of service to that client. We are focusing on the delivery of those services and ensuring that the client is satisfied so that they come back, because we are in a competitive situation and we have to perform.

Mr OLSEN: Following up the questions on assets, has the department identified assets surplus to requirements; is there a priority list for disposal; and have any arrangements been put in place, or are any arrangements being contemplated, whereby there would be a leaseback type arrangement or defeasance type deal?

The Hon. M.K. Mayes: We have identified assets surplus to requirements. I talk in the broadest sense now and I guess about Government employee housing and all areas that have been definitely identified by us as being surplus to our needs—what we call the core business of Government. We are busily relinquishing those, as members would know. We are selling as many as we can at a reasonable market level. Not only that but, in terms of the overall profile of SACON, we have committed ourselves to identifying SACON's central assets involved in the delivery of SACON services. We are in the process of negotiating in terms of those core assets. I am talking about Netley and areas like that where we provide services. They are Government workshops. We are looking at doing things which others are not as proficient at, and they are doing things which we have been doing but which we were not directed to do or did not have the specific charter to take on.

There has been a rationalisation in that area. We have looked at regional, local and country offices in terms of what we need. That has spread from the city right through to an identification of those areas that we have relinquished. The Elizabeth office has been sold and Rose Park and Marion are on the market. One asset under the control of the Minister of Public Works is 143-145 Churchill Road Prospect. That is a collection of assets. The member for Kavel asked about the overall program of asset audit: in the preliminary audit about 2 500 properties are held in the name of the Minister of Public Works. About 120 of these properties throughout South Australia have been shortlisted for further investigation to identify potential rationalisation opportunities, some being in association with occupying agencies.

They may be in the name of the Minister of Public Works but they are occupied by another agency. That poses some difficulty but we are moving, throughout the process of Government, to rationalise. One property in the district of the member for Bright is a community facility in need of major upgrading and expenditure. It was proposed to be rationalised but we struck a hurdle with it. Occasionally we encounter community reaction.

In regard to the Office of Government Employee Housing, we have undertaken some major changes in that overall management. We now gain control of all vacant facilities when they become vacant. Traditionally, there

was no doubt that some agencies which anticipated that they wanted to get an engineer into a particular region would hold back the announcement and carry the cost of that as part of its budgetary program in order to attract the engineer they wanted in the area.

That program added a cost to Government that we did not believe was acceptable and now we have pooling so that, as soon as a property is vacant, it is notified to the Office of Government Employee Housing, which takes over its management. Either it becomes a property needed by other departments or it is put on the rationalisation list. That has given us central control over the asset which I guess requires an assessment.

Basically, it is instant audit because the moment it is put on the vacancy list it is assessed by all other agencies as being needed, whether it be the police, health or whoever. If it is not required, it goes straight onto the disposal list. If it is needed down the line, some other arrangement is made with regard to leasing, or other agencies are approached that might be interested in leasing. A complete program is in place.

As to the statistics, 3 503 houses were owned and leased for employee housing prior to our program. Since 1987 many of these aims have been achieved with the introduction of a more acceptable rent structure, improved standards of housing and, most recently, the more equitable method of allocating houses to employees. In terms of housing stock rationalisation, from 3 503 we have reduced to 2 997, which is a 14.4 per cent reduction in the overall stock of Government employee housing.

Mr OLSEN: What does the Minister anticipate in dollar terms will be the receipts from the disposal of surplus assets this financial year?

The Hon. M.K. Mayes: In regard to the core business of SACON, we will take that on notice. The sum of \$600 000 was realised from the sale of Elizabeth and from the Office of Government Employee Housing the revenue expected from total sales will be \$7.261 million, which is what is budgeted. That is built into the budget projection. The valuation for Rose Park was \$690 000 by the Valuer-General, for Marion it is \$600 000, and apparently we have offers on both.

Mr BRINDAL: I draw the Minister's attention to the article in the *Weekend Australian* of 28-29 December, 'City remembers the day the earth moved'; to an article that I am sure he has read, 'Probalistic earthquake risk maps of Australia', by B.A. Gaull, M.O. Michael-Lieba and J.N.W. Rynn; to an article in the *Messenger* newspaper on 24 October 1990, 'Schoolroom strengthened for quakes', in which a senior SACON spokesman is quoted; to a letter from the Minister of Mines and Energy to me of 15 January 1992; and to the Newcastle Earthquake Study, which I am sure the Minister has read—

Mr Atkinson interjecting:

Mr BRINDAL: This is serious, and the Minister knows it. Basically, Adelaide is the highest risk city in Australia and is statistically due for a large earthquake. The present earthquake code for construction has been described by experts as both inadequate and inappropriate. There has been an identified need, which has been acknowledged by his colleague the Minister of Mines and Energy, for microzonation studies to be

conducted and as yet to my knowledge they have not been undertaken.

Mr Atkinson interjecting:

Mr BRINDAL: I suggest that the member for Spence be quiet.

The ACTING CHAIRMAN: Order!

Mr BRINDAL: Basically, the lessons of the Newcastle earthquake showed that significant structural damage was incurred by older institutional buildings such as schools, technical colleges, churches and hospitals because of damage of a structural nature. One of the major reasons for wall failure in older masonry structures was the absence of effective wall ties, particularly when the walls were subject to face loads. Sometimes the ties had been omitted during construction or more commonly were completely corroded through. Corrosion in wall ties was widespread. Corrosion was worse in the cavity just inside the outer leaf—I could go on.

Finally, the Newcastle experience identifies risks for various buildings, but they insist on the necessity of the preservation of public buildings, such as those for whose maintenance the Minister's department is responsible, that are essential for post-seismic shock disaster relief, such as police stations, hospitals and ambulance stations, and it equally identifies those places of public assembly where in the instance of seismic shock numbers of people can be at risk, particularly at schools.

I am willing to share with the Minister a random list of 50 South Australian schools on the Adelaide Plain. Of that list 40 were built prior to the installation of the 1979 earthquake code. Of those 40, 18 are two storey, which I believe increases the risk in the case of an earthquake, and all but five are structures that have been identified by the Newcastle experience as being susceptible to risk. I accept that the Minister might not know this, but the Minister of Mines and Energy said:

I will be examining the situation in framing the budget in the 1992 year combined with other initiatives such as the monitoring of dams and buildings.

He was talking about monitoring buildings to assess the risk of seismic shock. Is there any provision in the budget for monitoring buildings? Newcastle identified structural processes for analysing buildings and checking their capacity to withstand shock. I am told that there is no officer in SACON whose job it is to actually monitor the structural integrity of buildings and to check which buildings are susceptible and what needs to be done. That is why I tie that question in with the article in the *Messenger Press*.

After I raised the issue, the Minister acted very responsibly, had the matter investigated, and \$70 000 worth of work was done to do the very things I have been talking about. A spokesman for SACON said that when the work was completed the building should have a substantially higher ability to withstand earthquakes. That is the whole basis of my question. I drew that matter to the Minister's attention, he acted and something was done. I presume that building now has more integrity, but it strikes me that there are many other public buildings around Adelaide whose integrity would, at best, be suspect. Therefore, I ask the Minister: what is the department doing about this?

The Hon. M.K. Mayes: This is a very serious matter. I wish I had at my fingertips the article that appeared in the *Advertiser* that referred to Adelaide being in a high

risk category. It was a complete beat-up. If we look at the statistics for Adelaide, we will see that our potential for earthquakes is one of the lowest in Australia. The hot spots on the map show that, although we had an earthquake in 1955 and another in February 1975 of about 4.3 centred somewhere out from Mount Lofty, Adelaide is not a high probability area. Perhaps we are at risk in the sense that there is a risk of a major earthquake of about five or five-plus on the Richter scale, but our city does not have a high probability earthquake risk. In Japan or Mexico or anywhere around that area shocks are a daily occurrence.

As Minister of Agriculture, I visited Japan four years ago to promote our fruit and cut flowers. At about 2 p.m. while returning from a function the radio went silent for a second and then a message came over from the hotel telling patrons and residents not to panic, that it was a standard event to have an earthquake, that this one was only a minor shock of 4.2 and that nothing would occur. You could feel the building move. I think it was the Imperial Hotel, which is built on shock absorbers which allow it to rock and roll as the shock waves go back and forth across the surface of the earth.

We do not experience that sort of thing, and my children would not be aware of it. I am aware of it because I got hit by a lump of plaster in 1955 when the cornice in my bedroom fell. It did not even wake me up. The department does not have a specific officer, but under the current building regulations our structural engineers and technical officers must understand what is required in regard to structural needs in case of earthquake. We have to address this issue as an ongoing process. So, in the audit of any building—and that is a constant assessment—our officers are required to be aware, not only in terms of their obligation as an employee but as part of their professional obligation, of the structural needs of that particular building. One that is dear to the honourable member's heart and mine is SAC. Part of the reason for the refurbishment and upgrade of SAC is to address the building regulations. I remember reading the Newcastle report with interest late one night. It has exposed a number of areas that need to be addressed at all levels in terms of the building industry, building codes and so on.

I understand the regulations were amended to accommodate the Newcastle earthquake. That is part of the progress that we have adopted in terms of structural changes that need to be made in major public buildings such as the State Administration Centre. It is an ongoing process, but I am not sure what my colleague intends to do. Obviously, the capacity for us to predict earthquakes has improved enormously, and I understand that there are seismic measuring devices scattered around the State that provide I think the universities and certainly the Department of Mines and Energy with those movements. I will have to defer to my colleague for advice as to what predictability is built into that equipment, but I understand from comments I overheard that he is looking at that sort of assessment and analytical information.

Through the Principal Engineer, Jim Wilson, we are able to provide that sort of specialist advice to all our Government agencies and make assessments on an ongoing basis, and that is the very reason why we are going through this overall audit of our asset to assess its

capacity to withstand what would be expected in terms of Adelaide's predictability by way of an earthquake of a level that may cause major structural damage to any public building.

As to the education asset, I will take that question on notice, because I am aware that standards have changed; in fact, I think they changed before the Newcastle earthquake. I think five years ago there was a change in regulations in regard to structural requirements of public buildings in order to prevent major damage from an earthquake. I understand the regulations have changed again since the Newcastle earthquake and we must be ever vigilant, as the honourable member said, to address these issues, because if we do get hit by an earthquake of six-plus—I guess it is an exponential logarithmic exposure to the shock (it is 100 times more for every decimal point on the scale)—it would cause some major damage to our major public buildings.

I hope that the majority of them would be able to survive such an earthquake. So, in regard to our major multi-storey public buildings, this process is already in place—our officers have been charged with that responsibility. The honourable member is right: there is no specific officer who monitors the structural needs in respect of earthquake protection of any building, but each senior officer through the Principal Engineer is required to monitor on an ongoing basis.

Mr BRINDAL: At what rate is the audit progressing? I realise the Minister is somewhat hamstrung in that ownership of the buildings may be vested in other Ministers, but one thing that concerns me is, for instance, school rationalisations, about which we have heard a lot lately. Often consideration is given to any number of worthy factors, which may include the community, the community's needs, geographic location and perhaps even, dare we say it, the commercial value of a property.

I have never heard it said that SACON has been consulted as to, for example, the structural integrity of a building. It would strike me that Ministers should be consulting the Minister of Housing and Construction about the structural integrity of Government buildings. In that way it would be possible for the Minister to look at, say, three schools and know which was the best one to keep in terms of its structure and its ability to withstand this sort of thing. That should be factored into any exercise in deciding which asset should or should not be kept. Has any consideration been given to that or will the Minister try to encourage his colleagues to consider that?

Following on from his statement about the audit—and I asked at what pace that is progressing—how are some of these things determined? Are they determined purely on a site basis? The Minister would be aware that in many old masonry buildings the walls and the floors are all tied together with metal rods. The problem in Newcastle was that many of the metal rods had corroded, so nothing was holding the buildings together and they fell down. Is it within the capacity of the Minister's office to look at those things? I would have thought some specialist equipment was needed. I suggest that perhaps the equipment is not there to do all that is needed to check these things properly.

The Hon. M.K. Mayes: That is a very good question in the sense of where we are going with the audit. The audit is an ongoing process. I have had an interest in this,

and not just in terms of portfolio responsibility, but obviously because of debates I have been involved in at the public level about buildings that we are looking at. The very buildings we are debating in the public arena were subject to that audit process. It is not only earthquakes that we are looking at, it is fire safety, hazardous material, access, and all of those factors.

Obviously we look at the age of a building and its structural integrity, and our people are competent and able to make assessments based on the information they have and can acquire by physical observation and technical means. It is a combination of those things which provide the ongoing audit and allow us to deal with major public buildings. I will have to take on notice the situation with regard to the Education Department; I will certainly take it up with my colleague. I will put on notice that it should be a matter discussed between the two Ministers to resolve what is being done with the asset, particularly in regard to the Education Department. It is important that it is addressed.

In terms of major Government buildings, it is an ongoing audit. It is related to a number of factors, including the integrity, age and so on of a building. I only hope that the private sector is doing exactly the same, because some of the scuttlebutt in the community about some of our buildings, for example, the *Advertiser* building, warrants fairly close attention in regard to a whole range of structural and physical requirements. Obviously the honourable member has had discussions and I have had discussions with some of the journalists employed by the *Advertiser* and when they are critical of what we are doing I suggest that they look at their own backyard as well, because the public use that building as much as, if not more than, some major Government buildings on the asset register. I can assure the honourable member that it is an ongoing process. The people who are doing it are competent, able and qualified to assess buildings within the code and regulations. In fact, they are required, particularly in regard to earthquakes, to make assessments with regard to those aspects. I will provide all of that information in the required statutory time.

Mr BRINDAL: Finally, I refer to a building dear to the heart of us all; that is, the Festival Centre car park. When I came through the car park this morning in one part I could have had a bath and in another I could have had a shower. The Minister would know that we have spent considerable sums of money on that car park. Can the Minister tell us how much we have spent and what is wrong with the thing? Can we or can we not fix it? Why does it keep leaking, despite the amount of money that has been spent on it?

The Hon. M.K. Mayes: We have spent considerable sums of money on the northern sector—about \$10 million. However, the money was not spent on the sector to which the honourable member refers. That money was spent to ensure the structural integrity of the sector that has been addressed. It is the responsibility of the Festival Centre management; it is not our responsibility. However, it can be addressed. I am not sure whether it is causing any problems other than inconvenience to the public. I have noticed the problem as well, particularly in the past two months. There are considerable pools of water scattered around the car park. It is something that the

Festival Centre management will have to address, and I think it is being addressed. I do not think it is causing major structural problems or problems with the integrity of the building. The other sector was causing integrity problems. We had to address those problems and they were addressed and have been fixed.

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

Minister of Housing and Construction and Minister of Public Works, Miscellaneous, \$5 374 000—Examination declared completed.

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

Recreation and Sport, \$17 430 000

Chairman:

Mr K.C. Hamilton

Members:

Mr M.J. Atkinson
 Mr H. Becker
 The Hon. Jennifer Cashmore
 Mr M.R. De Laine
 Mr V.S. Heron
 Mr J.K.G. Oswald

Witness:

The Hon. M.K. Mayes, Minister of Recreation and Sport.

Departmental Advisers:

Mr R. Moyle, Manager, Finance and Administration.
 Dr D. Swincer, Acting Chief Executive Officer.
 Mr G. Forbes, Director, Corporate Services.
 Mr M. McGachey, Acting Director, Sports Division.
 Ms J. Roach, Manager, Administration, SA Totalizator Agency Board.
 Mr D. Harvey, Director, Racing.

The CHAIRMAN: I declare the proposed payments open for examination. Does the Minister wish to make an opening statement?

The Hon. M.K. Mayes: Yes, Mr Chairman. It is appropriate that I make a statement in regard to matters relating to allegations against the management of the TAB, and to place such information on the public record. During the last week of August members of my staff were made aware of certain allegations against the General Manager of the TAB, Mr Barry Smith. The allegations were that the General Manager had required TAB staff to undertake work for him on a private basis, that the General manager had use TAB contractors for private work through the agency of a TAB employee, and that on at least one occasion a TAB contractor had not been paid for work so performed.

It was further alleged that a report, on these matters, signed by a senior TAB manager and countersigned by the TAB officer making the allegations, had been presented to a board member of the TAB. It was also alleged that a meeting of the board had been called to

consider these allegations on 23 January 1992, that no minutes were kept of the meeting, and that all copies of the staff report presented to the board were subsequently destroyed. My staff sought and received a copy of the report which it was alleged had been presented to the board. Having received this information I immediately requested a meeting with the Chairman of the board, Mr Ken Taeuber, which took place on Tuesday 1 September 1992. At that meeting I requested from the Chairman an explanation of the allegations and the manner in which the board had dealt with them.

The Chairman indicated that the board had not viewed the meeting as a formal meeting, that no minutes had therefore been kept, and that the board had considered that the matters raised were essentially the result of a personal dispute between staff. When specifically asked whether a written report had been presented to the board the Chairman responded that there was, but that the board considered it appropriate that this material should be destroyed, as it related primarily to rumour and innuendo. Further, the Chairman indicated that the board believed that the problems had been overcome as a result of the informal meeting. I was not satisfied with this explanation, and requested the Chairman to provide me with a written report of all the matters relating to the allegations and the process by which the board dealt with the matter, to be provided by close of business on the next day, Wednesday 2 September 1992.

I received correspondence from the Chairman on 2 September as requested. This written report corroborated the information provided to me by the Chairman at our meeting the previous day. In addition, the Chairman indicated that the board had decided at its meeting on 23 January that the General Manager's actions relevant to the TAB officer's report did not warrant any disciplinary action. It was also clear from the chairman's report that the TAB officer making the allegations had not been interviewed by the board.

Upon receipt of this correspondence I wrote to the Chairman on the same day, Wednesday 2 September. I indicated to the Chairman my concern at the manner in which the board had dealt with the allegations and stated that in the circumstances I could not assume that the allegations had been fully investigated. I therefore requested that the Chairman request the Crown Solicitor to instigate a Government investigation of the allegations, and that such request be made within 24 hours. The Chairman contacted my office on the same day to accede to my request.

The Government investigation was therefore undertaken with a specific brief to investigate the matters relating to the TAB officer's allegations against the General Manager, contained in the report to the board. The Crown Solicitor provided the Chairman of the TAB with the report of the Government investigations officer on Monday of this week, 21 September. On that same day I received a copy of the report.

Based on the report, the Crown Solicitor has advised that the General Manager did require staff of the TAB to carry out work on Mr Smith's private house and to chauffeur Mr Smith's relatives. The work was carried out during TAB work time, and TAB materials were used in carrying out the work. A TAB officer has claimed that he attended the General Manager's residence to carry out

such work on 30 to 40 occasions. The Crown Solicitor has advised that the General Manager's conduct with respect to the use of the staff and other resources of the TAB for private use was improper. Mr Smith stated to the investigation officers that he was unaware that he was not permitted to use the staff and resources of the TAB for private use, a statement which the Crown Solicitor described as concerning.

The Crown Solicitor also found that the practice of the General Manager to use TAB contractors for private work through the agency of a TAB employee was inappropriate. The Crown Solicitor found that the investigation did not reveal evidence that the General Manager had at any time attempted to avoid payment for services so provided. The Crown Solicitor also advised that there appear to be a number of concerns that are required to be rectified. Of particular concern are the following:

(1) the practice at the TAB for staff to order personal goods through the TAB. The Crown Solicitor has stated that the use of the resources of the TAB for the personal gain of TAB employees is unlawful.

(2) some management practices at the TAB seem to be inconsistent with the requirements of the Government Management and Employment Act in regard to the exercise of proper consideration of employees by management. The Crown Solicitor has recommended that appropriate procedures should be put in place so that staff have appropriate avenues of appeal against inappropriate management behaviour.

(3) the practice of using TAB contractors to do private work for TAB staff is an inappropriate practice and guidelines should be introduced to ensure that staff do not have any conflict between their private and public interests.

I have considered the Crown Solicitor's report in respect of the conduct of the General Manager. I believe that the General Manager's professional conduct has not been of standard appropriate for the chief executive of a Government authority, and I have conveyed this view to the Chairman of the TAB board.

The practices undertaken by the General Manager over an extended period cannot be excused on the grounds that he was unaware of his duties. Such conduct, in my view, reflects a very significant lack of understanding of the proper responsibilities of public management. In relation to the findings regarding the specific allegations against the General Manager, I note the Crown Solicitor's advice that the use by Mr Smith of the staff and resources of the TAB for private and personal use was improper and unlawful. I believe that further investigation needs to take place to ascertain the extent of this unlawful behaviour, and whether it was sanctioned by the board.

I note also from the Government investigation report that plumbing, pest control and general maintenance work was carried out at the General Manager's home by companies also contracted to the TAB, and that these contractors were hired through the agency of a TAB employee. I note the statement by the Government investigations officer that such a practice could result in the General Manager inadvertently influencing the commercial judgments of those contractors who may consider costing procedures adopted could affect future TAB contractual matters. I note also that in one instance a contractor has apparently not been paid by the General Manager for work carried out almost two years ago. I believe that these issues need to be further investigated to ascertain whether the General Manager has wilfully gained any financial advantage through the inappropriate

use of TAB contractors for private work. I have therefore referred these matters to the Anti-Corruption Unit of the South Australian Police Force for further investigation. I am not satisfied that the board has adequately dealt with these matters.

I believe that the conduct of the Chairman has been inadequate for the following reasons:

(1) The Chairman did not instruct that minutes be kept of the board meeting on 23 January and did not ensure that documents presented to the board were retained. Such actions are inconsistent with the Racing Act 1976.

(2) The Chairman did not communicate to the Minister the allegations, the fact that the board had met to consider them, or that the board had decided to take no disciplinary action against the General Manager.

It is also apparent that there are a number of management deficiencies within the TAB that need to be more clearly identified and addressed. I have received the support of the Chairman of the Government Management Board to instigate an immediate review of the management practices of the TAB, to be conducted by a senior officer, Mr Michael Schilling. Mr Schilling has also been instructed to examine the management practices of the board, particularly in relation to its conduct, both collectively and individually, in the management of the allegations currently under investigation.

Mr Schilling will also advise whether the legislation under which the TAB operates, that is, the Racing Act 1976, needs to be amended to ensure greater accountability of the TAB to Government. I hold the view that the Act does not provide the direct control required by the Minister to ensure the proper accountability of the TAB to Government. Given the serious nature of the inquiries taking place into these matters, I believe it is appropriate that the General Manager should stand aside from his position for the duration of the investigations. I have, therefore, written to the Chairman requesting him to instruct the General Manager to so do. The Chairman has responded to me today to indicate that the General Manager has been suspended from the performance of his duties from the commencement of business today.

Finally, I wish to make two points. First, I would stress that there is absolutely no evidence that there has been any impropriety in the financial operation of the TABs betting function, nor has there been any allegation whatsoever in that respect. Secondly, I wish to make clear that, although the Government is reserving final judgment on these matters until the current inquiries are completed, it should not in any way be considered that the Government is condoning either the improper practices identified in the Crown Solicitor's report or the inadequate conduct of the board in these matters.

The Government views all the concerns expressed in this statement with the utmost gravity, and the action of both the board and the General Manager which have so far been identified will be taken into account when the Government makes its final decision on these matters. However, the Government believes that many aspects of the events and issues relating to the allegations and the board's handling of them need further investigation so that a proper and informed decision can be made.

I would now like to move to the general report with regard to the overview of the Department of Recreation

and Sport. The Department of Recreation and Sport continues to play a vital and active role in improving the quality of life for South Australians through the development and support of sporting and recreational opportunities. The department's fine work covers a broad spectrum of society, from those looking for enjoyment and fitness through to those with high performance levels. In these tight financial times, the department has focused on ensuring that its resources provide greatest public benefit.

The department is currently reassessing its priorities, which will revitalise it and assist it to continually improve upon its performance. Central to this is a review conducted by the department's Acting Chief Executive, Dr Don Swincer. The review will act as a catalyst to give a fresh focus to the activities of the department. A major innovation is the development of a Sports Development Section (SDS) and restructuring of the former SARI, to form Recreation SA.

The Swincer report recommends that a stronger focus be given to needs based sports and social justice. The structure of the new section allows special needs sports and general sports to be considered discretely, independent of the high profile South Australian Sports Institute. The SDS will enable specialised attention to be given to needs areas, such as women's sport, Aboriginal sport, junior sport and disabled sport. The Department of Recreation and Sport takes pride in its social justice policies and recognises the need to ensure as far as possible that sporting and recreational opportunities are available to all people.

On the other hand, SASI will concentrate on elite sport, with a system where merit and performance are the main factor determining the allocation of funds. In effect, SASI will be focusing on investing in excellence. I am confident that the SDS will enhance sporting and recreational activities for a wide range of people from top athletes to occasional recreators. I would like to congratulate the hard work of departmental staff and coaches, and the excellent results of our olympians, both able bodied and disabled.

South Australia sent 26 athletes to the traditional Olympics and they achieved five medals: one gold by Gillian Rolton in the equestrian event; two silvers—one by Paul Lewis in hockey and one by Stuart O'Grady and Brett Aitken in cycling; and two bronze—one by Phil Rogers in swimming and one by Ian Rowling in canoeing. These excellent results pay tribute to the South Australian Sports Institute and the fine athletes it has helped produce. Our paralympians, too, did South Australia proud. This State sent 28 athletes: 15 in wheelchairs, three amputees, one blind and nine intellectually disabled. Wheelchair athlete Vince Vallelonga won one silver and one bronze in track events, blind athlete Kieren Modra won two bronze medals in swimming, and amputee Neil Fuller won a silver and a bronze for track events.

In relation to other special interest groups, I was particularly proud last week to announce the formation of an Aboriginal Sports Unit. The initiative comes as a result of a task force that I directed be set up late last year to investigate ways of advancing Aboriginal sport. The unit will involve three staff in the areas of sport development, recreation development, and policy and

planning. Sport is recognised internationally as a focus for national and cultural identity, and I believe this unit will help Aboriginal people overcome social, economic, cultural and racist barriers in order to better access sporting and recreational opportunities.

Another initiative that I believe has the potential to reap rewards for South Australia is the newly formed International Unit. The unit was formed to take advantage of opportunities that arose during lobbying for the 1998 Commonwealth Games. Although Adelaide did not secure the Games, we discovered a great many sports programs, coaching initiatives and major events which we are well placed to benefit from.

Back home, several major projects are in the pipeline. This financial year will see the completion of the internationally acclaimed Superdrome at State Sports Park. The structure will be the finest cycling facility in Australia. It will be home to the Australian Institute of Sport's cycling division and, I am sure, a much sought venue by other cyclists. The Superdrome has also secured other users, and in particular volleyball, and wheelchair sports. In relation to baseball, \$500 000 has been allocated to develop an international standard baseball complex. Stage I of the development will feature a diamond, change rooms and security fencing.

In the southern suburbs, \$200 000 has been earmarked to assist in the purchase of land for a regional sports facility. The department will continue to negotiate with the local community and interest groups in relation to the facility. The balance of work on the Hindmarsh Soccer Stadium will be completed early next year, in time for Adelaide to host the prestigious 1993 World Youth Soccer Cup. The refurbishment will see an improved grandstand, media facility and player areas. This financial year, Kidman Park—the home of SASI—will receive \$500 000 for improvements to its administrative area.

There is some good news in the budget for the racing division. The SAJC and TAFE have joined forces to present a jockey apprentice program at the Cheltenham racecourse. TAFE has leased 6.6 hectares of land in the north-eastern corner of the course, where it will build the facilities needed for the program. The TAB has continued its steady performance this year—a good result, given the prevailing economic climate. It produced a modest \$2.6 million increase in its turnover to \$496 million, and returned extra dollars to patrons.

The TAB is forecasting an increase in its turnover following the amalgamation on Monday of its Win and Place pools with those of Victoria. The bigger pool will offer greater dividend stability and should inspire greater confidence in the betting public. South Australia and Victoria have agreed that the commission on bets should be reduced from 15 per cent in Victoria and 14.5 per cent in South Australia to an even 14 per cent. This proposal is yet to be presented to the Victorian Parliament for endorsement. However, the lower rate will be highly attractive to those punters currently placing their investments interstate. Overall, the Department of Recreation and Sport is facing the same financial constraints as are other departments but has accepted the challenge to ensure that taxpayers funds are used as effectively as possible. I invite the Committee to inquire about the estimates.

Mr OSWALD: I would like to refer back to the opening statement made by the Minister with reference to the General Manager of the TAB. It would appear from his statement that all the board members were familiar with what was happening in January this year and continued to be familiar with it. Indeed, my information is that the board members had several discussions amongst themselves over eight months before it was decided to inform the Minister. On that basis, does the Minister have sufficient confidence in the board, given that it withheld the knowledge of this incident from him, that he will not now call for the instant dismissal of the board? The Chairman is a very senior public servant, and there is a former Premier and a former Deputy Premier on the board; all the members would be fully aware what the principle of ministerial responsibility is all about and would know that they had a responsibility to inform the Minister of Recreation and Sport immediately a matter as serious as this arose, but they failed to do so.

On the basis of that, the Minister has been totally let down under their responsibilities under the Racing Act, and I believe he has been put in a position where he has no option but to call for the dismissal of all the board members, except perhaps the new member, Dr Morton, from the SAJC, who was not involved at the time. Based on the information provided tonight and bearing in mind that all members of the board except Dr Morton were fully aware of the sequence of events and the cover-up that was going on, will the Minister call for the immediate dismissal of the board?

The Hon. M.K. Mayes: In my statement I made clear that I was certainly not satisfied with the board's handling of this matter. That probably speaks for itself. In relation to what the member for Morphett has said with regard to those present at the meeting on 23 January, I do not have evidence in front of me as to how that was dealt with, how it was processed by the board or who was actually present. In fact, the Chairman indicated to me that they did not regard it as a board meeting. As I say, I do not find that adequate. As I made clear in my statement, Mr Schilling has been asked to investigate this whole process and report back to me through the Government Management Board on the events that surrounded that meeting on 23 January. Then the Government will be in a position to make a very clear decision in regard to that matter. As to who informed whom of these allegations, I make quite clear that I was not informed by anyone from the TAB with regard to these allegations. It was brought to the attention of one of my staff members who, through good detective work, pursued it and discovered a copy of this document that was presented.

Mr OSWALD: I accept the Minister's statement that he was not aware of the incident until very recently, but the fact is that the board was aware, and the board had discussed the matter. The Minister will have to be very careful that he does not subject himself to allegations that he was protecting members of the board. His taking no action will do nothing for the confidence of the public in the administration of the TAB. The evidence is very clear that a lot of impropriety has gone on. Everyone there has known about it for some eight months. Once again, I call on the Minister to use his responsibilities under the Racing Act, on the evidence presented, to seek the

suspension of the board pending the appointment of a new board.

The Hon. M.K. Mayes: I appreciate the concerns of the member for Morphett with regard to the conduct of the board. Let me assure the Committee and the public at large that I have taken extensive legal advice in regard to all these matters. The collective advice I have has led me to this course of action. In order to properly address it and to ensure that natural justice is not only done but seen to be done, in my opinion, and according to the legal advice I have received, this is the most appropriate course of action to be taken. When all of that information is collected in front of me, and when I know what the anti-corruption unit has investigated and discovered, the Government will be able to make a decision collectively with regard to the whole situation. Again I stress that the activities Mr Schilling has been asked to investigate involve the board and its handling of the matter. When I receive that appropriate report from Mr Schilling, the Government will be much better placed to make an absolute decision in this matter.

Mr OSWALD: There are two issues, the first being the investigation into the allegations concerning the General Manager of the TAB. They will proceed as the Minister has indicated, and I am quite happy to watch the sequence of events as they unfold. The second issue is the action of the board. We have to carefully analyse the composition of the board. I go back to my initial statement: the board consists of some very experienced people in the operation of the Public Service and their responsibilities under the Racing Act. One is a former Premier; one is a former Deputy Premier; and one is a very senior public servant. They knew their responsibilities very clearly. They would have known very clearly at that meeting in January of their responsibilities. To cover it up and not to inform the Minister of Recreation and Sport is totally inexcusable and something which I do not believe the Minister can tolerate for one second. He has a responsibility to move immediately. I emphasise that there are two separate issues: one is the investigation of the General Manager and the other is the non-activity of the board.

How can the people of South Australia have confidence in a board that knows this matter has been going on—and we all know that discussions have been taking place amongst board members for some time? At the end of the day, the Government says that it is not prepared to take action against those board members who knew their responsibility. They are very experienced men who are involved in the Public Service and in the administration of Government and who knew exactly what the ground rules were but chose to take no action. I repeat: if the Minister does not take action, it will be seen as a cover up and a protection of certain members of the board. I would not like to see that accusation levelled at the Minister given that he found out about the matter only a few days ago.

The Hon. M.K. Mayes: I accept that the matter is in two parts: the investigation into the activities of the General Manager, and the processes that follow from the activities of the General Manager—the investigation that the board apparently carried out and the holding of some form of meeting on 23 January. I am not covering up for anyone. I require clear evidence, and the Government will

certainly act the moment it has that clear evidence in front of it. That is the purpose for our asking one of our most experienced officers in the Public Service, a person who has a very credible reputation as an officer capable of this type of investigation—Mr Mike Schilling—to investigate the activities and the processes that the board followed. When we have that evidence in front of us, the Government can act.

At this point, I do not have clear evidence in front of me. I have a series of allegations and a collection of facts. I have the report from the Crown Solicitor which touches more directly on the activities of the General Manager and makes certain comments about the activities of the General Manager and their appropriateness but, in my opinion, and according to my advice, it certainly does not give me enough to make a decision one way or another with respect to the board. Clearly, I have stepped in, and the board is clearly on notice that both matters are being investigated at the most serious level. To invite the anti-corruption unit in is a significant step and recognises the seriousness of the allegations and the findings of the Crown Solicitor.

To invite the Government Management Board to investigate the activities of the board is a very serious step. It flags to the TAB management and the board that the Government is not accepting the way in which the place has been managed and that there has to be a total improvement. In addition, Mr Schilling has been instructed 'to examine the management practices of the board, particularly in relation to its conduct, both collectively and individually, in the management of the allegations currently under investigation'. When I have that evidence in front of me, the Government will act. I assure members of that. There will be no cover-up, no escape for anyone found culpable who has not applied appropriate and proper processes of Government to that organisation.

If people are found to have failed in their duties or have not been performing their duties, obviously they will suffer the consequences. I make no excuse—certainly I would never do that. I must have an appropriate form of investigation that gives the Government the evidence to act properly and appropriately. I have my own opinions about this, as I am sure every member does, but we have to follow this process in a correct manner. I am ensuring that that is done so that, when we do make a decision, it is the proper and appropriate decision and there is no recourse or recriminations as a consequence.

Mr OSWALD: Will the Minister inform the Committee of the consultations he has had with Premier Arnold on this matter? Has the matter been to Cabinet, or has there been only a one-to-one discussion between the Minister and the Premier? If the Premier was consulted, what was his view, and what were the views of the other Cabinet Ministers in this regard?

The Hon. M.K. Mayes: I am not at liberty to divulge what Cabinet has or has not considered. I have consulted with the Premier, and he has left the management of the matter in my hands. From the moment I received the report, I have basically been engaged full time in considering this issue and how it should be appropriately and properly dealt with. Involved in that is consideration of the advice I could gather from the Government Management Board, the Crown Solicitor and all other

sources that are appropriate to give me advice. The Premier is aware of the steps I am taking. I am sure he is leaving the matter in my hands but, at any time he feels it must take another direction, I will be open to his counsel.

Mr OSWALD: Will the Minister inform the Committee whether a time constraint has been put on this inquiry? Will it report by a certain date?

The Hon. M.K. Mayes: I have not put a time constraint on it. Obviously, the urgency of the matter requires that it be dealt with post haste. We have made a request to both investigation branches involved to ensure that the dark cloud hanging over the TAB is removed as quickly as possible. I stress that we are not talking about the management of the betting funds or the actual operations of the TAB but about the internal management of resources within the TAB, whether they have been properly managed and how the managers have conducted themselves in relation to those resources. There is no question about the soundness of the TAB itself. It is really a question of those management practices and what conduct has been adopted by the managers within the TAB.

Mr OSWALD: The Minister had grounds to suspend the General Manager and I believe he also had grounds to suspend the board. He should take that action certainly based on the evidence that has been presented here tonight. Not to take that action, I think, will raise more questions about this whole matter than he can resolve.

The Hon. M.K. Mayes: I appreciate the member for Morphett's concern. Let me say to him that I have considered this, as I say, over the past week or so when the matter has been in front of me. I particularly view the activities of the General Manager with grave concern and am concerned about the way in which it has been dealt with by the board. I am not covering up for anyone on the board. I want a proper investigation. I want these people to put before the investigating officers what they did and how they dealt with it. I want to deal with it in a proper way.

When that inquiry is completed, and I hope it is completed quickly—that has been the tenor of the discussions conducted by my staff with the Chairman of the Government Management Board—the Government can make decisions based on the information and evidence it has in front of it. That is the only way to deal with it. I do not have in front of me sufficient evidence to make a summary decision at this time.

Mr OSWALD: If the Minister does not remove the TAB Board, will the Anti-Corruption Unit of the South Australian Police Force investigate members of the TAB Board who may have condoned the actions of Mr Smith?

The Hon. M.K. Mayes: I am happy to share the charter given to the Anti-Corruption Unit. I do not believe there is any constriction to investigate anything because the unit has virtually been given *carte blanche* to do what it wants in regard to the investigation. There is no hurdle or prohibition to the Anti-Corruption Unit investigating any one of those matters in respect of the allegations. It would be foolish and stupid to do that, because I would be restricting or tying one arm behind their back in order to get to the truth of the situation.

We want a complete and total investigation. I appreciate the honourable member's focusing on the role

of the board and I understand that. Believe me, I am aware of the board's concern in this matter. However, if one looks at the allegations made about the relationship between contractors and the General Manager, I have grave concern about that as well because it is something that could lead to special treatment and privilege of the contractors concerned, and bring benefits to the TAB General Manager. That is the process at the moment. I have a catch-all to the investigation reference and I am happy to share it. The brief is as follows:

As a matter of urgency I intend to refer two matters to the Anti-Corruption Unit for further investigation. The two matters are:

Whether the General Manager at any time wilfully gained financial advantage from employing TAB contractors for personal work through the agency or a TAB employee.

Whether the financial advantage gained by the General Manager through the use of the TAB employees for personal purposes was sanctioned by the board of the TAB.

I hope the honourable member notices the last paragraph, which provides:

In addition I will request the unit to investigate any other matters related to this issue.

This catches all the honourable member's concerns and, if he believes that I have not caught them all in the unit's investigation, I will ensure that it is communicated to Commander Lean first thing in the morning.

Mr OSWALD: Since being informed of the allegations in late August, has the Minister or anyone on his behalf, or any staff member, had discussions with Mr Corcoran, Mr Wright or Mr Hayes?

The Hon. M.K. Mayes: I have not had any personal discussions on this matter with Mr Corcoran or Mr Wright. I had an interview with Mr Wright about a week ago and he raised a matter that related to it but we did not discuss the allegations or the situation. He provided me with additional information about the allegation that was useful in our investigation but I did not raise it with him. I deliberately did not raise it with him. He provided me with additional information. The only time I saw Mr Hayes was at the launch of the Super Tab on Monday. I shook hands with him and said, 'Welcome back.' That was the extent of our conversation.

Mr HERON: Can the Minister indicate what further development is planned for the State Sports Park and what will be the cost of that development to the Government?

The Hon. M.K. Mayes: I am more than happy to indicate to the member for Peake what is actually happening at State Sports Park. We have focused on what has been occurring with the hockey stadium. We have talked about the Superdome, which will be a magnificent facility. As the Chairman will appreciate, we will probably see one of the best velodromes in the world. Having recently been privileged to attend the Barcelona Olympics, I was able to see what Barcelona provided. The member for Hanson unfortunately did not make it, but I am sure he would concur if he had been there.

The facility we will be providing will be 50 per cent better than what was at Barcelona, in my opinion. It will be a magnificent facility for cycling in this State and nationally. It will be the focus for national cycling. It will be the only indoor track on the east coast. I talk about it in general terms because it reflects right through to Brisbane and Cairns and we will have cyclists travelling down to compete in our Superdome because it is

weatherproof. Also, we are looking at a baseball stadium which will be a significant facility. There has been an ongoing debate with Baseball SA.

As to stage 1 of our development—and we are committed to it—the last reading today indicated that Baseball SA was still committed to it. Stage 1 involves the playing diamond, change facilities and security fencing. Stage 2, which is 1993-94, will be the lighting, and then we go to 1994-95 for stage 3, which will be the spectator facilities. That will give our national league team a home unequalled anywhere in Australia. It will provide them with a focus not only for developing baseball in South Australia but also offering opportunities to bring in international sides such as the New York Yankees in the off season who look for summer camps in their winter season.

We think we can provide something that can be of benefit not only to children in South Australia in the future but also to baseball as a whole. We are also looking at a golf course as another aspect of the development. We have encountered some difficulties with water supply but we think we can overcome those. Also, we are looking at providing a recreation facility not only for residents of the immediate location but for all South Australians.

We are looking at having a forest area to the north-east of the velodrome and we will see a recreation facility there for people to enjoy—not just by the sports elite but also as a low-key recreation facility. There are opportunities for us to consider other facilities and they will be negotiated in due course with those bodies. We are still negotiating as regards netball's future.

So, that spells out what we have in mind for State Sports Park, and I think it will be a magnificent asset. It is about 7.5 kilometres from the centre of the city. Nowhere else in Australia would one find such a complex that offers to the community not only the enjoyment of watching elite level sport, whether it be international hockey or international cycling, but also the opportunity to recreate on a golf course, enjoy a picnic or walk through the park.

Mr HERON: Will it be a public or private golf course?

The Hon. M.K. Mayes: It is proposed to be a public golf course. It may have a unique management arrangement whereby we provide the opportunity for national championships, but it is important that we look carefully at the needs of the community as a whole, and that is where a public course would come into play.

Mr HERON: Are coaches at the South Australian Sports Institute now employed under the GME Act and, if so, what are the consequences of negotiating a coaches' award structure?

The Hon. M.K. Mayes: This has been causing great anxiety amongst coaches. We have established a coaches' award structure. After a long implementation period of almost three years, the conditions of employment and salary have now been negotiated. Coaches will be employed under the GME Act, and that will give them a great deal more security. It has been agreed that the salary level in the new structure be backdated to 24 September 1991. All sports have been informed that any financial assistance to the coach will be totally their responsibility and not any concern of SASI. Any coach

who has an employment contract outside the SASI coaches' award structure should not be entitled to the various allowances, no part-time coaches should be eligible for the loading assistance and will only receive various motor vehicle allowances.

So, all coaches have been brought under the Government Management and Employment Act, and I think that has given them a sense of security which they have not had in the past and the opportunity to focus on their elite athletes rather than worry about their employment arrangements. For some time, considerable focus has been taken away from their elite athletes and put onto their need to get a proper structure in their coaching contracts. We are delighted that this has happened; we gave an undertaking to the coaching staff that it would happen, and it has happened today. All but two coaches have accepted contracts as of today. The two who are yet to sign their contracts are overseas and unable to do so, so that would account for that.

Mr HERON: There has been universal praise for the quality and efficiency of Adelaide's bid for the 1998 Commonwealth Games. Will Government resources be put into a further Commonwealth Games bid should the opportunity arise?

The Hon. M.K. Mayes: We have looked at the whole impact of the Commonwealth Games and what it meant to Adelaide. I am sure that the member for Hanson has a very clear view about this matter. The other day, a letter from the Treasurer of the Commonwealth Games Federation addressed to the former CEO of the Games bid appeared in the department. It will be of interest to the member for Hanson as it reinforced the view that Adelaide's bid was the best. That is slightly ironic coming from the Treasurer. He indicated also that he had a feeling that when he left Barcelona he was somewhat *persona non grata* with the South Australian delegation. Let me assure him that that is the case, and it has not changed.

With regard to the 2002 bid, on moral grounds I think Adelaide should have it, and I hope that the responsible Minister will consider that, but I offer a word of caution. It appears quite clearly that decisions are now made not on the ground of sporting merit but on a political basis of whose turn it is or whether it should be given to a developing country. That has some merit, particularly if one looks at the importance of the situation in countries such as India, which according to population is the largest Commonwealth member. Certainly, one would have to think seriously if India bid for the 2002 Games.

In addition, we will have to look carefully at what is happening in Africa. The rumour is that either Nairobi or Harare will be a sincere bidder for the 2002 Games. I fear that Adelaide will go through all the anguish, pain and agony of putting together a major bid, of being openly encouraged to bid by the CGF, as we were previously, with a great deal of credibility being given to the bid process, only to be told five weeks before the actual decision is made on the bid that it is Nairobi's or Harare's turn because Africa has never had the games. I offer that caution to whoever makes the decision, and that would be just before July 1996.

My fear is that, if there is a serious bid from India or Africa, the 2002 games will go to one of those countries, although morally, financially and sportswise Adelaide

should have it. I have heard that Canberra and Perth have already thrown their hat in the ring. I think they ought to keep their powder dry but, irrespective of parochial views, I think it is important that they allow Adelaide the opportunity, given the outstanding case that we presented for hosting the games here.

Mr HERON: What has happened to the bid that South Australia put in for the games? Has the message been brought home to the Commonwealth committee that it should change its ground rules on selection or are we just banging our heads against the wall again?

The Hon. M.K. Mayes: I do not expect the committee to make any changes. We are not living in the real world if we think the committee will change a system that might jeopardise a country from one of the predominant zones. If the African bid were based on sports merit alone, it would be eliminated in any contest with any Australian city. I would be very surprised to see the committee change its rules. I think it is now captured, in a sense, by the political process of the Commonwealth, and it would be impossible for the committee to alter the ground rules because of the structure of the Commonwealth Games Federation body. I could not see Asia or Africa supporting it. I do not think the European-based Commonwealth countries would support it because it would alienate them from other zones. So, I think we are faced with this situation, and that is why I express caution about our proceeding with a bid for the 2002 games.

The Hon. JENNIFER CASHMORE: I am disappointed that, following a very important statement by the Minister, none of his colleagues has yet seen fit to question him. I think he has been let down in the most base fashion by members who ought to have known better, politically experienced people who know the rules and the law and what proper conduct is. I think there has been a total betrayal of trust in the Minister by his former colleagues and others, and I think further questions need to be asked following the Minister's statement.

The Racing Act established the Totalizator Agency Board. Section 45, which provides the terms and conditions of office of members of the board, states that the Governor may remove a member for, among other things, neglect of duty or dishonourable conduct. While there may be no constraints on the Anti-Corruption Unit's investigating the board in accordance with the terms of reference that the Minister has just read to the Committee, why has the Minister not given instructions to the unit specifically to investigate whether there has been neglect of duty or dishonourable conduct on the part of any member of the board?

The Hon. M.K. Mayes: I thank the member for Coles for her concern. Certainly, I have given those instructions to Mr Schilling to investigate the processes the board followed. I am very much aware of the Racing Act. It has been thumbed over very thoroughly in the past few days in order to establish the implications. As I said, I have sought legal advice. I would not like to think about how many times I have had conversations with senior legal counsel in relation to this issue and as to what direction I should take. I have taken very serious notice of that. That is the very reason why we have instructed Mr Schilling to examine the management practices of the board, particularly in relation to its conduct, both

collectively and individually, in the management of the allegations currently under investigation.

From my communications with the Chairman and the information that has been provided to me I do not have sufficient evidence to act on that particular section of the Racing Act. I need further evidence before I can act on that. That is the very reason why I am doing it—because I cannot act in an impromptu or summary way. I will only put in jeopardy any future decisions that the Government might make. I assure the honourable member that I have taken more senior counsel and I have consulted those people whom I obviously need to consult in regard to this matter, and I am dealing with it in what I think is the most appropriate way.

So, if there is a case to be constructed against any member of the board or any member of management, dealing with both issues separately, I will have that evidence in front of me, collectively and properly presented to me or to whoever is the Minister, so that the Government can act in a very appropriate and proper way. I am not trying to cover up anything. I want to deal with the issue and I want the evidence in front of me. When I do deal with it I want to do it properly. In that way, whatever action taken will be swift, precise, clean and decisive. It will not leave a trail and it will not give anyone other than what they are entitled to under natural justice. If they have erred, they will face the consequences and pay the price.

The Hon. JENNIFER CASHMORE: I thank the Minister for reading out what I believe was an additional term of reference in respect of the specific requirements for an investigation of the board. I refer to page 3 of the Minister's statement, which states that some management practices of the TAB seem to be inconsistent with the requirements of the Government Management and Employment Act. Can the Minister identify for the Committee what those management practices are and how widespread has been the practice at the TAB for staff to order personal goods through the TAB?

The Hon. M.K. Mayes: Again, I am somewhat constrained. However, it is only fair to the member for Coles that I share as much information as I have in front of me. Again, I stress that I do not have all the information. I asked the Crown Solicitor, through the Chairman, to investigate the allegations we have in front of us. The document did not give us a broad picture of the extent of any improper actions of TAB employees as a whole. It focused particularly, with one exception, on the activities of the General Manager. Again, I do not have consolidated evidence. That is again why I have asked the Anti-Corruption Unit to investigate the issue thoroughly—from top to bottom. I think that unit has the expertise and the skill to do that. In time, we will have all of that information in front of us.

In addition, Mr Schilling will be investigating these practices, their extent, what needs to be done to address them and what action needs to be taken as a consequence of any of the investigations that he conducts. Of course, the practices include the use of private contractors for private work and the use of TAB staff in engaging those contractors. I am sure that I do not need to spell out to the honourable member the consequences of that in terms of the operation of future contracts by the TAB or even what was offered in the way of price to the General

Manager for work done on his private home. All of those things flow as a consequence.

In addition to that, I take the honourable member's point in regard to staff ordering personal goods through the TAB. That is hearsay; I have nothing more on which to base this, but I understand it is reasonably widespread. That is another practice that I find unacceptable and I think it would be totally inconsistent with the GME Act. Again, I must stress that they are allegations at this point and I cannot say anything more than that. I have total trust in Mr Schilling. I do not know whether members know Mr Schilling, but I have ongoing relations with him in my professional activities as Minister. He is an excellent officer. He is extremely thorough and one of the best officers in the employ of Government. He has informed my office of the people who will be engaged in the examination of the financial, personnel and industrial practices of the TAB.

The issue extends beyond the matters we have raised. Concern is also being expressed, now that this whole thing has been exposed, about the industrial practices of the TAB. Those issues must be investigated as well. I think Mr Schilling is able to deal with those issues thoroughly in a competent and professional way. He has pinpointed officers whom he believes are specialists in financial and industrial matters. They will be dealing with the investigations at a very personal and direct level. That is as much information as I have in front of me that I can give to the member for Coles. At this point we are dealing with allegations and I cannot say anything more than that. The Crown Solicitor's report addressed only the very specific area of the General Manager's activities. However, it was of enough concern to me to warrant this double level of investigation by the Government Management Board and the Anti-Corruption Unit.

The Hon. JENNIFER CASHMORE: It is the experience of most members in this Chamber and beyond it that, if things are not right at the top, they are not right anywhere. That suggests that the corrupt practices that have been perpetrated at the top may, by virtue of example, have filtered down further. In his reply the Minister mentioned one other staff member. He did not elaborate on that. I believe I heard him correctly and that he mentioned one other staff member.

The Hon. M.K. Mayes: No.

The Hon. JENNIFER CASHMORE: Can the Minister tell the Committee whether his information thus far is restricted to the fact that only one other staff member may have been involved and, if not, how many other staff members may have been involved? In addition, what resources will be given to Mr Schilling to pursue his inquiries because, quite clearly, if he is examining matters of the breadth and depth that the Minister has outlined, it is far too big a job to be put in the hands of one person and have it dealt with—even when working full time—at the speed the Minister quite rightly requires?

The Hon. M.K. Mayes: The member for Coles did not hear me correctly; I did not say that another staff member was involved. The Crown Solicitor focused his investigation on the particular activities detailed in the document that came to our attention. The focus was on the activities of the General Manager. Other staff members were involved, but as I understand it that was at

the direct instruction of the General Manager. That is one of the things that has to be investigated, because we do not know the extent of that. Whether the staff member was actually voluntarily giving that service or whether that person was directed by the General Manager, we do not know. I have my suspicions and they are probably similar to those of the member for Coles, but I do not think it is appropriate at this stage to jeopardise any investigations by expressing my opinion.

In relation to the resources available, as I have said, discussions have been held with the Chairman of the Government Management Board. I believe whatever resources are needed will be devoted to this investigation. Mr Schilling has already gathered those specialist resources that he needs. I understand that he will be on the job next week with those specialist resources. I share the honourable member's concern. I was just stunned when I saw this and received the Crown Solicitor's report. I could not believe, given the events that have occurred in the community in the past few years, that this sort of practice had not only continued but had also been accepted as a *modus operandi* for the General Manager. It seems that that occurred without any remorse or contrition. I have to say that I was stunned beyond belief. I thought for a moment that it could not be true. I know that my views are shared by the Chairman of the Government Management Board—he was horrified.

Mr Schilling has a very clear instruction and a very clear understanding of what is appropriate in the eyes of Government and what must be conformed with in regard to the Government Management and Employment Act. This has to be sorted out. This is a very important organisation in our community and deals with nearly \$400 million per annum. It is one of the most significant industries in our State and to have any cloud hanging over it is exceptionally damaging and undermines the confidence of the community in statutory authority organisations. A letter from Michael Pierce in today's *Advertiser* showed that he must have a seventh sense to pen a letter protecting the good qualities of the public servant who works within the departmental structure and who generally has a very good knowledge of what is appropriate and how things must be dealt with compared with some of the activities that have occurred in statutory authorities.

I have had a view about that operation now for a month or so since I appeared before the Economic and Finance Committee. I came to a very quick conclusion as to the powers of Ministers. The issue of 5AA is another concern. In a sense I have to cop the flak but have no powers of direction, general or specific. I have asked for the Act to be redrafted. I know from discussions with my colleagues that the Economic and Finance Committee has discussed it. This report from Mr Schilling will touch on that as well in a very thorough and detailed way. We have to devote whatever resources are required. Commander Leane has been briefed and is ready to go from today.

The General Manager has been suspended which is appropriate because some of these allegations could touch on criminal matters. It is highly inappropriate for the person who is being investigated to be in the position of General Manager or senior executive officer. As to the board, Mr Schilling will thoroughly, without fear or

favour, investigate this and give me a most honest and devoted report, and I will then act without fear or favour, whoever is on that board. If they have failed to meet in the commission of their duties and failed the charter that they have, they have failed as board members and I will see that section 45 of the Racing Act is put into place.

The Hon. JENNIFER CASHMORE: I accept the Minister's assurance on that. I noted that in his response to my second question he referred to unsatisfactory industrial practices. It would be the responsibility of every member in this House if a former Minister of Labour on a board is condoning or permitting unsatisfactory industrial practices. The Minister would have every reason, especially as that person is a former colleague of his, to feel let down in the worst possible fashion. What is the nature of the unsatisfactory industrial practices?

The Hon. M.K. Mayes: I have only very general allegations, and that is part of the problem. These allegations have surfaced since this matter has come to the boil with the Crown Solicitor's investigations. It would be unfair for me to pinpoint any particular practices. I am aware of some concerns that the Federated Clerks Union has expressed to a member of my staff with regard to the conduct of some of its negotiations with the TAB in respect of the welfare of its members. I am confident in saying that that will be investigated thoroughly. If Mr Schilling finds that the board was aware of that, I will be told in full of the detail of the board's knowledge.

Mr HERON: I refer to page 266 of the Program Estimates, program title 'Racing and gaming'. By how much might tote and bookmaker revenue be reduced as a result of the introduction of poker machines? What will the Government do if there is a catastrophic reduction in betting turnover owing to poker machines?

The Hon. M.K. Mayes: It is a very good question, about which I have thought, particularly with the passage of the Gaming Machines Bill through Parliament. We have a rough estimate, but it is very ambitious to even venture a figure. It varies depending on whom one talks to and on who is the expert in the field, but it is a reduction of between 7 per cent and 11 per cent. We have brought in Super Tab as the first step. If last Monday's launch is any indication—27 per cent increase in turnover on the day—obviously there is a novelty in that, but we were predicting from 14 per cent to 25 per cent. That is the first step to countering the potential loss that may occur through gaming machines. We see this as a gradual thing. I see that the Deputy Premier announced the other day that it may be July before any gaming machines are in place in the State. The industry is facing some really interesting outcomes, which we will have to very carefully address.

Our betting auditorium, which we are still working actively to establish at Morphettville, will be another interesting and important outlet. I know that this is controversial: it has raised its head in Victoria in the pre-election period, with bookmakers actively campaigning for telephone betting. I have always been a very strong supporter of telephone betting. There is certainly an avenue in the auditorium environment where telephone betting can be carefully managed and controlled with the

technology that we have. That will be another boost to bookmakers, whose well-being is of concern to us.

It would be strange on an Australian racing track not to have bookmakers operating. It has become part of our culture. It is certainly part of the environment of racing and adds colour and excitement. I cannot imagine going to Oakbank on Easter Saturday or Monday and not see masses around the bookmakers boards. We have to address that. We are probably on notice now and the industry, Government and community have to get their act together. I call on the SAJC to get the numbers together so that we can get on with the auditorium and make a decision on it because it is very significant to the industry. The Government and Opposition are in favour of it: therefore, the Parliament is in favour of it, yet we are waiting for the SAJC to finalise figures on the auditorium, which we need to boost the industry.

Mr HERON: On the same page, a 1992-93 specific target is minor changes to several rules to reflect the current practice with regard to a no-race being declared. What are these changes?

The Hon. M.K. Mayes: We had several amendments to the Racing Act, some of which related to the pools basis. The alteration in the no-race related to our pool structure. The old rule was:

If a race is declared a 'no-race' and is subsequently re-run later the same day, investments for the win will be transferred to the re-run.

That has been amended to:

If a race is declared a 'no-race' and is re-run prior to the next race at that meeting, investments shall be transferred to the re-run.

The second amendment related to the following rule:

If a race is declared a no-race and is not subsequently re-run, the investments shall be refunded to the investor.

That has been amended to read:

If a race is declared a no-race and is not re-run prior to the next race at that meeting, the investments shall be refunded to the investors. If a race is declared a no-race and is the last scheduled race at that meeting and is not re-run on that same day, investments shall be refunded to investors.

They are basically the amendments.

Mr ATKINSON: Starting with specific targets for 1991-92, in what respect was the minimum win dividend of 52c on a 50c unit in conflict with section 74 (4) of the Racing Act?

The Hon. M.K. Mayes: I am advised by Mr Hartley that the Act provided that one could not have anything less than 5c, so we had to amend the rule to accommodate the Act. In other words, we had an inconsistency between the two sections of the Act.

Mr OSWALD: Will the Minister investigate whether a direction was given to the 5AA news service, which is owned by the TAB, not to report any news about this incident?

The Hon. M.K. Mayes: Yes, I will investigate that. I have no knowledge of this; I am certainly not aware of any instruction of that sort but, given the arrangements I have with 5AA and the arrangement that was established in this House that there would be no direction from the Minister in relation to the activities of 5AA, I guess I am constrained. However, this would clearly be a matter that would have to come from the board, and I will investigate straight away what instructions, if any, were

given. Obviously, I will direct that through the Chairman to the TAB and to 5AA.

Mr OSWALD: Will the Minister advise the Committee on what basis Mr Smith was stood aside and whether he is being stood aside on full pay or suspended pay?

The Hon. M.K. Mayes: I have not been informed of that. I saw the letter briefly an hour or so ago and, from memory, there is no information in it that indicates whether or not he is suspended on full pay, and I will certainly investigate that situation. I did not issue any instructions as to how the Chairman should suspend the General Manager: I issued a request under the powers that I have under the Racing Act that such action be taken. I did so to him in a written form. The reply has today's date, is addressed to me and reads:

The South Australian Totalizator Agency Board will cooperate in the investigation and review referred to in your letter dated 23 September 1992.

The letter I wrote to the Chairman was forwarded in a general sense to him last evening. The letter continues:

As requested by you, the General Manager has been suspended from the performance of his duties effective from the commencement of business today. Ms J.R. Roache has been appointed Acting General Manager for the period of the General Manager's suspension.

The letter is signed by K.C. Taeuber, Chairman.

Mr OSWALD: Will the Minister ask one of his staff to contact Mr Taeuber as Chairman of the board before the Committee rises tonight and inform the Committee whether the General Manager has been stood aside with or without pay?

The Hon. M.K. Mayes: I am happy to do that, if we can contact Mr Taeuber. I have just been informed by the Acting General Manager that the Chairman has informed her that Mr Smith has been stood aside with full pay and conditions.

Mr OSWALD: Have any TAB staff members already left the employ of the TAB as a result of these allegations, in particular, earlier in the year, when the allegations were first raised with the TAB board and discussed at TAB board level? If the Minister is unsure whether any members of staff have already left the employ of the TAB since that first board meeting when it was first discussed—they had a special meeting specifically to discuss the matter—will he ask the inquiry to take that into its terms of reference, to endeavour to find out whether any members of staff have left and to interview them?

The Hon. M.K. Mayes: I believe that Mr Schilling will certainly capture that as part of his terms of reference in the investigation. I will specifically direct those questions to him so that we ensure that they are covered. Knowing Mr Schilling (and I am sure the member for Morphett knows him), I have no doubt he will canvass every possible option in the investigation he is conducting. Since my coming into possession of that document, which was the one that was presented to the board on 23 January, there has been scuttlebutt in the community about some employees leaving. All I know from the inquiries of the Crown Solicitor and from the document that was presented is that Mr Glennon (the officer who was involved in arranging for contractors to do the work on Mr Smith's private home) is the only person who has left as a consequence. That is one of the

allegations—I can only confirm that. I have heard since this document has come into my possession that some other employees might have left, but that is totally hearsay and I cannot base anything on that at this time.

The Hon. JENNIFER CASHMORE: Did Mr Glennon suffer a loss of benefits and conditions as a result of resigning—presumably on a matter of principle. If that is the case, will the Minister consider Mr Glennon's position and, if he has resigned on a matter of principle and suffered financial loss as a consequence, will the Minister review that situation and ensure that Mr Glennon is not disadvantaged as a result of his acting on a matter of principle?

The Hon. M.K. Mayes: I cannot answer from the information that has been presented to me by the Crown Solicitor's investigation whether or not Mr Glennon received all his entitlements. I would expect that, because he was interviewed by the investigating officer from the Crown Solicitor's office, had he not, that would have been noted or reported to me. At the present time I cannot confirm that he has been deprived of any of his entitlements. Certainly, it would be a total injustice if he had, and that matter would be addressed urgently. I will convey the member for Coles' concerns with my support to Mr Schilling to ensure that he investigates Mr Glennon's position. I am absolutely sure that that will come out of the anti-corruption unit investigation as well, because quite obviously the initial allegation is centred on Mr Glennon's allegation. He was one of the signatories to this statutory declaration, alleging certain activities of the General Manager.

So, I can assure the honourable member that we will address that. All those questions will be conveyed to Mr Schilling with my express concern about that, as well. If Mr Glennon has not been given his entitlement (and perhaps we must review his severance of employment to determine whether he has been unfairly treated as a consequence of his raising these matters and, in terms of what I have said, that is highly appropriate), if he has suffered any loss because of that, I think that probably he is entitled to his employment and should have total justice, not just to be seen to have justice. That would be a matter for decision by Mr Glennon when we have a full report.

The Hon. JENNIFER CASHMORE: As a supplementary question, I think towards the conclusion of his answer the Minister got the real drift of my question. I was not suggesting that Mr Glennon had not been paid the entitlements that were due to him on his resignation; I am suggesting that, if Mr Glennon resigned prematurely because he believed that his integrity was being compromised, a grave injustice would be done if he were not offered his position back should he want it back. I hasten to add that I have not heard of Mr Glennon before tonight, so I do not know whether he is approaching retirement, was only recently engaged by the TAB or is half way through a career with the TAB that might have been expected to be lengthy. In any event, if he resigned in order that his integrity should not be compromised, the Minister has already indicated—and I would ask him to confirm—that, if Mr Glennon wished to resume employment with the TAB under a new and properly audited management, he should be given that opportunity.

The Hon. M.K. Mayes: I am at one with the member for Coles. I did touch on the first concern as to whether or not he received his appropriate entitlements. In the back of my mind is the term 'constructive dismissal'. One would have to say, on the allegations presented and the investigations of the Crown Solicitor, that there was some compliance by Mr Glennon with the activities that occurred. Whether these were under duress or whatever is a matter for the investigation unit to pursue. If it is found that there was constructive dismissal, justice would suggest that the only course of action, if he wanted his employment back, is for him to be fully reinstated with all entitlements.

I have never met him; I had never heard of Mr Glennon until this document came into my possession. He is a man in his mid-40s and he has had about 10 years employment with the TAB. That is the extent of my knowledge of him. Over the past few days, I have been focused not so much on the individual, although I am concerned for his well-being. If he is, as it appears, a person of integrity and if he has raised these matters in the public interest and not in any self-interest, he has suffered a grave injustice. The Government will see that he is appropriately placed back so that he has suffered no disadvantage. Obviously, he has suffered some distress and grief over the way in which things have been handled.

I can confirm from the Crown Solicitor's report that the way things were handled by certain persons involved in this event would leave a lot to be desired. If the member for Coles, when a Minister, or I had conducted ourselves in this way, we would not have lasted too long in our portfolios. We would have been hung, drawn and quartered in this place, and appropriately so. I am very conscious of that. I have had very little sleep over the past three or four days thinking how this matter should be handled so that it is appropriately and properly dealt with, so that natural justice is put in place, and so that the public are reassured that the organisation is being dealt with appropriately.

I guess we have been talking about the structure of the TAB. My dealings with June Roach have been on a very good basis over the years I have dealt with the TAB. I have confidence in Ms Roach's dealing with the management of the TAB. I have no doubts that she is a person of appropriate integrity to handle the TAB, and I am sure she will do so with all her skill and competence. I put that on the record so that there are no questions about Ms Roach's capacity or skills and so that there is no suggestion that I have not given her appropriate support in the conduct of her role as Acting General Manager. Those practices that are alleged to have occurred within the TAB emanate from the General Manager and, if the administration buck stops anywhere, it stops with him. Whatever knowledge the board has will be investigated. If the buck passes onto the board in the sense of its knowledge of the events—if the board condoned or acceded to them—the board will pay the ultimate penalty as well.

Mr OSWALD: On page 2 of the Minister's statement about the TAB he states:

The TAB officer has claimed that he attended the General Manager's residence to carry out such work on 30 to 40 occasions.

Does the Minister have an idea of the value of the work carried out on the General Manager's house?

The Hon. M.K. Mayes: I do not have any knowledge of the value of the work. From the Crown Solicitor's investigations we do have knowledge of the value of the work carried out in the one instance for which the contractor has not received payment. I understand that it is still the case that the contractor has not been paid for work to the value of \$2 300. I can provide further information. As to what we asked the Anti-Corruption Unit to investigate, that will be identified in those investigations.

As to liaison between my office and the Anti-Corruption Unit, the Minister of Emergency Services and the Chairman of the Government Management Board, I have asked Dr Swincer to liaise on those issues and questions raised tonight, and any questions that members might have about this matter should be directed to Dr Swincer, Mr Schilling or Commander Leane, or my ministerial adviser, Mr Bryant will be available. We will ensure that the doors are open and that communication flows.

As to industrial relations matters, because of all the events that have occurred it slipped my mind that I have received a request from the Public Service Association seeking a meeting with me. I am happy to table that, but I do not have it with me. It concerns the industrial matters of the TAB in a general sense. I referred to the FCU earlier but I meant the PSA and I apologise for that mistake.

Another important aspect involving discussions held between my office, Commander Leane and Mr Schilling has been to ensure that they are not bumping into each other during the investigation. Anything that Commander Leane or his officers see as of administrative importance relating to the matters being investigated by Mr Schilling will be referred to him and vice versa: in those matters that Mr Schilling is investigating, if he sees anything of a criminal nature or that warrants the Anti-Corruption Unit's investigation, he will refer it to Commander Leane.

It is important that people are not running around. Ms Roach has oversight of TAB operations so that it continues to run and offer a service to the community of South Australia. Obviously, there will be liaison between those officers and Ms Roach in ensuring that the continuation of service occurs without too much disruption. There will be disruption and officers from both areas will be investigating but we want to ensure the minimum disruption to the general process of running the administration and provision of TAB services.

Mr OSWALD: I refer to the Auditor-General's Report, page 414, and through the Minister to the Acting Manager of the TAB. Over the past four years, TAB turnover has risen from \$316 million to \$465 million to \$495 million to \$496 million. Over this period profit has dropped from 28 per cent in 1989 to 20 per cent in 1990, to 6 per cent in 1991, and this year it showed a loss of 5 per cent. Will the Minister provide a complete analysis as to why there has been a drop in profitability over the past four years despite an increase in turnover, and as the loss is not attributed to a loss in turnover what action is being taken to reverse this trend?

MM

The Hon. M.K. Mayes: I can make a general comment on the overall performance of the TAB, tying together the return on turnover as a percentage and looking at the growth in turnover compared with the growth in the CPI. The growth in turnover is not equal to that of the CPI, and that is self-explanatory, but I will take the honourable member's questions on notice and provide a detailed explanation as to what forces came into play to bring about the percentage drop in profit in relation to turnover.

Mr OSWALD: I refer to page 58 of the capital works program. The Auditor-General's Report for 1989-90 identifies the TAB Board's acquisition of land at a cost of \$4.9 million which I presume is for the new headquarters building at 58 Franklin Street, Adelaide. This was funded by a loan of \$3 million from SAFA and \$1.9 million from the board's capital fund. What is the current valuation of the site at 58 Franklin Street and how does the board propose to write off the difference between the \$4.9 million paid for the site and its present valuation?

The Hon. M.K. Mayes: I am not sure whether the board would necessarily have to write that off in accounting terms. If the development at the Franklin Street site proceeds, it will be entered as a book value on current values. So, it would actually be absorbed into the total capital or asset value of that location. If, however, the TAB had to relinquish that site, I think a real loss but, in effect, a book loss would be recorded as a loss on the sale of the property. TAB is planning to do a valuation early next year, so we are carrying it at book value. Therefore, I cannot answer that question, but I think the honourable member is right. Jones Lang Wootton has estimated the current value of the site if sold on today's property market to be in the range of \$3 million to \$3.3 million. So, there would be about a \$1.6 million real loss if the property were relinquished by TAB, but that is not the current proposal. It will be absorbed into the capital value of the property if and when the construction of the TAB's new building proceeds.

Mr De LAINE: I refer to page 264 of the Program Estimates. I understand that the Heysen Trail will be completed later this year. What groups within the community have been responsible for the construction, development and management of the trail?

The Hon. M.K. Mayes: The work done by Mr Terry Lavender and his officers has been outstanding. This trail will be a world class asset to the State, and when it is completed later this year it will be 1 500 kilometres long. There will be access rights through every property from Kangaroo Island to past Blinman in the Flinders Ranges. I am sure members have bumped into a variety of walkers, both national and international. I bumped into a German walker last year who was celebrating the opportunity to walk the Heysen Trail and who of all things had planned to walk the length of it. He had already covered the Fleurieu Peninsula up to Adelaide, and when I bumped into him he was about to depart—

The Hon. Jennifer CASHMORE: How long had that taken him?

The Hon. M.K. Mayes: It had taken only a few days. He was fairly sprightly. He had allowed a week and a half for the rest of it, and I thought that might be a little

ambitious, but he appeared to be well equipped for the event. It will be an outstanding asset. The honourable member has asked which groups we should thank. I do not know where to start, because a whole range of people have participated. I have to thank the landowners who gave us access rights and trusted us to build stiles and trails through their properties. They gave us the opportunity to connect between national parks and main roads and provided right of access and common thoroughfares that have been developed as part of the trail.

The Friends of the Heysen Trail and some of our own parliamentary colleagues have been involved. I know that the Chairman has been a cooperative member of that process as well. Local government also supported us in this process, which I think has been an outstanding exercise. The South Australian business community has been tremendous. I had the privilege last June of farewelling a group of youngsters on the trek. I walked up Rundle Mall with a group of young men from Pulteney Grammar who were embarking on the trip. They were quite excited about their trip to the Flinders. They received support from the business community as well, which was a fantastic exercise.

The Department of Woods and Forests, the National Parks and Wildlife Service, the Education Department, the E&WS, the Department of Lands, State Services Department and the State Supply Department all became involved. In addition, 26 district councils and 300 freehold and leasehold land managers have participated. It is a staggering collection. I have just had to sign another pack of about 48 agreements with landowners to complete the trail. It is quite staggering when one sees the names of some of the people involved.

We have built accommodation on the way. For example, I had the opportunity of going to Crystal Brook to open one of the accommodation facilities. It was just fantastic. We have also worked with the Central Mission to assist unemployed youth in the building of two of the cottages. They have done an outstanding job. To give members some idea of the asset that has been constructed, 1 000 way markers have been erected and 50 warning and information signs. In addition, there has been a conservation program. They have installed scores of erosion control barriers and built bridges and stiles. It has been a remarkable and outstanding success. I think it will be an asset for future generations to thoroughly enjoy and it will become one of the great walking trails of the world. I look forward to one day being able to do the trek.

I am sure that members are not aware of this, but we had 40 000 visitors on the Heysen Trail last year. That is quite remarkable. If members think about the contribution that makes, we are going to see a lot more when this is completed and we can actually focus on promoting these maps to countries such as Germany, Italy and Britain. Of course, the Americans are very much into walking trails and know exactly what they are about and look forward to the opportunity of using them. I am sure it will grow in stature as the trail becomes more well known.

Mr De LAINE: I refer to the sports camp program. What opportunities do talented junior sportspeople gain through this program?

The Hon. M.K. Mayes: It is quite an exciting program and one which focuses on our junior sports policy. We believe it gives young people a greater opportunity to enjoy the development of sport at an appropriate age, when they are able and competent to handle it. Dr Swincer will provide more details.

Dr Swincer: The honourable member's question related to sports camps as part of the junior sports program. Some 22 sports camps have been jointly funded by the Education Department and the Department of Recreation and Sport at a cost to the Department of Recreation and Sport of some \$75 000, with an equal contribution from the Education Department.

It is appropriate to say that the sports camp program is for year 7 children who have been identified from the State sporting associations as having outstanding ability and talent in sport. The sports camp program is not a one-off program: it does not just provide opportunities for those children who in that year appear to be better at sport. This is very much a talent identification process. Through this, the State sporting associations forward their submissions to operate a sports camp to the Junior Sports Council for approval. The sports then must be able to demonstrate that the camp is a significant step within their talent development program in their sporting association. Each of these associations must be able to demonstrate to the Junior Sports Council that there are pathways within their sports for young sportspeople to move from one level of involvement to the next level.

I reiterate that sporting associations have to develop this unique talent identification process and criteria that will allow long-term observation and outcomes for junior sportspeople to be identified. The children who have been identified by State sporting associations and coaches through this talent identification process are using specific criteria rather than just the observation of a one-off competition. It is important to note in this sports camp process that the identification is clearly linked to talent rather than someone just observing a one-off competition. Talent squads are being set up in the country and metropolitan areas by sports in order that country children, too, with outstanding talents are not disadvantaged in the follow-up process. It is important for me to inform the Committee that a McDonald's junior tennis squad has been set up. Netball, hockey and soccer have established a number of regional talent squads in country areas so that these people are not disadvantaged.

Mr De LAINE: At the completion of the Superdrome in 1993, have operating costs associated with this facility been determined, and what staffing arrangements are proposed for this facility?

Dr Swincer: Certainly the completion of the Superdrome, as the Minister unveiled earlier this year, early in 1993 will provide one of the best cycling velodrome facilities in the Southern Hemisphere. Members should be aware of the tremendous effort by the Australian team in Barcelona. The Minister has already indicated that he is pleased that this facility will be available to assist our cyclists to achieve even better results at the 1996 Olympics.

The running of a facility of this size is estimated to cost about \$350 000 a year, including all salary costs. These costs have been identified and include such things as events, on which we are putting a value of about

\$102 000, and I will not give values for all the others, but we have identified such things as power and lighting, phones, faxes, administration costs, travel, accommodation, vehicle expenses, casual staff, repairs and maintenance, cleaning, water, minor equipment and security—a range of elements that would contribute to the total running cost. In order to meet these costs without further call on State funds, a marketing strategy has been implemented in order to secure sponsorship and tenants for the facility.

I know that the Minister was pleased to announce that the private sector has responded well and, to date, major sponsors have been secured. Coca-Cola, West End and Regupol Australia will be providing support of the order of \$100 000 per annum in addition to the fit-out of bars and function areas at the facility. I know that the Minister will be pleased to announce in this place tonight that minor sponsorships have been obtained from the following bodies: Rosebank Helmets, Penfold Wines, CC Snack Foods, JR Sportswear and Life Plan. Other sponsors have taken signage at the venue totalling in excess of \$15 000 per annum. These include Manor Motor Inn, the Commonwealth Bank, Bianco Builders Hardware, Tip Top Bakeries, Computronics, CC Snack Foods, Balfours, Pacific Waste Removals, Mutual Community, Penfolds Wine and SES Crane Service.

As members would be aware, this facility is to be multi-use, and the main user for the central arena will be volleyball, other main tenants including Sports Med SA. There will also be a gymnasium. These tenants will provide an income of approximately \$67 000 a year and, in addition, other users, including Wheelchair Sports, will provide an income in the vicinity of \$20 000 per annum. It is expected, therefore, that the facility will be self-funding in the medium to short term, and I think that is a fantastic achievement for the staff involved.

With regards to staffing, it is proposed that the facility will be staffed by public servants from the Department of Recreation and Sport and will include a manager/promoter, an administration officer, an operations manager and, subject to demand, a clerical officer. To date, one position has been filled. I know that the Minister will be extremely pleased to announce tonight that Mr Michael Turtur has recently taken up the position of manager, having been nominated for that position. The Minister would like to take this opportunity tonight to congratulate Michael Turtur on realising a dream in managing a facility of this nature. As members will be aware, Michael Turtur was a gold medallist in Los Angeles and, if members had been following the papers recently, they would have seen that Charlie Walsh, the very successful Australian cycling coach, has indicated that he will be staying in Australia, specifically in South Australia.

If members read the paper, they would know that Charlie Walsh indicated quite clearly that one of the main reasons for his staying in South Australia is the opportunity to work with Michael Turtur, the gold medallist. Michael Turtur has won this position on merit, and I know that the Minister is proud to be announcing that this evening. It certainly is realising a dream for Michael to be managing a facility of this nature, which we believe will be an outstanding landmark not only in this State but also in Australia.

The Hon. JENNIFER CASHMORE: May I take this opportunity to express my pleasure at the Minister's announcement of further developments on the Heysen Trail. If I recall correctly, it was in 1985, when writing my Party's tourism policy, that I proposed that the Heysen Trail should be made one of the great walking trails of the world, and I am pleased to see that it is well on the way to becoming that.

I refer the Minister to page 264 of the Program Estimates and the specific targets and objectives for 1992-93. What I had hoped to see but do not see in that list of targets and objectives is an indication of support, and preferably an allocation of funds and resources, to planning for sporting events for women in 1994, which will be the centenary year of the celebrations of women's suffrage. The Minister would know that a steering committee has been established, and I have the honour to represent the Liberal Party on that committee. I can assure the Minister that there is a sense of frustration that the committee was not established until the middle of this year, and important planning time has been lost for national and international events which require a longer lead time for planning and promotion than is permissible in the present circumstances.

I can assure the Minister that there is a strong interest on that committee in a major women's sporting event, and I can also assure him that, if a bare fraction of the funds put into the State's Commonwealth Games bid had been allocated to the steering committee, I believe we could have brought hundreds of thousands (and I hope we can still bring hundreds of thousands) of international visitors to this State. I know that the Minister's voice is failing, but all I need is the one word 'Yes' by way of answer to the following question: will the Minister undertake to ensure that, as part of this year's allocation of funds—and it needs to take place this year rather than next year, I assure him—resources will be made available from his department to the steering committee to ensure that, in the women's suffrage centenary year 1994, South Australia puts on a first class national and international event, and that it is done with the wholehearted support of the Government?

I can assure him that private sponsors are being sought, and I am one who is going around with the begging bowl. We would like to see the Government setting an example over and above the \$200 000 that has been allocated through the Premier's Department. Can I ask for the Minister's assurance that his department will give its best effort to assist the women's suffrage centenary year steering committee?

The Hon. M.K. Mayes: I can accede to the honourable member's request with the simple answer 'Yes.' I think \$100 000 has been earmarked—

The Hon. JENNIFER CASHMORE: That is in addition to the \$200 000?

The Hon. M.K. Mayes: Yes.

The Hon. JENNIFER CASHMORE: Great!

The Hon. M.K. Mayes:—from our budget and it will be allocated in next year's budget as part of the program. I concede that we have been remiss in not including some reference to the discussions that are currently going on with the Premier's adviser in relation to the contribution that our departments collectively can make to the 1994 celebrations. One of the focus points will be the

world women's basketball titles here in Adelaide. We are conscious of the operation and success of that in relation to the celebration of the centenary, and we will be not only focusing on that sort of event but providing administrative support through the women's advisory consultative group and through my women's adviser, Wendy Ey, who is obviously dealing with this already.

I hope that we can focus a major concentration of effort in supporting the celebrations. From my point of view—and I know Dr Swincer's views on this—we will ensure that that happens. I can give a totally open, unqualified guarantee that additional funds will be made available. The celebration committee, or any celebration that is occurring, whether it be a public event, recognition or whatever might occur in relation to the events decided on by the organising committee, will have my support and the department's resources to assist.

The Hon. JENNIFER CASHMORE: That is marvellous news and I must say that I am delighted to hear it. Just to nail it totally I want to clarify whether the \$100 000 is a discrete sum or whether portion of that has already been allocated for the World Women's Basketball Championships. Is this over and above and separate from what the department would have done in respect of those championships or are the championships part of it? If they are, what proportion of the \$100 000 will be allocated to the championships?

The Hon. M.K. Mayes: It encompasses funds from the world women's title, but I will look at what other funds we can release to assist in the celebrations outside of that.

The Hon. JENNIFER CASHMORE: Was the \$100 000 all for the championships?

The Hon. M.K. Mayes: I think it is allocated for the world women's title but I will look for whatever funds I can release to assist over and above the funds allocated by the Premier's Office. In the next few months I will be involved in discussions with women's advisers—mine and the Premier's—and the committee and, if the committee wants to address what events it is looking at as part of the celebrations, I will try to find funds to assist over and above those committed by the Premier.

The Hon. JENNIFER CASHMORE: Obviously, I rejoiced prematurely in thinking there must have been \$100 000 in untied grants. However, I accept the Minister's assurance that he will try to find additional funds for other events, because I believe that athletics and other women's sports could be used to mount a national and possibly international or pan Pacific event. I cede to the member for Hanson.

Mr BECKER: What funds will be required to complete facilities at the Kidman Park complex? At page 267 of the Program Estimates it states:

Facilities at the Kidman Park complex will be upgraded. How much is required and will that complete the upgrading of that facility?

The Hon. M.K. Mayes: I will return to the member for Hanson's question in a moment. As to what the member for Coles said about what funds we can devote to the women's suffrage centenary celebrations, we have earmarked another \$200 000, in excess of additional moneys directed, with which we are going to focus on three special areas: women's issues, Aboriginal issues and disabled issues. We could certainly look at a sum of no

less than \$50 000 to assist the celebration program. From my point of view, if we focus on what moneys above the \$100 000 are allocated for the world women's basketball title, we could focus on another \$50 000 out of that \$200 000 but I leave the invitation open for the honourable member to convey back through me to the department what events it is considered appropriate for us to fund as part of the celebrations and we will do what we can to address not just resources in kind, and I am sure that will be of great assistance in the organisation. I have some wonderful organisers in the department, not the least being my liaison officer in the department who has exceptional skills in organising celebrations and events of that sort.

Also, we will find money that can be devoted to supporting the programs. The honourable member is right to point this out. It has been in the back of my mind, because the Women's Adviser has raised it with me. I think we should have focused more directly on that, but we will do so, and I assure the honourable member that we will find some money to assist in these programs. I do not mean a few hundred dollars (I am talking about thousands of dollars), to assist this celebration, which is very significant.

In response to the member for Hanson's question about Kidman Park, I can say that the program is part way completed. Of the budget of \$300 000 for upgrade, \$200 000 has been set aside for air-conditioning in 1992-93. We also envisage upgrading the playing fields. I would be more than happy to furnish any additional information that the honourable member wants or to have my officers brief him. If any member wants to have a tour of the place as it progresses, they should feel free to ask and it will be arranged.

Mr Neil McGachey has just been appointed as the new Director of Sport. In accordance with the restructure of the department, he will be responsible for units including SASI, junior sport, disabled sport and Aboriginal sport. Those who know him will know that he is a first rate officer and will deliver a great service to our community. The administration section of SASI has been partly upgraded: it has been carpeted, and some of the officers went down there one weekend to prepare it for painting. The floor of the gymnasium will be upgraded in order to cater not only for SASI but all community activities. The playing fields and the courts will also be upgraded over 1993, 1994 and 1995. The budget allocation for that is \$600 000 in 1993-94 and \$500 000 in 1994-95. The Rockets might use those facilities on occasions for training, but they will be provided for the use of the whole community.

Mr OSWALD: What position does the former Director, George Beltchev, now occupy?

The Hon. M.K. Mayes: Following discussions that George and I had regarding his ambitions, he has become involved in a variety of activities under the specific instruction of the Chairman of the Government Management Board. He is looking at what is available by way of special events throughout Australia. I believe he has had ongoing discussions with the Chairman of the Government Management Board and the Commissioner for Public Employment about his future activities and role within Government, and that he has some very clear views about where he should be, although I am not privy

to the discussions between Mr Beltchev and Mr Strickland.

Mr OSWALD: Is the Government now trying to find a position for Mr Beltchev in the Department of Recreation and Sport at a similar level to the position he occupied before joining the Commonwealth Games bid committee?

The Hon. M.K. Mayes: Mr Beltchev's contract as CEO of the department expired, and the job has been advertised and applications have been received. I do not know whether any interviews have occurred. Mr Strickland is responsible for that process, and I will not be directly involved until the recommendations come forward from the interview panel to me as Minister for my consultation. Mr Beltchev may well be an applicant for the position, but I am not seeking to create, nor have I had any advice from the Chairman of the Government Management Board or the Commissioner for Public Employment about creating a special position for Mr Beltchev within the Department of Recreation and Sport.

Mr OSWALD: Why has the advertised salary level in the job advertisement for the new Director of SASI been significantly reduced from the position when it was held by Michael Nunan, and does this mean that the position has now been downgraded and that the job specification does not require the same responsibilities and duties as undertaken by Michael Nunan?

The Hon. M.K. Mayes: Again, this is a matter that is resolved by the Commissioner for Public Employment; it is not something in which I have any direct involvement. Mr Nunan held that position and it became a personal classification. The substantive position involved a particular classification, which is the level at which the position was advertised. So, Mr Nunan had a particular classification that he carried, which I guess happens to a number of officers because of the function, role or experience that they have exercised in that position.

Mr OSWALD: In a media release on 16 February 1991 the Minister said that he was currently examining whether or not bookmakers should be able to retain unclaimed bets. What was the result of that inquiry and what was the final decision?

The Hon. M.K. Mayes: I do not recall exactly when that comment was made. I do not for a moment doubt the accuracy of what the honourable member has said. We have actually included that as part of the package of discussions in relation to the betting auditorium. Included in that are the issues of telephone betting, access to the auditorium and the arrangements and structure of the operations of bookmakers within the auditorium. That is why I have mentioned that tonight and why I have pleaded with the SAJC that we work out the operation

and the numbers involved in this auditorium so that we can finalise for everyone once and for all the situation in regard to the operation. We can then address the issues that are related to the success and viability of our bookmakers in South Australia. It has been approached in that way because we wanted to look at it as a whole package for bookmakers.

Mr OSWALD: The State Government has pledged its support for a southern region sports complex and has announced that it will purchase land near Colonnades as part of its contribution towards the complex. Since that announcement, the Minister's colleague and the member for that district, the Minister for Environment and Planning, has locally announced at a public gathering that Better Cities money would be used to purchase the land from the Housing Trust. As Better Cities money is 100 per cent Commonwealth money, will the Minister identify what contribution the State Government is making out of its own budget resources towards the southern region sports complex and how much of the Better Cities money earmarked for the south is being used for the sports complex?

The Hon. M.K. Mayes: At this point I am not able to give a definitive answer to the member for Morphett. We are in the process of negotiating with Treasury as to what moneys we can rally together as part of the Government's contribution towards the development of the southern sports complex. However, I am quite confident there will be a contribution from the Department of Recreation and Sport towards the development of the facility. We are looking to finalise that as soon as possible in addition to the funds that will be used from the Better Cities program to purchase the land to ensure that we have a facility there.

The CHAIRMAN: There being no further questions, I declare the examination completed. On behalf of the Committee I would like to place on the record our appreciation to the clerks, to the attendants and *Hansard* for the smooth operation and running of this Committee. I believe it is often taken for granted that the clerks, the attendants and *Hansard* make it very easy for members of Parliament and very rarely do they get that recognition. I also thank the Minister and his staff for the manner in which they have provided information to the Committee. I lay before the Committee a draft report.

Mr De LAINE: I move:

That the draft report be the report of this Committee.

Motion carried.

The CHAIRMAN: That completes the business of Estimates Committee A.

At 10 p.m. the Committee concluded.