

HOUSE OF ASSEMBLY**Thursday 20 June 1996****ESTIMATES COMMITTEE A****Chairman:**

The Hon. H. Allison

Members:

Mr K.A. Andrew
 Mr R.D. Clarke
 Mr M.R. De Laine
 Mr K.O. Foley
 Mr I.P. Lewis
 Mr I.H. Venning

The Committee met at 11 a.m.

 Primary Industries, \$48 450 000.
Witness:

The Hon. R.G. Kerin, Minister for Primary Industries.

Departmental Advisers:

Mr M. Madigan, Chief Executive Officer.
 Mr K. Freeman, General Manager, Business Operations.
 Mr B. Windle, General Manager, Agricultural Industries.
 Mr I. Millard, General Manager, Forestry.
 Mr D. Hall, Director, Fisheries.
 Mr C. Young, Manager, Aquaculture Unit.
 Mr R. Wickes, General Manager, Sustainable Resources.

The CHAIRMAN: Does the Minister wish to make an opening statement?

The Hon. R.G. Kerin: Yes, Mr Chairman. In opening, I would like to acknowledge the contribution and efforts of primary producers to South Australia's economy and also to point out that the credit that is often given is not commensurate with the contribution that this sector makes. Much of that has to do with a public misconception that has come about through years of negative publicity. Primary production nowadays is a very vibrant sector and is producing the goods for the State. South Australia's farmers and all members of the primary industries sector are playing their part in the economic recovery of the State and contributing significant economic growth. The contribution to the economy from this sector in 1995-96 is expected for the first time to reach \$3 billion at farm gate prices with another \$1 billion to be added with processing and value adding, leading to more jobs for South Australians.

Higher world grain prices and general diversification by the rural sector mean that exports have leapt remarkably. One figure we must never lose sight of in South Australia is that primary production exports account for over 50 per cent of this State's total exports. That figure emphasises the importance of primary production. As I said before, that importance is often understated. If we look at the performance of each commodity, we gain a good picture of the importance of farming to South Australia. The grains industry has recorded the highest growth, with a record 5.5 million tonne harvest

worth at least \$1 billion. Wine exports are expected to reach a record \$300 million compared with \$250 million last vintage. If we go back to 1989-90, the value was only \$73 million.

Horticulture has expanded from \$470 million to an estimated \$730 million and will export \$150 million worth of produce, much of that being fresh produce into the lucrative Asian markets. Fisheries and aquaculture industries have doubled in value over the past seven years to around \$200 million, and the wool industry, although going through a difficult period, is still worth \$400 million, while meat contributes \$240 million. Other industries focusing on developing their export potential include dairy, at \$40 million; pasture seeds, vegetable seeds and animal by-products, \$40 million; livestock feeds, \$30 million; and live animals \$25 million in exports.

The South Australian Centre for Economic Studies claims that the record harvest last year will provide a sharp boost in employment with 5 000 to 8 000 jobs created over the next two years. Whilst this season we experienced a greatly increased contribution to the economy by the primary industries sector, there is more to come, although in this year, as in all years, that contribution depends largely on the extent to which the weather is kind to us; and we need rain at the moment. It is evident that a primary industries-led recovery is happening. The Centre for International Economics has forecast that over the next decade an extra \$1 billion a year can be added to the economy from the primary industries sector.

For its part, the Government has seized the challenge to make this happen and, through a series of industry development plans and fisheries and aquaculture management plans, has identified a vast number of opportunities for each industry. Primary Industries South Australia is committed to economic development through growth in the primary industry sector and will work closely with industry to enhance the prospects for our State. This partnership between PISA and industry will be greatly enhanced by our plans for the near future. PISA's team of industry and technical specialists, marketers, economists and planners is focusing on the many opportunities for both the traditional primary products and the new and emerging industries. PISA uses its global networks to ensure that the industries have vital information about the international marketplace integral to link South Australia's quality produce with the markets of the world.

Quality is the key. Our industries are adopting international quality assurance standards necessary to compete in the world's competitive markets. Through SARDI we have a world class research organisation that is committed to working closely with industry on producing quality products and maintaining a market focus. The Government is also ensuring that future generations continue to benefit from the invaluable primary resources necessary to bring about economic growth. It is through involvement in such bodies as Landcare, Fishcare and our property management planning that we will ensure sustainable growth in the industries and also ensure that these valuable resources are protected for future generations.

As the Deputy Leader of the Opposition (who is a self-confessed expert on agriculture) would know, the signs are positive for a bright future for the rural sector, and this was certainly borne out in the second rural debt audit released in March. I will briefly point out some of the achievements of the past 12 months. There has been an extensive strategic

planning program for horticulture. We are looking at the Livestock Act and the consolidation of 10 Acts into one. We now have 40 groups statewide on the Grain Gain monitoring program. We have introduced new IT services—Pollfax and Prime notes on the Internet; we have had 80 Right Rotation workshops; and a property management planning program from South Australia has been adopted nationally. Trial work has started on the Upper South-East drainage program; we have under way a review of the agricultural chemical legislation; the Eyre Peninsula regional strategy is under way and feet are on the ground making the benefits start to flow there. We have had the second rural debt audit. There has been a new corporate strategic plan and industry development plans for each commodity group.

We continue to look ahead and build on those achievements with realistic targets which we have set for the coming year. Amongst those targets are the phylloxera and grape industry five year plan. A new State revegetation strategy is set to be released; we look to take the industry development plans to the next stage; and we will continue to promote the Young Farmer Incentive Scheme. We will review the footrot control program, and there will be an export facilitation project for citrus and a three year industry project plan for olives. We wish to attract value adding projects to the vegetable industry; we will review the Grain Marketing and Bulk Handling Acts, revise the Animal and Plant Control Act and complete the State weed management strategy; and we look forward to implementing the RCD program when the all-clear is given.

Importantly, we wish to complete the soil landscape map for all agricultural areas in the State, which will promote areas of opportunity and maximise our land usage values. We have a role in developing the State land use policy. We wish to establish a peak agri-forestry body in South Australia. Our aim is to complete 90 per cent of the soil conservation programs. A State and Commonwealth review of the Rural Adjustment Scheme has been established. We are investigating a rural partnership program for the Riverland, and we will look at other areas that may also fit that program.

Primary industries is a valuable part of South Australia's economy, and this Government, PISA and SARDI will work closely with industry to facilitate growth. Finally, I briefly put on the record an acknowledgment that is rarely made—to the primary producers of South Australia. They have probably had a reputation for a long time as being conservative and reluctant to make, or even suspicious of, change. In the past decade we have seen an unheralded change in the attitude of the majority of primary producers.

Having personally spent most of that decade working intimately with farmers, I am very aware of the fact that they have approached the challenges of change differently from that which community perception would expect of them. Rather than seeing change as a threat, the majority of farmers have seen change as an opportunity. Their willingness to adapt and accept change certainly was a major factor in their being able to capitalise on the favourable conditions experienced in 1995.

I feel that community perception of our primary producers is well out of step with reality. The rural sector is far more important to this State than many people believe. I believe that many people consider that agriculture is an industry of the past, but that is certainly wrong. Primary production will be one of our greatest opportunities in the first half of the next century.

The CHAIRMAN: I invite the Deputy Leader to make a statement by preamble should he so wish or, alternatively, to open the questioning.

Mr CLARKE: I will make a brief statement. Like the Government, we in the Opposition are very supportive of our primary industries. We, like the Government, recognise the importance of that area to the economic health of this State. In our viewing of the budget and the estimates, we see that essentially it shows no gains or losses in terms of resources. However, the Opposition would point out that this, in our view, is largely predicated on the Prime Minister and his Government's being kind to South Australia and other States regarding resources that they allow the States to have.

We will finally have to wait until the Federal budget is handed down in August this year just to see how kind Mr Howard is to the States. If we look back to last week with respect to the initial application by the Federal Government to impose sales taxes on Government and local government motor vehicles, I am sure the Minister would be as concerned as we are in the Opposition with respect to what the outcome might be of the Federal budget, and largely the exercise we are engaged in today on the State budget and one of the major departments may be somewhat futile in the sense that there are significant reductions in Commonwealth support.

I also point out that, with respect to SARDI, we note there are no increases in resources since last year. If we in South Australia want to be the smart State, as the Premier has been extolling to the Parliament on behalf of the Government, we are disappointed that this very valuable research and development arm of government has not had a significant increase in resources allocated to it.

I would also congratulate the Minister, this being his first appearance before an Estimates Committee. He has very big shoes to fill in comparison with the former Minister for Primary Industries, Hon. Dale Baker, who was recognised, even by members of the Opposition, as a very good Minister but who, unfortunately, was cut down in his prime due to the internecine warfare within the Liberal Party. It is also a pleasure for me to serve on this Committee with the member for Culance. It must give the honourable member a great sense of fulfilment, as a mentor of the Minister for Primary Industries—the member for Frome—to see his apprentice assume the office of Minister for Primary Industries. As I have often acknowledged in the House, the member for Culance is the only member in this House who knows more about agricultural matters than I, and I dip my lid to him in that respect.

I conclude my remarks by saying that it is always a good thing in the Estimates Committee when dealing with Primary Industries to be sitting down with fellow socialists because, as we all know, members of the Liberal Party, particularly those who represent rural constituencies, are great socialists when it comes to this portfolio area.

The CHAIRMAN: I invite the Deputy Leader to open the questioning.

Mr CLARKE: Page 233 of the Estimates of Receipts and Payments deals with SAMCOR. The Opposition has been advised that a Canadian company, Better Beef Ltd, has been chosen by the Government as the preferred bidder for SAMCOR. What has the Minister done to encourage Australian companies or consortiums in their bids for SAMCOR and why is it that another South Australian asset is to be sold off overseas?

The Hon. R.G. Kerin: First, I query the relevance of the question, because I think it is more a question for the

Treasurer. As far as Primary Industries is concerned, the sale price is out of our hands but I make a couple of points. The first point would involve my interest in what will happen to the overall meat industry in South Australia as a result of the sale process. If the company to which you allude were to be the preferred and successful bidder, it would be based on the fact that it would bring something positive to this State, and that is a matter concerning which the meat industry is in desperate need at the moment. There may be people within the meat processing industry who would not like to see an outside player introduced, and I could understand that; but we are interested in the good of the State, and the meat industry is very important to South Australia. I do not know who the successful bidder will be but, if it is an overseas company, the correct processes will have been followed. If another key player is introduced, it will meet the requests of many meat producers in the State that we do something about industry development.

Mr CLARKE: As the Minister would be aware, many local processors are, if you like, hanging off SAMCOR's operations, and I refer to those operators who kill and then break down the bodies. If a competitor, particularly a foreign competitor, were to take over the SAMCOR operations, given that SAMCOR is not allowed to compete in terms of breaking down bodies, the new owners of SAMCOR would know where the produce in question comes from on the service side—their competitors; from the cartnotes, they would know who the customers were and to whom the work is going. If they were to take over SAMCOR, being a private company, they would be free to compete with those other service areas.

The CHAIRMAN: The Chair would advise the Minister that this matter is within the purview of the Treasurer, and the Treasurer did respond to a very similar question only yesterday.

Mr CLARKE: As a matter of clarification, I point out that, whatever Cabinet has decided as to who handles the sale of SAMCOR, the South Australian Meat Corporation Act 1936 specifically places the responsibility of SAMCOR in the hands of the Minister for Primary Industries. I am not talking about the sale, but the undertaking is very much within the Minister's responsibility.

The CHAIRMAN: The carriage of the Act is within the purview of the Minister. The Minister will respond as he sees fit, as always.

The Hon. R.G. Kerin: I do not think that I should respond too much to that hypothetical position. The competition factor has been alluded to, and it is a hypothetical question that competition is not completely fair. The meat industry has suffered seriously for a long time through a lack of competition in the IR area. Their hands have been tied behind their back by the tally system. In addition, the big problem for overseas buyers of meat out of Australia comes back to two things: the cost of killing and the cost of shipping. They are both industrial relations issues, and I would welcome the honourable member's assistance in any way so that we could free that up. That is what is holding back the meat industry.

The people to whom the honourable member refers and who may well suffer if such a hypothetical position came about would be helped enormously if we could sort out the IR situation in the meat industry. That would be in the interests of the meat workers as well as the industry. That is where the problem lies, not in hypothetical situations such as the one the honourable member suggested. Because of the industrial relations situation, the meat industry in Australia

has been held back artificially. I know that the honourable member is an expert on that, as well, so I look forward to his help in solving that problem.

Mr CLARKE: When expressions of interest for SAMCOR closed in December last year, was the General Manager of SAMCOR involved in any way in perusing the various expressions of interest, giving advice to the Government on any of the bids, or involved in discussions with any of the bidders for SAMCOR?

The Hon. R.G. Kerin: My information on the bid process is that it is a three stage process. The first stage is to look at what the business is, and package it up into what is for sale, what is not for sale and what is negotiable. That is stage 1, and that is very difficult to achieve without management being involved. The second stage is the preparation of all the documentation concerning what is to be sold and, once again, management must be involved in that stage. The third stage involves the calling for tenders and their assessment.

My information is that SAMCOR management have definitely been involved in stages 1 and 2, which is only proper, but that they have not been involved in stage 3. They do not have any knowledge of the tenders and they were not involved in assessing the tenders. In fairness, I must also say that, within stage 3, it is up to the bidders as to whether or not they inspect the abattoir. As to confidentiality, the Asset Management Task Force does not use bidders' names, but my understanding is that, if bidders want to look through the abattoir, it is pretty hard to put a bag over their head to hide their identity.

I am confident from the briefings I have had that there has been no deviating from that three stage process, and management have not been involved in receiving the bids or in their assessment, which is the important part as far as conflict of interest goes. I am quite relaxed with the process.

Mr CLARKE: When did the Minister first become aware of the interest of the General Manager of SAMCOR in gaining employment with one of the bidders for SAMCOR, namely, Better Beef Limited?

The Hon. R.G. Kerin: At no stage in particular. One thing I am aware of is that, as is normal with a lot of asset sales, all bidders showed some interest in keeping on current management and many of the staff. I was aware on an overall basis that all bidders wanted to look at current management and staff through the entire works. As to a specific mention of any particular person or bidder, the answer is 'No'. Apart from that general awareness—that all bidders are interested in our entire work force—obviously they would want to look at different sections; but I was aware from an early stage that all bidders were very interested in the total work force.

Mr LEWIS: My question is directly related to agricultural industries on page 452 of the Program Estimates. What progress is being made in respect of protecting this State's \$730 million horticultural industries from the ravages of fruit fly? Do we now have a level playing field for all fruit growing areas which seek phyto-sanitary certificates for export of their fruit, say, citrus, to markets which require those certificates, such as New Zealand and the United States?

The Hon. R.G. Kerin: As the honourable member is aware, over the past six months there has been a lot of movement with regard to what we do about fruit fly. We fully identify the importance of this industry to the State, and we are looking at a whole range of initiatives to strengthen protection from fruit fly. Mediterranean Queensland fruit flies continue to be the major fruit pest for a whole range of our

horticultural produce as well as to urban households. The recently detected papaya fruit fly in Northern Queensland provides a further threat to all States. There has been a lot of cooperation between the States as to how we handle that threat.

With Mediterranean fruit fly, following the outbreak which impacted on the northern vegetable growing areas of Adelaide, PISA has worked with growers at Virginia to set up centralised treatment facilities to help growers meet interstate import conditions. Inspection costs have been kept to a minimum through pooling produce for treatment and inspection, and that was done through consultation with the growers.

The meeting of the interstate Plant Health and Regulation Working Group in Brisbane, held on 3 June, accepted representations by PISA staff and the recommendations of a technical working group that the suspension zone following an outbreak of Mediterranean fruit fly be reduced to a 15 or 30 kilometres radius, depending on the size of the outbreak, compared with the current 50 to 80 kilometres; and that the suspension period be one generation plus four weeks, or 12 weeks (whichever is longer), compared with the current 12 months. Hopefully, that will be a major breakthrough in cutting the costs when we have a fruit fly outbreak.

Confirmation of the acceptance of this relaxation was received yesterday and announced this morning. This is great news for growers at Virginia and clear evidence of the results which can be achieved by PISA negotiating pragmatic and scientifically sound quarantine protocols on behalf of our horticultural industries. The Virginia area impacted by the Mediterranean fruit fly outbreak was returned to fruit fly free status as of Monday 17 June, which is an immediate saving for that area.

As far as the Riverland goes, in 1992 the USA quarantine authorities granted fruit fly area freedom status to the Riverland region. New Zealand also recognises the Riverland region to be free of fruit fly. The value of export citrus from the region to these markets in 1995 was in excess of \$15 million—well worth looking after. The maintenance of this area's freedom status is dependent upon the monitoring program being carried out in the Riverland and a range of measures being undertaken against possible fruit fly establishment within the State, which includes the monitoring and eradication programs within the Adelaide metropolitan area. Additional trapping has been established in the Riverland region to satisfy the concerns of our trading partners following the detection of the papaya fruit fly in North Queensland. Monitoring and ordering processes within the region have been upgraded to meet current New Zealand bilateral quarantine requirements.

The Riverland Fruit Fly Standing Committee has been established under the auspices of the Riverland Horticultural Council to further highlight the importance of fruit fly freedom for the Riverland region. One of several initiatives which I announced in February is the Oodlawirra roadblock. It was opened on a random basis for 24 hour periods during the months of February and March. This was an additional eight hour shift undertaken between the hours of 10 p.m. and 6 a.m. on a total of 20 occasions during that period on a random base. The extension of the Oodlawirra roadblock from 16 hours to 24 hours for the period 1 September to 31 May each year adds an estimated \$40 000 per annum to the pest management budget. We need to work out where to spend the money on fruit fly control to obtain maximum benefit for the industry.

The establishment of the fruit fly exclusion zone in the major horticultural areas along the Goulburn, Murray and Murrumbidgee Rivers has been supported by Governments and industry, particularly the citrus industry in South Australia, New South Wales and Victoria. A code of management for the control of Queensland fruit fly has been endorsed by SCARM. In 1995 South Australia set up the Riverland region quarantine areas as part of the establishment of the fruit fly exclusion zone in that area. The tri-State fruit fly program is making good progress. Road signs and disposal bins have been installed along a number of the major roads entering the region, and a science package, including a fruit disposal bin, was installed on the Sturt Highway between Truro and Waikerie. Overall, we need to constantly review the way in which we handle fruit fly control.

Over the years an unacceptable level of fruit fly has come into the State. A Bill has been introduced in Parliament to provide on-the-spot fines for people illegally bringing fruit into this State. Far too many people are getting to the road blocks with fruit in their vehicles. The public's awareness needs to be lifted enormously and, if people are deliberately doing the wrong thing and putting the industry at risk and putting taxpayers at risk—because it takes a great deal of money to clear up these outbreaks—they are guilty and they should be punished accordingly. We are also looking at our arrangements at sites other than vehicle entry sites to the State, for example, the airport. We are looking at upgrading our surveillance to ensure that fruit does not come in through that form of transport. With respect to the level playing field mentioned by the member for Ridley, I take it he is referring to Mypolonga and Greenways. I ask Mr Windle to update us on those arrangements.

Mr Windle: The work with Mypolonga and Greenways is proceeding. Having established a traffic grid in those areas, we must provide the necessary traffic data and operations manuals that are needed to satisfy both the New Zealand and American quarantine authorities to achieve the required status in those areas. That work is under way right now, particularly in relation to meeting the New Zealand requirements. If all goes to plan, we expect those areas to have the same status as the rest of the Riverland certainly well before next season. Procedural manuals will need to be identified, and a process of submitting those through AQIS to the New Zealand quarantine authorities will take some weeks. But it is moving to plan and, assuming we achieve those goals without any further hitches—and we do not anticipate any further problems—the whole of the Riverland and the extended Riverland area will have the same status.

Mr LEWIS: Would the Minister please enlarge on the activities he mentioned in the course of his opening remarks in respect of the way in which his department is addressing the problems of the beleaguered wool industry and the benefits that those programs will produce?

The Hon. R.G. Kerin: We have all been aware for some time that the wool industry has, over the years, got into an enormous mess in Australia—and South Australia certainly is no different. There are ongoing programs for wool. At the moment the wool industry in South Australia is looking at two things: first, the stud breeders have spoken to me on several occasions concerning where research goes from here. They realise that, when the price of the commodity is down and demand is very soft, they need to be as productive as they possibly can and provide the best quality product possible. Next week I am opening a seminar at Turretfield. It is a seminar at which—and this has happened in the grain

industry so much in the past few years—growers will have first-hand access to the researchers. This will enable them to share their views not only so they can learn what the researchers have to tell them but the researchers can also pick up ideas from the growers and therefore know in which direction the growers want them to go with their research.

Another point is that we will have to look at formalising our stance. There has been a major move in the wool industry over the past week or so to put pressure on the Federal Government with regard to the way in which Wool International releases wool on to the market out of the stockpile. Once again, next Wednesday I am opening a meeting at Burra at which various people out of the industry will put their points of view to the growers, and the growers will be asked to vote on whether or not they want the Federal Government to relax the release of the stockpile onto the market.

The wool industry does face some real challenges. It is not as easy to see solutions to the problems that the wool industry has as it is for some other industries. One of the things that has harmed the wool industry over many years is the lack of unity of purpose within the industry. Various groups and members within the industry, almost without exception, have come out with different views on all the major problems facing the wool industry in Australia, and it is hoped through the current push that, even if it achieves nothing else, it may achieve some unity of purpose within the industry and hence it will begin working on some of its problems much more strongly.

Mr LEWIS: I have a supplementary question. Is the market intelligence division of the department providing information about the soft market—I guess that is more to do with price than anything else as a reflection of the stockpile formally and informally—relevant to the problems that the wool industry currently faces? Can that division of the department help the growers establish the best way to prepare their wool for sale? What will be the benefits to the community for the minimal costs involved?

The Hon. R.G. Kerin: The market intelligence within the department can certainly provide market information. Beyond that, as far as growers taking an alternative to the auction system, which most of them have traditionally used, or just selling to a broker, the uptake of industry to other ways of selling by contract, or whatever, has been very slow, and it is probably one of the things that the industry needs to look at. We are doing what we can to provide the intelligence as to market signals and market prices, but we are somewhat limited beyond that. We certainly have a role on the research side but, hopefully, as industry comes up with other ways to market wool, our role can increase and become a lot more relevant to farmers' profitability at the end of the day.

Mr LEWIS: From the same page, my final question is about field crop industries. What is PISA doing that has assisted those industries achieve record crops in the past 12 months, notwithstanding the fact that for many it was a fairly good season? What other work that PISA has done has provided to the industry the increases in yields that have been obtained? The Minister referred to that in the course of his opening remarks.

The Hon. R.G. Kerin: As the honourable member knows from his own electorate, farmers have become much more clever in the way they use rainfall and so on, and that showed in the outcome of last season. PISA agronomists have made a significant contribution to that good performance that we had last year, and there are several extension programs which

can be noted and which have had the effect of passing on the best technology to farmers and helping them make good management decisions, allowing them to capitalise on good seasonal conditions. One of them is the N600 program, which has enabled cereal farmers to make better fertiliser decisions for higher grain yield and quality. Meeting exit surveys indicate that 90 per cent of program participants were more confident at making fertiliser decisions, with 84 per cent claiming increased crop profitability as a result of the program.

That really comes back to a far greater understanding among farmers of the role of fertiliser. Until 10 years ago, farming was very much about how much phosphorus they put on, and it has become much more complex. Their understanding is now very good and that has been brought about by much research work that has gone on in the past decade. The Grain Gain crop monitoring and comparative analysis service expanded, with 63 crop groups statewide. Grain Gain is part of a national TopCrop program that is recognised as an ideal vehicle for accomplishing outcomes through the adoption of new agronomic practices and technologies. The program includes the highly successful Canola Check project, which involved 250 participating farmers in 32 groups statewide. Canola Check has guided the development of the oil seed industry in South Australia from its infancy in 1991 when fewer than 600 000 hectares of canola was sown to the 35 000 hectares in 1995.

That Canola Check program has been a good one, because farmers in the past, probably to their detriment, have tended to do things on their own or one on one, but the Canola Check program taught farmers to work in groups. As with the Grain Gain groups, that has been a real plus in helping farmers communicate with each other and share their information. Farmer skills to meet livestock market specifications through better pasture utilisation have been improved by the Prograze program. There have been nine Prograze groups in the South-East, the Adelaide Hills and the Mid North, and they have enhanced the participating farmers' ability to improve assessed pastures and livestock. New information technology services such as PISA's Pollfax and Prime Notes on CD-ROM have been launched to dramatically improve grower and industry access to vital information. There is certainly an enormous uptake of those programs.

PISA's agronomists facilitated 80 Right Rotations pasture workshops across the State last year, which attracted 1 500 farmers. The workshops provided farmers with the skills to assess their own pastures and to put a dollar value on the worth of pastures in the farming system. Best agronomic practice, with emphasis on quality of market specifications, will be provided to enable cereal, canola and pulse growers to capitalise on the significant opportunities currently prevailing in the State's grain industries. Activities to that end will include the Money in Wheat campaign, Grain Gain, SQF 2000, and Hart, Cleve and Minnipa field days (which are playing a very important role), and the Bureau Harvest Report Meetings.

One of the things that comes out of much of that is that farmers are really starting to work together rather than one on one with agronomists. We are having much better outcomes through that willingness of primary producers to group together to a common end. Better weed control has been identified as a major opportunity area for improving crop profitability. In relation to weed management and cropping rotation, a Right Rotations initiative was launched in early June with the release of the weed management kit, which

includes a weed identification guide and weedicide calculator. During July and August agronomists will be the prime facilitators for 90 Right Rotations weed workshops that are anticipated to draw 2 000 crop farmers.

The workshops will focus on weed identification, weed control and, very importantly, herbicide resistance management. Extra support will be provided to Grain Gain with the appointment of two additional Grain Gain development officers. The number of farmer groups serviced by this program will be expanded significantly, particularly on Eyre Peninsula, where extra Grain Gain officers have been put as part of the strategy. New electronic service initiatives will include the expansion of the World Wide Web home page service as part of the AGSA 2000 project, in conjunction with the Advisory Board of Agriculture. External service providers will be trained to deliver the Prograze program to farmer groups. Prograze 2 will be developed in conjunction with external consultants to achieve the implementation of whole farm grazing strategies into the property management plan.

Overall, the work done by the people of PISA, with particular commendation to those out in the field, really played a big part, along with farmers' willingness to improve their practices, in the success of the 1995 season.

Mr CLARKE: I want to take the Minister back to one of the answers he gave to me on SAMCOR and the three stage process. When you referred to the three stage process, Minister, you mentioned that bidders were not under cover of night or wore a bag over their head or something of this nature when they went to have a look at the SAMCOR meatworks. Presumably, the General Manager shows those potential bidders around the SAMCOR works. Were those bidders aware that the General Manager had his hand up for a job with one of their competitors?

The Hon. R.G. Kerin: As you know, I am not responsible for the sale process. It is very hard for them to go out there and see a plant in operation without the management and those responsible for the operation being around. As far as the rest of it goes, I have not been involved first-hand in the sale process. When you ask whether bidders were aware that the manager might have had his hand up with a job for someone else, I did note before that to my knowledge—I do not know about the intention of the manager, but I know the intention of the bidders as stated—employment was always an important issue with SAMCOR; all bidders were interested in current management and at least a good slice of the current work force. That is all I was aware of.

Membership:

Mrs Rosenberg substituted for Mr Lewis.

Mr CLARKE: I understand that the General Manager of SAMCOR, Mr Lilley, has travelled to Canada at Government expense since the beginning of the sale process for SAMCOR. How many such trips have been undertaken, who authorised the travel, how much did it cost, who did the General Manager meet with and what was discussed?

The Hon. R.G. Kerin: No; I was unaware of that until I heard something in Estimates yesterday. That must have been part of the sale process and therefore comes under the purview of the Treasurer. I am not aware if it.

Mr CLARKE: Any expenses incurred do not come out of SAMCOR's budget?

The Hon. R.G. Kerin: I would think it would certainly come out of the AMTF sale procedure.

Mr CLARKE: Again I refer to page 233 of the Estimates of Receipts of Payments. Under 'Current receipts' I note that a little over \$14 million of receipts is sourced from the Commonwealth Government's specific purpose grants for programs such as land care, rural assistance and disease control; and another \$838 000 is contributed by the Commonwealth for rural industry research. That means that a total of nearly \$15 million out of total receipts of nearly \$46.5 million for agriculture and fisheries is sourced directly from the Commonwealth. Given that the new Federal Minister for Primary Industries, Mr Anderson, has stated that the bush will have to share in the cuts being proposed to the Commonwealth budget, what provisions has the Minister made to ensure that programs funded by the nearly \$15 million of Commonwealth funds will not suffer as a result of any cut-backs to be announced in the Commonwealth budget?

The Hon. R.G. Kerin: You have only to look back to some assurances that came out of the Premiers' Conference on the Commonwealth making decisions further down the line on cuts about which we do not know anything. We certainly have not gone around cutting programs in anticipation that something may hypothetically happen. We will deal with anything that comes along. We are quite confident that those programs will not suffer.

Mr CLARKE: I refer again to page 233 of the Estimates of Receipts and Payments. Under 'Current receipts' I see that for 1995-96 an estimated \$6.899 million for regulatory fees was not collected and that only \$4.963 million was collected. I also note that the estimate to be collected for 1996-97 is also \$4.963 million. Why did this shortfall of almost \$2 million occur in the collection of regulatory fees in 1995-96?

The Hon. R.G. Kerin: I will ask Mr Keith Freeman to answer that question.

Mr Freeman: It is an accounting issue regarding the way in which the accounting for fees collected for fisheries has been handled in the past. The estimates for 1995-96 include the total receipts due to come in from the fishing industry, covering money that in due course would be forwarded to SARDI through the fisheries development account and also money collected to help fund the integrated management committees. As a result of a change in the accounting practices, that is no longer covered under that line: it is handled independently, and therefore it does not show up in the receipts under 'Regulatory fees' for 1995-96, and neither will it in the future. So, the money goes directly into these funds rather than through this process. It is further explained on page 234 under 'Fisheries policy development'. That will help explain that the expenditure is treated differently.

Mr CLARKE: From page 447 of the Program Estimates I note that the estimate of staffing levels for PISA appears to be stable, with a figure of 995 full-time equivalents being quoted for this financial year and the same number being estimated for next year. Given that the Government is proposing to reduce the public sector by approximately 800 over the next year, can we assume that PISA will be spared any further reductions in staff numbers?

The Hon. R.G. Kerin: I think the honourable member is referring to the two figures of 996 and 995. The 995 figure is based on our actual budgeted staff numbers for the year, so we are confident that that will be our position.

Mr CLARKE: The import of my question was that, notwithstanding the State Government's budget announcement indicating that a further 800 public sector jobs are to go, the Minister's estimate for next year is that his department will not suffer any cut-backs.

The Hon. R.G. Kerin: No; at this stage we have no indication of any change from what is in these budget papers.

Mr CLARKE: Does that take into account any possible scenarios from cut-backs in Commonwealth funding?

The Hon. R.G. Kerin: That is one thing we cannot completely guarantee. That has been the same with the whole budget process; it has been predicated on the ability to absorb any decisions made in Canberra. Certainly, I do not think we will suffer badly at the hands of Canberra within Primary Industries, and we are confident that we can stick close to that mark.

Mr VENNING: I congratulate the Minister on his first Estimates Committee. As the Minister said in his opening remarks, our rural industries had a fantastic season last year. The boost to the State's economy cannot be underestimated. We are only hoping that with our current prices we will be able to have a reasonable season. As the Minister said, we have had an acute shortage of rain and, although that problem has been alleviated somewhat in recent days, the benefit has not been felt right across the State. Hopefully in the next week or so we will have sufficient rain to enable the farmers to sow and give the economy a real boost with prices the way they are. I refer to page 452 of the Program Estimates, referring to agricultural industries. Will the Minister advise on the progress made to relocate the Gepps Cross saleyards?

The Hon. R.G. Kerin: The Government is supporting the activities of the private group, Livestock Markets Limited, which has shown terrific initiative in developing new saleyards on the site north of Adelaide. It is certainly progressing, and I have had talks with the company in the past week or so about the actual site they have in mind. The company has been established and has taken over the operations of the existing saleyards at Gepps Cross. That has a twofold purpose: first, to give them experience in the running of saleyards; and, secondly, to give them some operating funds. While they proceed through the planning and construction phase of the new facility, they will actually have a company up and running in the management of saleyards which will be a help with both experience and finance.

As far as Government assistance is concerned, a grant of \$10 000 has been provided to assist the company with its business plan and, if required, it is intended to provide an interest rate subsidy for two years on funds borrowed to establish the business. Those funds are dependent on the business plan. Things are proceeding well. I think the industry owes some debt to the people who are actually involved. The industry could not be proud of what we had out at Gepps Cross. It had been let go for a long time. The group of people involved in Livestock Markets Limited have really shown not only some initiative but also that they have the best interests of the industry at heart, and I would certainly wish them well for the future. We look forward to supporting them and also working with them in the interests of a successful relocation.

Mr VENNING: I refer to the grape industry and the Phylloxera Board. Now that I am the endorsed candidate for Schubert, this topic takes on more importance. I congratulate the Minister on how quickly, following his appointment, he became involved in his responsibilities involving the grape industry. When he visited the Barossa Valley with me and various vignerons, he was certainly well received and I am very pleased with the progress that has been made.

Again, referring to page 452 of the Program Estimates, I point out that the Phylloxera and Grape Industry Act 1995 established new functions for the board in relation to

phylloxera and other grapevine diseases. What progress has been made by the board?

The Hon. R.G. Kerin: I thank the member for his assistance with the issue of phylloxera and other wine industry issues. It is not an area with which in the past I had an enormous involvement, and I appreciate the help that the member for Custance and the member for Chaffey have been able to give me with this issue. Interim committees have been formed for the Central Riverland and South-East regions. These regions align with the recent Geographical Indications Committee determinations. The Riverland and South-East committees have been established using committee structures from existing industry groups. Discussions towards a central committee are progressing well.

The first five-year plan has been presented to industry for comment in the last week of June, and the draft has also been subject to industry comment in a workshop held in May. Following extensive industry consultation, the board has now set a new levy of \$5.50 per hectare with a minimum payment of \$20 per grower. This increase in levy from \$2 is the first increase since the 1970s. Details have been circulated of the board's five-year plan showing areas to which the levy will be put to use, and the increase has been strongly endorsed by industry to date.

Following the industry meetings, the board will provide a final version, together with audited accounts, to the Minister by the end of July to formally complete the board's obligations under the Act in its first year of operation. The industry here has a sound recognition of the threat that phylloxera poses to the grape industry, an industry that is going ahead in leaps and bounds. The industry, which is well aware of phylloxera and the threat it presents, should be congratulated on the fact that it has been willing to put up its hand and say it wants a part to play in the control and/or prevention of phylloxera. The willingness of industry to pay the levy indicates not only that it is an industry that may be going well but also that it wants to look after its own future.

Mr VENNING: The Minister mentioned that the central committee is well under way. Will he provide a time line of what is happening there?

Mr Windle: The central committee is more complex than the other two committees. It is taking longer to bring together all those interests into a structure which satisfies everybody's needs, spreading as you know from the Barossa right through to McLaren Vale and beyond. The Phylloxera Board is presenting its five-year plan to workshops covering the central area, and that will be the next opportunity to progress the discussions on how that central committee comes together. Those workshops start next week, so over the next two or three weeks I expect rapid progress in resolving the structure and format of the committee.

Mr VENNING: In relation to the Eyre Peninsula Rural Adjustment Strategy, I pay particular tribute to the member for Flinders and the Hon. Caroline Schaefer for their work in this area. I refer to 'Rural Finance and Development', at page 454 of the Program Estimates: would the Minister advise what progress has been made on implementing the various initiatives under the strategy?

The Hon. R.G. Kerin: To back up what the honourable member has said, a huge role has been played in this matter by the Hon. Caroline Schaefer, the member for Flinders (Ms Liz Penfold) and the Hon. Peter Dunn. The member for Giles (Hon. Frank Blevins) also played an initial role and has shown great interest in the matter. As an outcome of the task force, which was chaired by the Hon. Caroline Schaefer, the

State and Commonwealth Governments announced on 15 December last year a package of adjustment and natural resource initiatives for Eyre Peninsula totalling \$11.1 million, of which the State's contribution is \$4.97 million.

Of these initiatives, the following are funded through the national Landcare program: the expansion of the property management planning process; support to local soil boards to raise greater awareness of land management issues; support in promoting and implementing improved technology in farming practices; and the development of a catchment plan and salinity drainage rehabilitation works. The majority of staff appointments have been made to progress these Landcare initiatives. In fact, the initiatives are now under way.

The balance of the initiatives are funded through the Rural Adjustment Scheme and these comprise: information dissemination and community consultation; conduct of a skills audit to farmers and development of a training strategy; availability of enhanced interest rate subsidies for improving farm productivity and adjustment; availability of an enhanced re-establishment grant to support farmers leaving their farms; appointment of an Eyre Peninsula based RAS facilitator; and an evaluation program for the strategy.

On 19 April my Federal colleague, Minister John Anderson, and I signed an agreement for the provision of funding for these RAS initiatives, and formal policy guidelines relating to each initiative are currently being finalised. It is expected that they will be approved within the next month, following which immediate implementation of the initiatives will commence.

In April the Eyre Peninsula Regional Strategy Committee was established to monitor and evaluate the total program and is now meeting on a regular basis. At its meeting last week considerable time was devoted to discussing policy guidelines for the RAS components of the strategy to get local input. Mr Geoff Pearson, a local farmer and Vice Chairman of the Eyre Peninsula Regional Development Board, is the chairperson of that committee, which draws on some very good local representation from throughout Eyre Peninsula.

I am confident that the strategy will generate considerable benefit to the rural community of Eyre Peninsula. I know that the community has high expectations of the committee and, hopefully, through the initiatives involved in the strategy, we will see real benefits to Eyre Peninsula over the next three years and beyond.

Mr De LAINE: I refer to page 452 of the Program Estimates. Have the outbreaks of fruit fly in South Australia during the past 12 months in any way affected exports of citrus products, particularly to the US?

The Hon. R.G. Kerin: The major impact has not been in the citrus area, but I will ask Mr Windle to detail the information for the honourable member.

Mr Windle: The outbreaks of fruit fly this season have not impacted at all on the exports of citrus to the US. The Riverland has special status as an 'area free zone', and that status is monitored constantly through a trapping grid which is serviced weekly throughout the season. There has been no outbreak of fruit fly either in the Riverland or near the Riverland which has impacted on that status.

Mr De LAINE: What is the future of the Ceduna and Oodlawirra fruit fly roadblocks; will they continue to operate; what time of the year will they operate; and what hours will they operate?

The Hon. R.G. Kerin: The question is about both Oodlawirra and Ceduna and I will deal with them separately.

Oodlawirra is often mentioned in the media. One of several initiatives which I announced in February was the opening of the roadblock on a random basis for a 24 hour period during February and March. As I mentioned earlier, it was actually opened for an additional eight hour shift from 10 p.m. to 6 a.m. on 20 occasions during that period.

During the trial many vehicles containing fruit were stopped and there were four instances of fruit infestation. An extrapolation of the night-time interceptions over the 60 day period suggests that a potential total of 12 lots of infested fruit may have entered South Australia via Oodlawirra during the period and that eight of these were not intercepted due to the closure. At Oodlawirra, as at other places, there is fruit entering the State and, therefore, we need to improve our education effort. It is a real battle: a fence cannot be erected around the whole State and therefore we need to decide where the effort should be made. Hopefully, introducing on-the-spot fines, giving police the powers of fruit fly inspectors and several other measures will tighten the situation. As we approach the fruit season, a decision will be made about the opening hours of the Oodlawirra roadblock.

In relation to Ceduna, we have had discussion with the Western Australian Government about sharing a facility near the border. A select committee within the Western Australian Parliament is considering the matter, and therefore we have not yet made a decision. We have certainly done our homework on our options, but until the committee process concludes in Western Australia and the Western Australian Government makes a final decision, it is hard for us to make a decision.

Mr De LAINE: Do inspectors at the roadblocks ask the drivers of vehicles if they have any fruit or do they carry out an inspection?

The Hon. R.G. Kerin: We have been considering the protocols at roadblocks. Obviously, if on-the-spot fines are introduced, protocols for roadblocks must be established. In the past, it has involved part of each procedure: usually the question is asked whether there is fruit in the vehicle and inspections which find fruit often take place. The purpose of the on-the-spot fine is not to be draconian, but if people are asked whether they are carrying fruit and they say 'No', and the boot is then opened and a case of fruit is found, they cannot complain about an on-the-spot fine being imposed. When we consider what fruit fly control costs both the industry and the taxpayer, we have to eradicate outbreaks.

Mr De LAINE: I refer to page 448 of the Program Estimates. In last year's Financial Information Paper No.1, those activities undertaken by Primary Industries South Australia, which are this year under the heading 'Agricultural industries' were listed separately as field crops, horticulture and livestock. Will the Minister explain why these activities have been grouped together under 'Agricultural industries' making it impossible to compare expenses between years?

In the Financial Paper No.1 for 1995-96, at page 388, the 1995-96 estimated expenditure for field crops is \$5.918 million, whereas the estimate for that year printed in this year's Financial Paper No.1, under 'Field crops', is \$4.874 million.

The Hon. R.G. Kerin: It involves restructuring of the department, but I will ask Mr Madigan to answer the question.

Mr Madigan: There has been a change in the way that the estimates are presented and this is the result of a reorganisation within the agricultural section of the department. The objective of the reorganisation was to more clearly define

industry groups. In fact, we now have five defined groups instead of three: field crops, fruit and vegetables, grapes and citrus, cattle and intensive industries, and sheep and sheep meat. Those details will be available in subsequent Estimates Committee briefings. Apart from reorganisation of the management structure, the total staff complement is, by and large, the same.

Mr ANDREW: I refer to page 453 of the Program Estimates and the program description 'Sustainable resources'. I am sure the Minister would be well aware that significant development opportunities exist for a range of horticultural crops, including viticulture, particularly in the geographic region of the Riverland, which I represent, and that South Australia has limited water resources, requiring efficient use of water if irrigators are to fully utilise its potential. I recognise that a large number of our irrigators have adopted or are endeavouring to adopt the latest technology in terms of irrigation management; and I also put on the record that, arguably, those irrigators are leading the State and nation in terms of the adoption of that technology. Notwithstanding that, for various reasons, some irrigators may not be fully or readily adopting such technology. How is the Government approaching this issue to ensure that maximum adoption of the latest irrigation technology occurs?

The Hon. R.G. Kerin: This is an issue that we discussed last week when the honourable member joined a delegation from the Riverland. We concentrated largely on the fact that, while they use this technology very well, they need to do it well in the Riverland because they are at the bottom end of the river. The adoption of better irrigation practices is vital for development in that area.

PISA provides irrigation advice to growers on a commercial basis through the irrigated crop management service, with soil survey, irrigation scheduling, engineering, and analysis advice all being available. It is also developing and implementing skill building for irrigators through an irrigation-focused property management planning program. Irrigation management is crucial in improving irrigation efficiency and achieving irrigation development opportunities, and the programs offered by PISA are being widely adopted in the Riverland.

Many of the programs that have been developed are now offered by private consultants, and PISA's role includes training and quality assessment. It is often found that irrigators can expand their area of horticulture development by a third compared with traditional methods undertaken with the same volume of water. A strong partnership has developed between manufacturing industries, such as James Hardie, design and management companies, the Australian Irrigation Technology Centre at The Levels, and PISA, which is supporting South Australian industry in addition to identifying overseas irrigation technology export opportunities. South Australia is recognised as having world-class irrigation management technology, with interest shown from Turkey, China, the United Arab Emirates, Iran and other countries in recent times.

PISA's irrigation program is a joint initiative with the Commonwealth National Landcare Program, the Murray-Darling Basin Commission and the State. The program costs \$1 million annually, and commercial services return about \$200 000 per annum. While a lot of work has been done in the Riverland in recent years, the honourable member is well aware that we still have a long way to go. If we really want development in the Riverland, we have to improve our irrigation technology.

Mr ANDREW: I refer to page 454 of the Program Estimates with respect to funding for the Farm Plan scheme. I am conscious that the Farm Plan scheme provides a valuable service around the State to rural producers, but I am also aware that potential exists, particularly in other areas such as the Riverland, to further maximise the benefits that the scheme has to offer. To what extent is Rural Finance and Development making funds available for improved farm planning generally?

The Hon. R.G. Kerin: I thank the honourable member for his question because, once again, it was part of our discussion last week with people from the Riverland. The State Government is committed to schemes such as Farm Plan, the Rural Partnership Program and the Property Enhancement Scheme. Since the introduction of the Farm Plan in June 1994, 213 Farm Plan grants of \$3 000 have been approved, representing a total cost of \$639 000.

The scheme was launched in June 1994 to assist farmers develop a property management plan incorporating Landcare initiatives in consultation with a consultant who was listed on an approved register. It was originally an initiative of PISA and it has been adopted nationally, which is a credit to those who introduced it here. In some areas of the State, particularly the Mid North, the Farm Plan has been a big success, and it is part of the EP regional strategy.

A property management planning officer has been approved to promote Farm Plan. However, it has been recognised that Farm Plan is not being accessed by all regions, and the horticultural belt of the Riverland has been identified as one such region. As I said before, the delegation which met with me last week discussed some of the reasons for this, and I have agreed that we should look at the guidelines that the Federal Government recommends for Farm Plan, and we may need to seek some changes to lift eligibility in the Riverland. We could do that as part of the process to investigate the potential for establishing a rural partnership program for the Riverland, the initiative to look at that having been announced last weekend.

Some of these issues will be addressed at a national rural finance summit, which will be held from 3 to 5 July, and PISA will have an important input into that summit. The aim is to develop a greater appreciation of farm issues with a view to identifying strategies that contribute to long-term sustainability, profitability and competitiveness within the farm sector. Issues to be considered at the summit include farm business management, debt servicing, financial sector service skills and education, income, taxation and policy mix.

Agriculture is changing worldwide and we need to be proactive. With input at this summit and with work currently under way in PISA, we can determine the most appropriate mix of policies and programs to drive the State's primary industries into the next century. The Government, through SARDI and PISA, must work in partnership with industry to ensure that we develop a sustainable and profitable farm sector.

Last week, the member for Chaffey and I spoke about the need to make Farm Plan fit in the Riverland, because it has enormous potential to do some good in that area. We need to promote it and, if there are eligibility problems, we need to work them through, and I have made a commitment to the honourable member to do that.

Mr ANDREW: I refer to page 452 of the Program Estimates and the description for agricultural industries, particularly the future of the olive industry in South Australia. The Minister may be aware that, of the current olive produc-

tion in South Australia, the majority comes out of the Riverland, and it is well suited to future growth of olive production. What is the Government doing to foster further development opportunities for the olive industry throughout South Australia?

The Hon. R.G. Kerin: The olive industry has created a lot of interest over the past 12 to 18 months, and many primary producers are looking at it as an alternative. Currently, Australia imports approximately \$100 million worth of olive products. Considerable effort from industry, with Government support, is being directed at developing efficient production systems that will enable us to successfully replace many of those imports.

Initiatives that have been undertaken to establish South Australia as the centre for excellence in the Australian olive industry include the formation in November 1995 of a new industry association, which is called Olives South Australia. This association will provide a valuable focus for addressing a range of key industry development issues. Officers from PISA and MISBARD are working together to support and encourage local and overseas investors in the industry and generate technical information.

A major variety evaluation and technology introduction project has been established by an Israeli nurseryman, Mr David Kaholi, who has moved to Australia, and the Horticultural Research and Development Corporation. This project will commence on 1 July, and PISA will shortly be appointing an officer to assist olive growers and processors with coordination of research projects and technology transfer.

PISA staff are also liaising with Queensland DPI staff in a major study of Australian olive market opportunities. During my recent visit to Israel, I met with key Israeli olive nurserymen and processors. Particularly through the work of Mr David Kaholi, I think we have access to some of the best technology that is available. In summary, South Australia's climate and natural resources are suitable for the development of a major olive industry, and the Government's current activities will provide the technology for the olive industry to realise its full market potential and, importantly, reduce the level of imports into Australia.

Mr CLARKE: I refer to page 452 of the Program Estimates. What impediments exist for the export of South Australian citrus products into Asian markets? What does the Minister propose to do to further expand exports into this growing market?

Mr Windle: One of the major impediments has been the proliferation of Australian agents marketing into Asian markets. One promising sign is a much higher level of willingness by exporters to cooperate in opening up markets. Thailand, for example, has been opening up to citrus recently, and it looks as if there will be more cooperation between exporters for the marketing of South Australian and Australian citrus in those markets. This approach has been built on the success of the single marketing arrangement to the US—the Riversun structure—which brings together exporters and packers into a single marketing operation, through charter shipping, to a single import agent in the US. There have been some trials with containerised shipping, but it is all being coordinated through a single import arrangement.

The short answer to the question is that there has been progress as a result of talks on marketing arrangements for the citrus industry. The Citrus Board of South Australia is taking a leading role in bringing together those exporting

interests, and we are hopeful that the style of operation that has been developed for the US market will also find a place in Asian markets. I think that that is the major impediment to the development of citrus exports into Asia.

Mr CLARKE: I refer to page 448 of the Program Estimates. Last year the Riverland experienced unusual frost which caused extensive damage to some crops in the region. Following calls by the Opposition at the time for exceptional circumstances relief, it was announced that an assessment would be made after the harvest. Has that assessment been carried out as promised? Can affected growers expect any relief?

The Hon. R.G. Kerin: The answer to the assessment question is 'Yes.' I will ask Mr Windle to give the honourable member the results.

Mr Windle: It is extremely difficult to assess the early impact of a frost event in horticulture. Often we are dealing with crop levels which greatly exceed the requirements to produce a commercial and particularly a profitable crop of fruits and vines. As is often the case with frost, there is a compensatory effect on fruit size and quality from a frost killing flowers and fruit buds early in a season. The assessment to date is that there is no further requirement for assistance as a result of the impact of the frost last season. In fact, to my knowledge the seasonal results for most producers in the Riverland are quite acceptable.

Mr CLARKE: Again I refer to page 448 of the Program Estimates. Have any opportunities arisen for South Australian beef producers following the outbreak of the so-called mad cow disease in the United Kingdom?

The Hon. R.G. Kerin: Obviously there were some opportunities, but the quota system in Europe limited or negated any benefits that would have arisen from sales: because of the quota system, you cannot get in there. It probably opened up some opportunities in the Middle East, even though not all its supply of beef comes from Europe. One of the down sides of the mad cow disease is that not only did it turn people off British beef but it had an impact on the demand for beef right across the board.

Talking to importers in the Middle East about the opportunities to take more Australian beef because of the disease, we found that their lamb and chicken sales rose and beef sales went down quite remarkably in the initial period, and they have been slow to recover. Therefore, the opportunities to sell beef to their markets were somewhat limited by a drop in demand. My understanding is that there was some uptake of Australian beef because of the mad cow disease, but not on a huge scale. I think that, if you were to assess the impact of the mad cow disease on the Australian beef industry, you would conclude that extra opportunities were probably negated by the fact that there was an overall drop in the level of demand for beef on the international scene.

Mr CLARKE: I refer again to page 448 of the Program Estimates. The Opposition understands that a number of South Australian meat processors have recently been denied access to Samcor's abattoir to have their meat slaughtered, and these include P&D Exporters, Overland Meat Co, T&R Pastoral and Edwardstown Meats. Why have these companies been denied access to Samcor's facilities?

The Hon. R.G. Kerin: I am not aware of those companies being denied access. I will take the question on notice and provide a considered reply.

Mrs ROSENBERG: I refer to page 452 of the Program Estimates with respect to agricultural industries and seed certification services. What is the Government's intention

regarding the establishment of a national designated authority to be based in South Australia?

The Hon. R.G. Kerin: I thank the member honourable member for her question and interest in all things agricultural: she has much more of a background in agriculture than many people give her credit for. South Australia is the key State for seed certification, providing over 50 per cent of the service to the seed industry of Australia. Seed certification—and I highlight this particularly for the Deputy Leader of the Opposition, who might not know—is the quality assurance program for varietal integrity of sowing seed for plant cultivars crucial to seed market access in domestic and export markets. SA Seed Services (which is the business end of PISA) operates a seed certification program in South Australia and is advised financially and strategically by a board of management of industry representatives. DPIE, as the national designated authority for the OECD seed schemes, is prepared to divest this responsibility to a suitable body.

PISA does not oppose devolvement to an industry run body but would also be willing to carry out this function through SA Seed Services, if required. PISA and MPI consulted widely on the matter of SA Seed Services assuming responsibility for national seed certification through an industry owned vehicle. This culminated at a meeting with the GCA, SIAA, NACMA, SASS, SAFF and PISA where consensus was reached on a path to forward this matter.

It was agreed that the function of SA Seed Services was to assume national seed certification responsibilities with devolvement to national industry ownership within five years. It was further agreed that the broad approach in reaching this industry position be brought about by: SA Seed Services to be corporatised with the board restructuring to reflect the national business mix; South Australia to attract business from other States wishing to disinvest in public provided seed services; and the board to seek industry approval through secret ballot of all users (clients) to devolve to industry ownership after three years from corporatisation and before five years has elapsed. Consultation with growers of seed via the Grains Council of Australia and the National Farmers Federation is also to occur.

Work is under way to corporatise SA Seed Services by October 1996, at which time the present advisory board's term expires. The long-term goal is to devolve certification and national industry ownership within five years. The Plant Industry Committee agreed to support a move to South Australia, SA Seed Services to become the NGA in early April 1996 if industry supported the concept.

SIAA and the Grains Council of Australia have accepted an invitation to join an advisory group to be convened by PISA, which would have the role of advising PISA of the steps to be taken for SA Seed Services to become the nucleus of a national certification body, if and when required by the other States. A letter to the Grains Council of Australia has been prepared inviting it to be part of an advisory group consisting of industry representation from GCA, SIAA, NACMA, PIC, DPIE, SASS and PISA, including an executive officer. A working group exists to handle all the issues regarding corporatising Seed Services and this group will prepare all the necessary documentation for consideration by the advisory group.

Mrs ROSENBERG: The Program Estimates (page 454), 'Specific targets/objectives for 1996-97' refers to encouragement for young farmers to start a career on the land by providing grants under the Young Farmers' Incentive

Scheme. Will the Minister please give a progress report on the Young Farmers' Incentive Scheme?

The Hon. R.G. Kerin: The Young Farmers' Incentive Scheme was announced by the Premier as part of the 'Let's get South Australia really working' package of programs. The scheme commenced on 1 May 1994 but was subsequently backdated to December 1993. As of 31 May 1996 there have been 190 approvals with payments of \$2.1 million to date. The maximum possible commitment from these approvals is \$3.9 million based on a three year commitment. These figures include 76 new approvals during 1995-96 involving a three year commitment totalling \$72 million. Certainly, the Young Farmers' Incentive Scheme has been an enormous boost for those 190 farmers who gained approval. In many cases it has made the difference between those young farmers being able to devote total time to their farming enterprise as against having to obtain off farm income. For many families it has provided the assistance for the next generation to become established on the farm and, hopefully, the 190 recipients will be successful farmers in the future.

Mrs ROSENBERG: The Program Estimates, page 453, indicates that the Government is contributing to national policies and future directions for research and field use regarding calicivirus. Will the Minister give the Committee an overview of the Government's involvement?

The Hon. R.G. Kerin: Calicivirus, as everyone knows, had a premature release, which some applauded but which certainly took away the opportunity for us to control a coordinated release around Australia. Many people are becoming increasingly impatient with the fact that the Federal Government has held off on the ultimate release. Certainly, while there has been pressure for the release, I support the Federal Minister's view that, when it is released, we need to have a coordinated release, because we also need to look at other means of rabbit control to come along behind its release, such as the ripping of burrows and whatever else. We also need to make sure that we have sufficient material for the release. It needs to be coordinated.

Perhaps some proof that the early release was not at the correct time is the fact that we did not thoroughly understand the pace of spread of the disease under different climatic conditions: at the time many people would liked to have had it released, we found that the calicivirus stopped moving. It was still present in areas where it had been before, but it stopped spreading. So, a release at that stage might well have been absolutely fruitless. We are still learning a few things. One of the benefits of the accidental release has been the amount of field work carried out, which otherwise would not have been done. There were lessons to be learnt. As far as the general public is concerned, particularly after some of the repercussions of the mad cow disease, there needs to be a level of public assurance that Government knows what it is releasing and that it is safe for release and safe for the general public. We look forward to the actual release of RCD and at that release being successful, taking into account that other means of control will need to be used in conjunction with it.

Mr CLARKE: Referring to page 452 of the Program Estimates, I note from last year's estimates that one of the objectives for the past financial year was to test the agronomic performance of low THC fibre hemp varieties in South Australia. How has the testing gone, and is there any likelihood, in your view, of South Australia's changing its numberplates from 'Going all the way' to 'The hemp State'?

The Hon. R.G. Kerin: This issue created quite a bit of publicity at the time the approval was given for the trials. I

have followed those trials with great interest. Unfortunately, overall it was not what you would call a spectacular success and, even though the seasonal conditions last year were very favourable—or about as favourable as we get in South Australia—the trials were not particularly successful. There were three trials sown in 1995: at the Turretfield Research Centre, Kybybolite and Arthurton. Five French varieties were sown at six weekly intervals between May and October. The Turretfield and Arthurton trials were in dry land conditions, whereas the Kybybolite trial was irrigated.

Those trials confirmed that hemp is a short date plant suited to spring sowing, which is different from where we started. Attempts to sow the crop in winter were unsuccessful, as it appears best adapted to either irrigated areas or areas where summer crops are traditionally grown. Under irrigation, mid to late Spring plantings gave the best growth. Results from Kybybolite showed that the total dried matter from October and November sown hemp ranged from 9 to 10 tonnes a hectare down to 5 tonnes for other varieties. Trial yields of 10 tonnes a hectare compared quite favourably with yields obtained overseas.

The Yorke Regional Development Board, which drove much of this process early, did a feasibility study on end use and market potential, and identified the high cost of processing equipment as the main limiting factor. An industrial hemp industry would not be viable, as hemp products would not be competitive against products made from fibres such as wool and cotton. Plant material from hemp trials was cut and baled to be sent to a variety of possible end users. Certainly, whilst our research here has been seriously curtailed, work is still being done in Tasmania, New South Wales and Victoria.

I actually had the opportunity a bit over 12 months ago to speak to Mr Ian Lowe, who actually introduced industrial hemp into England. Following discussions with him I started to have serious doubts as to whether, first, we had the rainfall and, secondly, we were looking at the right time of the year. Some of the other issues he raised about hemp being a competitive fibre against pulp really gave me concerns that it would be a long-term success. He seemed to think that, with the way we grow it here, we would be looking at very small niche markets. So, I think we will never be 'The hemp State'.

Mr CLARKE: I note from PISA's annual report for 1994-95 that results in South Australia's cropping areas were mixed with low rainfall areas producing less than average yields, and higher rainfall areas producing near to average yields. What was the result in 1995-96 and what is the outlook for the coming season, given the low rainfall experienced this autumn and early winter?

The CHAIRMAN: Since it is so close to suspension time, perhaps the honourable member could ask the question again after lunch.

[Sitting suspended from 12.56 to 2 p.m.]

Mr CLARKE: I am awaiting with bated breath the answer from the Minister, given that he has had an hour's notice.

The Hon. R.G. Kerin: The question was basically about last year's seasonal conditions and the predictions for and the status of the current season. Last year the State had what can only be described as an excellent season, but unfortunately some small to medium sized pockets around the State missed out. For those individuals it was probably even more disastrous when they looked around at what the other areas

were able to enjoy. However, on the whole, we had an excellent season, particularly in the grain industry, where we had a rare combination. The quantity of grain was huge, and the quality and price were excellent, and to get those three together is something we have not been able to crack for many years: that was a real bonus. The downside of last year was that some areas did not enjoy the seasonal conditions that most enjoyed, and we still had very poor conditions in the wool and beef industries, because of prices. That summarises last year.

This year we have certainly been off to a very slow start. The past couple of weeks have improved the outlook somewhat, but the whole State still needs a lot more rain and, once again, small pockets of the State have not had enough to get going with seeding. Seeding is progressing reasonably well in most of the cropping areas, but it is being done on just enough rain and will be reliant on follow-up rain. One thing that will become very important with the late start and the fact that we have not had much rain so far is that we will need some kind spring conditions to have a good season. If this rain continues there are still prospects for quite a reasonable year, because we will not need an above average yield to capitalise on the season, given that grain prices are excellent. There are still prospects for grain growers to have quite a good financial season, but unfortunately we are still looking down the barrel at pretty poor prospects for the season for the wool and beef industries.

Mr CLARKE: Does the Minister have any continuing plans for drought assistance if there is no break in the season?

The Hon. R.G. Kerin: I take it that the honourable member is referring to the revocation of the drought declaration for Eyre Peninsula. We have written to Minister Anderson restating our position that we have identified 26 hundreds within the drought declared area on Eyre Peninsula which did not have particularly good conditions last year. Our recommendation was to leave them as drought declared areas under the exceptional circumstances provision. Unfortunately, that has not been taken up; the declaration for the area has been revoked. We have written to Minister Anderson asking him to reconsider those 26 hundreds, rather than their having to go through a whole procedure of applying for drought exceptional circumstances again if this season does not pick up. Those areas will continue to receive the drought payments for the next six months. We have made representation to Canberra to reconsider parts of that area concerning which the declaration was revoked.

Mr CLARKE: I refer to page 448 of the Program Estimates. With the imminent repeal of the Poultry Meat Industry Act, what arrangements will be put in place to protect chicken growers and consumers from some of the anti-competitive practices of chicken processors?

The Hon. R.G. Kerin: I think the Deputy Leader is assuming something about the processors there. Quite a while ago now, basically with the release of green and white papers in 1991, the deregulation of the poultry industry was flagged to chicken growers. There are a couple of things to note. The aim of this and the previous Government has been directed at repealing the Act and deregulating the poultry industry by this year. One thing that has become patently clear, particularly over the past 12 months, is that the current Act provides no protection. Everyone agrees that staying with the current Act is not an option; because of the trade practices implications it is just not working, so it is not an option.

The chicken meat growers have met with me on quite a few occasions in the past six months. Initially, in talking

through the issues they described a lot of problems for their industry. Most of those issues have very little to do with regulation and they need to be worked through on an industry-wide basis. We appointed Des Cain, a prominent chicken industry identity from Western Australia, to look at the industry here. In his report Mr Cain identified a lot of inefficiencies within the local industry, and there are some challenges for the industry there. To do nothing is no longer an option, so the options are really to deregulate or alternatively to bring in greater regulation, which would be dead set against the way all competition policy is heading in Australia.

The processors and the growers have agreed to put an application to the ACCC whereby negotiations can continue into future years on the contract price. Many meetings have been held. At one of those meetings the chicken growers agreed to go down that line. Their major residual concern at that stage was to be able to afford the application to the ACCC. I met with the processors and they agreed to pick up the cost of that application. In an industry where goodwill has not been all that apparent, I think that was a good move for a partnership between the two players. Unfortunately, since then some of the growers have been reluctant to stand by that, but certainly contracts have been put in place. Considerable progress has been made on getting contracts into place between growers and processors, and hopefully that will be completed in the near future. In the next few months we intend to remove regulations for the chicken meat industry. If growers and processors become more of a partnership, I think there is still a good future for the chicken meat industry.

Mr CLARKE: Referring to page 448 of the Program Estimates, what circumstances have changed—and you have touched on this in part in your last answer—within the chicken meat industry since the introduction of the Poultry Meat Industry Act that satisfy you that chicken growers will not be exploited by the process?

The Hon. R.G. Kerin: Part of the way around that is the fact that there is some consensus on going down the line of a code of practice whereby everybody will agree to a particular structure as to how they communicate. It is hoped that that code of practice will address those areas which are not covered within the contract with which the PMIC has been involved in the past, and will establish certain procedures that will reduce the likelihood of disagreements occurring and, when disagreements do arise, establish a way in which they can be dealt with. Hopefully, if there is some sense of goodwill, and if the ACCC application is successful, what will happen will probably not be a lot different from what we have had in the past.

I reiterate that the current Act is just not working. It is not good legislation when you take in trade practices legislation as it is today. There really needs to be a change, so the change is either to go to heavier regulation or to get rid of the regulations. In this day and age, to propose greater regulation would be very much a backward step.

Mr CLARKE: Dealing with page 453 of the Program Estimates, with respect to the difficulties of the calicivirus, following on from a question by the Government concerning the calicivirus outbreak, what assistance has the Minister offered South Australian rabbit meat and fur processors and rabbit shooters whose businesses were destroyed by the premature release of the virus?

Mr Wickes: The issue of those industries affected by the release of the calicivirus is one that has to be taken up nationally with the component committee in charge of the whole program. That is a group that contains representatives

from all the States and from both the Meat and Wool Corporations. The Meat Corporation is taking that on.

Mr CLARKE: Has the State Government offered any financial assistance to the processors and shooters who may have to pursue legal claims for compensation?

The Hon. R.G. Kerin: No, we have directed them to the national body whose actual responsibility the program was.

Mr CLARKE: Again referring to page 453 of the Program Estimates, and given the experience of the premature release of the calicivirus, what guidelines have been put in place to ensure that future biological control experiments conducted in this State are free of the risk of accidental release?

Mr Wickes: That is an issue that CSIRO, which was in charge of that program, is investigating. It really is a national issue involving CSIRO. South Australia was just a host State for the rabbit calicivirus program. All the protocol was put in place, including the quarantine protocol, but there is obviously some issue involving the transfer about which we still do not know much. The protocols have been taken up by CSIRO.

Mr CLARKE: Referring to page 448 of the Program Estimates, I note with some concern that the Commonwealth Liberal Government has decided to end its subsidy to the Commonwealth Development Bank which helped to underpin its role as the vendor of last resort to farmers and small business in rural South Australia. What effect will the scrapping of this subsidy have on rural borrowers in South Australia, and what efforts has the Minister made to have the subsidy reinstated?

The Hon. R.G. Kerin: We may have to take that on notice.

Mr CLARKE: Perhaps as a supplementary question on notice, what effect will the scrapping of the subsidy have on the budget of the Rural Finance and Development Branch of PISA?

Mr Freeman: It is not incorporated into the budget of the Rural Finance and Development Branch at all, so it will have no impact on the budget.

Mr CLARKE: Again referring to page 448 of the Program Estimates, I understand that the Federal Government has recently announced that drought relief for farmers on Eyre Peninsula will cease in July this year. The Minister has referred to this in an earlier answer, at least in part. In case I missed the answer, what action has the Minister undertaken to ensure that farmers in those affected areas are not unduly disadvantaged by the removal of this relief, particularly those who are worst affected?

The Hon. R.G. Kerin: We did refer to that earlier, where the Federal Government has revoked the drought relief (exceptional circumstances) for that area. Relief actually carries on for another six months, but as far as action from here is concerned we have made representation to Minister Anderson to reconsider particularly the areas of the 26 hundreds over there in respect of which we felt relief should not have been revoked.

There is some relief anyway through some of the programs that are actually covered with the drought. Exceptional circumstances are picked up in the Eyre Peninsula regional strategy, whereby some of those farmers will become eligible for some of those measures anyway under the EP regional strategy, even though the exceptional circumstances assistance has been revoked.

Mr CLARKE: Referring to page 454 of the Program Estimates, and dealing with the Young Farmers' Incentive

Scheme to which you have already referred in answer to a question from the Government, I note that in 1995-96 a total of 76 grants were made under the scheme with a three year commitment of \$.72 million. In last year's Estimates Committee hearing I noted that 75 grants had been approved in the first year of the scheme, in 1994-95, with a three year commitment of \$1.5 million. So, after two full years of the scheme's operation, a little over \$2.2 million has been expended. Given that your predecessor, the former Minister, and the Premier have continually claimed that \$7 million would be expended on this program, can you explain why there has been such a poor take-up rate for the scheme, and is the scheme poorly targeted, or is it that its benefits are not considered attractive by young people wanting to get into farming?

The Hon. R.G. Kerin: We would have liked a higher take-up. With the interest rate subsidies that are actually given, we are not far short of actually using up \$4 million, once assistance is paid for the three year period. We have constantly monitored the guidelines to try to assist young farmers who may like to access the subsidy. We have also tried to ensure that young farmers appreciate that it is not only for land purchase but also for leasing of land and machinery. Applications are constantly received and our aim is to commit the \$7 million to it. The uptake is not as high as we had hoped, but we are still identifying suitable people for the scheme and we certainly have not closed it off.

Mr CLARKE: I have a supplementary question: is the Government committed to ensuring that the \$7 million which has been set aside is fully expended in assisting young people on the land?

The Hon. R.G. Kerin: Certainly that is our aim. If we receive applications, the money will be expended. I point out that it is not a one-off subsidy but a three year subsidy. The level of spending at the moment is not the full amount of spending for those applicants.

Mr CLARKE: Referring to page 454 of the Program Estimates, I note that during the past year another audit of rural debt was undertaken by the Government. What changes have occurred since the first debt audit in 1994 and what is proposed in the longer term to reduce debt burdens on South Australian farmers?

The Hon. R.G. Kerin: That is a very important question. We have split the debt survey into four categories: first, non-borrowers; secondly, category A, comprising those who in nearly all circumstances will be viable; thirdly, category B, those who under most circumstances will be viable although they are still on shaky ground; and, finally, category C, those who are facing an uphill battle to be viable.

The major findings from the survey show that the number of farm businesses in South Australia declined from 14 000 in 1994 to 12 900 at the time of the 1996 survey; 23 per cent of all farm businesses in South Australia have no borrowings—down from 26 per cent in 1994; 69 per cent of farm businesses have borrowings but are viable (category A)—up from 51 per cent in 1994; 6 per cent of farm businesses in 1996 compared with 18 per cent in 1994 are experiencing varying degrees of debt servicing difficulty and debt deterioration (category B); and 2 per cent of all farm businesses are shown as non-viable—down from 5 per cent. Sadly, some of those in the 5 per cent range have left farming.

The survey showed that the biggest movement was in the bottom two categories—those which are non-viable or experiencing significant difficulty; categories B and C came

in at 8 per cent compared with 23 per cent two years ago, which is also a major move. The survey also showed that institutional debt in South Australia has risen from \$1.3 billion to \$1.5 billion—a reasonable increase which has not perturbed anyone: it is a sign of confidence.

The number of farm businesses has decreased; some semi-viable farms have borrowed money and become viable units, and that is shown by the fall away in the bottom two categories. The results of the survey are encouraging, although it has come off the back of a very good season; overall it does show a positive move within rural industries in the State. Several factors have also impacted on that: interest rate stability and lower interest rates are a key factor; lending institutions have adopted a more appropriate and realistic attitude to borrowings over the past couple of years; the efforts of rural counsellors; and the success of some rural adjustment scheme initiatives. It also reinforces what I said in my opening remarks: farmers have been on a roll in recent years and have adopted new technology which has helped them to become more viable and certainly allowed them to make the most of a very good season last year.

Mr CLARKE: I refer to page 454 of the Program Estimates. What guarantees can the Minister provide in respect of Commonwealth funding for Eyre Peninsula under the Rural Partnership Program, and will it be provided over the full three years given the Commonwealth's desire to reduce outlays?

The Hon. R.G. Kerin: Our understanding is that it is totally locked in; we have signed off on that and we understand that there are no problems with it. We are not nervous about that at all.

Mr CLARKE: Referring to page 454 of the Program Estimates, I note that twice this Parliament has voted to disallow the regulations banning recreational netting in marine waters and twice the Minister has reintroduced the regulations banning the practice. On 9 June last year, as the humble member for Frome, the Minister wrote to a recreational netter, Mr Barry Treloar, as follows:

Not only have I raised your concerns with both the Premier and the Minister but I have forwarded a copy of your letter and restated my concerns with the decision to ban recreational netting . . . I understand your frustration with this decision and personally feel frustrated that a decision has been made which disadvantages a group of people without any real advantage to the fishing industry.

The Minister is now in a position to overturn a decision which he described as 'frustrating'—he can now do something—and which, in his own words, 'disadvantages a group of people without any real advantage to the fishing industry'. What has changed in the 12 months since the Minister wrote that letter that has seen him twice ignore the will of Parliament and reintroduce regulations banning recreational netting in marine waters?

The Hon. R.G. Kerin: I think it shows that the Minister is a caring person who can learn as he goes along. I am now in a position where I am better informed. I come from an area where recreational netters have been more responsible than those in other areas. With the knowledge I have gained from being closer to the situation, it is now obvious to me that the ban on recreational nets was the correct decision. It is certainly a cautionary approach to fisheries management, and I have been amazed at some of the feedback that we have had.

On a trip to the South-East, it was amazing to hear how many people believe that, since the ban on recreational nets, children and people in shacks are able to catch fish off the

beach, which they have not been able to do for some years. It is part of a precautionary approach to fisheries management. The feedback from a lot of shack areas about catches by recreational people off beaches has shown it to be a good decision and, despite the way I felt when I was not well informed, I now totally support it.

Mr CLARKE: I appreciate that, like Saul on the way to Damascus, the Minister has had a conversion on this issue since he was the humble member for Frome. Notwithstanding that, Parliament has twice disallowed the regulation. For how much longer can a Minister of the Crown ignore the expressed will of Parliament, which is that the regulations be disallowed?

The Hon. R.G. Kerin: It is the will of one House of Parliament. It is also Government policy that recreational netting be banned, and that is the line that we are taking. The decision was based on good fisheries management and we are very keen to proceed with that.

Mr CLARKE: I refer again to page 454 of the Program Estimates. I understand that the Secretary of the South Australian Amateur Fishermen's Association (Mr Howard Natt) has written to the Minister twice—first on 1 May and secondly by certified mail on 16 May—requesting a meeting with the Minister to discuss the recreational netting issue. Because he received no response, he wrote to the Premier on 3 June asking why his association was being ignored by the Minister. I understand that, as of 12 June, he had not received any response from the Minister or the Premier. Given the Minister's firm belief that the ban on recreational netting in marine waters is appropriate, why will he not meet with the Amateur Fishing Association to explain his decision?

The Hon. R.G. Kerin: I am aware of one of those letters coming to me, which I have answered, but the person concerned may not have received that letter at the time he spoke to the Opposition. He asked whether he could be present at a meeting that he heard had been called but about which we had no knowledge. From memory, he asked to be present at a meeting that was called with the Leader of the Democrats and me, but no such meeting was to occur. We informed Mr Natt of that. It is not long ago that I signed the letter, and he may not have received it when he spoke to the Opposition.

Mr CLARKE: I refer to page 454 of the Program Estimates. What has been the cost to PISA Fisheries in the loss of licence fees from recreational netters and the increased cost of ensuring compliance with the ban on recreational netting in marine waters?

Mr Hall: There certainly has been a reduction in revenue associated with the loss of fees from people who have handed in their licence. People who had recreational net registration were given an option of retaining it and fishing in those waters that remain open, which include the Coorong and Lake George in the South-East, where net fishing is targeted principally on mullet species, but a large number handed in their licence. I cannot give a precise figure in terms of the shortfall in revenue, but I believe that it is of the order of \$200 000 per annum.

As to the second part of the question, the department believes that no additional compliance costs are associated with the prohibition. In fact, prior to the prohibition coming in, we had to deliver a higher level of service to ensure there was compliance with the recreational netting regulations in terms of attendance at nets and adequate marking of nets. We believe that non-supply and prohibition has reduced the total cost of compliance.

Mr ANDREW: I refer to page 455 of the Program Estimates and the program description 'Fisheries Policy Development', particularly relating to the prawn fishery. Given the recent review of the Gulf St Vincent prawn fishery by Dr Gary Morgan and the management decisions taken by the fishery's management advisory committee, will the Minister advise on the results of this past fishing season in the Gulf St Vincent with respect to the prawn fishery specifically?

The Hon. R.G. Kerin: In his review of the fishery, Dr Morgan indicated that, although he considered that the fishery was recovering, there was a need for conservative management and for that approach to be continued to provide for further recovery of the stocks in the fishery. Based upon Dr Morgan's advice and an economic review carried out by Dr Julian Morrison, the Gulf St Vincent management advisory committee determined that it would allow 34 fishing nights for the 1995-96 season.

These fishing nights were provided for on the basis that the fleet sought to target its effort on fish above a certain size—24 per kilogram—to ensure that spawning stock was protected. The size strategy recognised that there will always be a proportion of the catch that is less than target size. The management committee provided for a monitor independent of the fishers to be on board one of the boats on each fishing night to collect information on the size of the prawns that were taken. Measurement at sea by the monitor and crews was used by the fleet to determine where fishing should be directed.

The industry should be congratulated on the way in which the fleet behaved and cooperated with each other and complied with the management committee's fishing strategy. It was predicted that the fishery would produce of the order of 210 tonnes from the 34 nights' fishing. It produced approximately 255 tonnes for this period. I am able to provide a breakdown of the fishery's performance over the season to indicate the strength of the recovery to date and the hope that provides for the future.

This past season has proved to be better than predicted and should reassure the industry, the management committee and the Government that fishing effort levels are sustainable. I trust that maintaining this conservative approach will see a continuing improvement in the production from the fishery and in returns to the industry. Over the past few years there has not been much good news from that fishery, and the catch this year is an indication that the future is a little rosier than some might have thought, but some problems continue because of the debt incurred when the restructuring was done.

Mr ANDREW: I refer to the implementation of the aquaculture development strategy on page 457 of the Program Estimates and the program 'Management of aquaculture'. I note that, during 1996-97, one of the initiatives is to present an implementation plan for the aquaculture strategic plan. What progress is likely to be made during 1996-97 in the implementation of this strategy?

The Hon. R.G. Kerin: At the moment the much talked about South Australian aquaculture industry is at the crossroads in its development. Recent projections indicate a growth potential which could see an industry with a gross value of about \$175 million over the next five years. To facilitate this growth, a detailed development strategy has been prepared by consultants AACM over the past six months. The task now lies with the PISA aquaculture unit and the supporting aquaculture integrated management committee to draft an implementation plan and coordinate the implemen-

tation of the strategy. This is seen as a priority for the aquaculture unit, which is undergoing an organisational restructure, as the best place to drive the growth of this exciting new industry in the next century.

In line with the goals outlined in the strategy, the unit will continue to rationalise the regulatory process as well as initiate an investment attraction and market development program. Also, it is expected to show tangible benefits during 1996-97 such as increased medium to large scale investor interests and greater market penetration for the South Australian aquaculture product. At the moment there is an enormous level of interest in aquaculture and there are a lot of people who, with correct direction and with certain assurances as to where the industry is heading, are willing to advance aquaculture in this State, and we need to encourage those people.

Mr ANDREW: The Minister would be aware that a current review of the Murray River fishery is in progress, and I am led to believe that the consultation period was recently extended. What is the status of that consultation and what will progress from this review?

The Hon. R.G. Kerin: That is a very important review, and we have received terrific support from the Riverland in relation to it. I will ask Mr Hall to give an update on that.

Mr Hall: The reach fishery in South Australia is a very important fishery which consists of some 40 or so reach fishermen who are allocated a section of the river to catch the important native fish species. The review has been looking at assessing the status of fish populations in the river and also the status of that fishery, particularly the issue of whether the current number of reaches is sustainable and whether we should be affording transferability to those licence holders.

A draft management plan has been released and we are currently engaged in consultation, particularly with district councils along the river, to ensure that the proposed arrangements are compatible, particularly with the needs of local communities and local recreational fishers. The plan does involve some relocation of reaches such that the commercial operations are separate from those stretches of the river that are close to townships along the river, essentially to eliminate entirely any conflict between commercial and recreational fishers. The number of reach fishers has declined from over 200 at the turn of the century to only 40 or so now, and we feel that only a slight reduction in those numbers and relocation will essentially remove any conflict that exists between commercial and recreational fishers along the river and result in sustainable fisheries management for many decades.

Mr CLARKE: What scientific evidence have you seen that has convinced you that the ban on recreational netting in marine waters will have any impact on assisting fish stocks that are under pressure—such as King George whiting—to recover?

The Hon. R.G. Kerin: We have taken a precautionary approach. The fact that there is not an enormous amount of research is no reason not to take the correct approach and to duck the responsibility of managing the fishery. I will ask Mr Hall to make a further comment on this question.

Mr Hall: The issue of recreational netting was discussed in detail and at length by a netting review committee that was established in 1995. That committee looked at a range of issues with respect to recreational netting. At the end of the day the Government decided, based on public opposition to recreational netting, that it was not an acceptable practice. The scientific and management issues relevant to recreational

net fishing relate to consideration of whether the gear and the method is consistent with the national policy on recreational fishing, which is that recreational fishing should represent an active pursuit of leisure which yields the participant no more than the immediate dietary requirements of the participant during the course of a day's activity.

It was a consideration of Government that recreational netting, which has been frozen in terms of access for some 10 years now, was not consistent with this policy. The reasons for this are that a gill net is not selective with respect to the size, species and number of fish that can be taken; it can target only a sweep of species; and it cannot predetermine the amount of fish that will be caught. That would not be consistent with our well established management practice of daily bag limits.

The other issue was the fundamental principle of recreational fisheries management—that access to areas and gear types by recreational fishers should be on the basis or principle of open access to all members of the community. We felt that, if open access were to be provided and we were to meet this fundamental principle, which has not been in existence for the past 10 years, we would have a situation where, if one adopted the precautionary approach, as the Minister said, the lack of scientific information and concerns with respect to some species should not be used as a reason not to prohibit the practice.

Essentially our concerns relate to certain inshore marine scale fish species, in particular tommy ruff, salmon trout and yellow fin whiting. The restrictions that were put in place on commercial net fishing were targeted specifically towards concerns about King George whiting. It is true that recreational net fishing does not target or catch a very large quantity of King George whiting: it tends to target these other species. But scientists have concern about the status of these three species in particular.

The salmon trout which tends to be caught is actually a juvenile species of the salmon which has not had the opportunity to breed, and for four or five years now there has been a very poor recruitment of tommy ruff—very poor production of juveniles from the previous spawning. Yellow fin whiting has been a concern in terms of its status, and for this reason we increased the minimum size limit to enable spawning to take place and to provide more protection for that population. All three species are very important parts of the recreational net fishing catch. So, the scientific justification was based on the application of management principles and the implication for those three species in particular.

Mr CLARKE: Perhaps I am more sceptical than was the Minister when he had his conversion on this point. Following the answer from Mr Hall, if tommy ruff is in some sort of danger, why then can my daughter and I go down to a jetty and, if the going is good, rip up as many tommy ruff as you like, given that there is no size or bag limit whatsoever? I have been on a number of jetties where people have done extraordinarily well with respect to the number of tommies caught off the jetty, probably equal to whatever might be caught through recreational netting.

I have not seen any King George whiting caught in a net, but I am not saying that that has not happened. With respect to the concerns about them, a number of recreational net fishermen might say that, if they cannot go netting, they might as well go out on their boats and go after King George whiting. Even more fishermen will be out there depleting the stock of King George whiting.

Mr Hall: Scientists have only recently become very concerned over the status of tommy ruff, or Australian herring, as they are known. A workshop was held recently between scientists in Western Australia, South Australia and Victoria. They produced a status report on populations, which indicated, for example, that the population of tommy ruff appears to have been going through a period of decline over the past five years. The observations of commercial and recreational fishers in this State is that that is consistent with their catches and it is no longer as easy to go down to the local jetty and catch a quantity of tommy ruff as it was 10 years ago. In response to this, obviously the department is looking at the management options and arrangements with respect to tommy ruff and salmon, and the need for perhaps bag limits in the case of tommies which do not exist at the present time.

In terms of King George whiting, while it is true that the recreational catch is not considered to be a major part of the total catch, a study conducted by Dr Keith Jones of the Research and Development Institute in the Port Lincoln bays area in the late 1980s showed that a recreational net is able to catch twice the quantity of King George whiting in a day as a typical line fisher. The fact that it is still not a major part of the recreational net catch clearly indicates the very large quantities of other species being caught. The limited access to recreational nets over the past 10 years would have also reduced the total catch but, if it were made available to the total community, we would certainly be concerned about all in-shore marine scale fish species and the implications for them.

Mr CLARKE: How much was paid to Dr Morgan for his 1994 and 1995 consultancies into the Gulf St Vincent prawn fishery and what was paid to Dr Julian Morrison?

Mr Hall: I do not have the precise amounts, but I have a very clear idea of the approximate amounts of both of those reviews. The Dr Gary Morgan review of the Gulf St Vincent prawn fishery costed around \$45 000 in total; and Dr Julian Morrison's review of the economic status of that fishery cost in the region of \$25 000. Cumulatively both reviews cost approximately \$70 000. I cannot be certain in terms of those precise figures, but that would be close.

Mr CLARKE: What amounts have been paid individually to the two independent members of the Gulf St Vincent Prawn Management Advisory Committee?

Mr Hall: One of the two independent members of the Gulf St Vincent Prawn Fishery Management Advisory Committee is the independent chairperson, Mr Ken Smith, who was paid the same rate as all independent chair people of management committees, that is, a \$10 000 lump sum for the year's activities. This involves a large amount of work on the part of the independent chair people outside normal meetings, which number between about eight and 12 per year. The independent member of the committee, Mr Lindsay Durham, is paid a rate that is consistent with Government policy on fees and charges for members of statutory boards and committees.

Mr CLARKE: Is the Minister aware that, although a target of 22 prawns to the kilo with scope to extend to 24 was set for the Gulf St Vincent prawn fishery, the actual size landed averaged 27.8 to the kilo in November, 29.5 in December and 27.5 over the season?

Mr Hall: The issue of 24 to the kilo as a target for that fishery to ensure that sufficient prawns are available for spawning was a recommendation of Dr Gary Morgan following his review and was followed during the season that

has just passed. Dr Morgan made very clear in his report that this was a target size only and that one should not become concerned if the average size of the catch approached 27 or 28 to the kilo. This did not occur and the size was very consistent during the year. In terms of carapace length, it varied between 40 and 43 millimetres average size, which is consistent with an average sized prawn of about 25 to the kilo, or slightly more, which is well within the conservative range that Dr Morgan considered was required for this fishery. The figure of 24 prawns to the kilo equates to a carapace length that the fleet easily maintained during the course of the year with respect to an average of about 25 or 26. Dr Morgan certainly considered this was well within his predicted range. In fact, his model predicted not only a catch but also an average size very close to what was experienced.

Mr CLARKE: Is the Minister satisfied that the Gulf St Vincent Prawn Fishery Management Advisory Committee is capable of managing the fishery?

The Hon. R.G. Kerin: The committee, as the Deputy Leader knows, is an advisory committee: its role is advisory. The management of the fishery is the responsibility of PISA Fisheries.

Mr CLARKE: As a supplementary question, in view of the committee's performance and the large outstanding buy back debt, is it the Minister's intention to give this committee more authority by converting it into an IMC?

The Hon. R.G. Kerin: Yes, that has been approved and it will become an IMC. There is still a part with the ministry as far as fisheries goes, but in August it will be gazetted as an IMC.

Mr CLARKE: As part of the monitoring of the Gulf St Vincent prawn fishery, an independent person measures catches on the Gulf St Vincent boats. The Opposition is aware that this person constantly measures prawns much smaller than the target size and regularly much smaller than the fisherman's own records show. Does PISA Fisheries have independent monitors on Spencer Gulf boats and, if not, why not?

Mr Hall: As I indicated earlier, the independent monitor certainly is engaged to ensure that there is a consistent approach towards measuring the size composition of the catch. This has produced a size concept very consistent with that experienced and measured by the processors, in fact very consistent with the predictions of the Morgan model in terms of what he expected the fishery to produce in this past fishing season.

Mr CLARKE: The Opposition is informed that tonnes of juvenile whiting are being caught and killed by prawn trawlers in Spencer Gulf. I understand that during November and December up to eight boats were regularly returning up to 1½ tonnes per boat of dead juvenile whiting to the sea. What steps is the Minister taking to stop the slaughter of our most sought after fish species?

The Hon. R.G. Kerin: Anecdotal evidence has been given to me by several people from the fishery, and I have raised the matter with the IMC. So, those concerns are being addressed.

Mr Hall: As the Minister has indicated, the concerns expressed by recreational fishers, in particular over the impact of prawn trawling on marine scale fish, especially whiting, have been referred to the Spencer Gulf Prawn Fishery Management Committee. Previous by-catch studies on the prawn fishing fleet have shown minimal by-catch of important scale fish species, particularly scale fish species that are important to the recreational and commercial sectors.

There certainly is a by-catch of scale fish, but most of it involves high abundance fish of little importance to both sectors, such as leatherjackets, small trevally, and the like. Therefore, the scientific studies do not support the contention that there are significant by-catches of important recreational scale fish species.

It is also important to point out that the prawn fishing fleet in Spencer Gulf has reduced not only the area that it fishes through optimum harvesting strategies that target the larger sized prawns; it has reduced the total number of nights on which it fishes from well over 150 some 10 years ago to around only 70 nights per year now. So, the total impact on scale fish species as a by-catch, in our view, is reducing over time rather than increasing. In fact, it has never been significant with respect to major commercial and recreational scale fish species.

Mr CLARKE: I refer to page 457 of the Program Estimates. We are aware from media reports that approximately 60 tonnes of farmed tuna was recently lost at Port Lincoln due to a series of factors, including unusual weather conditions. I understand that PISA Fisheries operate an experimental research farm using fish supplied by the Tuna Boat Owners Association, which sells the fish after the research has been carried out. How many fish died on the research farm in the 12 months prior to the storm that did so much recent damage, and what did the fish die from?

The Hon. R.G. Kerin: I will correct the Deputy Leader to some extent: it is not PISA Fisheries that run the farm but SARDI, and the Deputy Leader may prefer to hold that question until the SARDI personnel are here.

Mr CLARKE: Referring to page 457 of the Program Estimates, I understand that only tuna boat owners with quotas can presently farm tuna in South Australia. Does the quota for each fisherman mean the fish he catches in the ocean prior to towing it back to the farm or is the quota calculated on what live fish actually arrive at the farm proper?

The Hon. R.G. Kerin: It is not quite correct that only those with quotas can farm because some quotas are leased. I will call on David Hall to answer the technical part as to how the counting is done.

Mr Hall: The quota that relates to the management of the southern bluefin tuna fishery relates to the amount of tuna that can be caught in the wild and the total quantity. The advent of tuna farming, particularly with the use of the purse seine method to collect the material for the farming, has required the managers of that fishery, that is, the Commonwealth, through the Australian Fisheries Management Authority, to develop sophisticated means of estimating very closely what that total weight of fish will be, using video surveillance and sophisticated electronic equipment. This must be done at the very point where the tuna leave those purse seine nets and towing cages for the permanent cages in Boston Bay. At that point very sophisticated technology is used to estimate closely the total catch; therefore, the quota comes off what is caught from the wild rather than what is produced on the farms.

Mr CLARKE: Following the losses of tuna at Port Lincoln, have any tuna farmers been forced to close their business and, if so, will any quota be made available to other fish farmers?

The Hon. R.G. Kerin: I am not aware of any who have had to close down. The quota issue is one involving the Commonwealth and is not really an issue for us.

Mr CLARKE: What level of blame in the loss of farmed tuna can be attributed to farming practices?

The Hon. R.G. Kerin: The final report has not been released yet; it has been held up by the delay in getting the very last results out of the various laboratories working on it. Certainly, all the reports to date indicate that farming practices are a very minor contributor, if at all. It does appear that it was storm conditions—the direction of the wind, the length of time the wind blew—and the fact that it was on a dodge tide. It really does seem that it was all the silt stirred up from the bottom of the bay itself that caused the problem. When you compare the size of Boston Bay with the very small area under individual farms, you see that a minute area sits under farms compared with the total volume.

There was a certain consistency throughout the bay of silt stirred up and murky water. That was an initial concern that many people had, but on my trip over there we actually saw a towing cage away from where farms had been, where the mortality was actually 100 per cent with no farmed area underneath. So, it did seem that it was just the general stirring up of the water in the whole bay. As I said, a full report on the tuna deaths will be released probably in early to mid-July. We had hoped to have it out by 30 June, but we really need the last sets of results to give the correct report. We will have to wait for those.

Mr CLARKE: The Opposition has been informed that there are massive losses of tuna caught for farming between the time of capture and the time they are placed in farming compounds. I understand that many thousands of tuna die whilst being dragged from their place of capture to the tuna farm. Is the Minister aware of the level of loss associated with these practices and will he give the Committee an idea of its extent? Does he believe that the losses are acceptable?

The Hon. R.G. Kerin: I have no actual figures on it. As with many things in connection with tuna, there is always a lot of anecdotal evidence that makes it very hard to judge. Once again, it is still at the stage of being in Commonwealth hands at the time they are bringing in those tuna.

Mr Hall: As the Minister said, the issue of loss of tuna between the point in the Bight where the tuna are caught in the purse seine nets and the point where they are funnelled into the farms in Boston Bay is an issue for the Commonwealth with respect to ensuring compliance with the total allowable catch of tuna that can be taken from the wild. This involves PISA Fisheries in that we perform compliance or enforcement work on the Commonwealth's behalf. The mortality rate of the tuna is a particularly important issue for the Commonwealth. It has established a domestic observer program to ensure compliance and to ensure that the mortality that occurs between capture in the Bight and loading into the farms is recorded and comes off the total allowable catch and individual quota for each fisherman.

Mr CLARKE: I refer to page 458 of the Program Estimates. On 30 January the Minister announced a three month review to cost \$200 000 with the aim of maximising the value of State owned forests. Has the committee finalised its report and, if not, why not?

The Hon. R.G. Kerin: No; the forestry review has not been completed. The review is very extensive and involves the examination of a wide range of issues to do with the management of the State's South-East forests, particularly looking at the opportunities for expansion of the forests plantation industry and, very importantly, the regional economic development issues associated with those South-East forests. The Forests Review Steering Committee has engaged consultants to provide advice on a wide range of issues, and the report is not yet completed. It is anticipated

that Cabinet will fully consider all information placed before it, and in due course a report will be made available.

Just to reiterate, the report is very important. Even though we put an approximate timetable on it, I am not fussed at all by the delay. I feel that it is absolutely vital that we get everything to do with this review correct. I do not want quick answers. There is no real reason to have quick answers; what we want is the correct answers. We need to know what we should do with forestry in the South-East over a long period. As the honourable member would know, any decisions made about forestry are 30 or 40 year decisions in many cases. We need to get this right for the regional development of the South-East. I am prepared to sit back, be patient and make sure that the answers that come out of this review are correct for the long term benefit of the South-East forests and the South-East communities in this State.

Mr CLARKE: Does the Minister have any idea as to the time line? I appreciate his saying he wants to get the right answers, but it is now the six month time line; how much longer does the Minister think he will be waiting?

The Hon. R.G. Kerin: The earliest possible time would be August. We came across some difficulties with the appointment of consultants. Forestry is not an enormous industry in Australia, and finding the right people took quite a while. We wanted to be careful that we appointed people who did not have a conflict of interest. In such a small industry that is sometimes difficult. The fact that we were not able to do that quickly ran us into another problem: our major consultant had booked time to go overseas which fell into the middle of this process. Once again, it is unfortunate that there has been a delay, but I would rather have a delay than rush the answers.

Mr CLARKE: I refer to page 458 of the Program Estimates. I also refer to the special audit report of the Auditor-General entitled 'Valuation of forests assets' dated 29 May 1996. The committee of review looking at maximising the value of State owned forests was charged under term of reference 5 to 'commission an independent valuation of the forests under the viable options for marketing of the forest products from the forests and provide expectations of future rates of return to Government'. Did the independent valuation of the forests take into account the guidelines and accounting procedures recommended by the Auditor-General in his report dated 29 May and, if not, why not?

The Hon. R.G. Kerin: The review committee and the consultants have access to the Auditor-General's Report. The Auditor-General has recommended the net present value methodology as being the most appropriate technique to value PISA Forestry assets. It is important to note that the Auditor-General does not dispute the integrity of the modelling system supporting the valuation calculations. He states in his report that the single unresolved problem of auditability is reconciling the estimation of volumes available for harvesting with the actual volumes measured during the harvest.

The important part is that PISA Forestry has responded positively to the issues raised in the Auditor-General's Report, and a process is being developed readily to enable the reconciliation of estimated volume availability with harvested volumes, to provide audit with some confidence of forest inventory estimates. PISA Forestry has agreed to address Professor Ferguson's recommended changes to the inventory estimation process as the geographic information system becomes fully operational and as skilled resources are available. PISA Forestry personnel have undertaken to

discuss the audit personnel process and to resolve other issues to the satisfaction of all stakeholders.

Mr CLARKE: I refer again to page 458 of the Program Estimates. The latest report of SANTOS cites Mr Stephen Gerlach as a Director of Beston Pacific, which has as one of its directors Dr Roger Sexton, who is also Chairman of the Asset Management Task Force. The AMTF has responsibility for organising the sale of public assets to the private sector. Beston Pacific Market Services incorporates financing, Government outsourcing and corporate restructuring. Is Mr Stephen Gerlach still Chairman of Forwood Products, and is the Minister aware whether Mr Gerlach remains a director of Beston Pacific Corporation Limited?

The Hon. R.G. Kerin: Mr Stephen Gerlach is still Chairman of Forwood, but I am unaware of the other interest that has been mentioned.

Mr CLARKE: By way of supplementary question—and I appreciate the Minister's answer that he is not aware whether or not Mr Gerlach is still involved with Beston Pacific—will the Minister take up that matter, investigate it and explore any potential for conflict of interest, if Mr Gerlach is still a Director of Beston Pacific and also Chairman of Forwood Products, given the Government's intention to sell Forwood to private interests?

The Hon. R.G. Kerin: This does not really fall within my area of responsibility. Certainly Forwood Products does, and the fact that Mr Stephen Gerlach is Chairman is of great interest to me. The possible conflict of interest in relation to the sale process concerns the Asset Management Task Force, which is the responsibility of the Treasurer.

Mr CLARKE: I appreciate that Cabinet has directed that the Treasurer look after the issue of the sale of Government assets but, as the Minister has direct ministerial responsibility for Forwood Products, whatever Cabinet may decide by an Act of Parliament, he is nonetheless responsible for the management and control of Forwood Products. As Forwood is on the market for sale, will the Minister take up this matter in so far as Mr Gerlach is concerned to establish whether or not there is any potential conflict of interest?

The Hon. R.G. Kerin: I reiterate that, certainly as Minister for Primary Industries, with responsibility for Forwood Products, in my estimation Mr Stephen Gerlach has done an excellent job as Chairman. Certainly that is really where my interest lies in relation to this matter. With respect to the sale process, that is within the province of the Treasurer. My direct interest as Minister is with the performance of Forwood Products. I have been very happy with the performance of Stephen Gerlach as Chairman of Forwood Products. I hear what the Deputy Leader is saying, but it is really a question for the Treasurer.

Mr ANDREW: I refer to forest services on page 460 of the Program Estimates and, in particular, the Green Triangle tree farm project. An objective under this program is to negotiate with Mitsui/Nippon for an agreement to enable the export of plantation grown hardwood chips from Portland. What progress has been made in meeting this objective?

The Hon. R.G. Kerin: We look forward to this project going ahead. A key role of PISA Forestry is to promote the expansion of plantations within the Green Triangle region. As part of this program, PISA provides advice to growers on the selection of appropriate species and silviculture. The two major commercial species in the region are radiata pine and Tasmanian blue gum. Radiata pine, as we all know, is grown for sale and is the basis of a well integrated local industry. To achieve the best financial results for this timber, it is neces-

sary to produce saw log, which requires a relatively long rotation age. Tasmanian blue gum is grown predominantly for pulp wood and has a much shorter rotation age of 10 to 12 years. Local tissue producer Kimberly Clark offers contracts to growers for the purchase of their blue gum pulp wood. This arrangement is limited to growers within a radius of approximately 80 kilometres of the Kimberly Clark mill.

Lack of a market for blue gum pulp wood outside this area prompted PISA to aim to develop an agreement for the export of wood chips out of the port of Portland. PISA has been negotiating for some time with Mitsui and Company and Nippon Paper Industries to achieve an agreement that meets the requirements of all parties. At this time practically all obstacles have been overcome. The Crown Solicitor is currently drafting the agreement.

There are two agreements: one is between me as Minister for Primary Industries and the joint venturers; and the other is a grower agreement, between me as Minister for Primary Industries, the joint venturers and the growers. The agreements establish an obligation between the growers and the joint venturers for the supply and purchase of plantation grown wood. The base price of the stump is fixed at the time the agreement is signed and is indexed to the price of hard wood chip, as sourced ex-Tasmania. The costs of harvesting the trees and transporting them to Portland are borne by the joint venturers.

This arrangement does not expose the Minister to undue commercial risk as the ownership of the wood is transferred from the growers to the joint venturers and not through the Minister. The base price will be similar to that already applying in the region. The project will be promoted and managed by PISA, and PISA will provide the technical advice to growers. The joint venturers will pay PISA for the provision of this service. PISA will monitor the growth of the resource and organise the harvesting and transportation of the wood. The project will allow growers to choose to grow Tasmanian blue gum in the knowledge that they have a secure market at the time of harvest. The initial target plan is for 1 000 hectares per year, which should provide a considerable boost to plantation forestry in the region. As the Chairman would know, land-holders are showing significant interest in this project. We look forward to its being successful over the next few years.

Mr CLARKE: The sale of Forwood Products is imminent, as we know. What job guarantees have been built into the sale process to ensure that employment in the South-East is not adversely affected by the sale?

The Hon. R.G. Kerin: Once again this is really an issue that has been handled by the AMTF and as such relates back to the responsibility of the Treasurer.

Mr CLARKE: By way of supplementary question, I point out that, when asking my questions about Forwood Products, I appreciate that the sale process is to be handled through the Treasurer. However, the Minister is responsible for Forwood Products while it remains in State Government hands. I take it from what the Minister is saying that, in so far as Forwood Products is concerned, the sale process, employment opportunities and looking after the interests of existing employees are no longer his responsibility?

The Hon. R.G. Kerin: They really do rest within the sale process. At present our major input is to ensure that the impact on PISA Forestry in the South-East is as beneficial as possible. In relation to the sale process, as the Deputy Leader would appreciate, much of it is about negotiation. I am not privy to the bids that are received but, as has been demon-

strated in the sales of other assets, they are considered by Cabinet at the end of the day, and the Asset Management Task Force has a good record of looking after the interests of all employees when assets have been sold.

Mr CLARKE: Is your department involved in terms of the preparation of Forwood Products for sale and advising the Asset Management Task Force about possible monopoly implications, for example, the sale of the company to one of its competitors in the South-East; and what role does your department play in terms of advising the Government and/or AMTF?

The Hon. R.G. Kerin: The Forwood Products board is structured in such a way that much of what the Leader is talking is considered by the board rather than by Primary Industries. The Forwood Product contracts for log supply are held by PISA Forestry, and that has been our major input into it. Many of the issues raised by the Leader are between AMTF and the Forwood Products board.

Mr CLARKE: The board is unelected; it is appointed by the Government. On issues of public policy, dealing with possible monopoly implications or Forwood Products being sold to another company, I would have thought that your department has input to Cabinet and to Government by saying, 'If you intend selling it, we believe that it should be along lines which are the most advantageous to the people of the South-East and the State as a whole.' I would have thought that the Minister would take responsibility for public interest, rather than an unelected board of directors of Forwood Products that has the specific task of managing the company.

The Hon. R.G. Kerin: Two areas arise in relation to this issue. The AMTF works off certain guidelines, but the ultimate protection against someone selling something against the interests of the State is covered by the fact that the sale has to be approved by Cabinet.

Mr CLARKE: What is the future of scrimber, and will you confirm or deny that the scrimber plant and machinery is being moved overseas?

The Hon. R.G. Kerin: The future of scrimber has been out of our hands for some time, but I would ask Mr Ian Millard, General Manager of PISA Forestry, to explain the situation.

Mr Millard: I cannot add to what the Minister has said; it is being managed through the South Australian Timber Corporation in a joint venture with others.

Mr CLARKE: Is that through the Asset Management Task Force?

The Hon. R.G. Kerin: No, scrimber has been separated off for some time; the process has been with Georgia Pacific for about 12 months. I have not been responsible for scrimber: even the building in which it operates is not owned by the Government.

Mr CLARKE: I refer to the Special Audit Report of the Auditor-General to which I referred earlier—'The Valuation of Forest Assets'. What action has the Minister taken to implement the recommendations of the Auditor-General in relation to the classification of forest assets as self-generating and regenerating assets?

The Hon. R.G. Kerin: I will ask Mr Millard to answer that question.

Mr Millard: In his report the Auditor-General recommends that we should adopt net present value methodology. The Australian Accounting Research Federation released a discussion paper in 1995 which suggested that the appropriate valuation methodology was the current market value. The

Department of Treasury and Finance recently revised an accounting policy stating that long-term non-current assets including forest assets should be valued by the net market value method. We are working through the process with the staff of the Auditor-General and the Treasurer to ensure that we have a reporting mechanism which satisfies all the stakeholders.

Mr CLARKE: In relation to the valuation of forest assets and the Auditor-General's report, what ramifications to the value of our forestry assets do the Auditor-General's recommendations have?

Mr Millard: Forest valuation is a term of reference for the forest review; advice is also being sought on that. Net present worth is recommended by the Auditor-General, but a number of factors will affect the net present worth if that is adopted. Net present worth is affected by the discounting rate that is used, anticipated future pricing, harvest policies and the like. The forest review which is currently being conducted is looking at alternative methods of valuing in order to find a market value that is acceptable to all parties. That is one of the Auditor-General's suggestions. Using his approach a range of values could be achieved, and we need to work through that with the Auditor-General's staff and consultants to arrive at an acceptable methodology.

Mr CLARKE: I refer to page 460 of the Program Estimates. Given the Government's stated commitment to encouraging private hardwood and softwood plantations, will the Minister inform the Committee of the incentives available to encourage the practice?

The Hon. R.G. Kerin: There are really no direct incentives. The Government's approach is that it needs to be market driven so market signals are not confused with up-front incentives. As with the Green Triangle expansion that I spoke of before, it is really that we are making ourselves available to help growers and to make sure that they really know how to grow trees properly to get them through to end production. We would like to see forestry increase down there but, at the same time, we are conscious that there are competing uses for land.

As a State Government, we would like to see the land put to best possible use. If we start offering incentives for one type of land use as against others, we start to confuse the issue as to what people should do with land. We need to make sure that the land down there is used for the best value of the State and, for whatever it is used, we provide the technical help to make sure that those industries are viable.

Mr CLARKE: By way of a supplementary question, is it that the Government's commitment to encouraging private hardwood and softwood plantations is more an exhortation effort than tangible incentives to encourage this practice?

The Hon. R.G. Kerin: We are facilitating people getting into an industry that an individual finds it almost impossible to enter. PISA Forestry has spent an enormous amount of time working with Mitsui and Nippon on this project. If a grower wanted to put in X hectares of hardwood, he would find it extremely difficult to do so off his own bat, not only with respect to marketing but also the management of growing the trees and harvesting them at the end of the rotation.

We have removed all those potential difficulties, and that has allowed growers to make a decision whether they go into hardwood, dairying, vines, or whatever, depending on their area. The incentive is that the Government has made forestry a possible option. The Commonwealth Government commenced a farm forestry program in 1993, the national forest

policy statement, and PISA received a grant of \$305 000 from that program, which has allowed us to do a lot of this necessary work.

Mr CLARKE: I refer to page 460 of the Program Estimates. I note that the role of community use in the northern forestry reserve has been reviewed and policies developed. What are these policies and why were they developed?

The Hon. R.G. Kerin: There was a review of the northern forests at Wirrabara and Bundaleer. They are not enormous forests and they are not fast-growing so, as far as viability goes, some question mark was placed alongside them. There was always a fear in the local area that the Government may look at either selling the forests or gradually clearing them and not replanting. I announced in March that the Government would retain ownership and management of those two Mid North forests and that they would be managed as community forests.

Some management changes have been mooted but they will basically mean that the land that was not growing much timber anyway will fall out of production. That will not impact on overall production, which will be picked up by better management in the rest of the forest. The other important point is that they were two of the earliest forests in Australia and, because of where they are, they are a unique attraction in that part of the State, so there is a tourism aspect.

There is a lot of community ownership of those two forests and we would like to capitalise on that. We have set up a committee as a reference group for community use at Wirrabara and Jamestown, with community and CFS representation, to see what opportunities exist for those areas to get a greater benefit out of the forests. The major decision was that the Government would retain ownership and management.

Mr CLARKE: I refer to the line for the Minister and the Minister's office. What role does the parliamentary secretary to the Minister for Primary Industries play in the operation of the Minister's office? Does the parliamentary secretary maintain an office or a desk in the Minister's office? What resources of the Minister's office are designated to the parliamentary secretary? How often does he attend to his duties in the Minister's office and what are his duties?

The Hon. R.G. Kerin: The role of the parliamentary secretary has largely been left up to negotiation between each Minister and their parliamentary secretary. There is no impact on the line to which the Deputy Leader referred from the appointment of a parliamentary secretary. He performs quite helpful functions because he has specific expertise in some areas. It is good to get ideas from him and he plays a part in several sections of the department. No resources have gone in that direction, and I cannot envisage that any resources under that line will be impacted on by the parliamentary secretary.

Mr CLARKE: As a supplementary question, given that there is no impact on the Minister's own line, that there is no use of resources by the parliamentary secretary, and that the Minister said that he plays some role in the department, what does the parliamentary secretary actually do in the department? What role does he play? Does he open doors or envelopes?

The Hon. R.G. Kerin: My parliamentary secretary is a very experienced parliamentarian of some 16 or 17 years and, in some of the areas in which I have not had a lot of experience, he has had experience, so I find it useful to discuss ideas with him. In the area of aquaculture and inland

aquaculture, he has a real strength. He has a long history in that area and involvement in some of the earlier ventures in this State, and that is very useful.

I think that the appointment of the parliamentary secretaries has been good; I have found it very useful. Regarding the role played in the department, that is totally through my office. Sometimes I send him into different parts of the department to talk to people, but it does not impact on the resources. I do not think the Deputy Leader should lose any hair over the appointment. As with all parliamentary secretaries, it is very useful. One does have a lot of appointments that overlap, and it is good to have someone who is designated as a parliamentary secretary to represent you at functions.

Mr CLARKE: What arrangements, if any, are there to cover your parliamentary secretary's travel costs when he represents you? Does the department pick up any of the costs associated with intrastate, interstate or overseas travel, accommodation or associated costs?

The Hon. R.G. Kerin: At the moment that has not occurred, so it has not been an issue. I suppose it is an issue that we would have to look at. If it were essential that I be represented at a function which I could not get to, the basic understanding would be that, in most cases, parliamentary secretaries would pay for it out of their parliamentary travelling allowance. Beyond that, it is not something that we have had to face yet. My understanding would be that travel expenses would come out of the parliamentary secretary's travelling allowance which he gets as a member of this House.

Mr CLARKE: I refer to page 450 of the Program Estimates. I note that the allocation of staff and recurrent expenditure for executive, professional, technical, administration and clerical support, under intra-agency support services, will increase considerably in the coming financial year. Why is it, when most levels of the public sector are cutting back on staff and resources, that the executive area of Primary Industries is expending an additional \$2.7 million in 1996-97 and has allocated an additional 16.2 full-time equivalents to fulfil its functions?

The Hon. R.G. Kerin: That largely refers to the changing role of the department. I will ask Mr Freeman to comment on that.

Mr Freeman: As far as the numbers are concerned, part of it has been to do with restructuring within the agency where we have taken various functions and moved them into other areas. An example of that has been the rural finance and development group where, in the past, many of the services and staff were attached directly to that part of the organisation; and also, for example, in the finance area or the IT area, in the past those staff have been attached to the rural finance and development group but now perform the function corporately. So we have moved people from one group to another. Another part of that expansion revolves around development in the planning and industry development area of the organisation where we are in the process of employing additional economists to undertake some of the marketing, planning and development functions.

The Hon. R.G. Kerin: Certainly we have had an increase. With the direction in which Primary Industries has been going, there is a need for more of those economic-type people to implement our industry development plans.

Mr CLARKE: I refer to information technology (page 461 of the Program Estimates). Has EDS taken over responsibility for IT functions in your department?

The Hon. R.G. Kerin: Yes.

Mr CLARKE: Is there a service agreement between the department and EDS and, if so, what are the details, and are you in a position to table a copy?

The Hon. R.G. Kerin: That agreement is not finalised and therefore we are not in a position to table a copy.

Mr CLARKE: What equipment has been transferred to EDS ownership and what equipment did the department retain?

The Hon. R.G. Kerin: We will take that question on notice: there is a large schedule of items.

Mr CLARKE: How much did EDS pay for the equipment and how was it valued?

The Hon. R.G. Kerin: The prices are still being negotiated.

Mr CLARKE: On what basis is the department putting a value on that equipment?

The Hon. R.G. Kerin: I think there was a basic position throughout Government that the price paid by EDS for transferred assets is market value plus a negotiated premium.

Mr CLARKE: How much is PISA paying EDS for providing the service? How is this calculated and how often are payments made?

The Hon. R.G. Kerin: Once again, that is still being negotiated. At this stage we are not able to answer that.

Mr CLARKE: Supplementary to that, if it is actually doing the work, presumably it has not put it on the long finger and will expect payment at some time, so how are you paying now for provision of a service while you are still negotiating the value of the contract?

The Hon. R.G. Kerin: As it is mainly the transfer of the hardware, there is very little in the way of a service payment. Because the price of the hardware is still being negotiated, there is no real answer to that question.

Mr CLARKE: Presumably the employees of EDS are working for EDS using the computers, so they must be doing something for you?

The Hon. R.G. Kerin: While there are a few technical people working there, the basis of payment is still being negotiated.

Mr CLARKE: How many PISA staff positions were cut as a result of the EDS contract?

The Hon. R.G. Kerin: The actual answer is probably that there have not been any. Basically PISA had its work contracted out, anyway.

Mr CLARKE: How many EDS staff are employed within the agency itself?

The Hon. R.G. Kerin: There is none employed by the agency. Is the Deputy Leader referring to how many work in the agency?

Mr CLARKE: Working within the agency itself, not actually working for PISA.

The Hon. R.G. Kerin: There is no set number. People come and go. Part of the negotiations involves deciding how many people there will be.

Mr CLARKE: What annual savings has the Minister estimated are being made by PISA as a result of these new arrangements? Is this difficult to answer, if the Minister is still negotiating?

The Hon. R.G. Kerin: It is a little difficult. We have not been able to answer some of the other questions because matters are still being negotiated. It is very hard to answer that question without knowing what our costs will be.

Mr CLARKE: Can we take it as written that it will not cost us any more?

The Hon. R.G. Kerin: We are not sure. It is too early to ask those questions.

Mr CLARKE: How will technology upgrades be managed and financed?

The Hon. R.G. Kerin: Once the EDS deal is negotiated, that will be the responsibility of EDS. Obviously, the funding arrangements for that type of upgrade would become part of the contract.

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

Minister for Primary Industries—Other Payments,
\$1 550 000—Examination declared completed.

South Australian Research and Development Institute,
\$8 770 000.

Departmental Advisers:

Mr R. Lewis, Chief Executive Officer, South Australian Research and Development Institute.

Dr D. Plowman, Director, Research and Development.

Mr M. Williams, Manager, Financial Services.

Mr K. Stacey, Manager, Corporate Services.

The CHAIRMAN: I declare the proposed expenditure open for examination and refer members to page 59 in the Estimates of Receipts and Payments and pages 463 to 476 in the Program Estimates.

The Hon. R.G. Kerin: SARDI is a Government agency responsible for research and development in primary industries, natural resources and their related portfolios. SARDI is a relatively new organisation, being just over three years old. It was created to perform several functions. For example, to provide a better focus and direct the State's research capacity; to ensure that research outcomes are more relevant and available to industry—which is one function it has definitely achieved; to ensure research and its management operate within commercial and industry standards; and to increase South Australia's national research and development profile and influence. Since its creation, SARDI has achieved considerable success in meeting each of those objectives. Under the direction of the hardworking SARDI board the institute has taken a commercial and businesslike approach to the management of research and development.

We are at the end of a major restructuring of research centres. Properties such as Northfield, Parafield and Parmdana have been sold and the revenue used to build facilities such as the excellent plant research centre, the Pig and Poultry Production Institute and Flaxley Research Centre. Major refurbishment of Turretfield and Lenswood and joint funding of developments on the Waite Agriculture Research precinct were also met from these funds. This restructuring, along with the new South Australian Aquatic Sciences Centre at West Beach, has placed South Australia in an excellent position to deliver the technology required to underpin our primary industries and assist them to maintain their international competitiveness, and this is reflected in SARDI's success in the highly competitive research funding marketplace.

Industry has responded in a very positive way to the changed research infrastructure by increasing funding to our research and development projects. The extent of that increase is shown by the level of funds provided in what is a highly competitive environment for the research and development dollar. To illustrate that fact, I point out that in 1992-93 we attracted \$7.13 million; 1993-94, \$8.55 million; 1994-5, \$9.63 million; and 1995-96, \$10.94 million. In each of those years we have seen over \$1 million increase in what we have attracted, which is an excellent result because each year has been better. An average of 13.5 per cent increase per year, which was an impressive 53 per cent increase from the 1992-93 base year, has been achieved during a time of unprecedented change. The proportion of State recurrent to external recurrent operating budget is approximately 50 per cent, the highest of any comparable research organisation in Australia. For the first time South Australia has a comprehensive listing of its research and development projects. This is one of the many changes that reflect a greater level of accountability and transparency of its operation.

The benefits of this research are reflected in impressive returns to the industry applying the outcomes and technologies derived from SARDI's research. Independent analyses of the cost of research undertaken by SARDI have indicated benefit to cost ratios of the order of 10:1 to 103:1. Some specific examples include, first, oat breeding: the BCA for the oat breeding program gave a return of 69:1. Oats are of increasing importance as the feedlotting industries expand, the intensive animal industries become more competitive and greater importance is placed on milling quality. There are 130 000 hectares of oats now grown in South Australia.

Secondly, I refer to disease resistance in peas and beans. Fungal diseases are a major limitation to the expansion of pulse crops in cereal rotations and are a real ongoing problem for farmers. The production of resistance to some of these diseases has given an estimated return of \$150 million and an ex-post BCA of 103:1, which is excellent value for anyone's dollar.

An analysis of the performance of the lucerne improvement program between 1978 and 1994 has given benefits of nearly \$200 million, with a BCA of 17:1. During this time the program has released varieties such as Springfield, Wakefield, Sheffield, Hunterfield, Spectre and Eureka. A BCA assessment has been completed of a long-term trial to assess clones of valencia with improved quality and yield. This research once again gave a return of 29:1. South Australian abalone is one of the best managed fisheries in Australia. SARDI in conjunction with the fishing industry has undertaken research to provide the basis for management plans. The BCA for the total abalone research program undertaken over the past 15 years gave a return of \$300 million for a BCA of 15:1.

There is no doubt that, in the three years since its creation, SARDI, under the direction of the board, has significantly improved the quality and quantity of South Australia's primary industries related research. This is reflected in these estimates before the Committee. I would like to acknowledge the board, whose members work very hard. There are some very dedicated individuals on that board who really care about getting the absolute maximum for the dollars that go into SARDI. Management is doing a terrific job making sure that whatever is done is relevant to primary industries in the State, and the staff is very dedicated. Staff members go above and beyond the call of duty to make sure that they obtain the funds needed to do the work.

Their work at SARDI is relevant to the future prosperity of primary industries in South Australia and, as shown by some of those figures, we are already seeing much of the benefit of the work being done out there. So, I have pleasure in presenting the estimates for the South Australian Research and Development Institute for examination.

Mr CLARKE: It is nice to hear that something created under the former Labor Government has been so successful, and I know that the Minister would want to pay tribute to the former Government, whose efforts led to the creation of SARDI, given his much deserved praise of that organisation. Referring to page 457 of the Program Estimates, we know from media reports that approximately 60 tonnes of farmed tuna was lost at Port Lincoln due to a series of factors, including unusual weather conditions, and that PISA (Fisheries) operates an experimental research farm using fish supplied by the Tuna Boat Owners Association and sells the fish after the research has been carried out. How many fish died on the research farm in the 12 months prior to the storm that did so much damage, and what did the fish die from?

Mr Lewis: I will have to take on notice the exact number because I do not have that with me. The mortality event killed about 50 per cent of our stock on the research farm. There were two types of stock held on that research farm: smaller fish that are our replicated experimental fish and some larger blue stock. A significant number of the large blue stock survived, but the largest fatalities were on our juvenile experimental stock. As to the actual numbers from the last 12 months compared to that event, I will have to take that on notice.

Mr CLARKE: Referring to page 237 of the Estimates of Receipts and Payments, I note that SARDI's total budget outlays for the next year are just over \$32.5 million. Will the Minister indicate to the Committee the relative position of spending on research and development in South Australia and in other States? It has been indicated to me that South Australia has the lowest *per capita* expenditure on R&D of all the States, which stands in stark contrast to the Audit Commission's view that expenditures should mirror the national average.

The Hon. R.G. Kerin: Obviously, I do not have those figures here. We will take that on notice.

Mr CLARKE: Referring to page 237 of Estimates and Receipts of Payments, given that the Treasurer has admitted that the State's debt problems are well in the past and that moneys are now available to spend on important Government services, why has the proposed budget for SARDI failed to keep pace with the CPI in the coming financial year, and does this indicate a lack of willingness on this Government's behalf to invest in research and development?

The Hon. R.G. Kerin: First, no, there is no reluctance; there is a good level of recognition within the Government of the importance of R&D, as shown by the fact that we continue strongly to support SARDI. As to the State's being in the good position the honourable member stated, we obviously came from a very low base. When we came to Government 2½ years ago things were extremely tough. They are still reasonably tight but, obviously, we have improved the financial situation of the State enormously over the past couple of years. As we improve that situation even more, I for one will be pushing very hard for a decent slice of any extra money available to go into research and development, both in agriculture and in other areas.

Mr CLARKE: Do I take it from the last part of your answer that you have not been pushing strongly in Cabinet

for your share as far as research and development for SARDI is concerned?

The Hon. R.G. Kerin: No, you certainly cannot read that from the line. In the past couple of months we have pushed very hard to maintain what SARDI has. I have come from a background of having been involved pretty closely with research and development and, as I said in my opening comments, the returns for the research dollar are enormous, and in agriculture it is absolutely vital that we keep pace with it. I have been fully aware of that and we have argued very strongly in Cabinet for funding for SARDI.

Mr CLARKE: As South Australia's premier research and development institute what relationship, if any, is there between SARDI and the MFP?

The Hon. R.G. Kerin: It is a limited relationship. The major areas of common interest are the wetland projects and the Bolivar-Virginia pipeline.

Mr CLARKE: Do you see any role for SARDI to have a bigger input concerning the MFP, in sharpening up the MFP's focus?

The Hon. R.G. Kerin: That probably depends on the direction in which the MFP wants to head over the next couple of years. SARDI is really a research provider. If the MFP were to seek greater input from SARDI, we would certainly look at it. I will ask Mr Lewis to comment on that.

Mr Lewis: We have had considerable discussions with officers of the MFP regarding providing the scientific underpinning of the wetlands project to look at opportunities to do research there because, if you are to market it as an international technology, you need the research data to support what you are saying with respect to the benefits that flow from it. Only yesterday I wrote to the newly appointed chief of the MFP, Mr Steele of New Zealand, inviting him to visit us as soon as he arrives in Adelaide.

Mr VENNING: I wish to comment on the Minister's opening statement and particularly the kind comments he made about SARDI. I too congratulate SARDI on making tremendous progress in recent days. We have certainly relied on our agricultural scientists in the past decade. I highlight the fact that Dr Albert Rovira was recognised in the queen's birthday honours as another person who did this sort of work. We on the land have certainly reaped huge benefits, and the State economy has been served by the work that has been done by our scientists.

My first question refers to the crop initiatives given on page 466 of the Program Estimates, under 'Crop research and development'. Two of the trends noted for the industry refer to the rapid growth in Asian economies leading to a greater demand for more wheat with certain quality characteristics, especially in the noodle market. What is SARDI doing to facilitate the South Australian wheat industry's ability to meet the demand?

The Hon. R.G. Kerin: Certainly, the dominant trend is an upward shift in the Asian consumption of wheat, supposedly measured at 16 million metric tonnes, which is equal to the total average production of the Australian wheat crop. There are substantial growth rates in all types of products, particularly in the area of noodles, instant noodles and steamed products. There has been an increase in demand of 7.6 million metric tonnes from 1993 to 2000 in the area of noodles. The wheat breeding programs, which are based at the Waite Precinct and Roseworthy, have included the necessary quality objectives in their programs and are producing new flexible wheat varieties with hard grain, free

milling, low ash, medium strength, high extensibility and high starch quality.

New varieties produced will be able to be used for the range of end products required by the markets. Existing varieties suitable for this market are Frame and Stiletto, and two new and unnamed varieties which have been specifically selected for the alkaline noodle market are near release. I do not think we can underestimate the opportunities that exist in that Asian market. We think we have an enormous wheat crop, but that is easily used in that area.

Mr VENNING: The Minister is well aware that before entering Parliament we had a common problem with snails—I as a farmer and the Minister in attempting to control them, because they are certainly a pest. They are particularly a problem on Yorke Peninsula, and that was becoming a great concern, because snails have the ability to foul up a very good sample of wheat. My question refers to page 466 of the Program Estimates. One of the achievements listed for 1995-96 is the importation from Europe of a parasitic fly for snail control. Why was it necessary to import this fly, and what is planned for the current financial year?

The Hon. R.G. Kerin: As the member for Custance says, the snail problem has increased in recent years. Many farmers and those who are involved see it out in the crops where they climb up onto the heads and make a hell of a mess in legume crops when reaping comes around. As Opposition members flash past, they might see them on the tops of the posts—those little white things that cover the posts. The white and conical snails are a major pest for the crop and horticultural industries and they cause a lot of problems in both production and harvesting; they are a major nuisance. They clog up and damage headers at harvest time and contaminate harvested grain. They thus pose a major threat to export markets.

I remember that in the mid 1980s an export market to Chile was lost because live white snails were found in a shipment of export barley that arrived at a South American port. It was quite difficult to get rid of that boatload of barley. Snails are also a problem to the dried fruits and wine industries, where they reside on the posts, are dislodged during the mechanical harvesting and then get into the sample.

Three species of parasitic fly are used to control white and conical snails, and they have been imported into quarantine for testing as part of a biological control program for white snails. These three species of fly are undergoing host specificity testing in a quarantine insectary, where a whole range of native Australian white snails has been exposed to these parasites to determine whether any of our native fauna are at risk. If at the conclusion of this testing at the end of this year they are found to be safe for release, they will be mass reared and released throughout southern Australia. I am sure that if that project is successful it will be an enormous relief to many cereal and legume growers as well as horticulture farmers throughout South Australia.

Mr VENNING: I thank the Minister for that answer, because the snail is certainly a pest that many of us underrate. I know what it can do to the wine industry, because only one or two snails in a bin of wine can have dramatic effects, particularly in the premium grape varieties. I refer again to page 466 of the Program Estimates. One of the specific initiatives listed for 1996-97 is to establish a diagnostic centre based at the Waite campus. What is this centre and what function will it serve?

The Hon. R.G. Kerin: As the honourable member knows, with the way farming has gone, farmers have become a lot

more technical and prescriptive about what they actually do. While diagnostic services were rarely heard of until a decade ago, the demand for them has lifted greatly. With that increasing demand for high quality diagnostic services to support cropping and horticultural industries, particularly those wishing to adopt quality management systems, there is a requirement for them to be timely and accurate. The establishment of the Waite Research Precinct has brought together in one centre soil scientists, entomologists, plant pathologists, weed scientists and seed services.

It is now possible to rationalise the management of these services and upgrade their quality, relevance and delivery to industry with what will be a one stop shop. Diagnostic tests will be charged to recover costs and will be marketed under the one name, and quality control will be handled at one point, in addition to monitored turn-around times and common invoicing and charging. That brings together a range of services that were previously offered separately. Funding has been provided by the GRDC and the South Australian Grain Industry Trust fund, and a business plan has been prepared.

This is an example of the way that SARDI has responded to an industry demand, and another is the testing of export hay for annual rye-grass toxicity. Within a two week period, the diagnostic centre has established procedures to handle large numbers of samples submitted by hay exporters, and the chief turn-around time is 24 hours in most instances. This will support industry in protecting an important export market. It is a terrific example of how relevant bodies such as SARDI and PISA have become. The fact that within a couple of weeks of a problem becoming evident we have in place a testing service with a turn-around time of 24 hours shows that what is going on at SARDI is extremely relevant. The people at SARDI are certainly not the mad scientists out on the hill that many people used to think they were. They are extremely relevant, and this diagnostic service is an example of just how relevant they are to agricultural practice.

Mr VENNING: As a supplementary question, is this diagnostic service to be delivered on a fee for service basis?

The Hon. R.G. Kerin: Yes.

Mr VENNING: It will be customer driven?

The Hon. R.G. Kerin: Yes.

Mr VENNING: If the customers do not use it, and it is not adequately advertised, it will fall away.

The Hon. R.G. Kerin: Customers will use it. In the main they are in services that are currently being used. It will pull everything together in such a way that it will enable better marketing and help cut costs through common invoicing and whatever. It is really a service for the practitioners.

Mr VENNING: Is there a promotional program which informs farmers that the service is available?

Dr Plowman: Yes, the diagnostic centre has been established as a framework. Individual services are being provided at present. They will be brought together once the business plan is completed, and we anticipate that will occur within the next one or two months. At that stage there will be a major promotional program for both the existing services and any new services.

One of the exciting things about what happens up on the hill where those crazy scientists abide is the large number of very innovative scientists from all organisations, including the CSIRO and the university. Those organisations do not have the same responsibilities as SARDI, that is, the delivery of applied research outcomes to farmers. One of the things we hope the diagnostic centre will do is take the outcomes of

the diagnostic research from the CSIRO and universities and deliver them to farmers.

Mr CLARKE: I refer to pages 470 and 471 of the Program Estimates. Earlier in the day some questions were put by both Government members and me with respect to the premature release of the rabbit calicivirus. I could be wrong, but I note from perusing the Program Estimates and other material that it appears that SARDI played no role in the initial planning for the testing of the virus and the testing itself. If that is so, I am intrigued that South Australia's peak research and development organisation played no part in this research, particularly given SARDI's experience and expertise across a whole range of disciplines. Will the Minister explain what role, if any, SARDI had in the planning or research associated with the rabbit calicivirus?

The Hon. R.G. Kerin: The answer to that is 'none'. As I explained before, the rabbit calici disease program was run federally, basically by the CSIRO along with another group of organisations, and it was really up to them to choose who did the work. In this case, much of the work that the Deputy Leader suggests could have been done using SARDI's expertise was done by the CSIRO.

Mr CLARKE: Was SARDI called upon at all to provide any advice or assistance once the rabbit was out of the hat, so to speak?

The Hon. R.G. Kerin: No, the national body did not choose to approach SARDI at any time.

Mr CLARKE: Would SARDI have been in a position to provide advice or assistance with respect to the release of the calicivirus?

The Hon. R.G. Kerin: There are probably no particular areas of skill that SARDI could provide that would not have been available to the CSIRO.

Membership:

Mr Lewis substituted for Mrs Rosenberg.

Mr CLARKE: Referring to page 238 of the Estimates of Receipts and Payments, I note that \$8.053 million of SARDI's \$14.5 million in recurrent receipts are sourced from Commonwealth and industry contributions to research. What component of this figure is supplied by the Commonwealth, and what economies will SARDI have to make if there is any reduction in this figure by the Commonwealth in its budget? What provisions have been made to cover any shortfalls in Commonwealth funding?

The Hon. R.G. Kerin: I will get Mark Williams to expand. My understanding is that the Commonwealth funding referred to there is matching funding.

Mr Williams: The reference to Commonwealth and industry funds largely relates to the funds which come from the major industry research bodies, which raise their finance via a levy or funds that come via the Commonwealth. There is probably no direct Commonwealth funding in that figure as such. Therefore, any impact as a result of the Commonwealth budget will have no direct relevance to the State unless there is some impact on the major industry research bodies.

Mr CLARKE: I just want to make sure I understand that. Because these organisations levy, charge or do whatever and then pay it into SARDI, any Commonwealth Government cuts in outlays will not affect it because these industry bodies will continue to charge and raise moneys from those who use them. Is that correct?

Dr Plowman: These are the sorts of funds that come from the rural industry's research and development corporations. They are generated by the industries levying themselves for research and development, and the Commonwealth Government matches them usually on a dollar for dollar basis. They are then contested by way of projects being submitted by research agencies such as SARDI and won in a competitive field.

The Commonwealth has previously looked at the matching arrangements through the recent Industries Commission review and at present has left them at that 1:1 matching ratio. If the Commonwealth elected to reduce it from 1:1 to 1:2 or 1:4, the total amount of money available nationally for research and development would decline.

The Hon. R.G. Kerin: For that to happen, it would not just be a budgetary decision. Legislation would be required for that to change, which gives us a certain amount of protection from the budget process mentioned.

Mr CLARKE: My next question was to be: what is the level of industry contribution to research, who pays and how much? However, I understand from the previous reply that there is a mixture of Commonwealth funding on a 1:1 basis with the industry levy for research and development. Can you split up the pool and say how much is put in via industry contributions?

Mr Lewis: In the case of agricultural commodities, it would be 50 per cent. In most cases in the fishing industry—through the Research Development Corporation—it is also 50 per cent. There is a slightly more complicated funding equation in that area.

Mr CLARKE: On page 238 of the Estimates of Receipts and Payments, under receipts from SARDI's share of fishing licence revenues, I note that there will be a considerable decrease in SARDI's allocation this coming year. Can the Minister explain why this decrease has occurred?

Mr Williams: At the time the budget papers were prepared, the estimate was based on no policy change level to the current licence fees. At that time, there was an expected decrease due to the reduction in the Gulf St Vincent prawn fishery licence area. If that situation flowed through into 1996-97, the overall level of fishing licence fees would be lower without any change in the price being charged and that situation is reflected in this document. Subsequently there has been a Cabinet submission on the 1996-97 licence fees.

Mr CLARKE: As a supplementary question, does the Cabinet submission mean an increase in fees and, if so, to what extent?

The Hon. R.G. Kerin: The SARDI component of licence fees is not on a licensing system so much as on a cost recovery basis.

Mr Lewis: The Gulf St Vincent Integrated Management Committee into Prawn Fishery has identified the research requirements for the fishery; it would cost approximately \$95 000 and that has been incorporated in the overall licence fee Cabinet submission. I believe that will be the final decision.

Mr CLARKE: I note from page 472 of the Program Estimates that the Pig and Poultry Production Institute at the Roseworthy campus is nearing completion. When is it likely to be fully operational, what is its role and how many staff are involved?

Dr Plowman: The Pig and Poultry Production Institute at Roseworthy has been completed. It has three major components: a pig and a poultry production facility, a nutrition laboratory and a feed mill. These are all completed

and fully operational, and operating very well. I do not know the exact staff numbers associated with that facility, but I can provide those figures on notice. It is planned to formally open the facility in October.

Mr CLARKE: I refer to page 474 of the Program Estimates, the Spencer Gulf prawn fishery. I am aware of the practice of survey prawn fishing in the waters of Spencer Gulf as part of ongoing research into that fishery. I am advised that the prawns that would normally bring \$12 to \$13 per kilo are allegedly purchased for \$6 per kilo for research and are then sold off. How many kilos of prawns were caught last year; how much was received for their sale; where was the income spent; and what happens to the prawns that are not sold?

The Hon. R.G. Kerin: We will take that question on notice.

Mr CLARKE: In relation to page 474 of the Program Estimates, what research has SARDI undertaken into the deaths of tuna at tuna farms at Port Lincoln earlier this year and what were the results of the research?

Mr Lewis: SARDI, in association with PISA and the industry, has undertaken extensive research in response to the tuna mortalities. The research involved both meteorological and tidal observations; physical and chemical water quality data; microalgae abundance; pathology (diseases and viruses); farm management; and sedimentary and bottom types.

Initially, in response to the major death event, we instigated an extensive monitoring and surveillance program which has been ongoing until this week when it was scaled down following advice from the industry and because of our own observations that things have returned to normal. We are currently writing an extensive report on the event incorporating all the data; we are still awaiting results from a number of laboratories, including the State Water Laboratories, Vetlab and the National Australian Health Laboratory in Geelong. As soon as the data are available, a full report will be provided to the Minister.

Mr CLARKE: In relation to page 474 of the Program Estimates, recreational net fishing: I note that one of the programs undertaken in 1995-96 was to initiate a three year study to establish the true status of King George whiting stocks in South Australia. One of the major reasons given for the ban on recreational net fishing in marine waters was that it targeted King George whiting. Therefore, on what scientific basis did the Government ban the practice of recreational net fishing in marine waters given that the scientific data about King George whiting had not been collected and collated, and conclusions drawn?

The Hon. R.G. Kerin: To say that the major reason for the ban on recreational netting was anything to do with King George whiting is drawing a long bow. It was recognised that there was some impact, but other species were identified as being targeted by recreational netting. To tie that to any suggestion that such a ban should have waited for the three year study to be completed would not make sense. The reason for the ban was mainly precautionary and to give all recreational fishers equitable treatment. The ban is not relevant to this study, which concerns the health of King George whiting stocks in South Australia.

Mr ANDREW: I refer the Minister to the significance of the wine industry in this State, its current exponential growth and the potential for its continuing growth. In relation to page 467 of the Program Estimates and the program description for horticultural research and development, what is

SARDI doing specifically to assist the wine industry to expand export markets for Australian wines, particularly those from South Australia?

The Hon. R.G. Kerin: I appreciate the honourable member's interest in wine and the export of wine. The wine industry has been provided with new varieties on which to base the expanding export industry. The evaluation of varieties has been undertaken over the past 20 to 25 years and the industry has delivered improved varieties to producers. A key objective of the wine industry is to ensure high quality wine for domestic and export consumption. SARDI is contributing to this initiative through research being undertaken by Dr Trevor Wickes on non-chemical methods for control of fungal diseases, in particular downy and powdery mildew of grapes. The honourable member knows the damage caused by those fungal diseases within a short time.

The innovative use of oil sprays will enhance Australia's reputation as a producer of clean and green produce and contribute to our competitive advantage. Certainly, the work of Dr Wickes will lead to a major advantage in certain markets for our export wine.

Mr ANDREW: I refer to page 467 of the Program Estimates and the program description 'Horticultural research and development', this time with respect to the nursery industry, particularly the floriculture industry. What is SARDI doing to assist the development of the nursery industry in South Australia to further capitalise on the current market potential in this country and for the export market? Perhaps the Minister can also allude to some of the cost benefits that are accruing from the input from SARDI?

The Hon. R.G. Kerin: The nursery industry is one where there is enormous opportunity overseas. The South Australian nursery industry has an objective of expanding domestic and export sales by 10 per cent per year through improved quality of produce, through the introduction of a quality assurance scheme and through the development of new products. SARDI is assisting industry with the introduction of a quality assurance scheme which aims to ensure that produce is of a consistent quality and free of diseases, and that is important for export.

The project is closely integrated with the new diagnostic service, which will test the standard of potting mixes, monitor nursery hygiene and assess the quality of plant products. An example of the development of the new product is the research SARDI is undertaking into *Ixodia*, or Hills Daisy. *Ixodia* is a South Australian native with attractive white flowers with potential as a potting plant, flesh flower production and a dried flower. On one of my visits to SARDI, I was lucky enough to view *Ixodia* in full bloom. It is certainly an attractive plant and the demand for our native plants overseas will go ahead in leaps and bounds over the next decade.

Mr ANDREW: My next question concerns the pig industry. There was an announcement in my electorate of Chaffey, particularly the Loxton council area, that a significant, multimillion dollar expansion has recently been approved for the pig industry, so I refer to page 466 of the Program Estimates relating to the program description 'Livestock research and development'. I acknowledge the relocation of the pig and poultry research facilities to the Roseworthy campus and the substantial investment that has been made there. How has this helped research and development into the pig and poultry industries?

The Hon. R.G. Kerin: This has been a terrific initiative by all those involved, not only from within Government but

also the industry people who have also been involved in steering this project and making sure that it came to fruition in a way that is responsive to their needs. The Pig and Poultry Production Institute joint venture and the associated investment has significantly represented R&D in these industries.

With the new facilities at Roseworthy, SARDI has the leading R&D group in Australia with a high international profile. The achievements of the group include the establishment of a world-class nutrition laboratory, including the use of new infra-red technology for the evaluation of feedstuffs for pigs, poultry and tuna; carriage of project management on behalf of the Pig Research and Development Corporation for meat hygiene, air quality and pig nutrition programs; a centre of excellence that has attracted considerable collaborative research and involvement by Australian and international commercial partners such as Flinders Medical Centre, Inghams, Steggs, Nutria, Finnfeeds, Rhone Poulenc and Novo Nordisk; establishment of the leading educational extension facility for the Australian pig and poultry industries; development of business and R&D plans to ensure the viability of the institute in the long term; establishment of industry best practice commercial and research pig and poultry facilities; and development of an innovative, practical research ethic that will allow the institute to respond rapidly to the ever-changing needs of the Australian pig and poultry industries, ensuring their viability into the twenty-first century.

The pig and poultry industries have often felt ignored in the past and that the big ticket industries received all the help, but here is living proof that these industries are receiving good recognition. We have recognised that they have a big future and I look forward to the benefits flowing through to the pig and poultry industries from the terrific initiative at the Roseworthy campus. Technical support for the Mallee proposal has come out of that facility.

Mr LEWIS: My question relates to the Program Estimates (page 457), wherein the management of aquaculture is under consideration. During 1996-97, as the Minister will know, one of the initiatives is to present an implementation plan for the aquaculture strategic plan. With what sense of urgency are we now pursuing that program and can the Minister provide any details about it?

The Hon. R.G. Kerin: This is relevant to the SARDI program. A number of major studies and initiatives have been undertaken over the past 12 months, and I will just run through a couple of them because they are very important. With respect to the advancement of abalone farming, nutritional studies and on-farm trials have further refined the manufactured diet which has been developed and which forms the basis of diets used on many southern Australian commercial abalone farms.

Research continues to reduce the cost of the diet, enhance abalone production and reduce production costs. Ongoing Federal funding has recently been obtained as a result of complementary reviews by two international review committees, and some members of the Committee would be aware of some of the work that is going on north of Port Lincoln, which is excellent.

As to the advancement of southern blue fin tuna farming, a number of collaborative environmental health and feed development projects are nearing completion, with Federal funding having recently been received for others. All projects are leading to a better understanding of tuna and the environment in which they are farmed, such knowledge forming the basis for an expanding and sustainable industry. Since May,

considerable effort has gone into identifying and addressing the causes of the recent substantial tuna mortalities. While relevant data is still being collated, it appears probable that the scenario that resulted in their deaths was storm induced, the suspended sediments impacting on their gills and causing significant mucous production, which lead to asphyxiation.

To date, veterinary results indicate that disease was not a factor. A collaborative team with Flinders University has been the first group in Australia to develop tetraploid Pacific oysters. The new technique is different from other techniques recently developed overseas and aims to produce tetraploid oysters that can be used to develop 100 per cent triploid Pacific oysters that have a longer marketing time in comparison with diploids.

With regard to the development of snapper farming in northern Spencer Gulf, research has developed techniques to predictably spawn snapper broodstock all year round under carefully controlled environmental conditions at the South Australian Aquatic Sciences facility at West Beach. Methods have been refined for the rearing of the resulting fertilised eggs, larvae, live larval feeds and fry, with large numbers being provided to commercial project participants at Port Augusta and Whyalla.

Technical support has also been provided in regard to the establishment of two commercial hatcheries and in training personnel in nursery and inshore growout techniques. Research has also quantified the salinity tolerance of snapper, with indications that increased mortality levels can occur close to the salinity maxima found at the very head of northern Spencer Gulf, as well as undertaking a baseline environmental survey of Fitzgerald Bay where offshore sea cage growth is likely to occur. Funding for this research project is nearing completion. However, applications have been made from the private investors to the Regional Economic Development Organisation and the Rural Industry Adjustment and Development Fund to commercialise snapper farming and continue the necessary complementary research.

The one year research project to assess the environmental implications of mussel culture and identifying sites for successful spat collection in South Australian waters is nearing completion. The client recently renewed the contract for further research on spat settlement and factors influencing mussel growth and conditioning. This project has assisted in the development of South Australia's first open water longline culture system and will provide an example of the techniques for other developers.

I now turn to regional aquaculture management plans and aquaculture development applications. SARDI Aquatic Sciences has provided background documents on the biogeography of each region as a consultancy to the Primary Industries South Australia Aquaculture Unit, as well as providing technical advice associated with specific aquaculture development applications at the request of Housing and Urban Development, PISA and the Department for Environment and Natural Resources.

The SARDI aquaculture program has continued to provide training in aspects of applied aquaculture through a secondary and tertiary education work experience program, by co-supervising postgraduate students interested in applied industry-oriented research and by lecturing on a consultancy basis at a number of South Australian universities and TAFEs.

Concerning the initiation of new aquaculture development in South Australia, proposals are well advanced to play a leading role in research associated with longer term live

holding of rock lobster (by the Rock Lobster Growers Association), the culture of blue swimmer crabs (a private investor) and scallop farming (in conjunction with Shandong, China).

One thing which comes out of this and which would be of interest to the members for Ridley and Chaffey is that a lot of the work done on aquaculture has an enormous spin-off as far as regional development goes. To some extent it is one thing that is overlooked, but aquaculture is seen as a bit of a buzz industry. The very important thing about aquaculture is that it is providing jobs in the regions. On Eyre Peninsula, for instance, it is very difficult to set up any other industry that employs more than a couple of people, and over the past few years we have seen an enormous aquaculture industry start up over there. It has given a new employment base to places such as Ceduna, Smoky Bay, Streaky Bay, Coffin Bay and Cowell; it has been a terrific regional development bonus. That is one of the reasons why we need to encourage aquaculture—to supply jobs to some areas of the State where jobs are very difficult to create.

Mr LEWIS: Following right along from the notion of the benefits to which the Minister has drawn attention and which are not quantifiable in dollar terms as to the social consequences of encouraging the development of aquaculture, can the Minister say how aquaculture, both off-shore and on-shore, might become significant to South Australia in the near future, that is, within the next five to 10 years?

The Hon. R.G. Kerin: The five year time span may be about the launching period of where we really see some expansion with inland aquaculture. The opportunities are there. One of the big advantages with our inshore waters is their pristine condition and the fact that environmentally we have a market advantage over many of our competitors. That also applies with inland aquaculture. Some of the inland aquaculture I have seen elsewhere could certainly not match, for environmental cleanliness, what we can do here.

We have a long way to go with the development of our inland aquaculture, but it has enormous potential, and, with the benefits I spoke of before as far as regional development goes, inland aquaculture equally has a real potential to create jobs in some of the areas where we have had enormous trouble attracting industry and/or supplying jobs, and it has a real role in arresting the rural drift to the cities and putting back jobs where they are needed.

I see enormous potential in this not only as regards exports but also as a way of addressing some of the problems that we have had—farmers needing more viable land, machines getting bigger, families getting smaller and the inevitable drift away from country areas. Inland aquaculture is one possibility to address a lot of that drift and get some jobs back in those country areas.

Mr Lewis: I wish to highlight the potential for aquaculture, both in the national and international marketplace. When we look locally, there are a number of areas of potential opportunity. Obviously, when you have an emerging aquaculture industry you have production which provides reasonable employment and other activities to which the Minister has already alluded. An aquaculture industry will develop a whole range of other complementary and supplementary industries. One of these will be seed stock, which will provide hatcheries with juvenile stock; another is feed stock, which will provide food (and the Minister has already mentioned the work we are doing in developing artificial and highly formulated feeds to suit fish). As the aquaculture industry develops there will be an emerging industry of

providing pumps and other specialist equipment, and we have already seen that in Port Lincoln with the tuna cages which have been specially developed. Processing and marketing will be expanding industry areas associated with that, and there will be a need for enhanced veterinary and diagnostic services similar to the diagnostic services we spoke about in other industry commodity areas today.

Transport is another area. Obviously, one area dear to our heart is research and development: it is an industry underpinning this industry. Of course, related to that is training, involving both vocational and higher education, for all levels of the industry. In summary, we need to ensure that there is adequate planning—and the Minister has already mentioned the management plans that have been put in regional areas across this State—and that we are able to supply and underpin the development of complementary industries, and again I highlight the role of R&D in that area.

Mr LEWIS: Given the kinds of benefits that we have seen identified for aquaculture as a result of the research being conducted, would the Minister, or any of his advisers at the table, give us some indication of the benefits to the community, and particularly the South Australian economy, coming from the outlays made on the kind of research that we undertake—supported both by funds from industry and from the public purse—so that we can see, in some realistic terms perhaps, the comparisons between spending money in this quarter and spending in other sectors within the so-called non-commercial areas of the Public Service at large? It seems to me that very often we overlook the benefits that can come from fairly minimal cost outlays and, in some way, it might be a good idea for all of us to take a step back and to look at where we can get greatest benefit from the outlay of our public dollar.

The Hon. R.G. Kerin: The important figure is the return figure, on average, that we would be looking at on research. It is realistic to refer to a return of somewhere between \$50 and \$100 for \$1 spent. Obviously, that does not come back in year one or year two, but it is net current value. It is one area that, perhaps over the years, has not received as much attention as it should. In relation to these long-term returns from research and development, some people cynically would say that sometimes it does not fit with the political timetable or agenda. Certainly, the returns are there. There is still room for many more dollars to go into research with these returns. We are certainly a long way from the break-even point. There is room for an enormous amount of money to be invested in research on an ongoing basis when it continues to return to the community somewhere between \$50 to \$100.

I know that the member for Ridley and I certainly would agree that that is one area of which the community is not particularly aware. It is something we need to sell to the community much better than we have done in the past. It is important for the community to realise that for that investment they get that type of return, so that there is a lot more political and community willingness to put money into research and development.

Mr CLARKE: Has EDS taken over responsibility for IT functions at SARDI?

Mr Stacey: All information technology services have been derived through a joint network operated by PISA and SARDI, and the majority of the services behind that came from Southern Systems (so they were delivered direct from Southern Systems). Predominantly, the aspects delivered by Southern Systems have been taken over by EDS, whereas very few of the remaining software programs have been taken

over: they are a user end production. EDS has taken over the services previously delivered by Southern Systems through the joint network and the only staff involved, including those from a SARDI point of view, was approximately .5 FTE.

Mr CLARKE: Therefore, there would be no need for a service agreement between SARDI and EDS?

Mr Stacey: There will be a service level agreement to provide the services previously delivered by Southern Systems through our joint network. That agreement will replace the agreements or arrangements we had with Southern Systems, and that is being negotiated.

Mr CLARKE: Therefore, the details are not known yet?

Mr Stacey: Not at this stage.

Mr CLARKE: Was there any transfer of equipment to EDS ownership from SARDI?

Mr Stacey: There was some PISA and SARDI joint equipment, although the individual items were in most cases owned by each group. Those items that deliver that part of the network services were transferred to EDS, and the return for those items will be repaid back into consolidated revenue as has happened with other non-commercial agencies.

Mr CLARKE: Do you know how much EDS paid for the equipment?

Mr Stacey: I am not aware of the dollar terms at this stage: they will be in accordance with the market value and negotiated premium arrangements in the contract, and the items of equipment are presently being valued by independent valuers.

Mr CLARKE: Is SARDI paying EDS a service fee; if so, how is that calculated, and how often are the payments made?

Mr Stacey: SARDI is not paying EDS a service fee. We will enter into a service level agreement and pay fees in a

manner similar to the way in which we purchased services from Southern Systems.

Mr CLARKE: What annual savings, if any, are to be made by SARDI as a result of these new arrangements?

Mr Stacey: The savings in relation to the existing level of services are yet to be calculated on the basis of the negotiated agreement for the services to be provided.

Mr CLARKE: So, in relation to the transfer of information technology to EDS through Southern Systems in so far as SARDI is concerned, the Minister does not know whether there is a plus or a minus yet?

Mr Stacey: The agreement by the Cabinet subcommittee is that, if there is any impact in that transition, there will be supplementary funding or budget adjustment back to the joint SARDI-PISA network, and there will be no impact on the existing level of services if there is any cost impact at all in that area.

Mr CLARKE: Therefore, how any upgrading of technology is to be managed and financed is still subject to negotiation?

Mr Stacey: My understanding is that under the whole of Government contract with EDS the assets are transferred to EDS. We will pay a service contract for services but, if we have an increased demand for services that requires updating of equipment, that would be put into the EDS infrastructure and we would pay by adjustment of fee on our service contract.

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

ADJOURNMENT

At 5.40 p.m. the Committee adjourned until Friday 21 June at 9.30 a.m.