

HOUSE OF ASSEMBLY**Friday 16 September 1994****ESTIMATES COMMITTEE A****Chairman:**

The Hon. H. Allison

Members:

Mr M.R. De Laine
 Mr I.F. Evans
 Mr K.O. Foley
 Mrs R.K. Geraghty
 Ms J. Greig
 Mr G. Scalzi

The Committee met at 11.3 a.m.

Office for Recreation, Sport and Racing, \$10 933 000.

Witness:

The Hon. J.K.G. Oswald, Minister for Recreation, Sport and Racing.

Departmental Advisers:

Mr G. Forbes, Director, Corporate Services, Office for Recreation, Sport and Racing.
 Mr D. Pullino, Finance Officer.
 Mr D. Harvey, Director, Racing.
 Mr S. Forrest, Director, Division of Sport.
 Mr R. Martin, Director, Recreation SA.
 Mr J. Barrett, General Manager, Bookmakers Licensing Board.
 Mr A. Edgar, General Manager, South Australian Totalisator Agency Board.

The CHAIRMAN: The Committee will be conducted under Parliament House Standing Orders, not Sessional Orders, so the normal rules of debate and conduct will apply. Any information that the Minister undertakes to supply at a later date must be in a form suitable for insertion in *Hansard* and two copies must be submitted to the Clerk of the House of Assembly no later than Friday 30 September. Does the Minister wish to make an opening statement?

The Hon. J.K.G. Oswald: Yes, Mr Chairman. As members would be aware, the former Department of Recreation and Sport was a division of the Department of Housing and Urban Development. Accordingly, the Estimates Committee held in September 1993 examined the appropriation as part of Housing and Urban Development. On 20 December 1993 the former Division of Recreation and Sport was reinstated in its rightful place as an administrative unit in its own right and retitled the Office for Recreation, Sport and Racing. The portfolio for the Minister of Recreation and Sport was altered to include racing.

The creation of the Office for Recreation, Sport and Racing took place part way through the 1993-94 financial year. The rearrangement of activities was undertaken to the

sub-programs within program 1, Development of Recreation, to more accurately describe the functions and to achieve more accountability for expenditure. Similarly, there has been a retitling of the sub-programs within program 2, Development of Sport, once again to more accurately describe the functions undertaken within this program. Due to this, it is difficult, in some instances, to draw a direct comparison between actual 1993-94 and proposed 1994-95 expenditures. Therefore, an examination at program level would probably be more relevant.

As outlined by the Treasurer, there is a need to reduce the recurrent expenditure within Government agencies. The Office for Recreation, Sport and Racing has received a reduction in funding of a recurrent nature of some \$300 000. This represents 3.4 per cent of the recurrent budget. However, I can assure members that the majority of cutbacks have taken place within the Corporate Services Division, thereby maintaining adequate funding to the service delivery arm of the agency. It should also be noted that, as has been the practice in previous years, uncommitted funds have been carried over, and this has enabled the reduction in funds allocated by Treasury to be largely offset. It is not anticipated that similar carry-overs will be available in the 1995-96 financial year.

In the area of capital, members will note that the proposed expenditure in 1994-95 is similar to that proposed in 1993-94 and, while this will be adequate to provide funding for some major facilities, there has been no allocation this financial year for any major new developments. Despite the tight economic framework, the Office for Recreation, Sport and Racing will continue to provide for the needs of recreation, sport and racing communities. To this end, funds have been made available for the continuing work on trail development, and substantial funds have been allocated for the provision of huts along the Heysen and Mawson trails. An allocation of \$1.5 million will see the continued development of the Southern Region Sporting Complex by the provision of a community facility and a grandstand.

The South Australian Sports Institute and the Sports Development Section will continue to provide a high standard of service to the sporting community through sports general funding, elite funding and access to services such as sports psychology and physiology. The Sports Institute continues to produce winners at national and international level and will play an integral role in the implementation of the Olympic Athlete Plan in the lead up to the Sydney 2000 Olympic Games.

The Sports Institute will continue its contractual arrangements with the Australian Sports Commission and maintain its commitment to women's sport, Aboriginal sport and support for athletes with a disability. These agreements, together with funds allocated from the State budget, will ensure the support necessary to produce successful programs.

Since coming to office, amendments have been made to the Racing Act in order to provide additional funding to the racing codes and to provide assistance to bookmakers. In particular, the Government has forgone 5 per cent of its share of net profit from TAB operations, effectively reducing the Government's share from 50 per cent to 45 per cent. This will inject approximately \$2 million per annum additional income to the three racing codes. The Government has also reduced the bookmakers' turnover tax by .5 per cent, phased in over a two-year period. This will assist bookmakers to ensure that they remain an integral part of the racing industry.

In addition, bookmakers are also able to offer a betting service on an expanded range of events at various sporting venues. Members would be aware of the recent initiative by the Victorian Government to privatise the TAB. My officers are ensuring that the impact of this initiative is carefully monitored to determine what, if any, effects it may have on the racing industry in South Australia.

The approval by the Australian Broadcasting Authority of the Festival City Broadcasters' application for a narrowcast licence was given in June this year. This narrowcast service, initially covering the same range as 5AA, will, within a few months, be extended to provide a race broadcast service to the entire State. It is expected that, with the improved signal range, TAB turnover and profit will be increased. In closing, I express my appreciation of the efforts of Mr Neil McGachey, who has been acting as my Chief Executive Officer since I came to office. Mr McGachey has successfully guided the office through a difficult financial climate and is now leaving the Public Service to pursue other interests, which are many and varied. I wish him well for the future. As a result of a national advertisement, Mr Michael Scott has been appointed as Chief Executive Officer of the Office for Recreation, Sport and Racing. Mr Scott will take up his appointment on Monday 19 September 1994 and brings with him a wealth of experience in the recreation and sporting area.

The CHAIRMAN: I invite the member for Hart to make an opening statement.

Mr FOLEY: The Opposition is disappointed that the Office for Recreation, Sport and Racing has taken a substantial reduction in its recurrent funding this year. The Opposition's view is that the importance of an area like sport and recreation is such that it has probably suffered a disproportionate share of cuts. However, it is for the Government to reconcile how it makes those cuts. I note that recurrent funding has dropped from \$11.6 million to \$8.6 million—a \$3 million reduction, which is substantial. Through the course of the Committee I will be probing the components of that \$3 million.

The budget contains some positive aspects, such as the funding of the construction of new baseball facilities, and I welcome that; and the continuation of the development of the Southern Sports Complex, which was initiated by the previous Labor Government. I commend the Minister and his Government for continuing the good work of the former Government with the construction of the Southern Sports Complex, and I am sure the member for Reynell would agree with me in that regard.

The next five or six years will be a very exciting time in relation to sport, with the Sydney 2000 Games only six years away and the prospect of the Commonwealth Games being located in South Australia. Clearly, the sporting area is one of great opportunity for this State and for this Government to get some real wins on the board. The Opposition sees sport as very much a bipartisan activity of Government and one that will receive the support of the Opposition in major areas of Government policy. However, it always reserves its right to scrutinise, to criticise and to comment on areas where it may think the Government is wrong or slightly off the track. So, the Opposition always reserves the right to be critical of Government actions, but overall sports policy is an important area of Government activity and one that deserves bipartisan support where possible.

Following the success of Sydney in winning the right to host the Olympic Games in the year 2000, the Premier

announced that South Australia would establish an office in Sydney to promote the commercial opportunities flowing from that event. Have funds been allocated in this budget for the establishment and operation of this office? When will the office be opened, and what types of assistance does the Minister envisage the office will give to South Australian interests?

The Hon. J.K.G. Oswald: The question should rightly be referred to either the Minister for Tourism or the Premier. The funding for that office is not in my budget.

Mr FOLEY: Are you saying that the funding is under the tourism line?

The Hon. J.K.G. Oswald: That is my understanding. Certainly, my department is very supportive of anything to encourage sport and the preparation of athletes for the 2000 Olympics, but the question of an office in Sydney is viewed by the Government as being more complex than the issue of just ensuring that Adelaide and South Australia has access to incoming athletes and their coaches: it is an economic development issue as well. Business opportunities have to be examined, and on that basis the Premier, through the Minister for Tourism, has also become involved in a whole of Government approach to ensuring that Adelaide benefits from the Sydney 2000 Olympics and that, instead of just concentrating on bringing athletes into Adelaide over the next four or five years as part of their pre-games training program, we can spread the net somewhat wider and include business opportunities for the State associated with the Olympics. On that basis, the budget line has been picked up by the Minister for Tourism, with a keen interest from the Premier himself.

Mr FOLEY: I find it somewhat strange that the funding of the office does not appear under the line of the Minister for Sport, given the activities of his department in terms of its bidding for the 1998 Commonwealth Games and its activities at present in trying to secure for South Australia the 2002 Commonwealth Games. I would have thought that an office in Sydney, which was attempting to attract the major pre-Olympic and warm-up events for the Olympics, clearly would come under the area of the Office for Recreation, Sport and Racing. I would not have thought that tourism would necessarily be the appropriate place. I must ask the question again: why do the Office for Sport and you as Minister not have a more specific role in this Olympic office in Sydney?

The CHAIRMAN: Before the Minister responds, I would point out that the Minister has already said that the line comes under the tourism portfolio. The Committee is examining the specifics of the Appropriation Bill, and I simply say to the Minister that this is in the realms of hypothesis. If the Minister wishes to decline to answer, it is within his right: and if he wishes to respond, it is at his discretion.

The Hon. J.K.G. Oswald: I am happy to respond further, because the question initially was driven by trying to seek the source of funding, and I hope I have established the fact that the Government is treating this as a whole of Government approach and that it is not just about bringing athletes to South Australia: it is about a whole development activity and business opportunities. I would like to use the opportunity to remind the Committee that in sport we do have a very real interest in what will be happening in that office in Sydney, because through the office we will be able to access opportunities to ensure that teams from various countries will come to Adelaide and establish it as a venue for pre-games training.

I would also like to point out that in one line of my budget I have a \$65 000 allocation for funding an office manned by Margaret Ralston in the Hindmarsh Square complex and,

quite clearly, her work with the Olympic Council and her contact with it, back down through the department and to our office in Sydney, will be quite vital. Let me assure everyone that our department has a very real interest in what happens in that office in Sydney, but it is a budget line under tourism and I think I have explained that area quite thoroughly.

Mr FOLEY: I think the Minister would agree that in this State women's sport is not an area that receives the coverage it should be receiving within the media, certainly at the community level. I cite the example of how, when you check the *Advertiser* this week, you see that the feature page of the sports section from Monday to Thursday did not mention any women's sport whatever, and this at a time when there was clearly a significant amount of women's sport being played. Does the Government share the concerns of the Opposition that there is a biased weighting in the media in favour of male sports activities, and is the Government undertaking any programs to assist women's sport such as netball, softball and hockey together with the other sports to achieve a greater profile in the community?

The Hon. J.K.G. Oswald: The honourable member may be unaware that I have just upgraded the position of Women's Adviser in my department. The former Government held it at a particular level, and I believe it deserves a much higher status. The position has now been upgraded and we are in the process of filling it. This has been done because we recognise that women's sport is a very important issue, not only because the participation rate of women in the sporting community is well recognised but because of the fact that over the years they have not had access to funds or to coaching, and this needed to be redressed.

In fact, it is not symbolic for me just to say that I have upgraded the position. It has been done with the best of motives to ensure that women's sport does have a strong voice in Government, and I expect that when that position is filled you will see an even stronger representation for women's sport and that person actually acting as an advocate for women's sport, so that women's sport will receive higher and higher prominence in the community.

Ms GREIG: I congratulate the Minister and his staff for their work on this section of the budget. As the Minister mentioned in his opening address, this budget was put together under a tight economic framework; nevertheless, the Minister and his staff have managed to develop a budget to foster increased participation in a wide range of recreational activities for all South Australians. I also note from the Minister's opening address his reference to the allocation of \$1.5 million for the continued development of the Southern Sports Complex. I thank the member for Hart for also raising this issue because I can remember a few years ago the Government of the day said that there would never been a Taj Mahal in the south. I am pleased to see that, with the help of its Federal colleagues, the Government has finally decided to get the project started. Will the Minister provide an update on the development of this project?

The Hon. J.K.G. Oswald: I am very pleased, at last, to be associated with this program. I say 'at last' because in those long years in Opposition the Liberal Party was the lone voice in the wilderness in the southern region in wanting to get a southern region sports complex up. I can remember one of my predecessors in this chair (Hon. Kym Mayes) standing up in the House of Assembly one day and accusing me of wanting to build a Taj Mahal in the south. After a particular football match down at the Bice Oval, when over 9 000 patrons turned up, panic rained through the then Government

ranks. After a visit to Football Park with the administration there and some rapid meetings, the Southern Sports Complex suddenly became a reality.

I give credit to the Government of the day for realising and recognising at last that there was a real need to set in train the complex. The problem on coming to government was that we found there was a nucleus of a project there: a project that was sitting in limbo but, unless it was taken to the next stage very quickly and built a facility down there and put in there at least a major sport which could generate revenue, the next stage would stay in limbo for some time.

The Government promised prior to the election, and has put in the budget, an allocation of \$1.5 million, which will be used to provide a community facility within the complex. It will be a community centre with meeting rooms, bar and associated facilities, and it will have a covered grandstand that will service the football area. A licensed clubroom to be funded by the South Adelaide Football Club will also be incorporated in that building. Planning and design work is nearing completion and tenders will soon be called, with the construction scheduled to finish in early April 1995 in time, we hope, for the next football season.

I am also pleased to advise the Committee that the Noarlunga council has committed \$200 000 for the fit-out of the community facility. The challenge now is for the whole southern region of councils, not just Noarlunga which has identified the complex as an important facility, to come forward and do what they can to bring forward potential users and also to make some sort of financial contribution to what will be a huge asset for the district in years to come.

General expressions of interest from other potential users have been received and public information and promotional activities are currently being undertaken in the area. Understanding that it is typical for multi-sport complexes such as this to take some years to become fully established, the presence of the South Adelaide Football Club in the complex is an important milestone. It is essential that it be there and establish quickly so that it can then start generating revenue, which is part of its leasing arrangement and which it is committed to do, so that revenue will then be reinvested in further redevelopment of the site.

I also compliment the honourable member for her involvement down there. She sits on one of the steering committees. I know that everyone has a genuine interest to ensure that that complex is up and running as soon as possible.

Ms GREIG: Can the Minister describe the initiatives that have occurred for people who live in country South Australia, as this would appear to impinge upon the achievement of a number of the targets/objectives listed on page 394 of the Program Estimates under 'Program description for development of sport'?

The Hon. J.K.G. Oswald: For some time now, the Government has been concerned about the whole question of community involvement in sport, in particular in country areas, and to have a mechanism in place whereby the communities, through some form of forum, can have an input into sport in their areas and, through that mechanism, eventually right through to the sports advisory councils and to me as Minister.

A major initiative undertaken by the Division of Sport has been developed into a concept called the community sport and recreations forums. A forum can most clearly be described as a collection of sporting and recreational groups within a local government area. Thus, in the long term, it is

possible that each local government area has a community sport and recreation forum. This concept has many advantages to people living in country South Australia. It will allow local groups to form an independent relationship, recognise the issues and problems which confront the local community and provide them with the strategies to start solving the problems. Some of the issues may be related to facilities and shared use and some may be related to services; for example, if the local tennis association wishes to conduct a level 1 coaching accreditation course, it could be conducted for all sport, not just tennis. Also, a joint approach to a sponsor may prove more beneficial than individual sporting or recreation group approaches.

This process will almost always be entirely locally driven, with the Division of Sport providing leadership, training and development to community members. There will be no increase in the human resources in the budget of the Division of Sport: the project will be undertaken entirely within the current budget. Foundation SA has agreed in principle to fund five community sport and recreation forums in a pilot project. The five community groups will apply individually rather than go through the Division of Sport.

To ensure that appropriate advice has been provided in relation to this concept, a community sport and recreational forum reference committee has been established. The members of the committee are: John Halbert; Ron Green, the President of Tennis SA; Roger Wills, the ABC sports commentator; Graeme Alder, from Leisure Australia; Garry Howatt, from the University of South Australia; and Elaine Farmer, the General Manager of Surf Lifesaving. The committee has determined that five communities—three rural and two metropolitan—will be approached in the very near future to take part in the pilot program.

In the near future local newspaper advertisements will appear seeking expressions of interest from agencies, senior clubs, etc., from within the community. As well as the establishment of a pilot project on community sport and recreation forums, the Government provides other services to country communities. This program is there to recognise that, compared with the metropolitan area, country areas are disadvantaged in relation to access to sport. This is the mechanism that the Government is putting in place to act as a counterfoil to the disadvantage of country people so that they can have access to that to which city people have access.

Ms GREIG: I refer to page 394. What initiatives has the Office for Recreation, Sport and Racing adopted to maintain the gender equity initiative?

The Hon. J.K.G. Oswald: I am sure all members present appreciate the importance of gender equity. The Office of Recreation, Sport and Racing clearly recognises the importance and impact of gender equity and vigorously pursues this objective. As would be expected, the Women's Unit of the Division of Sport is very active in this area. The unit is to coordinate a marketing and media seminar in April 1995 to provide women working in sport with the skills to promote women's sport.

The unit coordinates a program called Sportslink for Girls, which provides teenage girls the opportunity to participate in an introductory session of selected sports. The program aims to provide links between participants, community sporting clubs and sport development programs with a view to encouraging long-term participation in sport. The Division of Sport advises State sporting associations to develop policies and initiate programs to increase the access to and participation of girls and women in sport.

The women's unit provides a consultancy service to assist State sporting associations to develop gender equity strategies in sport. Work has been undertaken with the South Australian branch of Sports Medicine Australia to initiate research, develop printed resources and coordinate seminars to address the specific needs of women and girls who participate in sport. The seminars conducted to date have been: 'Sport and the mature aged woman' and 'Sport, performance and the female athlete'. The printed resources include brochures on women in sport and sports medicine and a booklet called 'Girls and sports performance'. The research undertaken was a survey on women, hormones and sport.

The staffing establishment of the Office for Recreation, Sport and Racing includes the position of women's adviser. Following the resignation of the previous occupant to take up a position interstate, the position has been filled on a temporary basis by an officer from within the Office for Recreation, Sport and Racing. The duties of the women's adviser have been carefully examined and as a result the position has been upgraded. The broad responsibilities of this position include the development, implementation and review of Government and department policy relating to the needs of women and girls. The incumbent must also ensure the continued development and implementation of ongoing programs, projects and new initiatives in recreation and sport which relate to women and girls as well as provide advice and actively contribute to the various State associations. The women's adviser position has been advertised within the State public sector and it is expected that a permanent appointment will be made in the near future, once the selection process has been completed. Given the significance of this position, interviews have been delayed pending the commencement of the new Chief Executive Officer, who is due to take up his position next Monday.

As members would appreciate, the issue of the appointment of women to various Government boards and committees is being considered and addressed. There are currently 17 boards and committees under the portfolio. Five of these, all relating to racing areas, are statutory authorities. Excluding the statutory authorities, the composition of board or committee members at 30 August was 69 males and 45 females. Where there is inequity in the gender make-up of a board or committee, efforts are being made to address the imbalance over a period of time.

The numbers of males and females are, respectively: Junior Sports Council, 6:2; Racing Appeals Tribunal, 14:2; Racing Industry Advisory Committee 7:0; Recreation Advisory Council, 3:3; Southern Sports Complex Task Force, 5:4; South Australian Fitness Accreditation Council, 5:4; South Australian Fitness Accreditation Council Independent Appeals Tribunal, 2:2; Sports Advisory Council, 5:3; Sport, Arts And Recreation Council for people with disabilities, (SPARC), 14:4; Volunteer Involvement Program, 5:3; Women's Consultative Committee, 0:14; Women's Memorial Playing Fields Advisory Board, 3:4. That is the list, showing a total of 69 men to 45 women. Those with the most significant difference were in the racing industry area.

Mr FOLEY: Minister, senior management of the Department of Recreation and Sport have been in a state of uncertainty since your Government took office, and Neil McGachey has been the Acting Chief Executive Officer since that time. Why did you, Minister, not have confidence in Mr McGachey continuing as Chief Executive Officer? I understand that Mr McGachey was an applicant for that position and, indeed, was asked to be available should the Minister not

be in a position to fill the vacancy with what was considered by Government to be an appropriate person. Why were you not satisfied with Mr McGachey's leadership?

The Hon. J.K.G. Oswald: Mr McGachey came to the position of Acting CEO from the South Australian Sports Institute, and was the Acting CEO when I assumed the position of Minister for the department. When the time came for the position to be confirmed, advice from senior people in the Public Service was that the position should, as a matter of form, go through the process of internal advertisement. The Commissioner for Public Employment convened the appropriate interview panel and then, on the advice of the interview panel, the position was advertised externally.

As a result of the deliberations of that interview panel I acted on its advice and have now appointed a new CEO to the department. In summary, I took advice from the Commissioner for Public Employment, who set up the interview panel which made the decisions. Mr McGachey is well respected in the department and is now looking forward to a very active time in the private sector. I had a long discussion with him only yesterday, and I believe he is looking forward to a very bright future for himself and his family. Some new opportunities have arisen for him in the private sector and we certainly wish him well.

Mr FOLEY: Minister, can you explain who was on the selection panel for the appointment of a new Chief Executive Officer, and was Mr McGachey asked to leave his interest in being Chief Executive Officer on the table as the selection panel went through a second round of selections?

The Hon. J.K.G. Oswald: My knowledge is that Mr McGachey was invited and encouraged to renominate for the second round of selections. The selection panel comprised Graham Foreman, the Commissioner for Public Employment; Murray Tippett, who is the President of Sport SA. Sport SA, for the honourable member's benefit, is the peak sporting organisation in this State, the equivalent of the Confederation of Sport in Canberra, which is the peak body of all sporting organisations. I am not sure of the actual membership of the South Australian body, but I would be surprised if it did not have a membership of over 40 plus sports in this State.

I thought it was appropriate that at least that organisation have some input into the appointment of the new CEO—if there was to be a change—or to confirm the appointment of the Acting CEO. The third person on the selection panel was Susan MacIntosh from the Department of the Premier and Cabinet, appointed by the Commissioner for Public Employment.

Mr FOLEY: Why did Cabinet refuse financial support to the South Australian Men's Hardcourt Championship in January? I understand that Cabinet considered a proposal to give financial support to this event, which is the old South Australian open tennis event—and which has now disappeared from the sporting agenda in South Australia—but chose not to do so.

The Hon. J.K.G. Oswald: Again, that is not in my portfolio. The application was considered by the Special Events Unit. I do not have the figures—you will have to ask the Minister for Tourism for the details—but it was a very expensive request. Having considered the cost involved, I know that the Special Events Unit had some concern about it. I will refer that question to the Minister for Tourism and the Special Events Unit, which was handling that submission. Foundation SA also considered it and apparently was unable to meet the substantial costs involved.

Mr EVANS: The program description for issues and trends on page 394 indicates that opportunities for all South Australian sporting associations will be developed. Will the Minister describe how this is being achieved, with particular reference to the development of the relationship between Government and sport?

The Hon. J.K.G. Oswald: The Division of Sport has established a strategic partnership with SportSA, which is the South Australian branch of the Confederation of Australian Sport. SportSA is an organisation which speaks and works on behalf of State sporting associations. It has been my belief for some time, certainly going back three or four years, that there was a tendency for the Government to be directing sport in this State. I have consistently been saying to sporting organisations and SportSA that sport should run sport in this city and not have Governments using the ability to hand out grants to control and dictate how sport should be run.

When SportSA was formed, I was and still remain one of its great supporters. Clearly the Government has a role in administering and making sure that the grants are handed out wisely and that everyone gets a fair share; but while I am Minister, my relationship with SportSA will be such that we will ensure that it has an input.

The Division of Sport conjointly presents quarterly information meetings for general managers and secretaries of State sporting associations. Amongst the topics at these meetings are the legal liability of directors; the need to prevent damage to athletes and officials by exposure to the sun; involvement in practical discussions on the effects of the Superannuation Guarantees Act and of national leagues on State sporting associations, and so on.

The national junior sports policy will also assist in the development of the relationship between the Government and sport. In October a seminar will be conducted by the Division of Sport and the Department for Education and Children's Services. The seminar is designed to assist State sporting associations to implement the national policy. This will be done via the establishment of guidelines for each sport.

Mature age sport is a growth area as the population ages. The Australian Sports Commission has produced a major report, 'Play On,' which has been used as the driving force behind a two-pronged attack to improve mature age sport in South Australia. The Division of Sport and SportSA, as a joint initiative, have hosted a seminar to which all State sporting associations, local government authorities and local tourist authorities have been invited. As a result of the seminar, a draft strategic plan for the improvement of mature age sport in South Australia will be distributed for comment to all State sporting associations.

Additionally, a regional multi-sport, mature age festival is planned for 1995. Submissions are currently being sought from community groups to host the games. Sports Plan is a vehicle by which sports are funded in South Australia through the Institute of Sport, and State sporting associations are involved in establishing the annual strategic plan for each sport. The Office of Recreation, Sport and Racing has contributed \$20 000 towards the cost of SportSA training facilities. We will continue as time goes on to ensure we do have this close relationship with SportSA whereby together as a partnership we will work for the improvement and betterment of sport for men, women and young people in this State.

Mr EVANS: Will the Minister describe the effect that the rescuing of high performance athletes has had, particularly the effect it has had on Commonwealth Games performances?

An objective of the 'Development of Sport' program is the provision of an infrastructure and resources to allow high performance athletes to reach their potential.

The Hon. J.K.G. Oswald: We are now talking about one of the key roles of the South Australian Sports Institute and something that it does very well. Before I address the issue of the Commonwealth Games success in particular, I would like to mention a number of world champion performances achieved by the South Australian Institute of Sport scholarship holders in 1994. In cycling, Luke Roberts and Nigel Grigg won the gold medal in the 4 000 metre team pursuit at the World Junior Championships in Ecuador. I acknowledge the member for Price's longstanding interest in the area of cycling; he is a regular visitor at the velodrome. These two young men joined a proud tradition of world champion cyclists from SASI.

Jagan Hames became a junior world champion in the high jump event, and four elite young South Australian women became world champions when Australia won the World Women's Hockey Cup in Ireland earlier this year: Julie Haslam, Katie Allen, Alison Peek and Justine Sowry are young women of whom South Australians can be proud. Amy Safe is another young South Australian woman of whom we can be proud. Amy is the current Junior World Champion in the single skulls rowing event.

At the 15th Commonwealth Games in Victoria, Canada, in August this year, Australia was represented by 250 athletes and 88 officials; of these, South Australia was represented by 21 athletes and nine officials. Australia was easily the most successful country, winning a total of 182 medals: 87 gold, 52 silver and 43 bronze out of a possible 675 medals from 226 events. All competitors and officials should be congratulated on their outstanding performance and, in particular, those athletes representing South Australia. I will not read out their names again, because I recently moved a motion in the House in which I listed all the gold, silver and bronze medallists from South Australia, but it was a particularly fine achievement, I think we all agree.

The main point of the question is to acknowledge the work of the South Australian Sports Institute in its coaching. I will summarise it by saying that it is through the efforts of the Sports Institute, its very dedicated staff and coaches that we have had a considerable amount of success. With these young athletes, I do not want to take away any of their just deserts and pride, but it was very evident to me at the Commonwealth Games this year in, for instance, events such as swimming, competitors from those countries that have well established sports institutes and coaching programs would be streaking away from less advantaged countries that do not have access to an organisation equivalent to our Sports Institute. I am sure everyone joins me in congratulating the Sports Institute on the work it is doing.

Mr EVANS: Will the Minister describe the effect of the evaluation of Sports Plan and the sports general subsidy program? Such reviews were listed as objects for 1993-94 of the Development of Sports program (page 394).

The Hon. J.K.G. Oswald: The Sports Advisory Council appointed a committee to review the Sports Plan funding process within the Sports Institute. The committee appointed comprised David Kennedy, David Rathman (from the Sports Advisory Council), Meredith Clark (Manager of Sports Plan) and Michael Flynn, the State Coaching Centre Manager. The State sporting associations currently funded through the Sports Plan were asked for input. A written report was

submitted to the South Australian Advisory Council outlining the results of the review and recommendations.

The review recommended that the current process and criteria be maintained until at least August 1995. The Sports Advisory Council has continued to monitor the expenditures in the Sports Plan program. The Sports Plan funding program is the process by which sports within the South Australian Sports Institute network receive funding. The funds pay for the salary of a full-time coach and contribute towards the training and competition costs of a squad of selected athletes for each of the Sports Plan sports.

In the 1994-95 financial year the number of sports will actually increase due to the Olympic Athlete Plan. It is likely that the following sports will establish programs in South Australia: women's soccer, archery and diving. The costs of the coaches will be met by the Olympic Athlete Plan, and the program costs will be met by the South Australian Sports Institute. Currently in 1994-95 more athletes will be funded compared to 1993-94.

As well as the review of Sports Plan, a review is also being conducted of the sports general subsidy funding program. This funding program provides funds to sports which cannot access the Sports Plan funds. The funding program provides 25 per cent of the cost of the project which must be part of the State association's long-term strategic plan. As a result of the review, a number of changes will occur. The information brochure and funding procedures have been revised in light of the fact that the Government wishes to further empower State sporting associations to take responsibility for the development of sport in South Australia. Whilst the program will normally fund up to 25 per cent of the cost of the project, in some instances more than 25 per cent may be allocated. The application process has been made less complex, requiring less documentation from State sporting associations.

Mr FOLEY: Moving to the area of racing, as the Minister is aware he introduced a Bill in the Parliament a few months ago that saw the profit sharing arrangements from the TAB altered and the dividend to the racing codes increase from 50 to 55 per cent. Will the Minister detail the estimate for the disbursement of those moneys to the South Australian Jockey Club?

The Hon. J.K.G. Oswald: That move was probably one of the most popular moves ever made in South Australia in trying to get the industry back on its feet. The big problem was that 18 months to two years ago the industry started to go into a slide, and about a year ago it was in a state of crisis. It became very obvious that the only way we would get that industry out of crisis was to inject new money into the industry. The former Government, including the former Minister, to his credit, was attempting to shift money around within Government to access hollow logs, so to speak, trying to get some money into the stakes, a matter that was absolutely vital for the resurgence of the industry, but you cannot continue just to shift money around and expect in the long term to save the industry.

It was necessary to take what I believed to be a dramatic step and that was to increase new money from Treasury. In other words, Government had to forgo money from Treasury to inject it into the racing codes. We took this decision to inject some \$2.200 million into the codes and of that the galloping code would receive \$1.485 million. That would be distributed down through the SAJC as the controlling authority.

Mr FOLEY: I acknowledge the work of the Minister in improving the financial profitability of the allocation of TAB profits to the racing codes but, as the Minister would appreciate, racing is a diverse industry or sport and an important sport when it comes to the economic development of this State. Some would say that it is one of the top three industries in the State. In managing such a very significant and complex portfolio area, the Minister is required to make difficult and sometimes tough decisions that may not be popular with one code as against another code. In that context would the Minister agree that his membership of the South Australian Jockey Club has the potential to raise significant issues of conflict of interest?

The Hon. J.K.G. Oswald: I am not a financial member of the South Australian Jockey Club. Many MPs over the years, from both sides of the Parliament, have been given a honorary membership in the club and I am sure plenty of Labor members over the years have shared the privilege of being an honorary member of the South Australian Jockey Club. It is given to shadow Ministers, Ministers and senior Ministers (perhaps not in the racing portfolio) and is a privilege granted by many racing clubs. Over the years all members have been de facto honorary members of the jockey club because Australia-wide they can use their gold card to gain entry. As a matter of courtesy, the jockey club invited me to be an honorary member and I remain an honorary member, and as such I do not believe that I have any conflict of interest in what I do as regards the administration of racing with that particular racing code.

Mr FOLEY: As a supplementary question, I accept that: I was under the impression that the Minister was a financial member. I withdraw any inference that may have been inherent in that question. I refer to the situation with the TAB board. Earlier this year the Minister made a statement that he had asked the Chairman of the Harness Racing Board, the Chairman of the Greyhound Racing Board, the Chairman of the TAB itself and a further member of the TAB board to resign. At that time the Minister cited the reason as being the poor performance of the TAB.

I note that the Program Estimates indicate that investments of on-course totalisators have increased by \$4.6 million or 8.21 per cent for the 12 months to June 1994 and, for the same period, TAB turnover was up some \$23.7 million or 4.7 per cent. It would appear that the reason the Minister stated at the time for wanting those members to stand aside has not been borne out in his own budget Estimates papers. Will the Minister explain why that move was taken earlier this year and can he update the Committee on his intentions with the impending resignations, or is he still looking for the resignations of these respective people?

The Hon. J.K.G. Oswald: On coming to Government I asked the TAB board members, as I did the chairmen of the greyhound and harness racing authorities, to step down to give an incoming Government an opportunity, if it saw fit, to make new appointments to those positions. The greyhound and harness racing codes had been leading deputations to me for some 12 months prior to coming into Government and each one of those deputations had the same theme running through them, that is, that we needed to inject new ideas into the administration of those two codes. It was my belief (and it really has not changed) that a new Government with a mandate has an opportunity to make that change and the best way to make that change is by making new appointments to those two key positions of Chairman of the Greyhound

Racing Board and Chairman of the South Australian Harness Racing Board.

The flow-on effect into the consideration of the TAB board is that those two gentlemen, in their positions as chairmen of the two racing authorities, automatically go on to the TAB board. It was my belief at the time that you could not just go to the TAB board and ask two individuals on the TAB board to resign and step aside without asking the whole board to do so—have a spill of the board—and then make reappointments. That was what my intention always was and it would still remain, so that the board would step aside and then I would reappoint. In the process of reappointing I would then have the opportunity of reappointing the two harness racing and greyhound racing appointments; I would be able to change those and inject new blood and new ideas into the two industries that had been making representations for some time.

We have now reached a time, it now being September, where the earliest opportunity I would have to bring in legislation would be in October or November. The first of those two gentlemen comes up for retirement in January or February. There is a heavy legislative program coming up in the next two and a half months and amendments to the Racing Act are not a high priority. If we link that with the situation where certainly the first of those two gentlemen comes up for retirement anyway at the end of the year, I do not consider it worth holding up the House with amendments to the Racing Act to change an appointment, in relation to which by the end of the year the gentleman retires, anyway. So amendments will not be introduced to the Racing Act this year to replace either of the chairmen of the two racing codes to which I have referred, but in the new year and in the fullness of time I will make an appointment anyway to the chair of the Greyhound Racing Board and that person will automatically go up and become a member of the TAB board.

Mr FOLEY: That clearly is a significant backdown by the Government from its earlier position, but you have still accounted for only two of the people you are asking to stand aside. I assume that the two you are referring to are former Labor Premier Des Corcoran and Mark Pickhaver. Is that the two that you are referring to?

The Hon. J.K.G. Oswald: Yes.

Mr FOLEY: That still leaves the Chairman of the TAB, Mr Bill Cousins, who I understand still has some to run in his appointment, and Ms Kate Costello, both of whom were recent and new appointments not long before the last State election. Whilst you may be in a position through the sheer passage of time to see both Pickhaver and Corcoran leave, you still have the Chair of the TAB, somebody in relation to whom you have expressed that you have no confidence in that position, presiding over the TAB. You are now saying that you will not take action to legislate to remove Mr Cousins at a time when the TAB in South Australia is facing severe opposition from the new privatised TAB in Victoria and at a time where the commercial pressures on the TAB will be enormous. I find it absolutely intolerable that we would have a situation where the Minister of the day does not have confidence in his chairmen. Will the Minister explain to the Committee how he intends to rectify that situation, given the significant commercial risks associated with such a conflict between the chairmen and the Minister?

The Hon. J.K.G. Oswald: If the honourable member had listened to the debate carefully at the time and also to my answer a few minutes ago he would recall that I asked the board to step aside to allow me to make new appointments.

At no stage did I ever single out the Chairman of the TAB. The whole debate went off the rails considerably because one of the members of the TAB board decided to make a political issue of it at the time and got out in the public arena on talk-back radio and stirred up the issue because, maybe, he felt that he had an obligation to do so.

But you will recall that at no stage—and you can search the records, and the public record as well—did I come out and say, ‘I call for the resignation of Mr Bill Cousins as Chairman of the TAB.’ I asked for the TAB board, collectively, to step aside so that I could then have the opportunity to make new appointments. Mr Cousins went on television—I think on ABC—and certainly he was drawn into some radio, where he was defending the performance of the TAB. There is no question that at the time the performance of the TAB was under scrutiny, and media sources chose to link the two together. At the time we were questioning why it was that turnover was continuing to rise and profitability was not. There were some very specific questions for which we sought answers.

There was some fairly accurate reporting—I think the ABC did an extremely accurate report on the *7.30 Report* on the financial status of the TAB and the industry. If the honourable member has not already picked it up, the industry also is very concerned—even now—about the profitability within the TAB. I go back to the main point of the question, namely: did I or did I not call for the resignation of Mr Cousins? The answer is: I have never publicly called for him as an individual, but rather for the board, to step aside in order to give me, as the Minister who administers the Racing Act, an opportunity to make appointments—nothing more, nothing less. If the member examines the record I think he will find that that is the case.

Mr FOLEY: Mr Chairman, a supplementary question to that, if I can?

The CHAIRMAN: The member has had three questions and three supplementaries with this one—

Mr FOLEY: I apologise, Sir, it is just that it is such a serious and significant issue of government.

The CHAIRMAN: If the member wants to pursue this line, I will allow the supplementary.

Mr FOLEY: My view is that the Minister is treading some very serious ground. He is telling the Committee now that he has never called for the resignation of the Chairman of the TAB, Mr Bill Cousins. I ask the Minister to confirm to this Committee: did he ask Mr Cousins privately to resign? Given the Minister’s comment that he did not ask Mr Cousins to specifically resign publicly, I refer him to page 779 of *Hansard* where he quotes Mr Cousins as having been requested to resign.

The Hon. J.K.G. Oswald: I repeat: each individual member of the TAB board was asked to resign because my wish was that, collectively, the board would resign. I spoke to Mr Cousins and asked him if he would step down. I rang every individual member of the TAB board and individually spoke to them, and said that it was my wish that the members step down, and that I then be given the opportunity to make appointments. So, yes, each individual was requested to resign. That does not mean to say that Mr Cousins would not have been reappointed as Chairman. It does not mean to say that any of them would have been reappointed or not reappointed.

The fact is, I created the situation for a spill of the TAB board and then have the opportunity to reappoint. It never reached the stage of debating with individuals as to whether

they would or would not be reappointed. Some individuals, and one in particular, chose to run straight to the media and made one great big media political issue of it. The honourable member has full knowledge of where it ran to after that. But from where I sat, I never moved from the position I held right through the whole period, and that related to a request of an incoming Government, with a mandate to inject new life and new change, to be able to say to a board, ‘I would like you to step aside, to request you to resign, to give me the opportunity of making appointments where I see fit.’

Nothing was ever said that would have implied that if Mr Cousins had resigned he would not have been reappointed as the chairman of the board. Only history would have proved what would have happened if the members had done so. As it happened, they met and they chose not to tender their resignations. The board now continues to operate. In January next year a new appointment will come on to the board from the Greyhound Racing Board, and the board will continue. The honourable member did have a question relating to turnover. Since the telephone betting came in there has been a noticeable increase in turnover. The administration is addressing this issue of profitability.

I have confidence in the administration and their approach. I have now had several meetings with them. As the honourable member knows, I went to Western Australia, where I had discussions and looked at their turnover, because the industry was concerned that at one stage Western Australia seemed to be getting away from us. The administration is taking into account what is happening interstate. I believe that, like the rest of the racing industry which has settled down considerably over the past six months, the TAB has also. I have full confidence in the racing administrators in all the areas in which I have to work, but I do believe that there is still room for some minor changes on boards and, in the fullness of time, I will see that those changes take place.

Mr FOLEY: Mr Chairman, I ask for your indulgence for one final supplementary.

Ms GREIG: The Chairman has been very generous.

Mr FOLEY: Well, I have a Minister who could be misleading the Committee. I think that is a very important area.

The CHAIRMAN: I ask the honourable member to withdraw the allegation. This is a Committee of the Whole House and the Standing Orders are House Standing Orders, and if the member wishes to allege impropriety and misleading then I ask him to withdraw the comment, unequivocally.

Mr FOLEY: Mr Chairman, I am not suggesting that the Minister has misled the House; what I am suggesting, Sir, is that this is an important area of government—

The CHAIRMAN: I am not looking for debate, honourable member, I am simply quoting. The honourable member said that the Minister may have misled the House. The honourable member can elicit that information by way of question. He has had a very fair go; six questions is really a very fair go. I call on the member of Hartley.

Mr FOLEY: I withdraw, incidentally, Mr Chairman, any—

Mr SCALZI: On page 395 the program description for racing states:

... bookmakers to offer a betting service on an expanded range of contingencies and field at various sporting venues, both of which need to be declared by regulation;

What contingencies and venues are likely to be applied for and approved?

The Hon. J.K.G. Oswald: The member has raised an interesting question because there is a lot of interest around now in this area of sports betting. Only this week, when I was at the Magarey Medal count, it was raised with me on several occasions by the SANFL, that they look forward to the opportunity of having sports betting. It is proposed to allow bookmakers to bet on the following additional sports events: international basketball, the Magarey Medal, Brownlow Medal, rugby union matches and rugby league matches. It is my intention to revisit this question of the Magarey Medal count, though. I do have some concern with betting on something, in this particular case the Magarey Medal count, where the name may be known beforehand—because it may have been leaked to the media so that they can set up, for example, the TV performance, where the cameraman, or whoever, has to zero in on a particular player during the night. If something is known beforehand and that is in train, there could be a chance of others knowing and it influencing the betting. I think we will probably have a second look at the Magarey Medal count. However, as far as general sport is concerned, international basketball, rugby union and rugby league matches are certainly of interest.

It is also proposed to allow bookmakers to field at the Grand Prix circuit, Adelaide Oval, the Clipsal Powerhouse, Football Park, Hindmarsh Stadium, Memorial Drive and Norwood Oval. Each of these events and venues is subject to approval by regulation. It should be understood that there are quite strict regulations. The events and venues have been sought initially by the sports bookmaker. It is certainly up to the sports bookmaker: he has to want to go there first; and he must then obtain the approval and agreement of the sporting organisation before he even attempts to go there.

Members may be interested in sports betting turnover. In 1991-92, the turnover was \$46 000; in 1992-93 it was \$155 000; and in 1993-94 it was \$690 000. As members will see, it is slowly growing. The question has often been asked: why only one sports bookmaker? Why are more bookmakers not allowed to be involved in sports betting? Of course, the answer is that I will allow more to participate, once the turnover increases. However, the introduction of sports betting in this State has not resulted in the turnover of the bookmakers in the Northern Territory, which is quite enormous. On the other hand, its introduction has obviously arrested some of the cash flow out of this State. Of course, the Government loses the turnover tax on that money flowing out of the State.

Mr SCALZI: Under the heading '1994-95 Specific Targets', one of the Racing Division's objectives is to monitor the impact of the introduction of TAB Radio and TAB turnover. How successful has TAB Radio been so far and what is the predicted impact on turnover and profit?

The Hon. J.K.G. Oswald: TAB Radio commenced its operations in Adelaide on 2 July this year. At this early stage it is not possible to quantify its impact on turnover as there is a number of factors that need to be taken into account. However, informal surveys have shown that both client and industry acceptance of TAB Radio is very high. The best indicator is the 9.94 per cent increase in turnover achieved by the TAB's telephone betting department. It was predicted that TAB Radio would impact more on telephone betting due to the provision of additional information into customers' homes. Telephone betting accounts were approximately 13 per cent of the total TAB turnover.

Overall, it is considered that the information provided by TAB Radio has not only increased telephone betting turnover

but has, to a wider extent, contributed to the corporate increase of 6 per cent to date. Further increases in turnover are expected when the broadcast footprint of TAB Radio is expanded into the country areas of South Australia. This expansion will not take place until later in the 1994-95 financial year. The predicted impact on turnover from TAB Radio has been budgeted at \$3.9 million for the first year. At an average corporate commission rate of 15.2 per cent for 1994-95, this would yield an additional profit of \$592 800.

The broadcast fee payable by the TAB to Festival City Broadcasters Limited has been reduced by \$127 000 in 1994-95 from \$2.647 million last financial year. The TAB has advised that the broadcast fee is expected to reduce by 50 per cent over the next five years as a direct result of developments with TAB Radio and the projected performance of Festival City Broadcasters Limited.

One might ask why the TAB has continued with the ownership of 5AA. Of course, that question is raised regularly with us. The reason is that the TAB is the sole shareholder of Festival City Broadcasters Limited, which is the owner of the two AM licences: 5AA and TAB Radio, which is the narrowcast licence. Certain conditions have been placed over the narrowcast licence by the Australian Broadcasting Authority. Those conditions are: first, the licence has been issued on a temporary basis for two years and is subject to rebidding at the end of that period; and, secondly, the licence cannot be sold off or transferred to another entity. It is therefore the policy of the TAB and Festival City Broadcasters Limited that they shall retain that licence at least until the TAB Radio licence is permanent.

It is pretty obvious that, if the TAB quit 5AA and sold off the station before TAB Radio has secured the licence on a permanent basis, we could have a situation where the TAB does not have access to race broadcasting. Of course, I could not accept that situation and no-one in the TAB wants to accept it. When the licence is permanent, it is my view—and it is a personal view at this stage—that the Government, through the TAB, should not be involved in the ownership of a talk-music format station. Our business in the TAB is the ownership of a licence that allows race broadcasting. No doubt there will be a public debate as to whether the TAB and 5AA should be sold off, with the TAB retaining its access to TAB Radio. However, that is a debate for another day.

Mr SCALZI: Can the Minister explain the apparent increase in staffing numbers of the Office for Recreation, Sport and Racing from the actual figure of 90.6 positions in 1993-94 to the proposed figure of 99.6 positions for 1994-95, as shown under 'Resources Summary' on page 389 of the Program Estimates?

The Hon. J.K.G. Oswald: I thank the honourable member for the question because I think the issue should be clarified now. It is an interesting question and somewhat complex. As the honourable member has pointed out, the figures in the Program Estimates suggest an increase in the total staffing numbers for the Office for Recreation, Sport and Racing. This is quite a remarkable situation given the recent reduction in the work force of the State public sector.

The Office for Recreation, Sport and Racing is not increasing its work force by nine positions, as the figures would suggest; in fact, a reduction of 11 positions is proposed. The proposed full-time equivalent (FTE) target for the office for 1993-94 was 97.5 employees. The actual figure as at 30 June 1994 was 90.6 FTEs, and this is the figure that appears in the Program Estimates. This was a reduction of

seven employees due to staff taking TSPs and the redeployment of other employees.

However, the figure of 90.6 FTEs does not represent the total establishment of the office. There are 13 vacancies which were not filled as at 30 June 1994 and which are not included in the figure of 90.6 FTEs, nor does this figure include staff on leave without pay as at 30 June 1994. The last pay period for the 1993-94 financial year fell on 24 June. The FTE figure on 24 June was 96.6 positions as the TSPs were not taken until 30 June and are therefore included in the figure of 96.6 FTEs. At 24 June the office had 14 vacancies, which should be added to the FTE figure to give a total establishment of 100.6 FTEs, which is 96.6 plus 14. Since 24 June, an additional 10 vacancies have occurred due to a combination of TSPs, redeployment and promotional transfers.

The office is currently carrying 24 unfilled positions, of which only 13 have been approved for filling. This leaves 11 positions that will not be filled. Therefore, the total establishment at 24 June, including unfilled vacancies, was 110.6 FTEs. Since 24 June, additional vacancies have occurred, increasing the total number of vacancies to 24 FTEs.

In summary, the situation is that the base figure as at 24 June was 110.6. After subtracting from this figure 24 vacancies as at 1 July, giving a total of 86.6 FTEs, and adding the 13 vacancies approved for filling, the total of 99.6 is the new establishment base figure for 1994-95. This is the proposed figure given for 1994-95 in the PPB papers. Given that the office had a total of 24 vacancies as at 1 July, and only 13 have been approved for filling, the Office for Recreation, Sport and Racing proposed a reduction of 11 positions between 24 June and 30 June. The reduction in staffing numbers has mostly occurred in the corporate services division, and those reductions should ensure minimum impact on the service delivery arm of the department. However, the department will no longer be able to provide specialised information on such things as technical specifications and facilities as the expertise is no longer available.

Mr FOLEY: In response to my question on the TAB board, the Minister said, 'At no stage, did I ask Mr Bill Cousins to resign.' I refer the Minister to his ministerial statement in *Hansard* (page 779) of 19 April 94, which states:

I have had discussions with Mr Mark Pickhaver, Chairman, Harness Racing Board, Mr Des Corcoran, Chairman, Greyhound Racing Board, Mr Bill Cousins, Chairman, TAB and Ms Kate Costello, a member of the TAB board. . . I asked each to step aside. . . .

After advising the House that none of those members were prepared to stand down, you went on to say:

However, my invitation to them to stand aside will remain open during the parliamentary recess. If, during that period, the board members involved have not reconsidered their position, the Government will have to look at the legislation with a view to ensuring that the Government is able to take all necessary action to ensure accountability for performance of an important board and to help revitalise an industry which is vital to the economic well-being of our State. . . .

The Minister said today that he did not ask them to resign. I have referred the Minister to *Hansard* of 19 April, which shows that he did ask them individually to resign, and he knows that. How does the Minister reconcile these conflicting statements? How can the Minister explain it as simply wanting these members to stand aside for an appraisal? These comments were very damning on all of the board members, and the flow-on question remains: does Mr Bill Cousins

enjoy the full confidence of the Minister, and is he quite happy for him to fulfil his term of appointment? Does he have the Minister's confidence?

The CHAIRMAN: The Chair has a duty to prevent repetitive questioning, and the Chair finds this question to be almost identical to the previous question. The Chair's recollection of the Minister's answer is that the Minister said that he had not publicly sought resignation, but that he had had private discussions with the person in question. I will permit the Minister to respond as he sees fit, but I find the question almost identical to the previous one, with the embellishment of additional comment.

The Hon. J.K.G. Oswald: The Chairman is absolutely correct as always; it is a re-run of the same question. I am not sure whether the honourable member listened to—

The CHAIRMAN: The member for Hart appears to be dissenting from the Chairman's ruling by displaying acts of anger. If the honourable member wishes to express dissent from the Chairman's ruling, he does it not by gesture but by bringing forward a written statement of dissent, and then the matter can be put to a—

Mr FOLEY: I have not dissented at all. I was quite comfortable.

The CHAIRMAN: The Chair misunderstood the member's reaction.

The Hon. J.K.G. Oswald: In my reply to the honourable member 10 minutes ago, I thought I spelt out very clearly to him and to everyone in this Chamber that I spoke to each individual member of the TAB board and requested that they stand down. I made a very clear statement which was not misleading to anybody. I rang them all as individuals. The honourable member keeps honing in on Bill Cousins as Chairman of the board: I rang Bill Cousins and the other members, and I explained to them that an incoming Government has the right to ask board members to step aside and then make re-appointments or otherwise. I did nothing more and nothing less than that. My statements made publicly, following on from my contact with those members, are consistent, and I have remained consistent in my public stance that I gave them the opportunity to step aside. The board met and chose not to follow that course of action, and the matter is history after that.

There is no question of my statements being misleading, because I repeat for the third time this morning that I asked those gentlemen to step aside and they chose not to do so. As far as the board is concerned, I repeat that in January there will be a new appointment in respect of the greyhound racing code. I will not be proceeding now with the amendments to the Racing Act and, as a result, the board will continue until the terms of the various members come up for renewal. So, the decision will be for another time. The industry needs to settle down; the board needs to settle down; and everyone needs to get on with the job. In January I will have an opportunity to put some new blood into the board; I would have preferred to make other appointments, but clearly I have made the decision not to proceed along that line, and there is nothing else to say on the subject.

Mr FOLEY: I also asked whether Bill Cousins has the full confidence of the Minister.

The Hon. J.K.G. Oswald: My relationship with Mr Cousins is very professional; he has settled into the job and has a good grasp of the position, and I am happy for him to continue as Chairman of the TAB board. I will use the selection of Mr Corcoran's replacement very carefully to change the mix of advice that Mr Cousins will be receiving,

but I repeat: the industry in response to other initiatives that I have introduced over the past six or eight months has settled down well, and it is my intention to ensure that it continues to settle down well and that we end up with a strong racing industry in this State. I have set the right directions, and we will achieve that objective.

Mr FOLEY: The issue relating to Bill Cousins clearly was very poorly handled by the Minister. Does the TAB now distribute funds to the racing clubs on a monthly basis to smooth the clubs' cash flow? During the Estimates Committee last year the Minister advocated that a monthly distribution of funds to clubs would help smooth their cash flow. Has the Minister now implemented his preferred policy in that area?

The Hon. J.K.G. Oswald: The honourable member is correct in saying that I did have an active interest in this matter, and certainly it was borne by representation I received from the codes. The matter of investments and interest in the money is involved in this matter, and I will ask the Director of Racing to give the reason why it has not been proceeded with. This matter is under review at any time, because I know the codes are looking for ways to increase access to funds including, eventually, State money.

Mr Harvey: The answer to this is relatively simple. The TAB earns interest on the funds that it accumulates during the period between quarterly distributions to the codes, and the benefit that the TAB earns through those investment funds and the opposite benefit that the codes would incur from having those funds available to them more quickly are largely offset. The codes receive the benefit of those interest rates that the TAB earns in the subsequent quarterly distribution.

Ms GREIG: The football totalisator rules were amended during the year to allow for a new bet type called Footydouble or Footyextradouble. In addition, the range for all football bet types was amended to allow for a standard range of 1-12 points. What has been the impact of these amendments (and I relate that to page 395)?

The Hon. J.K.G. Oswald: In light of the turnover results over the past two football seasons and following client feedback, the TAB decided to modify client wagering options on Footypunt in order to maximise turnover. I would like to cite the changes that were made to Footypunt ranges. At the commencement of the 1994 football season there was, first, an increase in the points ranges to a standard 1-12 for two goals for each bet type and, secondly, the introduction of the Footydouble and the Footyextradouble. The Footypunt turnover comparison at the completion of the minor rounds is in tabular form, and I wish to have inserted in *Hansard* a statistical table.

Bet Type	1993 \$	1994 \$	% Inc/Dec
Footywin	528,129	543,538	2.91
Footydouble/ Extra		176,597	N/A
Footytreble	366,758	384,241	4.77
Footyfour	575,251	548,098	(4.72)
	1,470,138	1,652,474	12.40

The Hon. J.K.G. Oswald: The Footypunt turnover this season has already surpassed last year's turnover result of \$1.602 million. The TAB has budgeted for a turnover of \$2.1 million for the 1994 season and, with the final rounds still to be completed, there appears to be a good chance that the turnover budget will be achieved. The calculation of the final profit will be possible at the completion of the football season. I think the question will be more adequately answered

when members have access to the table that is to be incorporated in *Hansard*.

Ms GREIG: Page 138 of the financial summary for the Office of Recreation, Sport and Racing shows an increase in the receipts retained by agency from 1993-94 proposed to 1993-94 actual of \$877 000, from \$2.110 million to \$2 986 924. Will the Minister explain the reason for this increase?

The Hon. J.K.G. Oswald: The increase in deposit receipts between proposed and actual in 1993-94 is made up of two factors: first, an increase in receipts actually received against proposed in the following areas: REC SA, \$107 000; operation of facilities, \$397 000; sundries, \$30 000; and South Australian Sports Institute, \$525 000, which makes a total of \$1.061 million. There is also a shortfall in recurrent receipts of \$184 000 comprising: loss of interest, \$17 000; operation of facilities, \$10 000; South Australian Sports Institute, \$173 000; and sundries \$16 000. Receipts retained by the agency is one of three components making the total recurrent source of funds that are used to formulate the total proposed expenditure budget.

The level of receipts determines and impacts, in part, on the level of permitted expenditure for the financial year. In general, an increase in receipts is reflected in an increase in expenditure, with the reverse also possible. It is imperative that the estimated budget receipt is achieved, since any shortfall in the receipts requires a corresponding forced saving in the department's total expenditure. Also, above budget receipts can result in corresponding increases in expenditure.

Mr De LAINE: On 30 December 1993 you announced that the Government would establish a joint working party to examine seating options for Football Park. The report stated that the working party would look at providing an extra 5 000 seats, and you said that, while no estimates had been carried out, the work would cost \$15 million and increase the prospects of a second team entering the AFL. Who was on the working party, and what has that working party done over the past eight months?

The Hon. J.K.G. Oswald: The discussion initiated between me, Neil McGachey as the acting CEO and Leigh Whicker. We met initially at Football Park and discussed a statement that had been made by the then Leader of the Opposition (Hon. Dean Brown) when he had had independent discussions with the league and the league had expressed interest in additional seating. He said that he supported that and I, as incoming Minister, was given the task of contacting Leigh Whicker and getting discussions under way. So, if we can pick up the sequence of events at my first meeting with the league, with Neil McGachey I visited Leigh Whicker and we had a general discussion about the expectations of the league.

Mr Whicker's advice was that at that stage the league was unsure about the actual number of seats and the form the seating should take, but we left that meeting having decided to investigate between us the possibility of temporary seating. If the honourable member is familiar with the members' area and the roof of the stand running from the members' area around to the grandstand, it was proposed that we may be able to put temporary Grand Prix type seating on that area. The league said that it would undertake the necessary study for it so, when you are asking about who constituted the working party, the league went off to do that work itself to report back to the department. It concluded—and I did not have any officers involved—that it would prefer to look at the option of permanent stands, with perhaps a very expensive

increase, but it would also allow it to put on another deck, to put in corporate boxes and generally to upgrade the facility.

The Government is still waiting for the league to come back with a formal proposal. I have had informal discussions with Leigh Whicker from time to time, asking how it is going, and his advice is that they are nearing completion on concept but they are also seeking discussions with the Government on other issues, particularly parking, because they realise that you cannot put 5 000 additional seats into Football Park without having addressed the whole question of parking. To that end, Max Basheer spoke to me as late as this week with a view to access to the State Supply Depot, to see whether some arrangement could be reached because, until Woodville council and Football Park resolve the parking, the prospect of 5 000 seats becomes a real planning issue.

In summary, we are at a stage of discussion now of trying to resolve the parking; we are in close contact with the league and it appears that any question of the temporary seating has now been abandoned. The league has lost interest in that, and the next question will be how, when and whether a major upgrade can be funded with Government assistance or by whatever means. I will keep in close contact with Leigh Whicker and progress the matter as quickly we can.

Mr De LAINE: Does the Government intend to fund or contribute to the cost of any additional facilities?

The Hon. J.K.G. Oswald: The Government has an interest in doing something to financially assist the SANFL. Over the years, in regard to funding, it was very much left to its own resources. Whether that funding ends up in the form of helping with additional car parking or capital investment into the actual grandstand is an issue we will have to weigh up with our future capital works programs as funding becomes available to us as we come out of the recession. This year we are in a very tight capital works program because of the Government's debt reduction strategy. In the next two or three years, as the State's financial accounts become strong, we will be in a better position to go out to sport and be involved in capital funding. My meetings with the league will remain fairly regular.

It is the Government's desire to make a financial contribution towards the upgrade of Football Park. It is really as much in the league's camp as it is in the Government's to have further discussion about what the league's concept plan is and to link it in with the car parking. I hope that the Government will be able to assist in the overall upgrade of the facility.

Mr EVANS: I refer to the Program Estimates (page 390): there appears to be a substantial increase in the proposed capital expenditure for 1994-95 (\$30 000) in regards to the development of recreation compared with actual expenditure in 1993-94 (\$225 000). Why has there been increase of \$195 000 against this line?

The Hon. J.K.G. Oswald: This is another one of the very good news stories that continue to come out of both the Department of Recreation and the Department of Sport. The increase is due, in part, to an injection of new funds of \$100 000 to continue the establishment of the hut building program. I recommend that members take some time one day, go to the Byron Place Day Centre and ask to see the photographs of what has been achieved by the Central Mission in the building of huts on the Heysen Trail.

In the past, they have taken residents of that day care centre, who are basically unemployed and extremely disadvantaged, to the Heysen Trail for some months, given them a task and then brought them back into the community.

On one occasion not only did they go up and build these huts but they came back, hired dinner suits, went to the Hilton and put on a big night. The impact of that on those people was absolutely incredible. By injecting another \$100 000 into the program, I hope to provide funds to enable them to go back up the trail with residents of that place and continue the program.

Recreation SA proposes to construct 75 huts throughout the Flinders and Mount Lofty Ranges to provide basic accommodation to walkers and cyclists using the Heysen and Mawson Trails and to provide work for the unemployed from the Adelaide City Mission. Eight huts have been established. Project officers are currently inspecting and negotiating for other sites in the Mount Lofty and Flinders Ranges. Work on Hiskey's Hut and Hallett Railway Station has been completed and will provide dual use huts for both Heysen and Mawson Trail users. Other hut sites that have been identified include: Spalding Railway Station, Willalo Hall, Mount Burra Railway Station and Webb Gap. The cost of restoration of a hut varies between \$5 000 and \$25 000. This money is well spent, considering the benefits gained from the project.

In addition, the funds required (\$125 000) to establish and maintain the walking and cycling trails have been included in proposed capital expenditure for 1994-95 rather than in recurrent expenditure as in previous years. The development trails for 1994-95 will include the Riesling Trail, which is continuing to be developed north to Clare and south to Watervale. Recreation SA is currently developing the disused railway between Riverton and Spalding and a recreation corridor between Hilltown and Riverton, including the establishment of a multi-use recreational trail known as the Riesling Trail. This trail will allow cyclists, walkers and horse riders to enjoy many of the tourist facilities in the Clare Valley (including 20 wineries in the district).

The Tom Roberts Trail was recently opened and will provide access for some 20 000 recreational horse riders in the State (it received a bit of publicity a couple of weekends ago). The Mawson Trail is a long distance cycling trail that will stretch from the Flinders Ranges town of Blinman to the city of Adelaide. It has four sections totalling approximately 800 kilometres which have been marked, with maps published. These sections are Adelaide to Marryatville, Marryatville to Spalding, Spalding to Wilmington, and then Wilmington to Hawker. The last section, Hawker to Blinman, is now under negotiation. The Mawson Trail was the subject of a segment on Channel 7's *The Great Outdoors* on 5 August. It is anticipated that this trail will be completed by the end of the 1994-95 year.

I now refer to the Government's involvement this year in the women's suffrage year. It is worth briefly saying that the Hahndorf National Trust initially suggested that the Women's Pioneer Heritage Trail be marked during 1994, women's suffrage year. The Women's Heritage Trail will trace the footsteps of the pioneer women of Hahndorf who would set out from Hahndorf at midnight to carry their produce to the markets at Beaumont, sell their surplus goods and then return to Hahndorf—an arduous walk through rugged bush land. It is envisaged that the trail will be used by school groups, walking groups and individual walkers. It is anticipated that the trail will be heavily used, particularly as an educational resource.

Members will be familiar with the Heysen Trail and the Mount Lofty Walking Trail: suffice to say that there are thousands of kilometres of trails that have been established by the department. It is a credit to every officer within the

department who has had anything to do with setting them up, and it shows a lot of vision and foresight on the part of officers in our own department in South Australia.

Mrs GERAGHTY: In answer to a question on the Southern Sports Centre, the Minister made several statements. For the record, I point out that it was not a case of building a Taj Mahal but building a facility that the community needed. It was like rewriting history, because we know that the two former Ministers that the Minister mentioned in that area were not silent on the issue. In fact, the former member for Mawson was a tireless advocate of this development. Does the Minister have any indication of which sports and clubs will have access to the facilities? Can the Minister ensure that women's sports will receive due recognition? How will the facility be managed and who will be responsible for its operation and maintenance?

The Hon. J.K.G. Oswald: We have a steering committee, to be made up of all user groups, which will go on to form the trust. The ultimate objective is for the area to be managed by a trust made up of the user groups. At the moment, in its infancy, there is a steering committee, and that steering committee will either become the trust or become the nucleus of forming a trust.

Other than the South Adelaide Football Club, part of the ongoing users' head lease is to generate revenue from which additional facilities can be created. Under that lease they are committed to raising a certain amount of money each year, and that is one of the reasons why they want to put in poker and gaming machines and the TAB—to generate extra revenue other than that from bar takings. Under their lease they know they have a commitment to generate revenue. The trust will then manage the future facility.

With regard to what other sports will be there, there is an obligation on the councils and the community groups to work actively with the steering group to go out and encourage other groups to come forward. Those groups who have shown some interest already are: league netball, local softball and a commercial gymnasium, and I am sure others will come in and show interest. It is a question of establishing a trust and generating community interest down there. On 20 September this year, we will have an official launch and a key handing over ceremony to which we will be inviting State associations. Once again, I hope that will give as a little more impetus to publicity in the area so that local associations realise that it is there and that it will be a major sporting resource for the district. They may be a little crazy if they do not get involved on the ground floor, show some interest and get their foot in the door in what will be a pretty exciting process five years down the track.

Mrs GERAGHTY: The Minister mentioned that a trust will manage the project. Could a larger organisation that was involved in that facility have an overbearing influence on the trust so that one body had more influence than another in the management of the facility?

The Hon. J.K.G. Oswald: I would not want ever to get into a situation where we could ever be accused of that. It is a community resource. If one considers the land and the extra \$1.5 million we have put in, one sees that the taxpayer has put into it a huge investment. I am sure that, as time goes on, local government will start pouring money in there. If the inference of the question is that the South Adelaide Football Club will become a dominant factor and take over the running of it, my answer is that it has its lease for a part of the real estate but the trust will run the total complex. Even during the design of the community facility, I was very

adamant in saying that, whilst it is part of the complex, South Adelaide must understand that the facility does not belong to it: it is a community facility. I have spoken to Harry Kernehan about the matter and said that there might come a time on, say, a football day, when the trust will say at 6 p.m., 'You cease to have access to that facility,' because a wedding might want to come in and have access to it.

So, it is a community facility: it is not dominated by the South Adelaide Football Club. It has its lease over which it will have total control. However, the trust will manage it for the community on the behalf of the community, and I will not accept dominance by, say, the South Adelaide football over the community use of the place.

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

Membership:

Ms Rosenberg substituted for Ms Greig.

Mr Brokenshire substituted for Mr Scalzi.

Housing and Urban Development, \$12,886,000.

Witness:

The Hon. J.K.G. Oswald, Minister for Housing, Urban Development and Local Government Relations.

Departmental Advisers:

Mr M.A. Lennon, Chief Executive Officer, Department of Housing and Urban Development.

Mr B. Gear, General Manager, Planning Services.

Ms C. Proctor, Director, State and Local Government Relations Unit.

Mr S. Coglin, Director, Corporate Services.

Mr R. Flemming, Manager, Finance.

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

The Hon. J.K.G. Oswald: Major reforms to the delivery of housing assistance and to the involvement of the Government in the urban development process are foreshadowed in the 1994-95 budget, complementing the work of the Audit Commission earlier this year. Since the Government has been in power, we have worked hard to achieve our objectives. A major effort has been made in the portfolio to contribute to the Government's commitment to increasing the efficiency of Government operations, provide clear accountability, reduce outlays and create a more positive business climate.

The initiatives to be pursued in the 1994-95 financial year represent a landmark in reforming the structure and operations of this sector of Government. Earlier in the year I announced a review of the portfolio undertaken by the consultants Deloitte Touche Tohmatsu and supported by a reference group from both private and public sectors. In July I announced Cabinet endorsement of the review's recommendations and implementation arrangements.

Later this year I intend to bring before Parliament enabling legislation for the reform program. Within existing legislation, major reforms are already under way. I take this opportunity to acknowledge the support and cooperation I have received from the board of statutory authorities and senior staff across the portfolio in this process.

The legislation will bring this sector of Government into a new era, reflecting not only the findings of the Audit

Commission but also, at a national level, the Industry Commission's recommendations on public housing, the Hilmer report and the reform program of the Housing Minister's Conference convened by Deputy Prime Minister, Brian Howe.

The portfolio will consist of a series of discrete business units which will include the Department of Housing and Urban Development and entities covering the functions of development, property management, tenancy management, community housing and home finance. Each will be directly responsible to the Minister ensuring close ministerial control over policy, regulation, resource allocation, performance management and structure.

The two main functions of the Housing Trust, residential property ownership and residential tenancy management, will be split and placed under separate management. The board of the Housing Trust has been asked and has agreed to create these two business units as a matter of priority. Both units will report to the board of the Housing Trust. The different objectives of the Housing Trust involved in the business of property ownership and the function of tenancy management has resulted in conflicts between commercial and social objectives.

This confusion, combined with the changing nature of the housing market and Federal funding cuts, has resulted in increasing and unsustainable operating deficits. These deficits will be wound back by establishing a property manager with a clear objective to provide a commercial rate of return on assets. I want to stress, however, that tenants will not be directly affected by these reforms. Indeed, a major aim of the restructure is to provide clients with a better service.

One of the first changes will be the establishment of a new development agency, the South Australian Urban Projects Authority, which will combine the development functions of the Housing Trust and the Urban Land Trust with responsibility for all major Government development projects. These include the East End Market redevelopment, Mile End and Port Adelaide projects. By placing the Government's development functions under one umbrella, development processes will be streamlined, resulting in significant improvements in efficiency and customer service.

Cooperative and community housing association programs will be combined, providing a clear focus for a rapidly emerging alternative form of housing assistance. HomeStart, the housing finance arm of the portfolio, will be given a more appropriate corporate framework within which to operate. Together these measures represent a sound strategy towards improving efficiency and delivering quality services.

I now turn to the Planning Division. The reform of the planning and development system, instituted by the previous Government and given bipartisan support, is proceeding well. An integrated planning and development assessment system is an important means of generating greater investment, employment and wealth for South Australia. The planning strategy adopted by the Government emphasises a whole-of-Government approach and provides a framework for giving greater certainty to the development industry, local government and the community.

The findings of the joint State and local government reviews for the Barossa Valley and Mount Lofty Ranges have been incorporated into the planning strategy, and a range of initiatives have been commenced in order to implement the strategy. Priority has been given to reviewing the country region sections of the planning strategy. An inter-departmental task force has been coordinated by the Depart-

ment of the Premier and Cabinet in order to combine economic and physical planning region by region across the State. It is proposed that this program will be completed by the end of 1995.

Emphasis has been given to the staged revision of the development plans over the next three years. The revision of the development plans to ensure that they implement the policies of the planning strategy is a significant challenge and will require extraordinary discipline at State and local government level.

The review of the metropolitan development plan relating to the staged release of urban land and the provision of infrastructure, the formation of the Urban and Regional Development Advisory Committee, the coordinated release of surplus Government land and the linking of agency initiatives to the planning strategy all reflect the ways in which integrated planning rather than *ad hoc* development control has been promoted by the Government.

On this question of the revision of the Development Act, in April I announced a comprehensive review of the Development Act and its associated regulations. This review is currently undertaking an overhaul; it is not window-dressing. The Government is committed to genuine debate on the Development Act. We are particularly keen to ensure that the system which has been in operation since January gives appropriate certainty and clarity to the development industry, prospective investors and the wider community. It is our aim to make the South Australian development assessment system the simplest and most effective in South Australia. There is no doubt that the Development Act can be improved upon. However, no-one to whom I have spoken has suggested throwing out the window the progress that has already been made.

I am committed to freeing development from any identified red tape surrounding it. The Act at present does not go far enough. I have been very pleased with both the number and the quality of the submissions received on the Development Act and regulations in response to my call for comments. One of the issues identified by the submissions has been the need for an independent review of the legislation overseen by persons not involved in its preparation. To this end I have sought advice from a monitoring group consisting of individuals with considerable expertise in the development industry, local government, environment and planning law and building and planning assessment in key Government departments.

I have appointed an independent Chairperson from outside the Government to lead this group in its assessment of the submissions and key issues. The monitoring group has now made a number of suggestions to me about important changes to the Development Act and the regulations. I welcome their suggestions, which will be considered by Cabinet later this month.

It is my intention that there will be a further period of consultation on the draft Bill in October with an agreed Bill being tabled towards the end of this session for debate in the new year. Within the Planning Division, a major effort is being made to improve the management and skills level of the division. New staff have been recruited, particularly at middle and lower levels as part of this.

Mr FOLEY: For my first question I will be quite blatantly parochial as a local MP and kick off with some questions about the Port Adelaide redevelopment. The Government announced, as reported on the front page of the *Advertiser* some weeks ago now, an impending \$500 million

expansion and redevelopment of the Inner Harbor. It aroused much interest in my community as we eagerly await \$500 million of new investment. Will the Minister detail the exact breakdown of that \$500 million, say when the projects will commence and give me some advice as to exactly the nature of the \$500 million investment which he announced and which was reported in the *Advertiser*?

The Hon. J.K.G. Oswald: The project comes under SAULT, which is under the other payments lines that will be considered later this afternoon. I do not know whether you want to open up these lines at this stage or keep it for other payments, but SAULT is in other payments.

The CHAIRMAN: The Chair is in the hands of the Committee; it is normal procedure to close the line and to open a further one. There are one or two things which are across two lines, so the same issue may occur again in local government, I believe. We will ignore the first question.

Mr FOLEY: In your opening statement you mentioned the review of the Development Act. The Opposition believes this is a surprising move, as the Act has been in operation for such a short time and has hardly been tested. Stakeholders in the planning and development field have made representations to the Opposition, and they are dismayed, to say the least, particularly as there had been such a great deal of consultation and work in the formation of the Act in the first place.

In announcing the review the Minister indicated that amendments to the Act and regulations would be drafted for debate in Parliament in the Spring session. However, there was no mention of this proposed legislation in the Governor's speech at the opening of the session. When will the Minister introduce the legislation and what will be the thrust of the Bill?

The Hon. J.K.G. Oswald: The honourable member may be talking to a different section of the development industry from the one I talk to, but the advice I am receiving is that whilst they generally support the concept of having a State strategic plan and the broad thrust of the Development Act, the message I was getting was that there should be a settling down process, and I have been consistent in saying that we would not rush to bring in amendments. However, the development industry has advised us that some significant issues need to be addressed, and I will endeavour to bring in some enabling legislation in that area. Once we have addressed these significant changes, then in the new year we can revisit the minor changes that are required to the Development Act. It is my intention to introduce a Bill in 1994 and allow it to be available first for public consultation and then for debate.

In April I announced a comprehensive review of the Development Act and regulations based on representations I had received. The goal of the review is to ensure that the new integrated planning and development assessment system accords with the policies of the Government. The key aim of the review is to make clearer and more efficient the South Australian development assessment system than those operating in other States. It is quite obvious when talking to planners at local government level that there will be a need, after the settling down process of the initial legislation—a huge piece of legislation—for us to revisit to tidy up areas of concern.

The original Act is too large to accept that it will be brought in and for us not to see some sort of modification after it has had a chance to work. Submissions were sought initially on the developed regulations. In total, 65 submis-

sions were received. Useful suggestions for changes have been made by the development industry and from development authorities. These submissions have been assessed by the Department of Housing and Urban Development, with expert advice from the monitoring group—people with experience in private development, environmental and planning law and local government.

This group is Chaired by Mr Stuart Main, a solicitor and environmental consultant, and a person, all members will agree, is eminently suited to Chair such a group. Fine tuning amendments to the regulations, such as new forms and a simpler fee structure are being prepared in response to the submissions received. Many of the submissions raised issues, which are linked to the provisions of the Act. Those have been considered together with amendments to the Act. Public submissions on the Act were sought in July and August; in total, 30 submissions on the Act have been received from a wide range of industry and professional organisations, the Local Government Association, Conservation Council and Government agencies.

In keeping with the goal of the review the following four areas, which I will itemise to the Committee, are possible areas to amend the Act in the future: improved administrative performance of planning authorities; greater clarity in the duties and responsibility of planning authorities; faster determination of development applications; better mediation, and speedier dispute resolution. The monitoring group has canvassed a series of options for change in these areas. It is suggested that 12 possible amendments to the Development Act come forward, which will be put to Cabinet shortly for endorsement, along with a similar number of possible amendments identified by the department from the submissions received.

Several possible amendments to the Environment, Resource and Development Court Act also have been identified by the monitoring group. Following Cabinet agreement on the proposed amendments it is intended that the Parliamentary Counsel office prepare a draft Bill to amend the Development Act, and possibly to amend the Environment, Resource and Development Court Act. These draft Bills will be sent to interested bodies, and I include in that the LGA, the Planning Institute, NELA, the HIA, and the UDIA for four week public consultation sometime in October.

Following this period of consultation, the draft Bill will be finalised prior to introduction to the House of Assembly some time in November. Departmental officers are investigating the private certifiers' insurance requirements in the development regulations. Discussions have been held with the Government's insurance advisers; very limited interest has been shown by qualified professionals in being private certifiers. The insurance industry is reluctant to devise a scheme for so few people. This matter is being considered as part of a review of the Act.

Finally, the HIA (Housing Industry Association), the Australian Institute of Building Surveyors and the Local Government Association have reached agreement on amendments to the regulations deleting the requirements for council to issue Certificates of Occupancy for the class 1a dwellings and the class 10b out-buildings, which include swimming pools. Instead, it is proposed that it be an offence to occupy a dwelling unless it is habitable and no new swimming pool is to be filled unless an appropriate security fence is in place. These regulation amendments are presently before Cabinet. There are some areas there which we can move on straight away without having to wait for change.

They are all issues which have been raised with us and, if change has to be made in those areas, then we have a role to move quickly and make changes. I have given an example of where the Government will move to make changes to the regulations, and others where the advisory group will get back to us with recommendations; we will then put them up to the House of Assembly later in the year.

Mr FOLEY: Under Capital Receipts for the Department of Housing and Urban Development, at page 133, it was anticipated that \$19.146 million would be received under the Better Cities Program. Actual receipts amounted to only \$5.827 million. Could the Minister please explain why, and does the estimated \$13.299 million in receipts this year represent the balance of the amount from last year?

The Hon. J.K.G. Oswald: Under the Better Cities Program in 1993-94 there was a vote of \$19.146 million, an actual of \$5.827 million, and a proposed 1994-95 of \$13.299 million. For the information of the Committee, the 1993-94 Commonwealth funding was curtailed due to uncertainty regarding the North-West program, including the MFP. A revised program for 1994-95 has been agreed to by the Commonwealth, redirecting funding from the North-West MFP strategy to the western area strategy.

Mr FOLEY: In the issues and trends section of the planning and development program it states:

Emphasis will continue to be placed on Government policy for urban consolidation in suitable locations.

Could the Minister state where his policies for urban policy differ from those under the previous Government, and how does the Minister intend to deal with councils, such as the city of Mitcham, which have continued to reject urban consolidation proposals?

The Hon. J.K.G. Oswald: I would like to refer to the Mitcham council and then I will ask the CEO of the department to give a more technical reply to the balance of the question. Members would have no doubt seen an article in the Messenger press, in which I threatened to use my powers to withdraw planning powers from the Mitcham council over this whole question of its refusal to grant approval for applications that in fact were in accordance with the development plan. I do not have the statistics with me but it became obvious to us that in Mitcham's case the number of occasions when applications were being referred to appeal, and the costs being imposed because of the process of the council deciding unilaterally to reject and people then having to go to appeal, was at a stage where I could no longer accept it.

I held discussions with the administration of the Mitcham council and it became very obvious to me that the elected members were going against the advice of the staff who, in actual fact, were giving correct advice on the Act and the development plans. On that basis the council understood the position of the Government: that it is here to administer the Development Act and its regulations and to see that the plans are adhered to. It is not fair on developers or private individuals if they find that one particular council against others consistently rejects plans. If the Mitcham council wishes to amend its development plans then it is a different question.

While the development plans stand as they are then it is my view that the council should at least grant approvals in accordance with its own plan and not reject and leave it to the appeal tribunal to have to act as the adjudicator. That adds cost and time and I do not think any of us want to impose that on builders or the development industry when other councils

seem to be able to avoid it. As far as the rest of the question is concerned, I refer to the CEO of the department to respond.

Mr Lennon: Over the past four or five years, South Australia has had consistently higher than the national average construction of what is termed by the ABS 'other dwellings', that is, other than a standard residential dwelling on a separate block. On those terms the rate of urban consolidation has been higher than the national average in South Australia than in other States. It has, however, been one of the more contentious policies in terms of the planning and development field. In overall terms, the Government is pursuing three broad objectives: first, is the need to respond to changes in the housing market; secondly, the need to respond to changes in land use and the conversion of existing zonings to others; and thirdly, and very importantly, the need for more efficient use of infrastructure, particularly the costs of fringe urban development.

The planning strategy proposes that within the next 10 years the demand for land and housing can be contained within the existing definition of metropolitan Adelaide. An overall goal during that 10-year period is to restrict fringe growth through more efficient use of allotments in the greenfield areas and by significant infill development.

The rate of surplus Government land coming on to the market has increased significantly over the past year. In itself, that has been a major impetus for urban consolidation, but lasting changes will be brought about by variations in the existing zoning restrictions imposed through the development plan. The key strategy which is now being followed is to fulfil the requirements of the Development Act for each metropolitan council to review its development plan policies in light of the metropolitan strategy. The Act requires that to be put in place and grants powers to the Minister to prepare plans where councils fail to do so. A guide on the revision of the development plan will be released within the next six weeks advising councils how that revision is to be undertaken. Most importantly, and where a significant change will be made, rather than a blanket approach to urban consolidation, it seeks to maximise and target the opportunities where market conditions for urban consolidation are greatest; where it makes greatest financial and business sense; and where there are local demands for that style of housing. In summary, coming from the strategy and overall Government objectives, surplus Government land, land conversion and, most importantly, the revision of the development plan over the next three years are the key areas where urban consolidation policies will be implemented.

Mrs ROSENBERG: Further to the second question by the member for Hart and on the funding line, 'Building Better Cities,' the member for Hart referred to capital receipts for 1993-94 and the actual receipts. Obviously very little in the estimated receipts was accomplished in 1993-94 because there were restrictions on what the State could achieve. Will the Minister elaborate on the Government's negotiations with the Commonwealth to achieve a full allocation of Better Cities funding for South Australia before the conclusion of the program in June 1996?

The Hon. J.K.G. Oswald: Under the agreements signed between the State Government and the Commonwealth in 1992 and 1993, South Australia was to receive \$68.66 million from the Commonwealth Better Cities program. These funds were for projects in the southern, northern and inner-western metropolitan area and for an MFP north-west Adelaide area strategy. Because of the lack of progress within the MFP north-west strategy, the Better Cities funding to this State was

suspended. One of the first things I found on coming into Government, virtually on day two, was that the Commonwealth, through inactivity in the State, had suspended the payment of this money to the State.

On 28 July 1994, the Premier and the Commonwealth Minister responsible for the Better Cities program, Brian Howe, signed an agreement allocating \$29 million to the north west from the Better Cities program. This was the result of the Premier and me and my officers negotiating with the Commonwealth to ensure that the money which was intended for the MFP and which had been suspended would continue to flow again. As a result of the negotiations, particularly at officer-to-officer level—and I congratulate all officers concerned because there were some very intense negotiations over a long period—we started to see the money flowing again, and on 28 July the first \$29 million for the north west came back to the State.

The strategy will now allow for the valuable continuation of work to proceed on stormwater management, environmental enhancement and transportation linkages, as well as providing a catalyst for new endeavours to boost micro-economic reforms at the Regency Park International College of Hotel Management and the Bolivar to Virginia pipeline. This latter project not only represents a major boost for horticultural activities on the northern plains, but the pipeline will have a significant impact in overcoming the discharge of effluent into Gulf St Vincent as well as conserving the existing aquifer in the northern plains by reducing the already heavy demand on this natural resource.

To date there are tangible and positive results to the State as a result of the integrated approach of the Better Cities program, given its short term of operation, including the completion of stage 1 of the redevelopment of Rosewood Village in Elizabeth North and the commencement of the second stage in the northern area strategy, as well as major stormwater drainage infrastructure in Munno Para and Salisbury, notable greening and open space projects and significant redesign work undertaken on the Elizabeth Centre.

The southern area strategy has achieved the Southern Sports Complex—and I acknowledge the role of the former Administration in commencing it; we debated it on another line, but it is acknowledged that it used Better Cities money to get that program up and running—as well as the redesign of the Noarlunga Centre and transport interchange. Effluent disposal schemes are also under way at Aldinga, and further work is being completed at Maslin Beach.

Significant achievements have been made in revitalising the Western Regional Park, Snowden's Beach and the Port Adelaide Centre. The Horwood Bagshaw housing site is fully sold and nearing completion in the inner-western strategy, as well as completion of the assessment and implications for the clean-up and land usage of the Mile End railway yards. This is currently under renegotiation with the Commonwealth Government. I am confident that there will be agreement to these revisions within this area strategy which will embody vital concepts for improvements to include the Patawalonga catchment system as well as the development of land at Mile End.

The western area strategy, which is currently before the Commonwealth for approval, will inject a further \$15 million of Better Cities funding which will be put towards a total funding commitment of \$83.12 million from State Government and other areas, including the private sector. The MFP board has recently confirmed its commitment to participate in an advisory capacity on the Better Cities Joint Technical

and Catchment Remediation Issues Group, which is to have direct input to the catchment management strategy and master plan in the Patawalonga project.

The achievement of these negotiations will now allow for the successful conclusion of the Better Cities Program in South Australia by June 1996 with the construction of significant infrastructure activities which will have major benefits for Adelaide.

Mrs ROSENBERG: Further to the Minister's opening remarks about the planning process—page 133, referring to planning—what stage has the Minister's mini review for the Barossa Valley reached and what findings are available?

The Hon. J.K.G. Oswald: Regarding progress on the Barossa Valley Review No. 2, consultants have reported to me with a draft executive summary of their report, with the final report to be presented to me within the week. Members will be familiar with the Barossa Valley review, and I can draw parallels between that and the Mount Lofty Ranges plan which, when it came down initially, caused the eruption almost of a Bosnian war because people were in disagreement with the original plan. As a result of that, the Government employed a consultant who, after three months of extremely hard but productive work, came up with a result which I believe is very acceptable and we were able to authorise the new plan.

When the Barossa Valley plan was authorised, I felt that there was general acceptance for it, but there still seemed to be areas of concern around the rim of the Barossa Valley. Land values were in dispute and landowners believed that they were going to be substantially disadvantaged by the plan. It was authorised on the basis that I would put in a consultant who would undertake an exercise similar to that undertaken in connection with the Mount Lofty Ranges and come back and advise me on any changes that should take place. As I have mentioned, the executive summary has been presented to us and we have now had an opportunity to examine that. The preliminary findings of the consultants have concluded that the fundamental philosophy of the Barossa Valley Region Development Plan is valid, but they are suggesting some relaxation of non-complying criteria related to housing in the non-valley floor zones.

In relation to the rural land values, it is apparent that the commodity prices have a greater influence on values than planning policies. They were interesting observations that we really do have to consider before we rush into making too many significant changes to the Barossa Valley plan, which appears on the whole to have been well received, although certainly some local interest groups will continue to have problems with it. However, I expect to get the full report shortly and will act on that report hopefully in the best interests of the majority of Barossa Valley land owners and residents. I emphasise 'the majority': at the end of the day it may be impossible to satisfy everybody there, but the Government will do its best.

Mrs ROSENBERG: I refer to the estimated receipts of \$46 million for 1994-95 shown on page 8.22 of the Financial Statement. What does the Minister consider to be the purpose of the local government reform fund, how will the fund be used and will there be any surplus in it this year?

The Hon. J.K.G. Oswald: The local government reform fund, which is administered by the Department of Treasury and Finance on my behalf, was set up to facilitate the transfer by agreement of certain State functions to local government. The fund was developed to allow new intergovernmental arrangements to be worked out in particular program areas

without an adverse impact on the budget of either the State or local government. The idea is, first, to determine which sphere of Government is best placed to deliver particular programs and then use the fund to assist local government to take on a greater role in those areas where both parties agree that change is desirable. The focus of the fund is on reform, and an effort has been made to identify programs and functions where the opportunity for reform exists, so that better services can be provided to the community as efficiently and effectively as possible.

As the honourable member has correctly pointed out, the estimated level of receipts to the fund for 1994-95 is approximately \$46 million. This total was a carryover of \$1.3 million from 1993-94 and brings the total estimates of receipts to over \$47 million. Possible expenditure to be offset against the fund for 1994-95 has been estimated at \$47.867 million. Of this expenditure, \$44.728 million has been recorded as agency receipts in the Estimates of Receipts and Payments in the budget, and sums of \$220 000 to the Local Government Grants Commission and \$95 000 to the Local Government Association for dog control are paid directly to these bodies.

In addition, the possible use of funds includes the facilitation of the proposed transfer of the Parks Community Centre to Enfield council (\$2.504 million), transfer of the Environment Advisory Services in DENR (\$100 000) to local government, and expansion of the local government reform program (\$220 000). These have all been identified.

Whilst these areas have been excluded from the budget figures and thus have no formal status in budgetary terms, their inclusion would result in a deficit to the fund for 1994-95. The most important point to be made here, however, is that the figures on the estimate budget result for 1994-95—the deficit in the non-commercial sector—include all these transactions. Any expenditure from the fund, unless already provided for in the budget figuring, will cause a deterioration in the budget position. Put another way, no surplus funds are available for the 1994-95 budget to fund new programs or projects.

I am advised by the Treasury and Finance Department that, if through the 1994-95 year there is under-expenditure against budget items, the possibility of reallocation of funds within budget is likely to emerge. When the fund was first established, the previous Government indicated that growth in the fund would be a potential source of additional revenue for local government purposes. Whether, and if so when, this will happen is an important policy point and one which I propose to consider in due course.

However, before this question is addressed, it will be important to see more progress with the negotiations on programs and functions currently on the agenda. Whilst there have been a number of agreements, the most significant being that relating to public libraries and community information services, we still have a long way to go in achieving the objectives for which the reform fund was set up. The means by which reform can be accelerated in this area will be one of the important issues to be addressed in the next phase of our local government reform program.

Mr De LAINE: I refer to the West Terrace Cemetery and Program Estimates at page 372, which list as an objective for 1994-95 the upgrade of the computer data base containing burial records and a continuation of the transfer of manual reports to the data base. How will the Government's decision to outsource computing to EDS affect this program?

The Hon. J.K.G. Oswald: I will ask Mr Lennon to respond.

Mr Lennon: The proposal is for us to upgrade the computing facilities and programming within the West Terrace Cemetery consistent with that operated through Centennial Park and therefore would not be included within the EDS proposal negotiated by Government and announced last week.

Mr De LAINE: Turning to the excellent Elizabeth Munno Para project referred to at page 371 of the Program Estimates, the previous Government initiated that project which involved reinvigorating local housing and community facilities in the area. This work was based on the social justice criteria as the region was identified as an area of particular need. Is this Government similarly committed to fulfilling the Elizabeth Munno Para project objectives?

The Hon. J.K.G. Oswald: This is an issue in which I have taken a lot of interest over the past four or five months after visiting the area on several occasions, touring the area with council officers and elected members out there. The area north of Elizabeth has the potential to be one of the new growth areas of the State. It has the potential, as far as land and space are concerned, to be another Golden Grove development. If you look at the Munno Para West area, around to the DSTO land, we are talking about the capacity of that area to cater for more than 22 000 people. Any such area has to be carefully planned, and a committee comprising representatives of council, industry, Government and local interest groups is currently in the process of planning that particular area. The Housing Trust also is heavily involved, and members who are familiar with the Peachey Road belt and the need for the redevelopment of that area and the integration of a correct mix of public and private housing would realise that a lot of work has to be done.

The Government takes very seriously the redevelopment of that area. We are conscious of the social needs of the residents already there, the need to upgrade their properties, the need to get a more correct mix of public and private, and the opportunity in laying out what will be one of the new suburbs of northern Adelaide to get that mix right: the type of housing, the densities, the transportation corridors—everything right down to the details of recreational and walking trails through the area.

With the structure we have put in place between local government, industry and the Housing Trust (and knowing the people on those committees now), I am very confident that we will see evolved in the very near future the concept area plans and arrangements for the release of that land so that in years to come we will look back on it as one of the new areas of planning. At the moment people come from around the world to see what has happened in the Golden Grove area. In future they will view the Munno Para West/Elizabeth North/DSTO area as an example of how well we do things in planning in this State.

The recent appointees to the committee out there are the UDIA, the HIA and SAULT. Helen Orr has been appointed as executive officer. I add that because it gives the Committee an indication of the mix of organisations involved in the orderly planning of what I think will be one of the more desirable new residential areas, which will be integrated with what at the moment is an economically depressed area. With careful planning and integration we can turn the area into a desirable one.

Mr De LAINE: What resources will be committed this year to this project?

The Hon. J.K.G. Oswald: We will take that question on notice until this afternoon. Money is being allocated through

the Urban Land Trust for project planning out there and we can obtain those figures for the honourable member and report back before the Committee concludes today.

Mr De LAINE: Referring to page 132 of the Estimates of Receipts and Payments, specifically to the Parks Community Centre in my electorate, I notice that \$2.65 million is way over grant this year, slightly up on the past couple of years. Will the Minister detail how this grant money will be used?

The Hon. J.K.G. Oswald: The Parks Community Centre was a statutory authority abolished on 30 January 1994. Members may recall the debate in the House that led to that. The assets and liabilities of the centre were vested in the Minister and, as Minister, I administer the centre through the officers of the department. The department is presently committed to working with the Enfield council with a view to transferring responsibility for the services of the centre to local government. The \$150 000 contribution to the Enfield council carried over to 1994-95. As to how it will be expended, the community cultural and recreation centre comprises corporate services, library services, sports centre, theatres and functions centre, canteen services, creche, youth and children's services, and an arts and crafts centre. Also we have the building property and services office comprising the administrative services; maintenance services; cleaning, grounds and security services.

The role of the office is to provide an efficient property management service that meets the needs of all tenants at the Parks Community campus. Tenants on campus other than the CC and RC include a high school, health service, legal service, child-care centre and school share project, family and community welfare service, computing service, Government printery, Enfield council office and TAFE. The Enfield council has now expressed an interest in accepting future responsibility. In the meantime the department approached the South Australian Housing Trust to undertake the role of management agent. There is an agreed ministerial brief for the Housing Trust management agency function. The funds have been provided as a block grant to the council and, after that, further breakdowns will be determined by the council itself.

Mr EVANS: I refer to page 371 of the Program Estimates: what is the Government doing to ensure that North Terrace is upgraded to maintain and enhance its status as our premier boulevard?

The Hon. J.K.G. Oswald: The question of North Terrace and Rundle Mall is under active consideration by the Lord Mayor and me at our monthly meetings. As you are aware, the Adelaide City Council has prepared a master plan for the upgrading of North Terrace. A large number of Government agencies were involved in the consultation and designing process. I am sure that members would have access to that plan, which is quite stimulating. The total cost of implementing the master plan is around \$15 million. The council has acknowledged that funding availability will necessitate an incremental approach to the project. We will have to take it step by step as funds become available.

The council approached the Government earlier this year seeking assistance with funding, but it has not been possible to include it in the 1994-95 budget. However, I am having talks with the Treasurer about financing it in future. It is fair to say that there is some debate between the Lord Mayor and me over the priorities there—whether Rundle Mall or North Terrace is a priority. There is no question that there is a direct linkage between Rundle Mall, in terms of what is proposed

in the way of developing an integrated commercial centre there, and North Terrace as the cultural and educational heart of the city over. In the best of the real world it is desirable that both projects get up and running concurrently, but we are endeavouring to address the Rundle Mall issue first and then to move quickly from Rundle Mall across to the North Terrace precinct. The general objective is, together with the council, to facilitate the North Terrace upgrade as an urban design project as quickly as possible and, as funds become available, we believe they should be directed that way as quickly as possible.

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

Mr EVANS: The recent disastrous bushfires in New South Wales illustrates the importance of maintaining and updating the planning system to ensure that inappropriate development does not occur in bushfire prone areas. What is the department doing in this regard?

The Hon. J.K.G. Oswald: In the aftermath of the New South Wales bushfires, I thought it was something that we should do something about, and I wrote to the New South Wales Government offering assistance in whatever way we could to the New South Wales administration, based on experience that we had here, in the areas of insurance or whatever. To date, South Australia has been at the forefront of statutory planning for bushfire management, as members know. Updating the existing principles in the development plans for the ranges will maintain this important role in the State planning system.

The Department of Housing and Urban Development and the CFS are revising existing bushfire hazard policies and maps to provide a more substantial basis for consultation with CFS by planning authorities in the Mount Lofty Ranges. The new principles will reflect the need to streamline the development approval process, and take into account increasing population and development pressures of the ranges. A ministerial development plan amendment is being prepared to facilitate these changes. Significant input is being sought from the Mount Lofty Ranges Local Government Planners Group, Local Government Bushfire Protection Officers and the CFS. It is intended that the plan will also take into account the outcome of the review of legislation affecting native vegetation currently being conducted by consultants on behalf of the Native Vegetation Management Branch of the Department of Environment and Natural Resources.

In addition, a number of other initiatives are under way, as part of the implementation of the regional strategy for the ranges adopted by this Government as the interim strategy under the Development Act. Examples of ongoing work include, first, a review of tourism policy in conjunction with Tourism SA and the councils for the area. This review will support tourism development in such a way as to also protect the other important assets in the hills. Secondly, there is a review of policies affecting agriculture. This review will support agricultural and horticultural activities, with particular emphasis on the growing viticulture industry as well.

Thirdly, discussions have commenced on the relationship between the councils for the ranges and the State agencies involved. There is also consideration of whether a regional authority will assist in coordinating issues in the ranges. In all these reviews, recognition is being given to the need to protect the Hills as a water resource, an agricultural area, a tourism area, an area of natural significance and as a place where people live and work.

Mr EVANS: What are the Government's intentions with regard to expansion of the local government reform program as foreshadowed in the Treasurer's May 1994 Financial Statement?

The Hon. J.K.G. Oswald: The Government has agreed to expand the local government reform agenda to include local government boundaries, functions and operational efficiencies. In so doing, its intention is that the negotiation on program and functional transfers will continue in priority areas and in other areas determined by Ministers in consultation with their agencies. In terms of the negotiations, the Government is keen to accelerate the pace of reform in areas which have been on the negotiating agenda for some time. The details of the expanded reform program are still under discussion between myself and the LGA, with the LGA being consulted regularly, and an announcement is going to be made by the Premier in the very near future.

The thrust of the program will be the implementation measures designed to facilitate the development of a stronger local government system, one which is better able to deliver more efficient and effective services and to participate in strategies for the regional economic development of the State. This is seen as a logical and desirable extension of the major reforms being implemented by the State Government. The State Government is committed to working with the local government sector to facilitate the reform process, and the findings of the LGA's Structural Reform Task Force, which reported in August to the association, is going to be taken into account.

I think honourable members would be aware from their own constituency that over the period that we have all been involved in government or local government there has never been a time when local government was more receptive to change. We are undertaking massive change in the finance and functions at government level, and there is no question that local government must also appreciate that they are going to be involved in this particular process. Many councils have come forward to us already and have shown some interest in amalgamating. Others have perhaps been a little more tentative about it, but we believe that over the next few months—and indeed months, not years—you will see many more councils coming forward offering to amalgamate on a voluntary basis.

There is no intention, on my part, of initiating compulsory amalgamations, as has been the case in Victoria, but rather to use a consultative process and an organisation (which we will announce shortly) whereby councils can be brought together, and we will facilitate a means (which also will be announced shortly) by which these councils can come together and amalgamate. It is my belief that there are too many councils delivering too few services and that there are distinct advantages for most ratepayers for amalgamations to take place.

The question has been asked of me: what is the optimum size council? I did say, I believed near the 80 000 mark in the metropolitan area and 20 000 in the country areas, depending on the geography. I will use this opportunity to say that that was a remark to the Messenger Press and it needs to be debated, because the new councils cannot be held to those specific numbers. The announcement will explain how we at Government level will set a reform agenda and seek the cooperation of local government to achieve that agenda.

Mr EVANS: Does the Minister then intend to suspend the May 1995 local government elections as suggested in the submission on local government restructuring made by Jim

Jarvis and others so that the current elected members can pursue the task of reorganising local government over the next 18 months?

The Hon. J.K.G. Oswald: As I intimated, the Premier will be making a detailed statement I suspect within the next two or three weeks, and those issues will be announced publicly by the Premier at the time. It is certainly no secret that some councils have already made representation to me to amend the Local Government Act to allow that to occur. Some sound reasons were put forward as to why councils which are already negotiating should be given this opportunity, and also it is recognised that some council areas have come forward and said that they do not want to be involved. So any legislation would have to take both situations into account. I can assure honourable members that the Premier will be picking up this point in his statement in about two or three weeks' time.

Mrs GERAGHTY: One of the 1994-95 specific targets is to develop legislation necessary to support the expanded reform program. What is the Government's policy with respect to local government boundary reform? Does it favour the Kennett style of wholesale change imposed by State Government?

The Hon. J.K.G. Oswald: I have just answered that in the previous question.

Mrs GERAGHTY: I understand that at a meeting of the Mid North Local Government Association at Balaklava recently the member for Goyder advised the meeting that the Minister had offered to consider financial assistance for two Yorke Peninsula councils towards the cost of amalgamation. Is this true? Does it represent a policy position of the Government and, if so, which costs would attract Government assistance?

The Hon. J.K.G. Oswald: For some time, the Local Government Association and I have been in quite detailed discussions on this whole question of amalgamations. It is becoming obvious that there may be a need to provide some sort of assistance to get councils around the negotiating table and across the line. I have asked the LGA to supply some information. Also, in a statement to be made by the Premier shortly there will be some details of the Government's thinking—not policy at this stage—on some sort of financial assistance, if necessary, to help these councils take the final step. The form of that financial assistance is very much in the debate stage within local government, our department and amongst my advisers.

I am not in a position to come out and say categorically that we will take that course of action. However, clearly, we will have an inquiry—you can call it what you like but it will be given a specific name—into the direction of local government, and one of its tasks would be to advise me on the use of financial assistance in bringing together councils. However, at this stage, it is a little premature to come out and say categorically in what form we will be providing financial assistance. But I can say that it is an option that is open to the Government to use financial assistance to bring together the councils.

Mrs GERAGHTY: In relation to the review of primarily local government legislation, last year at this time when in Opposition the Minister sought assurances from the then Minister that the Local Government Constitution Act would be introduced before the end of last year. The Minister has now been in Government for nine months and the Constitution Bill has still not seen the light of day. Is it the Minister's

intention to introduce such a Bill and, if so, when? Will it be a freestanding Bill or incorporated into a composite Act?

The Hon. J.K.G. Oswald: This issue has occupied the minds of many people over the past six months. It is not proposed to introduce a Local Government Constitution Bill and a comprehensive administration electoral amendment in the budget session. In explaining that, the Local Government Association's own legislative review working party has, as recently as July this year, completed a re-examination of the Constitution Bill prepared by the former Government (and the member is quite right in referring back to the former Government), and the LGA executive has confirmed that it does not wish the Bill which was prepared to proceed in advance of the more detailed operational provisions. With the arrangement we have and the memorandum of understanding that now exists between the Government and local government, which the Premier re-signed earlier this year, we have to have regard for that. That view is also supported by many of my advisers.

From the small number of submissions—in fact, 40—made on the draft Constitution Bill, it is clear that people had difficulty understanding its effect in isolation from the more detailed operational provisions that will form part of the framework, and that a more structured public consultation program on a total package will be required. The work that is required by both State and LGA officers to produce proposals for the comprehensive review of operational provisions has not advanced to the stage where public consultation can be conducted. The current program provides for the main components of the review to be completed by the end of 1996, contingent on resources equivalent to four FTEs being available. Unit resources currently provide for the equivalent of three full-time equivalents for legislative review, and one position is currently vacant. These resources also cover legislative maintenance work, which involves working on regulations, sundry amendments and advice on correspondence on matters related to current and proposed legislation.

This is a fairly lean structure. For example, New South Wales has employed 40 officers over several years to revise its Local Government Act. The point I am making is that, in my unit, the former Government took a decision that resulted in the downgrading of the size of the Local Government Unit. It is all very well to downgrade it, but it is still required to maintain the same level of work in some respects. In summary, it is true that I wanted to proceed with the legislation. However, I suppose one gets wise in time and with yet more knowledge. Certainly as a result of listening to the LGA put its argument, which I accepted, we will now proceed as per my explanation.

Mr BROKENSHIRE: There has been much talk about urban consolidation. Has the Government any recent examples of large inner metropolitan infill projects?

The Hon. J.K.G. Oswald: Yes, I have. This afternoon we were able to announce what I believe is a very exciting, new project for Adelaide. Government policy certainly pushes this issue of urban infill. Indeed, the CEO explained very well this morning some of the reasons behind urban infill. This afternoon I was able to announce a \$50 million residential development here in South Australia—at Allenby Gardens on the banks of the Torrens Linear Park. It is the largest inner metropolitan infill project in South Australia, and it is located at the old Hallett Bricks' site and covers 45 acres or 18 hectares.

It will contain over 300 dwellings constructed using new technologies and innovative design, and substantial landscaping will maximise its access to the Torrens Linear Park, which flanks the property. The development is only five kilometres from Adelaide, and it is ideally suited for this area. The site is an old pug hole, I suppose. It was a clay extraction site and has now been filled with sand from Golden Grove that was compacted as it was put in. The developer is a consortium of prominent Adelaide business people, and the project managers are Moorfield and Partners, civil engineers. They have had considerable experience already at West Lakes, Golden Grove, Gulf Point at Port Lincoln and Hallett Cove. So, the company has some very experienced people.

The mix of housing will be two-storey and single level, semi-detached, row, cluster and group dwellings with some flats and retirement homes. It is marvellous for all who follow urban development to see another such project. It is not a greenfields development or a Regency Park—it is an exciting inner suburban development. I certainly wish the developers and Moorfield and Partners all the very best in the development of the site.

Mr BROKENSHIRE: Can the Minister explain the anticipated advantages to the community in regard to the proposed legislative provisions for the mandatory installation of hard-wired smoke alarms with battery back-up in new dwellings?

The Hon. J.K.G. Oswald: This issue has been around for some time. I am surprised that it has been around for so long, but a decision had to be taken on the subject, and I have initiated that decision. In South Australia, seven or eight deaths occur annually as a result of fires, the majority where people are asleep when fire breaks out. Statistical evidence from Australia and overseas indicates that smoke alarms save lives in domestic fires. Residential smoke alarms are the most efficient and cost-effective device designed to awaken sleeping people in order to enable them to evacuate safely prior to being overcome by smoke.

Hard-wired smoke alarms that are connected to the mains electricity supply and have a back-up battery are far more reliable than battery operated units. The cost of a suitable hard-wired smoke detector is in the vicinity of \$60 to \$70 installed, compared with about \$20 for a battery unit. It is interesting that South Australia is not the only State to introduce such legislation. Hard-wired smoke alarms are already compulsory in Victoria, the ACT and New South Wales, and the other States are considering similar legislation. The legislation will be introduced by amendments to the Building Codes of Australia on 1 November.

Mr BROKENSHIRE: Can the Minister advise what progress has been made on the Buckaringa Sanctuary proposal in the Flinders Ranges?

The Hon. J.K.G. Oswald: I know that the honourable member has an interest in this subject, because we discussed it on one occasion. Dr Wamsley of Warrawong fame has applied under the Planning Act for a sanctuary at Buckaringa Gorge in the Flinders Ranges, north of Quorn. As the proposal involves closure of some public roads under the council's care and control, the council has referred the matter to the Development Assessment Commission for a decision.

The main components of the proposal are: the creation of a sanctuary by fencing to assist with the eradication of all non-native flora and fauna so that indigenous native flora and fauna can be reinstated, managed and preserved; development of visitor accommodation and education facilities in the form of a nature retreat with emphasis on simple, comfortable and

environmentally compatible accommodation facilities; and road openings and closings, including construction of a new road to maintain pastoral properties' access with closure of the existing road through the gorge.

The commission resolved to support the sanctuary subject to relocation of cabins away from the sensitive cliff areas and subject to agreement being reached between Dr Wamsley and the council on the replacement road alignment construction standard and funding. Dr Wamsley has not supplied all the requested information to date. He also applied to the Minister for Tourism for funding for the replacement of the road.

I appreciate the issue being raised by the honourable member because there has been some public disquiet from time to time that the Government either was not supporting Dr Wamsley or was being lax or tardy in not pushing through the proposal. When the facts become known, it will be obvious that the Government is very keen to see this matter progress as quickly as possible and to see this sanctuary created in the Flinders Ranges. However, there are other parties that also have to do certain things for it to happen. At Government level we are fully supportive of what Dr Wamsley is attempting to achieve, and when other people carry out their roles we will ensure that it is completed.

Mr FOLEY: It has been reported to the Opposition that the Minister is looking at possibly eliminating the need for a certificate of occupancy, which currently is a safeguard for people building new homes to the extent that, until the local council authority is of the view that the house has been completed to the appropriate standard, it will not issue a certificate of occupancy. It has been reported to the Opposition that the Minister is having discussions with the HIA to do away with this certificate. Can the Minister confirm or deny that rumour?

The Hon. J.K.G. Oswald: It is true that the HIA has made representation to me along the lines that the honourable member has suggested. It has requested that that requirement be removed, and that request is supported by the Local Government Association. The matter is under active consideration by Government at the moment; it has not gone to Cabinet, so no decision has been taken. However, it is true that it is under active consideration, and a decision will be taken in the near future.

Mr FOLEY: A constituent in my electorate has a house which has been poorly constructed—I will not reveal the details until the various parties have an opportunity to resolve the issue—and the certificate of occupancy allows my constituent, together with the council, to take this issue up with the builder. I would be extremely concerned, as I am sure many members of Parliament would be, if the Government did away with this certificate. I do not understand the reasoning as to why one would want to eliminate this safeguard for new home builders.

The Hon. J.K.G. Oswald: I take that as a comment: it is a concern put to you by a constituent, and I am very happy to take that into account when the matter is decided.

Mr Lennon: The central question is the extent to which the certificate reinforces the standards of consumer protection for the home buyer. The Development Act of itself is not intended to provide a means of consumer protection, but the traditional role of councils in building inspection has allowed, if you like, informal supervision of defective builders. The real solution is that, so long as adequate insurance arrangements are in place to protect a purchaser from defective building work undertaken by a builder, the Development Act need not necessarily contain that kind of procedure. However,

the issue is not without complications, as the insurance arrangements at present do not cover owner-builders; that is, people who construct buildings themselves—particularly residential buildings. That topic is currently being investigated as part of the Development Act review.

Mr FOLEY: Clearly this measure would be of great benefit to the HIA, and I can understand why a builder would want to have this. Did the HIA make a financial donation to the Liberal Party at the last election?

The CHAIRMAN: While it may be a very interesting question for the member, it is not within the ambit of the Committee to consider factors such as that. The Chair rules that the Minister does not have to respond.

Mr FOLEY: I accept your ruling, Mr Chairman.

The Hon. J.K.G. Oswald: I have no knowledge of what happens at the Liberal Party's organisational level.

Mr FOLEY: I will take up that question in another forum.

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

South Australian Housing Trust, \$49 299 000

Additional Departmental Advisers:

Mr D. Engelhardt, South Australian Cooperative Housing Authority.

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

Ms C. Davidson, Department of Housing and Urban Development.

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

The Hon. J.K.G. Oswald: Yes, Mr Chairman. The South Australian Housing Trust is one of our portfolio's key agencies. An overriding concern of Government has been the longer term financial viability of the Housing Trust. As a result, further adjustments have been made to the trust's operation to meet the financial challenge of the continuing decline in grant funding. In 1994-95 the total Commonwealth funding through the CSHA will decline by 20.3 per cent in real terms. This is exacerbated by the previous Government's acceptance of bringing forward funds in 1992-93 and 1993-94. Total capital expenditure for 1994-95 is expected to be \$98.7 million. The program will consist principally of the trust's construction and acquisition program, together with a number of targeted special assistance schemes.

The trust's longer term financial strategy has three main elements: debt reduction, cost reduction and rent reform. In relation to debt reduction, the trust has already made significant debt repayments including a \$90 million or 28 per cent reduction in high cost SAFA debt over the past 13 months. In 1994-95 the debt will be reduced by a further \$43 million, comprising \$13 million of normal principal repayment, mainly on Commonwealth borrowings, and \$30 million voluntary repayments on the SAFA debt. In relation to cost reduction and staffing, using the Government's targeted separation package process, staff levels in the trust were reduced by 18 per cent in 1993-94.

Staff numbers in the Development Division have been reduced from 280 in June 1992 to 126 as at June 1994, a 55

per cent reduction over those two years. The majority of these staff reductions occurred during 1993-94. Notwithstanding these dramatic reductions in staff, service delivery staff managing public housing and providing private rental support have effectively responded to a 10 per cent increase in demand.

On administration costs, there has been a 20 per cent reduction in the non-salary administration costs of the trust from 1992-93 to 1993-94. Another milestone in the trust's financial management was the introduction of a comprehensive new management accounting system that provided a new means of establishing benchmarks for financial performance in each branch and regional office of the trust.

In asset management rating, a method of measuring the financial return over time of each trust property has been developed. A series of strategic asset management plans has been devised at regional level to better inform stock management. On the question of outsourcing, during 1993-94 the trust development activity totalled approximately \$101.5 million. The value of work managed by the private sector on behalf of the trust increased to \$86 million, or an 84.7 per cent turnover. In the Development Division, all job operations have been reviewed, resulting in functions being either discontinued, outsourced or commercialised. The value of work outsourced as a measure of payments to external contractors and consultants has dramatically increased to 85 per cent of annual turnover. All construction work and day labour functions and the majority of architectural and engineering design works are now undertaken by private contractors.

In the area of rent reform, in line with the recommendations of the Audit Commission, the Government is looking at the options for the introduction of a market related rent structure and is also considering the Audit Commission's recommendation to increase the rent to income scale for rebated tenants to a range of 18 per cent to no more than 25 to 30 per cent. This recommendation is simply under investigation and no decision has yet been made to alter the current rent to income scales. The rent reform investigations are being undertaken in such a way as to ensure that public housing remains affordable.

On trust development, the Housing Trust expects to build 500 new houses and purchase 75 existing houses in 1994-95. The trust's capital works program has been reduced this year in the context of diminished Federal funding for housing programs. The trust will continue to upgrade housing in line with community expectations and will undertake major redevelopments in Mitchell Park, Elizabeth North, The Parks and Hillcrest.

More than 300 older houses throughout the metropolitan area and in major country centres will be the focus of a \$5.5 million allocation to substantially improve housing within the older housing estates, providing benefits to the wider community. The Government has allocated \$11.6 million for rent relief, an increase of 20 per cent over the previous year. Expenditure on private rental establishment support services is anticipated to be \$17.2 million in 1994-95, a 9 per cent increase from the previous year. Funding has been maintained for the housing improvement and rent control program that is managed by the trust. South Australia will continue to be a front runner in the development of community housing in Australia.

The total allocation for the community housing program is \$22.6 million in 1994-95. A total of \$15.5 million is allocated to cooperative housing and \$5.4 million to

Community Housing Association programs. In conclusion, I draw members' attention to the following variations from the Program Estimates. In the rental housing program, the trust's housing rental operation recurrent expenditure was \$6.3 million below budget in 1993-94, due mainly to lower than expected maintenance expenditure and lower interest costs. In 1994-95 expenditure on Housing Trust rental operations is expected to increase by \$7.2 million, principally due to the maintenance expenditure carried over from 1993-94 and increases in council rates above CPI.

The trust's housing rental operation capital expenditure was \$4.4 million below budget in 1993-94 due to reduced outlays on administrative properties, computer system development and office equipment. Expenditure in 1994-95 is estimated to be \$4 million greater than 1993-94, mainly due to higher administrative property expenditure in the Marion regional office and the implementation of a new accounts receivable system. In construction and development programs, the trust owned housing recurrent expenditure for 1993-94 was \$25.5 million above budget. This was due to the write-down of holding costs associated with residential vacant land. Industrial commercial expenditure was also above budget, by \$7.1 million, again due to the property write-down above a major review of the Housing Trust's vacant land carrying costs.

Trust owned housing capital expenditure fell short of budget outlay by \$19 million in 1993 due to a combination of delays in commencement due in the first half of the year; lower expenditure on land due to the use of service allotments rather than subdivisions of broad acres; and the reallocation of Better Cities funds to higher priority projects managed by the agencies. In 1994-95, this program of expenditure will be reduced by \$19.6 million due to reduced Commonwealth grants following the forward expenditure of the 1994-95 allocation in 1992-93 and 1993-94. Capital expenditure by the industrial commercial subdivision will increase from \$5 million in 1993-94 to \$28 million in 1994-95 due to the Government's initiatives in encouraging industrial development in this State.

Current expenditure in industrial agency support was \$2.5 million below budget for 1993-94 due to lower depreciation and increased costs. In 1994-95, recurrent expenditure is expected to be \$5.5 million below the 1993-94 actual due to a better allocation process to other programs developed by the management and accounting sections of the Housing Trust.

Mr FOLEY: I appreciate the Minister's presentation, although I make the point that, whilst I am sure the information provided will be of use, the Committee may well be looking at a six o'clock completion, due to the time it has taken to move through questions.

Mrs ROSENBERG: So?

Mr FOLEY: I just made the observation.

Mrs Rosenberg interjecting:

Mr FOLEY: You worry about your side and I will worry about my side.

The CHAIRMAN: The Chair will worry about both sides, and I simply remind the member for Hart that, so far, he has had 21 out of 31 questions on his side of the House.

Members interjecting:

Mr FOLEY: Let's not degenerate into abuse; I was responding to an interjection. I always find it somewhat strange that it is always me who gets picked up for interjections and not the members of the Government.

The CHAIRMAN: I agree with the honourable member; it is unnecessary. But I think the honourable member is still being treated fairly.

Mr FOLEY: Let's plough through. The Minister has referred to a decision taken at the meeting of Commonwealth-State Housing Ministers to endorse market related rents for trust housing. Given that South Australia has a much higher proportion of trust housing than any other State and that trust housing forms a dominant part of the rental housing market in many regions of the State, why has he uncritically supported measures designed by eastern States bureaucrats? Will market related rents apply to trust housing in country areas such as Murray Bridge, Mount Gambier, Whyalla and Port Augusta?

The Hon. J.K.G. Oswald: I am not sure whether this debate should be in this forum or whether the honourable member should take up the debate when he goes to his own Party conference and takes on his own Deputy Prime Minister, because it is national ALP policy to move to market related rents as they apply to non-rebated—

Mr FOLEY: On a point of order, Mr Chairman, the Minister is not in a position to be dictating ALP national policy. That is not ALP national policy, and the Minister is not adding to the debate by commenting about something he knows nothing of.

The CHAIRMAN: The honourable member is correct to a point. The Chair accepts the fact that, if the Minister is bound by Federal policies that impinge upon his portfolio, the Committee might well expect him to advise the Committee of the impact. I will listen carefully.

The Hon. J.K.G. Oswald: I will be very precise. Each year we have the Commonwealth-State Housing Ministers conference, and at that conference the Deputy Prime Minister, as the Chair of the committee, on behalf of the Federal Government, which is a Labor Government, endorsed market rents for non-rebated public tenants. He would have endorsed it on the basis that it was his Government's policy. I do not want to get into a debate with the honourable member as to whether or not it is Labor Party policy. The fact is that the Deputy Prime Minister and Queensland's Minister for Housing have both endorsed it and claimed it to be their Parties' policies. I can only assume that it is Party policy.

Nevertheless, the matter is under active consideration in South Australia. It has not yet been confirmed by my own Party's Party room. Whether we move into this area of market related rents will be debated. It is certainly an agenda item because of the factors in our national housing policy, and it is being pursued in other States.

I will pick up this question of the impact in country areas. It is highly possible, indeed probable, that, if we go to market rents, because of valuations in centres such as Whyalla or Murray Bridge, rents will come down. To run around saying that market related rents is all bad news is not necessarily correct because, depending on where you are, it could be good news. The officers in the Housing Trust will provide me in due course with new scales and studies of the impact on Housing Trust properties of moving to market related rents. When we have those figures we will make the final decision: it will go to the Party room and become part of the public debate. In South Australia we are doing nothing more than what is national housing policy. Whilst the honourable member makes every effort to make it a political issue, he really is taking issue at his own organisation. We in South Australia are just bringing national debate into the South Australian debate and we will make a decision ourselves.

Mr FOLEY: The Minister or his Government are very selective in the way they choose to accept or not accept actions of the Federal Government. I continually hear the Premier talk about States' rights and you have been known to object quite strongly to some Federal Government policies and not implement them in South Australia. Whilst the Minister's argument may have a degree of convenience for this forum, it is not particularly consistent. Does the Minister expect the introduction of market related rents to force significant numbers of full rent paying tenants to leave their trust homes for private accommodation? If so, does the Minister expect that this loss of full rent paying tenants will be offset by higher rents from the fewer full paying tenants who remain?

The Hon. J.K.G. Oswald: The short answer is 'No.'

Mr FOLEY: Will the Minister guarantee that any houses vacated by full rent paying tenants will be re-let? Will any of the South Australian Housing Trust houses expected to be sold this year be sold to non-tenants and, if so, will the Minister provide details?

The Hon. J.K.G. Oswald: I do not expect to see massive vacancies because, if we did move (and we have not yet decided to) to market rents, I do not expect to see the vacancies that the honourable member refers to. There are other issues I could raise here which will perhaps come up in Question Time, such as Housing Trust policy on encouraging tenants to purchase their own properties instead of continuing to be in a rental cycle. We certainly encourage people to come forward if they can afford it. Through HomeStart we have some magnificent schemes to give people access. In fact, we virtually provide them with the whole of their deposit nowadays to get them into home ownership. If the honourable member is trying to hang his case around the fact that, if we move to market rents we will suddenly have massive vacancies out there because people will be forced out, I completely refute the inference in his question. It just will not happen.

Mr FOLEY: Because I represent an electorate that has an extremely large number of Housing Trust homes, I feel very passionate about this issue. I suspect that most members of Parliament would share my concern. In a press release of 23 July the Minister announced that the Government had accepted the broad thrust of the recommendations of the ministerial review of the housing and urban development portfolio. The Government's May financial statement also referred to the ministerial review and announced that the Government was considering its recommendations for market related rents for full rent paying trust tenants and for rents to rise from 18 to 30 per cent of income for rebated tenants. Is the Minister in a position to confirm today whether it is the Government's intention to accept the recommendations which will see rents rise from 18 to 30 per cent?

The Hon. J.K.G. Oswald: Two or three questions ago I made the statement that the matter has yet to go to the Liberal Party room. There will be an active Party room debate on that subject. As a result of that Party room debate, it may or may not become Party policy.

Mrs ROSENBERG: I refer to the Program Estimates (page 136) dealing with capital receipts for the sale of housing. I ask for further explanation of why the Government is encouraging the sale of Housing Trust properties to tenants?

The Hon. J.K.G. Oswald: It is a very important issue within the Housing Trust that we encourage home ownership. Indeed, it is a very important issue as a matter of Government

policy. Home ownership is an issue which all of us subscribe to. In surveys conducted within the Housing Trust, 81 per cent of tenants have responded and said that they would like the opportunity for home ownership. Therein lies many of the reasons why the Housing Trust and HomeStart, to their credits, have come forward with some very attractive programs to help people get into home ownership. The Housing Trust generally represents an important market for HomeStart, which caters for lower and middle income brackets. These purchasers are traditionally those who use HomeStart loans. In order for trust tenants to become more aware of the various financial products developed by HomeStart, the decision was taken for a joint marketing campaign to be initiated so that people would be better aware of the opportunities available to them to get into home ownership.

The marketing campaign highlights the various financial packages made available by HomeStart. There is no obligation on tenants to use that facility. Indeed, they are free to arrange their own financing through any lending organisation. HomeStart makes its products available to the general public, not just necessarily to existing tenants. Direct mailing to tenants will occur during September and has been going on during August. It will invite tenants who wish to obtain more information about home ownership to do so. Early indications are that approximately 10 per cent of the 12 500 tenants directly mailed are interested in obtaining more details about home ownership.

I now refer to the financial packages that are available. We have the subsidised advantage loan, a deposit assistance scheme, and a home purchase protection plan, which was recently put in place. The home purchase protection plan is designed for someone on a very moderate income who decides to take the step of home ownership. They may be paying off their house for a period of time and, if they then get into difficult circumstances, they can fall back on the safety net whereby the Housing Trust will step in and purchase the property, and they can stay on as a tenant. Clearly, it is to the Housing Trust's advantage to encourage home ownership, because through the sale of properties money can then be reinvested back into either the refurbishing of the existing housing stock or new starts.

We are working in an environment of declining funds from Canberra and increasing numbers of those on subsidised rents. If you are trying to work in a large organisation with those constraints on you, it is to the advantage of the Housing Trust to get out there and encourage people to purchase properties so that we can generate a higher cash flow and circulate this money back into public housing. This Government is committed to the maintenance of the public housing stock that we have and its refurbishment, upgrading and integration into private housing estates so that we have a better mix of integrated public and private housing.

Mrs ROSENBERG: As a supplementary question: since HomeStart was mentioned, how have HomeStart's interest rates fared in the past financial year?

Mr FOLEY: On a point of order, Mr Chairman: that last question was a HomeStart question. I thought we had agreed that that would be considered under the 'other payments' section of the Committee's deliberations.

The Hon. J.K.G. Oswald: We did not get an answer. The honourable member was going to get back to me on when we would consider it. I am happy to consider it now.

Mr FOLEY: Excuse me—

The CHAIRMAN: If the honourable member will listen to the Chair, HomeStart is not a specific line on any of the budget papers; therefore, if the honourable member or Government members wish the matter to be raised, it is really at the discretion of the Minister. If the honourable member does not want HomeStart to be discussed—the honourable member can look disgusted—

Mr FOLEY: This Committee is being run like a joke, Sir, to be perfectly frank. I spoke to officers of the Minister's department during the break and we agreed that we would do the questioning at the end, under 'other payments'. If you want me to make arrangements with your officers—

The CHAIRMAN: The honourable member should bear in mind that the Chair is in control of the Committee, and the Chair is well aware that HomeStart is not on the budgetary lines but that it is at the discretion of the Minister if members wish to ask about that. I am certainly happy for this to be raised now or during 'other payments'.

Mr FOLEY: I am responding to an accusation by the Minister that I have not let him know. I said I would advise him; I spoke to two of his officers (I do not know who they were) and said I was quite happy to raise that issue at the end of the questioning process. I make the point that I did what I said I would do. I simply asked if that question could be held until when his officers were here, but his officers are not even here.

The CHAIRMAN: Does the member for Kaurna mind asking the question under 'other payments', for the sake of peace?

Mrs ROSENBERG: I will ask the question at another time, Sir. I refer to the construction and development line on page 378 of the Program Estimates and in particular the industrial and commercial premises line expenditure for 1994-95, which shows a substantial, five-fold increase in the estimated expenditure for 1994-95 over and above that of the actual expenditure for 1993-94. Where will the expenditure occur, and what are some of the employment opportunities and multiplier effects that that will have on industrial spending?

The Hon. J.K.G. Oswald: This whole area of industrial and commercial development is pretty exciting for the State. We have had some major announcements over the past few weeks which will bring huge economic development for the State. In this respect, I refer to companies such as Australis Media, Motorola, Sola International and Gerard Industries. I will refer to some of them briefly, because it is important to link them in to the involvement of the Housing Trust in what is a very efficient path of the Housing Trust in its Industrial and Commercial Development Division. It has responded very quickly to an enormous amount of pressure from Cabinet when decisions were taken to support these ventures. The word went to the Housing Trust and it responded magnificently. I congratulate the officers of the Housing Trust concerned.

Australis Media Limited was formed in April 1993 to acquire control of Multipoint Distribution System (MDS) licences in Australia's largest TV markets in Melbourne and Sydney and thus position itself advantageously to deliver pay TV throughout Australia. The project is favoured by the State Government, and the establishment of a customer service centre at Technology Park fits well with the commitment to developing the State's reputation in information technology. The expected initial building size is 7 250 square metres at a proposed total expenditure cost of approximately \$13.2 million, plus \$630 000 for integrated fitout items.

Funds will be borrowed from SAFA, and the trust will enter into a lease with Australis. The company envisages an estimated 700 new employment positions to be in place by 30 June 1999, with an expected growth in the work force to 12 500 by June 2004.

Motorola is another success story: it has been identified by the EDA as a software development manufacturing company to develop computer aided design tools for the design of integrated circuits. Motorola believes that the centre will employ 150 engineers, occupying 4 000 square metres of building space, all at an estimated capital cost of \$6.8 million, including fitout items, with funding sourced by SAFA. The establishment of the software development centre will be at Technology Park, with Motorola maintaining the centre for a period of at least seven years. The other issues are Sola International Holdings and Gerard Industries. I could provide some additional information on them, but in the interests of brevity I will refrain so that we can push it along. If members want any information on those other areas I am happy to provide it separately.

Mrs ROSENBERG: I refer to the salaries line. Could the Minister outline the South Australian Housing Trust's use of targeted separation packages as a means of achieving work force reductions and other strategies adopted to ensure a continuation of core business activities at the same time?

The Hon. J.K.G. Oswald: Against a backdrop of reduced funding (to which I referred a couple of times this afternoon), a significantly smaller building program and vigorous operational and structural efficiency reviews, the trust has reduced staff numbers by approximately 18 per cent during the financial year 1993-94. This was achieved in line with the Government's requirements with respect to public sector reform and driving objectives of achieving best practice and commercial efficiency standards.

Through a variety of means, such as increased efficiency, reduction of certain activities and outsourcing of operations, the trust progressively reduced its staffing levels in a planned and systematic fashion over the whole of this financial year. Initial target figures agreed by Treasury were well in review at the three-quarter mark of the year, when the incoming State Government requested a further work force review to achieve greater reductions as a result of emerging fiscal pressure. The staff reductions were phased in and controlled against reduced activity and operational efficiency gains to minimise effects on continuing service delivery and staff well-being.

The target separation package program provided the opportunity to 'rightsize' the organisation by offering incentives to people identified as surplus to operational requirements to separate or be deployed elsewhere in the Government service or the trust and thus provide targeted separation package opportunities for others wishing to take advantage but who were in positions considered essential to ongoing business. Most of the reductions were achieved within the Development or Corporate Services Division, and a small number from within the centralised Riverside based activities of the Regional and Community Services Division.

Mr FOLEY: Earlier, when we were questioning about the recommendation that market related rents be increased from 18 per cent to 30 per cent, you indicated that that would be a decision for the Party room of the Liberal Party. Clearly, as a Minister before this Committee you would have a view on that. Would it be your recommendation that rents be increased from 18 per cent to 30 per cent?

The Hon. J.K.G. Oswald: As Minister I will write a paper stating various options that are available to the Party

room, the Party room will make the decision and as Minister I will then implement Party policy.

Mr FOLEY: I have a supplementary question. As the Minister responsible, you must have a view as to whether or not you support the increase in market related rents from 18 per cent to 30 per cent. I again ask the question: what recommendations will you, as Minister, be making to the Government on this issue?

The Hon. J.K.G. Oswald: I have no variation from that. If the honourable member had asked me that question in my capacity as the member for Morphett he might have got a slightly different answer, but when one is a Minister, representing Government opinion, and one is the spokesman on Government policy, then one speaks on Government policy. It is my role, as I see it, to write a paper to the Party Room setting out all the options. The Party Room will make a decision and then, as the Minister, I will administer that policy. I say no more than that. I am here in my capacity as Minister.

Mr FOLEY: What is the maximum level of income of a subsidised renter in the new system?

The Hon. J.K.G. Oswald: I mentioned earlier that the Housing Trust is working up proposals relating to this whole question of rents. Shortly, I will be tabling in Parliament the triennial review, which members who follow public housing will find extremely interesting because it includes many models and levers that one can pull to achieve various inputs in rent rises, compared with the costs, etc. When the trust provides me with this information (and it is still working on it), I will be in a better position to answer that question. However, at this time I have not been advised of those figures because, as I understand, they are still being worked.

Mr EVANS: The South Australian Housing Trust has major rental housing assets in the Parks area of the north-western Adelaide suburbs. Is any redevelopment of this area proposed along the lines of current projects at Elizabeth, Mitchell Park or Hillcrest?

The Hon. J.K.G. Oswald: What will happen in the Parks and Ferryden Park area is a very interesting issue for those who have a vital interest in urban renewal and the refurbishing of old suburbs. The Parks, primarily the suburbs of Ferryden Park, Mansfield Park, Angle Park and Woodville Gardens, is an area of high concentration of ageing Housing Trust stock with declining capital values. One should drive through the area to get a better feel and assessment of this type of suburb, particularly because of the age of the properties, to appreciate the need for a lot of money to be spent to refurbish the area.

The Housing Trust, as a part of its asset management program, has completed a preliminary investigation of development options in the Parks, with a feasibility study and concept plan expected to be completed by December of this year. The project is expected to extend over a period of 10 years and will involve approximately 3 000 Housing Trust properties, predominantly double units, more than half of which were built between 1940 and 1968. It will generate sufficient urban consolidated opportunity and will include sales, demolitions, refurbishment and new build programs by private developers.

Opportunities for purchase will be provided for trust tenants and new home owners, and the Housing Trust stock concentration in the Parks will be reduced to about half of its current level of 63 per cent. The redevelopment of the Parks area, generally recognised as one of multiple disadvantage, will provide a full range of housing options together with

provision for appropriate human services and community facilities. The total project development value over a 10 year period is approximately \$500 million. I am talking here about a very significant urban renewal; 15 years down the track one will not recognise that suburb. The area will comprise a new mix of public and private housing.

I would commend members to visit Rosewood at Elizabeth North to see what the Housing Trust is doing with the refurbishment of old properties and the way it can redesign them inside and out. It is well worth a trip because the Housing Trust is doing a marvellous job. Whilst we may have a suburb such as the Parks area, which may be depressed to some degree at the moment, the \$500 million that is about to be spent through that area, plus the imagination and ideas that will be implemented, will mean that we end up with something that is really worth while.

Mr FOLEY: How does the Government intend to target South Australian Housing Trust services to the most in need without creating offensive social distinctions? Obviously, there will be problems in implementing the Minister's agenda; how does he intend to reconcile those problems?

The Hon. J.K.G. Oswald: The Housing Trust and I could almost take offence at that type of question. The policy of the Housing Trust and of the Government—and I do not think it has changed for many years in this State, despite changes of Government—is that we support the public housing sector. It is there for access for those in need. I would enforce that latter statement in that there are people in this community who rely heavily on access to public housing. We have a responsibility to use our financial resources to ensure that public housing is available to them and that they have access to it. Our policies are not much different from the former Government's policies.

Considering the financial constraints under which we are working, with the cutback in funds and the recession which has had an impact on the numbers of people wanting to get into public housing, I believe the decisions we have been taking and will continue to take just bear out the fact that we are committed to the public housing sector and to ensuring that those in greatest need have access to the public housing sector. Everyone who now comes forward is examined to see what priorities they have, and they realise many of the problems that we will have in the future. Many years ago, perhaps 50 per cent of Housing Trust tenants were on some sort of rent rebate. It has increased to 74 or 75 per cent and, for those who came in the past 12 months or so, it is 90 or 95 per cent. I am only cuffing the figures with regard to the percentage of people who are on subsidised rents, but I think they are around the ball park. I thought our track record was clear: that those people in the greatest need will have access to the public housing sector. Our policy is to ensure that this continues.

Mr FOLEY: The question was not meant to offend the Minister or the department; it was simply to point out that until this Government took office there was a clear policy that people in the Housing Trust implemented rather well. Radical reforms are being proposed and we believe that one of the implications will be a greater highlighting of the division between the haves and the have nots. I do not think that should be taken offensively. If the Housing Trust is sensitive about that question, I will take people for a drive through my electorate, and if they want to see some quality housing that is absolutely deplorable I will show it to them. Given that increases in subsidised rents and the use of market-based rents for other tenants will result in higher rents in the inner

suburbs overall, how does the Government intend to avoid the type of division between the haves and the have nots that is recognised not only as unfair but as leading to higher crime rates and less personal security?

The Hon. J.K.G. Oswald: The honourable member may have to wait until we publish the details which I have yet to receive but which are starting to be fed into me on how the rents will be worked out. The honourable member keeps saying that rents will go up to 30 per cent. If 30 per cent is adopted, it is a range of rents between X and 30 per cent, and the income of the tenant will also be taken into account. Many levers are pulled to arrive at the rent that will be paid by a family in a particular public house.

It is an almost dishonest argument to go into the public arena at this early stage and try to get on the public record a statement that everyone in non-subsidised rental accommodation is going to be paying 30 per cent. That is not and never was the case. In any models that have been put to me, the rents vary according to the value of the house and the income of the tenant. I suggest that the honourable member should change his line of questioning to something more productive as regards the financial lines for the Housing Trust instead of continuing with this effort which has been running for a few weeks to get on the public record that all those who are on non-subsidised rents will be paying 30 per cent of their income towards rent. The decisions are still being worked through. Many options are available and there will be plenty of opportunity for debate on where things are going. However, there is no statement that the honourable member can print in his grubby little newsletters which are about to float around the electorate.

Mr FOLEY: I take exception to that.

The Hon. J.K.G. Oswald: Well, the honourable member can take exception, but his track record has been to try to grab one-off sentences out of these exercises in the House to put out these newsletter statements to spread fear among Housing Trust tenants concerning massive rent increases. Nothing is further from the truth. This is a Government that will look very carefully at pulling the levers to achieve the minimum amount of pain, because no-one—least of all the Government or I—wants to see rents go up. It is a line of questioning of which, quite frankly, a lot of us are getting a little tired. Until such time as you have some actual hard figures of what is proposed, I think we are better off getting involved in some other part of the public housing debate.

Mr FOLEY: I take the lecture I have just received from the Minister on what I should be doing as an Opposition member of Parliament. I acknowledge that the Minister has had quite a lot of experience as an Opposition member, so he is probably in a position to give me some advice. On my understanding, albeit only as a new member of Parliament, one of our roles in Opposition is to attempt to ward off what we would consider any unfair imposts on the community. If that happens to annoy the Minister or make his life a little more difficult, I make no apology for that. That is a just, fair and appropriate role for an Opposition member. What assessment has been made by the Government of the impact on the least well off of the impending increases in rents? What impact statement or research has been done?

The Hon. J.K.G. Oswald: We are back on this same treadmill. I repeat for about the fourth time that I am still waiting on the Housing Trust through its board to present to me proposals on future rent policy. They have had to take into account the triennial review, which is a very complex document and which will be available to members when it is

tabled in the House shortly. I know that members will spend weeks going through that document as individuals, as I have had to, in trying to get some understanding of the various models in it to see how it can be applied. They will have to superimpose that knowledge over all the computer data within the trust and the expertise that is already there on how to balance up the rents as against people's income and ability to pay, also balancing it up with the overall objective of ensuring that the Housing Trust becomes a strong, viable public housing authority.

I will not give a lecture to anyone today on the Audit Commission report, which showed that there was a \$1.3 billion debt as against the asset base of the trust. It is an academic argument which we have all heard before. Suffice to say that the trust board and its management have done an excellent job over the past six to nine months in addressing the situation and coming up with proposals to get the trust back into the black. They are succeeding, and I think there is bright light at the end of the tunnel. We just have to make sure that we do not make too many mistakes on the way. All members will have an opportunity to debate the final rent policy that will come to me and then will become a public document, but until that time we are better off getting into some other area of the public housing debate than persisting with this common line.

Mr FOLEY: How does the Minister propose to identify community service obligations in any restructuring of rents, given that 75 per cent of Housing Trust tenants are on rebates?

The Hon. J.K.G. Oswald: I will ask the General Manager of the Housing Trust to respond to that, because he has been involved in considerable detailed work in that area and he has quite a contribution to make.

Mr Parker: The whole question of community service obligations, the relationship with rent and the relationship with the services the trust provides is a complex set of issues. The largest community service obligation the trust provides to the community of South Australia is the \$118 million rebate on rents. That is the aggregate figure—the gap between that figure that would apply if all tenants paid full rents and the figure that prevails with the net income after all rebates are taken into account. That is the community service obligation, which represents a dividend to the State of around 7 per cent on the net equity the State has in the Housing Trust assets. That is the biggest community service obligation.

In addition, various management practices occur throughout the trust, particularly in the regions. A variety of programs are run, ranging from support mechanisms for domestic violence or other assistance for disability and so on. Those community service obligations have been identified at around another \$12 million to \$13 million per year. The community service obligations already in the trust are running at about that order. As the Minister said, the name of the game is to get the trust into a long term financial position to be able to continue to meet a high level of community service obligations to the community over a long period.

Mr FOLEY: How many jobs are to be lost from the South Australian Housing Trust as a result of the reforms adopted in the financial statement and the budget?

The Hon. J.K.G. Oswald: This subject has occupied a lot of discussion in the department. I am very mindful of winding down numbers and then not having an organisation with which to work. We are a service delivery organisation, after all. If we are to service our clients—our tenants—we must have staff. Over the past three years (during which I had no

influence), there has been a 30 per cent reduction. In the past year we saw an 18 per cent reduction and we have now plateaued out. Clearly some more outsourcing could go on, but we are now down to a level upon which we will operate a very efficient organisation.

There could be some shifting of positions up, down or probably sideways to ensure that, when we reorganise the entities, the right people are in the right positions. As far as overall numbers are concerned, we have reached a plateau, and I would not expect any significant changes after that, except in this area of outsourcing, which is a matter still to be determined.

Mr FOLEY: Will the Minister tell the Committee how many (and identify which) regional offices of the South Australian Housing Trust the Government intends to close or reduce in size?

The Hon. J.K.G. Oswald: This is a matter that is raised with me by the board and management from time to time also. Members would be aware of the Hillcrest-Modbury merger, as that is on the public record, but, other than that, there are no proposals before me or before the trust board that I am aware of. I am advised by the General Manager that that is currently the case, as of today. So, I would reassure people who may be working in those regions that there is no agenda on my desk, or on the General Manager's desk, or before the board for that to happen and, of course, if it does become an agenda item in the future we will address it. But at this stage there are no plans to pursue that area.

Mr FOLEY: Precisely what functions are under consideration for contracting out? Can you advise whether any contracts for outsourcing have yet been signed and, if so, for what areas, and are you able to identify the firms involved and the value of these contracts?

The Hon. J.K.G. Oswald: The whole of Government is talking about outsourcing, but there are no specific models that we are looking at at the moment. I will give some background, and then I will ask the General Manager to respond as well because he is perhaps even closer to it than I am as far as internal planning for outsourcing is concerned. Considerable savings have been made over recent years by the trust being involved in outsourcing activities to organisations possessing relative expertise and greater cost advantage. It is not something that is new since December 1993.

This has included: the use of more than 300 individuals and agencies to assess the review applications for trust priority housing; the outsourcing of rent collection to Australia Post, which replaces the trust's 16 rent payment outlets with 455 Australia Post offices and agencies throughout the State; the employment of a private contractor, Comskill, to manage the trust's 24-hour maintenance service with 26 employees; the use of 1 800 private contractors in all trades to maintain the trust's 63 000 properties; the use of a community mediation service to assist in the resolution of neighbourhood disputes; and the engagement of a private collection agency to assist the trust with rent recovery.

In addition, the trust has engaged private sector expertise through outsourcing much of its design and drafting services. In the area of stock acquisition, the private sector undertakes all construction. Private real estate agents have been engaged to purchase properties for the trust and to arrange sales to sitting tenants. The trust will continue to investigate ways to ensure its services and management costs are maintained competitively through exploring outsourcing opportunities.

Whilst the Opposition once again is trying to attempt to impute some sinister motive as to the fact that by outsourcing

we are going to maybe cause some pain within the trust and loss of employment, the fact is that most of the items I have mentioned here were brought in by the former Government, anyway, in an attempt and a recognition, no doubt of the Minister of the day and of the board of the day, of the cost structures within the trust and the need to reverse the level of debt and to bring some cash flow back into the system. The Government is presently, in a whole of Government approach, looking at this area right across Government, and I am sure that the board, being a very efficient board—and the management also—will pursue issues that can save the trust money and then let us provide a better service to tenants. But at the end of the day the criterion is that the trust is a service provider. We have customers, and the customers must not be disadvantaged. We will attempt to save money, but, at the end of the day, if the customer is disadvantaged it will not happen.

Mr FOLEY: What are the principal sources of the \$5 million in savings that you have highlighted that will occur over 1994-95? What are the targets for savings over the next three years, if you are able to advise and, specifically, how are these to be achieved?

The Hon. J.K.G. Oswald: Can you identify the page and line, please?

Mr FOLEY: You concur that there is \$5 million in savings projected?

The Hon. J.K.G. Oswald: I concur with nothing; I would like you to identify from where you are getting the question.

Mr FOLEY: I will defer to my advisers if you would like to come back to that question. I am happy to come back to it if you would like. I refer to the Government's decision to enter into preferred negotiations with EDS. Could you please detail the arrangements at the conclusion of those negotiations? Will the Housing Trust be serviced by the whole-of-Government contract with the EDS for computer and information services?

The Hon. J.K.G. Oswald: I will ask the General Manager of the Housing Trust to respond to that.

Mr Parker: The Housing Trust has been involved from the outset in the bulking up of computer facilities and software development that the new Government has introduced. Our officers have been involved from time to time in specific pieces of work in respect of that. The trust, having one of the largest mainframes in the State Government system, is clearly part of the total concept. At this stage we are awaiting with interest more detail. However, as the honourable member has said, the new contract will provide a different way of delivering the trust's large systems requirements and computer requirements as part of the new bulk up. In addition, the employees who are presently working in our systems development and computer operations area will transfer, and I am advised that, in general, those employees are excited about the prospects of those opportunities.

Mr FOLEY: What savings do you expect to achieve once this operation is up and running? Will those savings be passed on to the Housing Trust or will they go back into Consolidated Revenue?

Mr Parker: The trust is yet to see the detail of the contract, so I cannot provide information about the savings. However, naturally, the trust board would not be interested in proceeding with a change of arrangements unless there were cost neutrality or savings to be delivered. So, the trust is proceeding down this path on the basis that there will be savings.

Mr FOLEY: But at this stage you are not able to identify the quantum of those savings?

Mr Parker: We do not have the information available here at this stage that can put a number on that.

Mr FOLEY: You must have some contractual obligations with existing providers of services to the Housing Trust. Are they in any way creating difficulties in moving over to EDS? Do you have a five-year or a 10-year contractual obligation?

Mr Parker: No, at this stage we are in a very good position. In preparation for this contingency when the lease expired, we purchased the mainframe from the provider from whom previously we were leasing that mainframe. So, rather than re-entering the market and looking at another provider for a lease of the mainframe, we in fact purchased that system. It puts us in a very good position. We are in a very flexible position at this stage to go with whatever option, either in the new system as a bulk up or, if that does not proceed, we can then go back into the market. The system is working excellently at the moment.

Mr FOLEY: What proportion of returns from sales of existing housing stock will be: first, used to retire debt; secondly, invested in new public housing stock; and, thirdly, used to subsidise commercial developments and major projects?

The Hon. J.K.G. Oswald: Twenty-five per cent of proceeds from sales can go to retire debt, but no proceeds from capital stock can go into major projects under the CSHA. Historically, we own some of our own stock. I do not know what the position is interstate, but the Commonwealth cannot claim to own all the public housing stock because a certain amount of it was purchased through SAFA or through State funds. However, this figure of 25 per cent has been used for a while and, whilst it is probably open to some debate, it is a figure which has been agreed upon.

Mrs GERAGHTY: I refer to the Minister's comment that it could be advantageous to rent, depending on where one lives. I point out that private rental in the area of Torrens is fairly high, and unfortunately the income in some parts of Torrens does not reflect that. So, it could disadvantage some of my constituents. At present there seems to be some confusion in relation to the redevelopment of the Hillcrest area. Some of my constituents were told in late 1993 and early 1994 that they would be re-housed in the near future, so they went through the procedure of pulling down garages, carports and the like. Then they were told that the project had been delayed, and currently they are still housed in their original properties. In other parts of Torrens people have been similarly affected—told that they would be re-housed within a month or two, and they are still there. What is the current situation with respect to that redevelopment?

Mr Parker: The Hillcrest Redevelopment Project is at an advanced feasibility study stage. I am not aware of the particulars of the problems to which you are referring in terms of individual tenants being given information about dates of removal and those dates not being met. The development has been proceeding down a fairly orderly path, so I would be a little surprised if that were the case, but certainly I will follow it up. At this stage, the Hillcrest redevelopment is the next big redevelopment that is to proceed, as the Minister stated earlier.

As I said, the development is at the advanced feasibility stage, and hopefully it will proceed shortly. When that occurs those tenants will be given certainty about the future of their specific house. They will also be given the option to relocate either in the area or elsewhere. Redevelopment is very much

based around moving tenants sensitively and fitting in with their needs as far as possible, so that they are not prejudiced by the process.

Mrs GERAGHTY: There are vacant homes in several areas and, last week when I discussed this matter with the trust because people were looking to move in, I was told that the trust was considering whether to upgrade or sell those facilities.

Mr Parker: Many of the properties in the Hillcrest area are not in very good condition. The difficulty we have is whether to leave them vacant—unfortunately—or spend quite a bit to upgrade them to the standard required to relet them. Pending a redevelopment, I believe it is better to hold the properties untenanted until the decision is final rather than spend money and put tenants in substandard accommodation. Many of those houses are worn out: their backs are broken because of the soil movement, there are cracks in the plaster, the wiring needs upgrading, and so on. It is just too costly to upgrade them. They will either be sold and moved off site as mobile houses or be demolished in the relatively near future.

Mrs GERAGHTY: Is there any disagreement between the developer of the Regent Gardens project and the trust?

Mr Parker: Not that I am aware. The trust has an equity position in the Regent Gardens joint venture. Any issues between the Regent Gardens project and the Hillcrest redevelopment are provided for in the legal agreement between the parties. The concept always was to integrate the Greenfields development of Regent Gardens with the hinterland of the Hillcrest area. That is a very exciting way of doing it to maximise the regeneration benefits rather than having a fence between the two with Greenfields on one side and the regeneration area on the other. It is all to be phased together in urban design terms and in terms of marketing, landscaping, street design, etc. There has been some debate, but I am not aware of any differences.

Mrs GERAGHTY: Will the debate cause any delay in terms of Hillcrest holding up the Regent Gardens project?

Mr Parker: I do not believe so. The debate has been more about marketing issues.

The Hon. J.K.G. Oswald: If these concerns are being generated in the honourable member's electorate, I encourage her to come into my office and discuss them. We both have a vested interest in ensuring that those concerns are not broad. If there are factors still in the embryo stage, we should move fast to ensure that they are attended to. All members are welcome to come in and talk to me and my housing advisers, and we can set up whatever meetings we need as a sequel to that.

Mrs GERAGHTY: I am aware that a young woman with a child has been living in a caravan since last year because she cannot get into priority housing in the area. I am told that this is due, in part, to the redevelopment. That is a poor existence for a woman and her child. I will certainly take up the Minister's offer.

Mr BROKENSHIRE: What does the Housing Trust propose within the Mitchell Park redevelopment, particularly on the previous Tonsley Transport Interchange site?

The Hon. J.K.G. Oswald: I know of the honourable member's interest because he travels through that area frequently. The southern end of Mitchell Park forming the redevelopment area is comprised of approximately 75 per cent Housing Trust stock, generally in poor structural condition. The opportunity exists to redress both technical and social issues by urban renewal, and we have earmarked Mitchell Park for significant attention. The suburb is well

located, in close proximity to employment, public transport, the Flinders University, the Flinders Medical Centre as a local hospital, and also the Marion regional centre and Science Park. So, it is well situated to be used as a good example of urban renewal. It is important that the trust does not just concentrate its efforts on the north and the north-west. This initiative comes not from me or the Government but from the trust: it wants to get involved in the south-western suburbs.

The Housing Trust targeted this area for redevelopment some time ago, with the aim of reducing the concentration of public housing; improving the quality of housing and urban design of the suburb; improving the asset value of the trust stock; promoting urban consolidation; and promoting home ownership. Redevelopment to date has only partly met these objectives, and the opportunity now exists to capitalise on the impetus already established. The abandonment of the Tonsley Transport Interchange provides the opportunity to complete the redevelopment of the southern end of the suburb. The ongoing redevelopment will be undertaken using private sector design, construction and marketing skills in close collaboration with the local council and local community.

The trust has received funding from the Federal Green Street Program for the urban design of a model residential development. This will ensure the continuing improvement of the urban fabric of the area and provide the opportunity to create a healthy mix of public and private housing in a similar manner to that of Golden Grove, Seaford and Regency Gardens. Tenants in the area are voluntarily relocated to suitable Housing Trust accommodation in a manner sensitive to their needs. The HIA and MBA assisted the trust in the selection process of the successful builders on the next major stage of the redevelopment, the previous interchange site itself. These builders are now working with the urban designer to produce houses that will be excellent in design, marketable and affordable.

The Design Steering Committee comprises members of the Marion council, representatives of the Green Street Program and residents. Some 300 new houses with an approximate total value of \$35 million will be created in the redeveloped area over the next two years. Once again, we will be creating a suburb of a more appropriate public and private mix—a suburb in which people will enjoy living.

Mr De LAINE: I refer to departmental restructuring. You announced plans in July to restructure your portfolio, and in your press statement you indicated that one of the first changes would be the establishment of the State Urban Projects Board, which would combine the development functions of the Housing Trust and the Urban Land Trust with responsibility for all major Government urban development projects. You also announced that you would split the residential property ownership and rental tenancy management functions of the trust, which will report initially to the board of the Housing Trust. What are your long-term intentions for the Housing Trust?

The Hon. J.K.G. Oswald: Many areas can be summarised, but I will be very brief. It would require a very long reply. Basically, we need a strong, viable public housing authority in this State with a management infrastructure that can deliver services and be run as a business. We have to avoid the incorrect mix of social policy with business policy, to ensure that the mix is correct and that the decisions taken result in maximum service to the customer at the best possible price. The overriding factor is the recognition that there is a public housing stock which has huge taxpayer

investment and which has to be preserved, and that we have a community whose members have, correctly, an expectation of access to that public housing stock. It is up to us to ensure that it remains.

Within the portfolio there is a considerable investment of public money, and the reorganisation will allow the various authorities to act on a more businesslike basis to ensure that the resource is used far better than it is now. No-one criticises the board and staff of the Housing Trust in the way they operate. It is not their fault that Canberra has cut back on funds or that we have this very high rebated rent tenancy problem on our hands. They are endeavouring to overcome it. We have endeavoured, right across the portfolio, to give them a better management structure to work under. The Industries Commission made certain recommendations which picked up inefficiencies in the management of public utilities. Public housing in each State seemed to come in for some criticism. We have addressed those recommendations and the Audit Commission report and taken the best parts of that.

We have gone to a lot of trouble in putting together a reference group that worked with Deloitte. It was a composite mix of experts in the fields of public housing, finance and humanities that would come up with a structure which was humane in its outlook but highly efficient as a business entity. It should be remembered that the public housing sector is something very special and is therein the service business: customers are our tenants. We will end up with a far more efficient organisation. We have the new South Australian Urban Projects Authority. The Urban Land Trust is a highly efficient land trust as regards the division of broad acre land. It has a worldwide reputation for joint venturing with the private sector in housing estates. We have expertise within the board, its structure and management and we can link that to all our major projects. We have an opportunity to bring our major projects under the guidance or control of a board and an organisation which are experts in the field.

In summary, coupling the changes in the public housing sector with the efficiency related changes within the department itself and the changes within the Urban Land Trust to give it a greater input into the management of our major urban projects, we will come out of it in 1995 with a very efficient department, both business and socially orientated, which will deliver far better services to the people of the State.

Mr De LAINE: Will the two separated sections of the Housing Trust continue to be responsible to one board; or will they report to separate boards; or will they be brought under direct ministerial control?

The Hon. J.K.G. Oswald: The organisational chart has the two entities reporting back to the South Australian Housing Trust Board. In discussions with the board, it was my desire that the board manage those two entities. The Industries Commission recommended that they be split totally. I have discussed this issue with my counterparts in Victoria and none of us are convinced that you have to split them totally if they can demonstrate that they can achieve their objectives working under the one board. I have discussed this with those I need to talk to and it is our desire that, if they can make the two entities work as two separate business units, the board will remain. The issue is a matter for some public debate and will continue to be a matter for public debate.

Mr De LAINE: What will happen to the Chief Executive Officer's position in the Housing Trust as a result of the split in functions? Will the sections each report to the same CEO;

will each report to a different CEO; or will they report to the CEO or the Minister's department?

The Hon. J.K.G. Oswald: I would probably need a whiteboard or a view graph to lay out for the honourable member the new organisational chart of the department. It is very complex, and I am very happy to give any member of the Committee an overview of the organisation. The Policy Unit and the CEO of the department will have an input through to all the entities in the division. There will not be a CEO, as such, of the Housing Trust, because the Housing Trust as it exists at the moment under a CEO consists of a property service, a tenancy service, CSOs, the Development Division and a lot of other sections. The blocks are being shifted around and the CEO sits in a different part of the organisation, so the CEO of the Department of Housing and Urban Development will pick up some of the role of the current CEO of the Housing Trust, but the general managers of the property and tenant services will also pick up some of the existing role of the CEO. It is complex; it is not the sort of thing you can describe in a Committee, but I am happy to sit down with any member and go through the organisational chart and see how the blocks have been changed. However, the services are still provided and each individual staff member still retains a role; it may be carried out by different people in the block shift, but the services are still provided at the end of the day.

Mr De LAINE: Will the Minister rule out the transfer of the residential tenancy management function of the trust to another Government agency, such as FACS?

The Hon. J.K.G. Oswald: Yes. There is absolutely no proposal afoot to do that. However, I would be very pleased if FACS would pick up some of the service obligations that we are currently funding through the Housing Trust in, say, the provision of furniture. The trust is a public landlord and at the moment one of its major expenses is helping tenants to find accommodation, furniture and the like. That is an area on which I am talking with the Minister for Family and Community Services at the moment with a view to determining whether FACS can pick up that expense, because I think that fairly fits in the FACS budget as much as it fits in the Housing Trust budget. Other than that, there is no intention to move the entity to which you are referring over to FACS. It is not even under consideration.

Mr De LAINE: Will the new State Urban Projects Board be involved in joint ventures such as Seaford and Golden Grove, or does this not fit with the Minister's philosophy?

The Hon. J.K.G. Oswald: Let us get the terminology right: it is the South Australian Urban Projects Authority (SAUPA). Given that the SAULT board becomes the SAUPA board, it picks up the management roles there and we add to the SAULT board these other major urban projects. So, the answer is 'Yes.'

Mrs GERAGHTY: The Auditor-General's Report notes that the Housing Trust has revalued all vacant land, resulting in a decrement of \$28.4 million charged to the trust's operating result as an abnormal item. On page 487 in a note to the accounts it is stated that all classes of property assets will be revalued at 30 June 1995. Why was the revaluation of all classes of assets not completed in 1993-94, and what impact is the revaluation of property, particularly rental properties, which are currently valued at \$1.765 billion, likely to have on the trust's balance sheet?

The Hon. J.K.G. Oswald: I will ask the General Manager of the trust to answer that.

Mr Parker: The revaluation of the trust's industrial and surplus residential land was carried out as a longer-term program of revaluation of all trust assets; that was stage 1. Stage 2, which is under way now, is a revaluation of the residential assets across the board. The result of revaluation of the bank of industrial and residential land amounted to some 600 parcels, many of which have been on the market for the past two or three years across the State, and has resulted in a write-down which is the subject of the Auditor-General's comment, which must be seen in the context of the overall asset base of the trust.

The revaluation of the residential stock will result in a significant write-up of the value of the trust stock. Essentially the trust has, in the past, and in accordance with accepted accounting standards, been reporting in a balance sheet sense on an historic cost basis. In accordance with later accounting standards, which are not yet mandatory, the trust is moving in line with Treasury's instructions and more modern accounting practices to a present day valuation of its complete asset base. That is a major task, with 63 000 properties. We hope that will be ready by the end of this financial year so that it will be factored into the balance sheet this year.

The answer to the question of what effect that will have on the balance sheet is that it is expected there will be an increase in the total assets of the trust, as reported, as it moves from an historic basis to a present day value basis.

Mrs GERAGHTY: I would like to ask a question about the triennial review of the Housing Trust operations, which I think the Minister said would be released shortly. Has the report of the triennial review been amended, or will it be amended, to take into account the points raised by the Auditor-General in the note that he sent to the Chairman of the Housing Trust Board in July 1994?

The Hon. J.K.G. Oswald: The answer is 'Yes, it has reflected that.'

Mrs GERAGHTY: How can that be done when the report had already been presented to the Governor? There is no problem amending it?

The Hon. J.K.G. Oswald: It is a theoretical piece of work. It has not been to Cabinet. The report was with me when the Auditor-General made his comment and we had this opportunity of making that change.

Mrs GERAGHTY: I understood that the report had already been presented to the Governor, so I wondered how it could be changed.

The Hon. J.K.G. Oswald: It has not been reported to the Governor yet. As soon as it has been reported to the Governor, I will table it in the House.

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

Minister for Housing, Urban Development and Local Government Relations—Other payments, \$53 174 000

Additional Departmental Advisers:

Mr M. Henesey-Smith, General Manager, South Australian Urban Land Trust.

Mr G. Storkey, General Manager, HomeStart Finance.

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

The Hon. J.K.G. Oswald: I should like to make a brief introductory statement. The 1994-95 financial year promises to be a busy and challenging one for the South Australian Urban Land Trust leading to the establishment of the South Australian Urban Projects Authority. The trust has been allocated a number of major urban development projects for management and delivery. These include the Port Adelaide waterfront redevelopment project, the Mile End railway yards, the Mount Lofty St Michael site development, the East End development and the Western Munno Para project. These projects will be managed in conjunction with the trust's involvement in the successful major joint venture projects at Golden Grove, Northfield and Seaford.

The trust also has a major land sales program for the year which includes major land releases at Gawler, Munno Para, Tea Tree Gully, Salisbury, Enfield, Noarlunga and Willunga. The land disposal program totals \$31.3 million, made up of \$25.8 million in broad acre sales and \$5.5 million through joint venture land sales. The most significant sale will be the Walkley Heights property north of Dry Creek in the Salisbury and Enfield council areas.

In addition to the land disposal program, it will release significant investments from its joint venture operations of \$18.3 million, a major component of which will be the trust's share of the sale of the Golden Grove Village shopping centre.

The trust also plays a significant role in ensuring the appropriate and timely provision of human services and community development in the areas in which it operates. The trust has budgeted to expend about \$1 million on its community planning and development operations. This has been instrumental in the delivery of quality residential environments in all of our major growth areas.

The Urban Land Trust is in a sound financial position, having net assets at book value of \$101.5 million at 30 June 1994 with no borrowings. An operating profit of \$11.2 million was recorded for the 1993-94 financial year before providing financial assistance of \$22.2 million towards public and community services and amenities in new urban areas. The Urban Land Trust has made a contribution to Government of \$42 million over the past five years. It has budgeted to contribute a further \$42 million in 1994-95 without jeopardising the land bank in strategic growth areas in metropolitan Adelaide.

Mrs ROSENBERG: I should like to introduce my HomeStart question which I delayed from an earlier point in our proceedings. Raising the deposit for a home is seen as one of the main obstacles to home ownership in Australia today. What has the Government done to help people on the fringe of home ownership to own their own home?

The Hon. J.K.G. Oswald: HomeStart is one of the great success stories of the South Australian Government.

Mr FOLEY: Of the former Government.

The Hon. J.K.G. Oswald: I concede it includes Governments that have been around for a while.

Mr FOLEY: You can't bring yourself to say it, can you?

The Hon. J.K.G. Oswald: I think you can take it as read. I have enjoyed a good working relationship with HomeStart since becoming the Minister. I am totally committed to encouraging home ownership amongst all sectors of the community, and HomeStart offers an opportunity through its various packages to get people into homes of their own. One of the initiatives that we brought in, when coming to Government, was a recognition that a lot of people can afford to pay off a loan. I am referring particularly to people on

moderate incomes, incomes between \$300 and perhaps \$500 or \$600 a week, particularly at the lower end of that scale. They can afford to pay off a loan but cannot afford to raise the deposit. HomeStart has put together now several packages which people have responded to in great numbers. HomeStart is to be applauded for what it is doing.

There are several loans, but one example, the Advantage Loan, offers up to \$15 000 interest free to enable customers earning below \$500 per week to extend their purchasing power. This allows a household with an income of \$300 a week to borrow almost \$60 000 from HomeStart and yet maintain a weekly repayment which is similar to current rental payments. The Advantage Loan is interest free; however, the loan balance does increase with inflation. If the borrower pays back the entire Advantage Loan within five years, only the sum borrowed is repaid. If the borrower pays the loan after the five year date, then the amount borrowed plus inflation charges must be repaid. For instance, if the customer wishes to pay back a \$15 000 Advantage Loan just after the five year date, and inflation was at a constant 4 per cent per annum, then \$18 269 must be repaid.

While the Advantage Loan balance increases over time, it must be remembered that wages and property prices are increasing at approximately the same rate. The real effect to the borrower is nil. The value of the home should always be greater than the total debt owed to HomeStart. The Advantage Loan is a major initiative for HomeStart to increase home ownership opportunities for South Australians. Currently almost one quarter of HomeStart customers use the Advantage Loan to boost their borrowing power. A total of 463 Advantage Loans were granted between December 1993 and June 1994, with the average loan amount being slightly under \$10 000. Following the success of the Advantage Loan and its predecessor, the Top-up Loan, Queensland has introduced a similar product and New South Wales is investigating the option.

Mrs ROSENBERG: As a supplementary question, how have HomeStart's interest rates fared over the past financial year?

The Hon. J.K.G. Oswald: The interest rate on HomeStart loans is a variable rate that is generally adjusted on a quarterly basis. In the past few years, HomeStart's interest rate has virtually mirrored falls in market home loan rates. In fact, the interest rate applied to HomeStart loans has been below that of the market in most quarters since inception of the scheme in 1989. While there can be no guarantee that the HomeStart rate will always be below market, HomeStart has an objective to keep the interest rates competitive with the variable home loan rates of other lenders.

For the July to September quarter, HomeStart's interest rate is 8.5 per cent. The interest rate for the October to December quarter will increase to 8.75 per cent. This matches the lower end of the variable interest rate market where a differential of 0.75 per cent has opened up between the banks. Due to the HomeStart interest rate's being below traditional bank loans over the past few years, a borrower making the same repayments as that required by a bank loan would have made significant interest savings compared with the standard variable home loan through the other lenders.

The HomeStart loan offers a unique advantage in comparison with traditional home loans. While the interest rate is variable and moves in line with market conditions, loan repayments are fixed for 12 months at a time. This means that borrowers can budget for the year ahead with far greater certainty and avoid any nasty increases in their payments

brought about by higher interest rates. The feature is a variable one, given the general consensus that interest rates will steadily increase over the next few years. HomeStart borrowers are, in effect, protected by increases in repayments that result from rises in interest rates.

Mrs ROSENBERG: I refer to page 141, dealing with the East End Market development. Could we have an indication of the current status of that project?

The Hon. J.K.G. Oswald: First, the refurbishment of the perimeter heritage building by the Government is due for completion by the end of November this year. This aspect of the project has attracted considerable public interest and commendation for the quality of upgrading already completed on sections along East Terrace and Grenfell Street. I believe that the project management resource and support given to this aspect of the project by this Government is significant and will act as a catalyst to promote further development and private sector investment in the east end generally.

Secondly, if members have driven around the site they would have noticed that construction activity has already commenced in regard to the residential component of the project, which involves the completion of about 300 townhouses and apartments. This Government has also taken a role to ensure provision of the necessary servicing of the structure in order to facilitate the overall development. In addition to providing a unique living environment in the area, the project is creating new employment opportunities in the construction and associated industries. Thirdly, the redevelopment of the retail and commercial areas is similarly under way on several properties facing Rundle Street East, and further development will progressively be undertaken along the street according to agreements and market demand.

Finally, the Government is obliged to construct a public thoroughfare or interface between the Rundle Street East properties and the main residential site. I have been informed that the two developers have been meeting to reach agreements on the configuration of the interface, and I expect to receive an agreed solution, which I can implement in accordance with the development programs. I urge members to take the time to visit the site. It will be a magnificent project. Those who choose to live there initially may be considered pioneers, but they will be part of one of the very tasteful and upmarket urban renewals or developments within the City of Adelaide. Again, it will become a catalyst for inner city living. The quality of the apartments and the structures going in there are incredible. I urge members to show an interest in what is happening there because it will truly be a showpiece when it is finished.

Mr FOLEY: We have questions on HomeStart as well as on other payments. We will ask questions on the Urban Land Trust and then HomeStart. I thank the Minister for his comments on the East End Market, as I take an interest in it. What is of more interest is the front page announcement by the Minister of a \$500 million development of the inner Port Adelaide area. My colleague the member for Price and I were both excited and overwhelmed by the prospect that we would have a half million dollar investment in our electorates. It was clearly stated that it was about to start. Will the Minister give the Committee, in particular the member for Price and me, a rundown of the components of the \$500 million investment he has secured for the Port and give some indication when we will see the first building work started, which I assume is very close, given the story in the paper?

The Hon. J.K.G. Oswald: The honourable member is aware that the Woods Bagot report was released and it has

created considerable interest in the area. The \$450 million comes from an overall estimate of all public and private development. It came from an estimate of infrastructure on roads, rail services, building development, marine and related infrastructure, and also some water quality and stormwater treatments. The catalyst for the project is in many respects the Harborside Quay and other developments aligned to it. The Harborside Quay parcel is expected to act, as I say, as a catalyst on both sides of the river. If members are not familiar with the site, I indicate that a very short distance to the south is the northern extremity of the West Lakes development, and you do not need very much imagination to see how the West Lakes development could flow over into the inner Port development.

Referring particularly to the Harborside Quay development, I instance the site constraints that exist on the residential parcel, such as soil contamination due to the premises used as industrial and warehousing, geotechnical characteristics resulting from the previous poor quality of fill material and compacting of low-lying portlands and drainage issues to ensure appropriate management of stormwater run-off. The call for registration of interest highlights these issues—no-one has made any secret of it—and specifically seeks innovative engineering and financial approaches to address these issues. Unlike other recent examples of similar re-use of industrial land, the Government is seeking solutions that combine the remediation process with design, development and marketing approaches.

Considerable discussion with the development industry has identified support for this shared risk and responsibility approach. If the honourable member is being critical of the project, I point out that, as at 24 August this year, a total of 50 inquiries had already been received from the call, and an additional 20 information packages sent to registrants of a previous call in December 1992. The ultimate interest will be gauged only by the close of calls on 23 September. A breakdown of inquiries is as follows: from developers, approximately 10 to 15, including large multinational and national development interests; and from consultants, approximately 20 to 30, including architects, engineers, contractors, builders, remediation contractors. Also, we have approximately 10 to 15 investors and business interests.

So, before anyone runs out and tries to make any political mileage out of the *Advertiser*—which, I thought, showed some enthusiasm in promoting that Woods Bagot report—we should look very carefully at the response we have had and perhaps try to visualise what could be created at Port Adelaide and see the huge potential there, examining what happens overseas where the port has died and urban developers have moved in and created something very special. I know that the members representing the Port Adelaide area share the view that there is huge potential for the Port, including both its urban renewal and tourism possibilities and its heritage value, as well as being a source of enjoyment generally for people who live in Adelaide.

The Woods Bagot report did what was intended: it stimulated public discussion. We now have registrations of interest which have been evaluated. The SAUPA authority will be project managing whatever comes out of it, and I hope, as everyone hopes, that at the end of the day a \$450 million investment will be possible. If a percentage of that is achieved, we have achieved something for the redevelopment of the Port Adelaide area, but I am hopeful that we will in due course see some significant development there. However, it is important that development of the

Harborside Quay project and the land opposite gets under way and becomes a catalyst for future development.

Mr FOLEY: I hope the Minister did not take my comments out of context. I am an enthusiastic supporter, as is my colleague, of the development of Port Adelaide. I suppose I have been a little bit stunned by your answer. Just reading the article in the newspaper, as did many of my constituents, we thought that there was a \$500 million contract essentially signed, in place and ready to go. Perhaps you have informed the Committee that that was simply a release of a report that had some possibilities at some future date. Maybe I misread the article, but I thought it said it was all ready to go.

The point I am making is that one of the real problems with development in this State, and particularly in Port Adelaide from time to time, is that we have floated ideas and raised expectations and those expectations have not been met. That continually creates problems in getting development in this State off the ground. I make that comment by way of, perhaps, mild criticism that we have to be very careful that we do not raise expectations that are not simply, as yet, there to be had. I look forward to the Government's plans for Port Adelaide. In me you will have a very enthusiastic supporter. In terms of the electorate of Hart, I look forward to major new work. I would appreciate it if you could keep the value of the condominiums down.

I am told, and I believe my advice is correct, that two elements of the Port Adelaide plan are essential; that is, the need for the light rail down the Port Adelaide corridor and, of course, the third river crossing, which I think will become one of the main issues driving me during my time in Parliament. Are you a supporter of those two elements of the proposal, Sir?

The Hon. J.K.G. Oswald: Certainly, I recognise that heavy traffic has to be taken out of the centre of Port Adelaide and we can no longer tolerate heavy traffic coming over the Birkenhead Bridge and around the old Black Diamond Corner. In the long term, that issue will have to be addressed. I will take advice from my advisers on this issue. I have seen reports that support the long-term planning for another bridge over the Port River, but it has to be looked at in the whole-of-Government context. Now that we have a Woods Bagot report I have no doubt that SAUPA, in its evaluation of the development of Port Adelaide, will be talking to transport agencies, the EDA and all these other agencies in Government. If it has to be put on the long-term plan then that is the way to go. It is a bit premature for me to say that it will happen, but I will certainly not say that it will not happen.

Mr FOLEY: Today you made an announcement about the Brickworks urban consolidation project. You mentioned that the Government had sold the land to some private sector interests. Can you advise the Committee of the value of the contract that was signed—the value of the land that was sold and what price you got for it?

The Hon. J.K.G. Oswald: It is commercially confidential. The Government certainly was very pleased to see a consortium of private sector business people getting together, raising the capital to purchase the property and moving to develop what is now the largest urban consolidation project within the metropolitan area—five kilometres from the GPO. However, matters such as the price they paid for the land I believe are confidential between the vendor and the developers themselves, and it is not for me to make that information public.

Mr FOLEY: I am astounded by that response; I am almost dumbfounded. I remember consistently in the former Government, whenever 'commercial-in-confidence' was used as a reason not to give certain information, there would be howls of criticism and critique coming from the other side. Indeed, Minister, I can remember you, yourself, being very vocal in the Chamber one day about the Government's using commercial-in-confidence as a reason for not disclosing information.

The Hon. J.K.G. Oswald: Perhaps if I put a rider on my response to the previous question and say that it would be inappropriate for me to divulge that matter publicly until such time as I have checked with the principals and developers concerned. If they did not have a problem with divulging the figure neither would I. However, I think it would be inappropriate if I revealed the figure without first consulting them.

Mr FOLEY: I appreciate that the Minister is prepared to move a little bit from his earlier comment. However, a Government asset has been sold and, whilst I appreciate that the developer may for its own reasons not want the figure released, I personally can see no reason why the public cannot know the value of one of its assets that has been sold. Whilst I can understand the need for commercial-in-confidence in business transactions and certain transactions involving the commercial operations of businesses dealing with Government, I hardly see that the sale of a hunk of land, which is a physical asset, would cause any great distress to anyone. I think the public has an absolute right to know. Indeed, it is one of the fundamental principles of democracy. If we sell a Government asset such as this, the community should know for what value.

The Hon. J.K.G. Oswald: I would not like one of the great 'good news' stories that has come out of today to be tarnished at all with public figures arguing whether we should or should not divulge the price. However, if the member wants to bring the question to a head, I suggest that at an early opportunity he address the question to the Treasurer. The sale of public assets is in fact in the lines of the Treasury and the Treasurer, and that is the appropriate Minister to divulge the figure. Far be it from me to enter into his area of responsibility.

The CHAIRMAN: The Chair assumes that the value of a public asset will ultimately be disclosed, and I join the member for Hart in awaiting the news.

Mr EVANS: On 6 September 1994 the Auditor-General tabled his annual report, and on pages 239 to 247 he addresses HomeStart finance. The Auditor-General has raised a number of issues, and I would appreciate the Minister's comment on what action he has taken to address these issues?

The Hon. J.K.G. Oswald: The honourable member is correct in saying that on pages 239 to 247 the Auditor-General's Report does cover several issues in relation to HomeStart's general financial controls, which either have been resolved or are in the process of being addressed. As a result of a revised deed of agreement between HomeStart and me, HomeStart established an Audit Committee. The committee, which is a subcommittee of the HomeStart board, includes key board members, and will strengthen controls within an already sound organisation. The committee will be responsible for further improving the financial and performance controls, and risk management.

HomeStart has been pleased to have the participation of officers from the Auditor-General's staff in the development of the committee's charter, and as observers at committee meetings. The committee will ensure that there is a very high

standard of internal controls and that risks within HomeStart's portfolio are monitored and minimised. Through the direct participation of his staff, the Auditor-General will be kept up to date with the on-going management of HomeStart. A work program has been established for the next 12 months. There has been some reservation about the engagement of sub-agents by HomeStart. This is where our retailers have mobile agents to provide a shop-at-home service to potential HomeStart customers. On the one hand, there is the view that sub-agents introduce an additional level of distance between the customer and HomeStart and that this represents an additional risk.

On the other hand, there is the argument that agents now form a key part of the lending industry as that provides 'at source' services that customers prefer. In Western Australia and the USA agents of this type write very large volumes of loans. No longer does the market consist of only banks that require customers to come to them. Although valued by HomeStart, HomeStart has undertaken to review the use of subagents to originate its loans as part of an assessment of its retail strategy. At present, a highly detailed audit is being completed on all loans originated by subagents. This will form the basis of an analysis of the benefits versus the costs and risks associated with this retailing arrangement. Should it be decided to continue the use of subagents, HomeStart proposes to establish a new tripartite agreement between subagents, the retailer and HomeStart to define the terms and conditions. This will replace and strengthen the existing controls to ensure that strong safeguards exist.

The Auditor-General's staff has proposed strengthening and expanding the internal audit function. The charter of the Audit Committee, commenced in April, includes consideration of internal audit functions. As noted by the Auditor-General, HomeStart is currently preparing proposals to further improve the internal control procedures and audit of lending and other key activities. In the management of HomeStart funding, the deed of appointment between the Minister and HomeStart provides for me to provide funds to HomeStart, and provides for the board to negotiate and recommend to me the terms and conditions of funding. The daily application of the deed causes practical problems, as the approval of each HomeStart rollover would cause timeliness problems and require considerable extra paperwork on my part.

Consideration is currently being given to delegating approval to allow HomeStart to approve individual funding decisions within a maximum ceiling of funding approved by me each year. The relationship between HomeStart and SAFA is important. SAFA obtains funding for HomeStart on the market, and it charges HomeStart a fee for its services. Until recently, a SAFA staff member was on HomeStart's Finance Committee, providing a clear understanding between the two agencies. However, this should be formalised, and action has been initiated to establish an agreement between the two parties. In relation to the Finance Subcommittee, HomeStart recognises the critical nature of having the appropriate funding and has a finance subcommittee that meets on a fortnightly basis. The committee makes recommendations to the board.

To further strengthen this function, the Audit Committee proposes that the committee recommending funding decisions to the board be a formal subcommittee of the board. This has been adopted and will be implemented when the board is finalised under the new HUD legislation for HomeStart. I turn briefly to other matters. In respect of employment conditions,

the Auditor-General's Report noted that the concerns raised by it in regard to the range of employment conditions at HomeStart are being shared by the board and management. Investigation into the most practical means of addressing this has been initiated. However, as part of the review of the housing portfolio, consideration is currently being given to legislation to establish standard entities within the housing portfolio, and this legislation is also expected to deal with the employment conditions that may be offered by HomeStart. It is appropriate to address this issue in the context of the portfolio.

In relation to internal control procedures, HomeStart agrees that sound internal controls are the basis of sound financial management and reporting. HomeStart is proactively reviewing all areas of internal control. The establishment of the Audit Committee provides HomeStart with an excellent forum for the ongoing formal review of all internal controls. In summary, these comments are the result of many weeks' work by the Auditor-General's staff delving into all areas of HomeStart. Both HomeStart and I put on record our appreciation of the painstaking, meticulous work done by the Auditor-General's staff to ensure that HomeStart's operation remains sound and strong.

Mrs GERAGHTY: In relation to the sale of SAULT property, the Liberal debt reduction strategy released just before the last election identified Urban Land Trust property as assets that will be sold by the Government to reduce debt. What is the value of the SAULT land that will be sold this year? Will the entire proceeds of land sales be used to reduce State debt, and what is the role of the Asset Management Task Force in the sale of SAULT land?

The Hon. J.K.G. Oswald: The main point to be made here is that SAULT is expected to pay \$42 million to Treasury during 1994-95. Over the past five years SAULT has paid \$42.2 million to Consolidated Account as a contribution to community infrastructure, and I will itemise that, as follows: in 1989-90 it was \$1.8 million; in 1990-91, \$6 million; in 1991-92, \$8 million; in 1992-93, \$4 million; and in 1993-94, \$22.22 million. SAULT provides to Government funds by way of financial assistance pursuant to section 18(3) of the Act, which allows it to make payments for 'the provision of financial assistance for public or community services, facilities or amenities in new urban areas'.

Since its formation in 1981, SAULT has accumulated and retained profits from operations totalling \$96.6 million. In December 1993, SAULT provided advice to the Government that it would contribute \$100 million over the next 3.5 years towards the Government's debt reduction strategy. The Government's debt reduction strategy is as follows: 1993-94, \$22.2 million; 1994-95, \$42 million; 1995-96, \$19 million; and 1996-97, \$16.8 million. That amounts to \$100 million. The SAULT board and I have discussed this in detail, and the time program has been done in such a way that we will continue to release land in an orderly manner with the objective to ensure that there is no wholesale disposal of land in such a way that it causes a collapse in land market prices.

Funds for the 1993-94 financial year will be provided from the following sources. First, cash receipts from land sales of \$30.6 million, which comprises broad acre land sales to the private sector totalling \$25.8 million. The major items critical to the achievement of this amount include: Walkley Heights at \$15 million; Para Scarp (50 per cent interest) at \$2 million; and Yatala Vale Extractive Industries at \$3.3 million. It also comprises broad acre land take-ups by the joint venture developments, which will contribute a further \$4.8 million.

Secondly, funds will also be forthcoming from the realisation of investments in joint ventures and joint venture profits of \$18.3 million.

The major contributor to the realisation of joint venture investments will be SAULT's 50 per cent interest in the Golden Grove Village Shopping Centre (estimated at 50 per cent of \$26 million), which is currently on the market. The sale of broad acre land assumes an orderly release to avoid residential land oversupply to preserve the Government's asset valuation and ensure that property prices do not artificially become depressed. Realisation of joint venture investments and joint venture profits represents the natural maturing of these investments and is occurring as a result of SAULT's normal operations. SAULT's cash position will remain positive throughout the 3½ year program, and SAULT's annual operating expenditures are approximately \$3.1 million. The Asset Management Task Force has no direct involvement in the operation of this exercise.

Mr FOLEY: I refer to HomeStart. As the Minister said, HomeStart is a fine scheme. I appreciate the Minister's acknowledgment of HomeStart as one of the truly great things that Governments in this State have contributed towards the affordability of housing. On behalf of the Opposition, I graciously accept his comments congratulating the former Labor Government for implementing such an innovative and forward thinking program. The Minister's candour in that area is much appreciated.

HomeStart has net assets of approximately \$120 million and post annual profits of around \$16 million per annum. It provides assistance to first home buyers, as we know, and has been the vehicle for in excess of 15 000 households to obtain their own home. The figures speak volumes for the organisation. However, I understand that the Asset Management Task Force within Treasury has contracted Ernst and Young to provide a report on the sale of HomeStart's portfolio of loans. The consultants have been requested to consider the securitisation and sale of these loans. What is the consideration of securitisation intended to achieve? What impact would this move have on the cost of funds, both for HomeStart and its some 15 000 clients?

The Hon. J.K.G. Oswald: The investigation is being carried out by the Treasurer and the Asset Management Task Force; I am not closely involved with the investigation at this time. Investigations are only at the options stage and no policy decisions have been made by the Government. The honourable member might use the Estimates Committees to examine the Treasurer on that issue further, but investigation is purely at the options stage and no policy decision has been made by the Government at this time.

Mr FOLEY: Unfortunately, the Treasurer has been and gone from Estimates Committees. You have today referred a number of issues that I have questioned you on to other Ministers and, I suppose, my patience is being a little bit tested. I am asking my questions of the Minister who I think is responsible for certain policy issues only to have them referred to other Ministers who have already been questioned. Perhaps I will approach it from a different angle next year. Is HomeStart for sale or not?

The Hon. J.K.G. Oswald: It must be understood that the Asset Management Task Force has a brief from the Treasurer and probably the Premier to go across all agencies of Government, including those that are in my portfolio mix. It is incorrect for the honourable member to show indignation and say that I refer matters originated by the Treasurer back to the Treasurer. The Treasurer is the only Minister we refer

subjects back to because they happen to be areas in his bailiwick, and it is only appropriate that I not comment on financial matters that are under the Treasurer's portfolio; he would not thank me for commenting on them in the first place.

It is correct for me to refer matters to the Treasurer if they are in his area of responsibility. One of my officers could explain the role of the Asset Management Task Force if the honourable member is not familiar with how that task force operates across Government areas. I can ask one of my officers to explain further.

The CHAIRMAN: I point out to members that the Chair has been unable to find the line relating to HomeStart, having noted the name on the Minister's file. Similarly, the Minister was unable to find a line in his portfolio in relation to HomeStart. It is the onus of members to identify a specific line against which they wish to ask a question. It is the duty of the Chairman to point out to members that they must identify a line. Traditionally, the Chair is flexible about the questions being asked, and the majority of questions put over the past four days have not been put specifically against a line. If the Minister says that he is unable to answer, he is entitled to say that and the matter should rest there. I believe that the Minister has been cooperative.

Mr FOLEY: The Minister has been fortunate today to deal with a Chairman such as you. It has certainly helped him. That is a positive reflection. I just feel that democracy is being a little frustrated. I accept your ruling, Mr Chairman, and I apologise for putting these difficult questions to the floor.

The Audit Commission had much to say about HomeStart, stating that HomeStart is likely to have a continued role in housing policy by focusing on that segment of the housing market not adequately met by private sector institutions. Does the Minister concur in that and, if so, is HomeStart examining other niches to expand its portfolio of loans?

The Hon. J.K.G. Oswald: Regarding the Audit Commission report as it applies to HomeStart, the first point is that HomeStart as a Government agency was reviewed as part of the 1994 Audit Commission report. Particular attention was paid to HomeStart as a result of the collapse of the New South Wales Government's HomeFund program. Whilst concern has been expressed in the Parliament from time to time about the viability of HomeStart, it is worth noting that it has stood up to all the tests. We will continue to offer to bring in outside investigations if anyone suggests that HomeStart is in the same position as the New South Wales scheme, because it is not. It has stood all the tests and has proved otherwise.

HomeStart received a clean bill of health from the commission. The report states that HomeStart has been successful in its core business; it does not carry the same order of risks for the Government as the New South Wales program; and it is likely to have a continued role in housing policy by focusing on serving that segment of the housing

market demand that is not adequately met by the private sector financial institutions. It states that there is a place in the financing of public housing in this State for HomeStart. It has been acknowledged by other financial institutions in the community that HomeStart is here and that it plays a valuable role.

Mr FOLEY: I thank the Minister for his answer. That is the conclusion of our questioning today on the specifics of the budget that I have been extracting from the Minister. I have some omnibus questions which I should like to read into *Hansard* if that is possible. I do not expect the Minister to answer them now, but I should like to put them on notice.

The CHAIRMAN: The alternative is to put them on notice in the House of Assembly, in which case they will be treated as questions on notice to the Minister.

The Hon. J.K.G. Oswald: That is an option. Either way, the department will respond and the honourable member will be given a reply.

Mr FOLEY: Then I will quickly read them. What share of this year's savings target of \$170 million recurrent expenditure, as set out in the June financial statement, was allocated to the Minister's department?

Can the Minister summarise the extent of cuts made this year?

What are the target cuts for the next three years as part of the ongoing program to reduce overall recurrent expenditure by \$300 million over the next four years?

What is the staff reduction target used as the basis for framing this budget for 1994-95 and what are the targets for the next three years?

How many staff have accepted separation packages since January 1994; what classifications did they hold; and were any classifications denied access to the scheme?

What is the projected cost for 1994-95 and the following three years of separation packages to the department; and what is the average cost of individual package payments?

Has the department undertaken any restructuring as a result of employees offering to accept packages; if so, what are the details, what annual savings will accrue, were services to the public reduced and, if so, what are the details?

Is the department undertaking any restructuring exercise to identify employees to be offered packages; and, if so, who is undertaking this exercise, what are the terms of reference, are the relevant unions and staff associations involved and what are the details?

Can the Minister say whether retrenchments will be needed in his department to meet the targets announced in the June financial statement for staff reductions; if so, how many staff will be retrenched and what conditions will apply?

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

ADJOURNMENT

At 5.29 p.m. the Committee adjourned until Tuesday 20 September at 11 a.m.