

HOUSE OF ASSEMBLY

Tuesday 24 June 1997

ESTIMATES COMMITTEE A

Chairman:

Mr M.K. Brindal

Members:

Mr K.A. Andrew
 The Hon. Frank Blevins
 Mr K.O. Foley
 Ms A.K. Hurley
 Mr I.P. Lewis
 Mr I.H. Venning

The Committee met at 11 a.m.

South Australian Research and Development Institute,
 \$8 533 000

Witness:

The Hon. R.G. Kerin, Minister for Primary Industries and
 Minister Assisting for Regional Development and Small
 Business.

Departmental Advisers:

Dr D.J. Plowman, Director, Research and Development.
 Mr R.K. Lewis, Chief Executive Officer.
 Mr M.G. Williams, Manager, Finance.
 Mr J. Jefferson, Executive Officer.
 Mr K. Stacey, Director, Corporate Services.

The CHAIRMAN: As all members would be aware, the Committee hearings are relatively informal and there is no need for members to rise when they ask or answer questions. The Committee will determine the approximate time for consideration of proposed payments, to facilitate the change-over of departmental advisers. Changes to the composition of the Committee will be notified as they occur. Members should ensure that they have provided the Chair with a completed request to be discharged form. If the Minister undertakes to supply information at a later date, it must be in a form suitable for insertion in *Hansard* and two copies submitted no later than Friday 11 July to the Clerk of the House of Assembly.

I propose to allow the Minister and the lead speaker for the Opposition time to make opening statements, if desired, of about 10 minutes but no longer than 15 minutes. There will be a flexible approach in relation to giving the call for the asking of questions, based on three questions per member, alternating sides. Members will also be allowed to ask a brief supplementary question to conclude a line of questioning, but I stress that supplementary questions will be the exception rather than the rule; indeed, if the Minister answers the question fully there should be no need for a supplementary question.

Subject to the convenience of the Committee, members outside the Committee who desire to ask questions on a line of questioning currently being undertaken by the Committee

will be permitted to do so once the line of questioning on an item has been exhausted by other members of the Committee. An indication to the Chair in advance from the member outside the Committee wishing to ask a question is necessary.

Questions must be based on lines of expenditure as revealed in the Estimates of Receipts and Payments, Printed Paper No. 2. Reference may also be made to other budget documentation, including Program Estimates and Information, Capital Works Program, and Financial Statement. Members must identify the page number of the financial paper to which their question relates. Questions not asked at the end of the day may be placed on the next sitting day's House of Assembly Notice Paper.

I remind the Minister that there is no formal facility for the tabling of documents before the Committee. However, documents can be supplied to the Chair for distribution to the Committee. The incorporation of material in *Hansard* is permitted on the same basis as applies in the House of Assembly, that is, that it is purely statistical and limited to one page in length. All questions are to be directed to the Minister through the Chair, not to the Minister's advisers. The Minister may refer questions to his advisers for a response if he so desires. I also advise that for the purposes of the Committee some freedom will be allowed for television coverage by allowing a short period of filming from the northern gallery of the Chamber. I declare the proposed payment open for examination. Does the Minister wish to make an opening statement?

The Hon. R.G. Kerin: Yes, Mr Chairman. I am pleased to present the 1997 Estimates for the South Australian Research and Development Institute (SARDI). Throughout last year SARDI continued to provide valuable research support to South Australia's primary industries. A feature of this activity is the collaboration with other research agencies such as the universities, CSIRO and the six cooperative research centres. Together we provide a significant presence in South Australia for our agricultural and aquaculture industries and a collaboration which is built upon the Government's investment in recent years.

I want to highlight some of the achievements which are reaping rewards for our primary producers. These include:

- upgrading of the Waite Research precinct, the most comprehensive agricultural research and teaching precinct in the southern hemisphere;
- creating the Pig and Poultry Production Institute (PPPI) on the Roseworthy campus, a major catalyst for the university creating a new Chair (Professorship) in animal nutrition to complement SARDI's activities;
- upgrading of the Minnipa Research Centre facilities, research personnel and programs for the assistance of the Grains Research and Development Council (GRDC) and the University of Adelaide;
- and support for the development and collocation of SARDI aquatic sciences staff to the Lincoln Marine Science Centre at Port Lincoln to complement the activities of Flinders University and TAFE.

Importantly, SARDI continues to be a major contributor to regional research in South Australia which also means valuable jobs for our country towns. A regional breakdown shows that in rural South Australia SARDI employs 12 staff in the Eyre Peninsula region, expending \$900 000 on its programs in 1996-97; 12 staff in the South-East of South Australia, expending \$700 000; 51 staff in the northern agricultural region, expending \$3.2 million, including

Turrefield and Roseworthy; and nine staff in the Riverland, expending \$600 000.

SARDI was established to better focus and manage the State's primary industries' research activities. A key performance indicator for SARDI addressing this task is its success in attracting external funds to supplement the State Government investment. Again this year SARDI has excelled in this area. Since its creation in 1993 external funding levels managed by SARDI have been: 1992-93, \$7.13 million; 1993-94, \$8.55 million; 1994-95, \$9.63 million; 1995-96, \$11.43 million; and, in 1996-97, \$11.88 million. Projected figures for 1997-98 are not yet finalised but preliminary estimates are again favourable with major successes in new grant funding from a number of the major funding organisations including the GRDC, the South Australian Grains Industry Trust Fund and the Fisheries Research and Development Corporation. This is to the credit of the professional and dedicated staff of SARDI—their commitment has attracted more funds to help South Australia's primary producers.

There have been many individual research successes derived from SARDI's programs. Significant or noteworthy successes include:

- the successful application to the Commonwealth Government's Cooperative Research Centre office to establish a new CRC for molecular plant breeding on a joint venture with the University of Adelaide, Southern Cross University, Ag-Victoria and the Centre for International Maize and Wheat Improvement in Mexico;
- the identification, development of diagnostic testing and implementation of an industry quality assurance program for the disease annual ryegrass toxicity in the southern Australian oat and hay export industry;
- the creation of the South Australian Diagnostic Centre as a joint venture with PISA Seed Services to provide an integrated diagnostic service in cereal and horticulture diseases and pests derived from SARDI developed research outcomes;
- the successful transfer of South Australia's research technologies, approach and services to the United Arab Emirates through a joint SAGRIC International, PISA and SARDI project to develop, design, program, structure and service specifications for a Biosaline Research Centre in Dubai;
- the creation of the Field Crop Improvement Centre as a joint venture with the University of Adelaide to integrate the two organisations' breeding, pathology, entomology, quality, biotechnology, evaluation, seed increase and commercialisation programs;
- the creation of the Centre for Horticulture Crop Improvement as a joint venture with the University of Adelaide and horticultural industry to integrate the organisations' breeding, biotechnology, pathology and evaluation programs;
- and with SARDI being awarded the national leadership of the Fisheries Research and Development Corporation subprogram on aquaculture.

The benefits of SARDI's research are reflected in the returns, research outcomes and technologies provided to industry. To assess this, SARDI commissions independent benefit cost analyses or BCAs of its programs. The analyses have returned impressive cost ratios of the order of 10:1 up to 103:1. Specific examples of the very real benefits transferred to industry from SARDI's programs highlighted by these analyses follow. In the oat breeding program, the BCA gave a return of 69:1. Oats are of increasing importance as the

feed lotting industries expand, the intensive animal industries become more important and great importance is placed on milling quality. There is 130 000 hectares grown in South Australia.

As to disease resistance in peas and beans, fungal diseases are a major limitation to the expansion of pulse crops in cereal rotations. 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. 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, Sceptre and Eureka.

The BCA of the long-term trial to assess clones of valencia with an improved quality and yield has given a result of 29:1. The South Australian abalone fishery 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, with a BCA of 15:1. The benefits arising from the South Australian potato variety improvement program for the period 1982-95 gave a net present value of \$8.6 million, with a BCA of 5.4:1.

I must comment on the management of the State's fisheries, with the creation of the industry-based integrated Fisheries Management Committees. South Australia has been in the forefront of fisheries consultation and management. All the major commercial and recreational fisheries, as well as the aquaculture industry, have established FMCs. It is most pleasing to be able to report that the FMCs are effectively addressing their responsibilities. This coupled with the formalisation of the South Australian Research Advisory Board (SAFRAB), which is part of a national network of FRABs, underpins the Government's ongoing commitments to addressing its fisheries management objectives as outlined in section 20 of the Fisheries Act 1982, ensuring industry consultation in the management process, as well as providing accountability for the costs associated with the State's fisheries compliance, research and management.

The Government's policy in respect of the commercial fisheries is that licence holders contribute 100 per cent of the cost attributable to the direct management of their fisheries. This reflects the understanding that those who are the direct beneficiaries of the management contribute towards that management. The process of determining costs of research, management and compliance programs for 1997-98 involved PISA and SARDI addressing these issues, with each FMC and with industry representatives on numerous occasions over five months. Comprehensive costings were prepared and made available for scrutiny during these discussions.

I express disappointment that some elements of the industry have deliberately attempted to disrupt the process. This resulted in undue stress and conflict throughout the process, but did little to achieve agreed outcomes. However, I am pleased that the Government has now completed the 1997-98 fisheries licence setting fee process and Cabinet has endorsed the outcomes. Whilst I remain committed to cost recovery, it is vital that the process not be hijacked or politicised and that negotiations be less aggressive. It is hoped that future negotiations can be held in a more professional manner which will reflect the importance of the fishing industry and the management of the State's valuable fisheries resource. I will work towards this goal and ask industry to do

likewise. In conclusion, to those industry funding organisations who invest in SARDI as their researcher I say thank you. I am sure that every endeavour has been made to ensure maximum value for your investment. To all at SARDI, I say thank you for your dedication, professionalism and commitment to primary industry research in South Australia.

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

Mr FOLEY: I do not wish to make an opening statement, given that the Minister has made a lengthy and long-winded statement praising the role of his Government in this area, but I will preface my questions with the following remarks. The Minister has given a glowing endorsement and has praised the role of SARDI. I would like to acknowledge that the creation of SARDI was a Labor Government initiative—indeed, it was one of former Premier Lynn Arnold. This Government is quick to criticise anything the former Labor Government has done. It is nice to hear a Minister praise an initiative of the Labor Government.

An honourable member interjecting:

Mr FOLEY: It's just nice to have a bit of balance. At least the Minister can be fair and praising in some of his reflections on the former Government.

Mr Lewis interjecting:

Mr FOLEY: I couldn't answer that, because I just don't recall. I refer to page 462 of the Program Estimates. I note that one of the trends in this area is a move towards full cost recovery from commercial fisheries, and this will increase the involvement of industry in the content evaluation of research programs. I understand that the Government plans to make industry compensate 95 per cent of all research costs delivered by SARDI. What are the increases to industry for research costs, and is there a plan for industry to compensate 95 per cent of all research costs delivered by SARDI?

The Hon. R.G. Kerin: I will have the Chief Executive answer that question in some detail. However, one thing needs to be understood from the outset: it will vary from fishery to fishery, depending on what is seen as the community service obligation regarding the work done.

Mr Lewis: The Government's policy is to recover 100 per cent of attributable costs on a fishery by fishery basis. The two organisations—both SARDI and Primary Industries South Australia—negotiate through the fisheries research advisory boards (FRABs) on the need for fisheries research, compliance and management. Discussions on the attributable costs also take into consideration the community service obligation or public good research, compliance and management.

As a consequence, depending on the various sectors' share of the harvest from each fishery, the attributable costs proportions can vary. In the case of the prawn fishery, where there is no appreciable recreational fishery, 100 per cent is attributable to the commercial sector. In the case of the rock lobster industry, this year 95 per cent (which is the figure the honourable member was talking about) was attributed to the commercial sector and 5 per cent to the recreational sector. In the case of the abalone fishery, the figures are 95 per cent commercial, 5 per cent recreational and zero community service obligations. In the inland waters fishery they are 40 per cent commercial, 40 per cent recreational and 20 per cent community service obligations. In the case of the marine scale fishery, the benthic species, it is 50 per cent commercial and 50 per cent recreational.

As I mentioned earlier, the rock lobster fishery is 95 per cent and 5 per cent; I have already spoken about the prawn

fishery; and the blue crab and pilchard fisheries are 100 per cent commercial. That gives the breakdown of how the attributable costs are determined. They are worked out on the percentage or relativity of the take between the two sectors and, once we determine it, 100 per cent of the attributable costs is allocated to the commercial sector.

Mr FOLEY: I refer to page 462 of the Program Estimates and the budget line mentioned in the previous question. I note that in the past few months the South-East rock lobster fishers have expressed concerns about a possible increase of 20 per cent in their licence fees. I also note that figures were received indicating that the increase in fees will mean an increase of \$430 000, bringing the total from \$1.9 million to \$2.23 million. I know that in Western Australia research finance of about \$600 000 per year is spent on a 10 000 tonne industry. New Zealand has a total similar to South Australia's, with a research bill of \$600 000 on an industry of 2 500 tonnes. Will the Minister confirm whether the rock lobster fishers in the South-East have suffered an increase in their fishing licence fees and, if so, by what amount?

The Hon. R.G. Kerin: I will ask Mr Lewis to handle the specifics of your question. You are correct: over the past five or six weeks some opinion has been expressed about the licence fee for the South-East rock lobster fishery. Much has been said about the increase between 1992-93 and the present day. Many changes have occurred in that time, including the move to full cost recovery, the introduction of fisheries management committees (FMCs) and an agreed research program.

I think the main angst being felt in the South-East involves the cost of the research program. Certainly, before the licence fees were gazetted I entered into negotiations with the South Australian Fishing Industry Council about concerns the fishers had put to me. I went back and certain changes were made, but some argument remains over the size of the research project for last year. An agreement has been reached over last year's costs whereby this year's licence fees will be put into a trust fund until last year's research program is fully audited, to ensure that the fishers have been getting value for money. We are working through that but, concerning the more specific part of the honourable member's question about actual increases, I will ask Mr Rob Lewis to respond.

Mr Lewis: The Minister has hit on the major element of this area of discussion within the industry, that is, the apparent, in absolute terms, change in value from 1992 to the present time. It is acknowledged that over that time a significant increase has occurred in revenues from the industry. The reason for that increase must be identified in detail and it must be recognised that it is not a simple task of comparing the 1992 figure with a current figure because, as the Minister indicated, many significant changes have taken place in the fishery. In earlier days the policy was to move towards cost recovery, and at that point we were recovering only about 10 per cent, but a few years later the policy was changed to move immediately towards 100 per cent cost recovery, which change involved an increase in receipts.

As the Minister indicated, significant changes have occurred in management arrangements, including the establishment and funding of fisheries management committees. Negotiated research has also occurred which in some cases has not been finally agreed to by some sectors of the industry. The honourable member made particular reference to rock lobster but, in general, we carried out reviews of the research needs of the abalone, prawn and rock lobster fisheries. Independent experts were consulted and they made

recommendations as to the required research needs and, as a result, research was identified and negotiated. Those reviews have resulted in some increase in receipts in those areas.

Mr FOLEY: I refer to page 462 of the Program Estimates and the cuttlefish industry in the Upper Spencer Gulf. I understand that SARDI researchers have made recent announcements of a rapidly developing cuttlefish industry in the Upper Spencer Gulf. I am advised that, since markets have been found for cuttlefish overseas, the catch has increased from a few hundred kilos about three years ago to an expected catch of 60 tonnes plus. What research has been undertaken to determine catch numbers, and what effort has been taken to ensure the sustainability of stocks in this obviously limited area?

The Hon. R.G. Kerin: I will ask the Chief Executive to respond.

Mr Lewis: As the honourable member has indicated, in recent times a very significant increase in effort has occurred in relation to the cuttlefish industry in South Australia. This increased effort is probably a result of opportunistic good spawning in some earlier period. No specific detailed research program on cuttlefish is available, because it is a species that is fished opportunistically. However, data is collected on all fish species captured in South Australia through the catch and effort returns. It is a requirement of every commercial operator to undertake to provide, on a monthly basis, full details of their catch, namely, where it was caught and what effort was used in catching it.

In addition, we have carried out and reported on a number of general recreational surveys around South Australia which addresses the catches of all species by recreational sectors, including cuttlefish. This data forms part of our annual stock assessments which include the accepted and appropriate assessments of growth, mortality and yield estimates of all species and which forms part of the management advice. That is the sum of our current cuttlefish research.

Mr VENNING: I note that the question asked by the member for Hart was asked in this place about four or five years ago by the member for Goyder. At that time we were in Opposition and the then Government laughed at the question. I refer to page 458 of the Program Estimates and to crop research and development. I note that one of the significant achievements reported for 1996-97 was the success in gaining a substantial increase of external funding for a new CRC (Cooperative Research Centre) in molecular plant breeding at the Waite campus. Will the Minister expand on exactly what this CRC will do and why it is noted as such an achievement?

The Hon. R.G. Kerin: As I mentioned in my opening comments, in December last year the Commonwealth announced the establishment of the CRC for molecular plant breeding at the Waite campus. The centre will develop tests and implement effective strategies for cereal and pasture grass breeding programs using the new technologies of molecular biology. The techniques of genetic engineering and molecular markers provide the most sophisticated tools currently available for genetic analysis and manipulation of crop plants. Core joint venture agencies participating in the centre include the University of Adelaide, Agriculture Victoria, SARDI, the Southern Cross University and the International Maize and Wheat Improvement Centre. Some of the supporting agencies include the GRDC, Flinders University, the Dairy Research and Development Corporation and the Australian Barley Board.

The centre will concentrate its efforts in five specific program areas: disease and pest resistance, quality, abiotic stress (environmental stressors such as nutritional deficiencies and toxicities, heat and drought), technology transfer and education. The programs will provide benefits to industry in the short term (improved diagnostic systems), short to medium term (molecular markers for resistance genes), medium term (transgenic lines with novel resistance genes) and in the long term (cloned resistance genes for host pathogen gene interactions).

The centre has an interim board chaired by Dr Tony Gregson and is currently developing the centre and Commonwealth agreements. It is planned that the centre will become operational in July 1997. The interim board will then assume full board responsibility for the CRC. The CRC will expend in excess of \$15 million in funds and/or 'kind' on its research and education programs over its planned seven year life. The major outcome of the CRC will be to allow the Australian cereal and pasture grass improvement programs to remain internationally competitive and more responsive to the changing demands of agricultural practice and consumers. It will do this by ensuring rapid uptake of new biotechnologies into breeding programs and thereby decrease the time taken to release new varieties. By basing the headquarters of the CRC in South Australia we recognise the importance of the grain industry to this State and the high level of international recognition the research team has. The CRC will serve as a focus for the next generation of plant breeders. Strong links have also been established with the research groups at Horsham, Melbourne, Hamilton, Lismore and Perth.

The centre will provide researchers in South Australia and throughout the country with the necessary training, skills and tools to exploit fully the techniques of molecular plant improvement and will help create high quality products for domestic and international markets. I am sure that the member for Custance understands the importance of the CRC in the next 20 years in South Australia as far as grain and pasture production is concerned.

Mr VENNING: I refer to page 458 of the Program Estimates. One of the significant achievements reported for 1996-97 was the gaining of substantial additional funding from the Grains Research and Development Corporation (GRDC) for the upgrading of the Minnipa Research Centre. How much funding has been sourced from the GRDC and on what will this money be spent?

The Hon. R.G. Kerin: Once again, the honourable member will see the benefit that will come out of this. We appreciate the support of the GRDC for this project. The Minnipa Research Centre will receive an extra \$1.3 million from the Grains Research and Development Institute to strengthen the research capacity. In addition, the State Government is providing \$500 000 and the University of Adelaide another \$100 000. The initiative was led by SARDI and developed through collaboration at Commonwealth, State and local government levels to improve the profitability of conservation farming systems in these areas. Adoption of conservation farming systems in low rainfall areas of South-East Australia is very low; some estimates put it at even below 1 per cent. That is in contrast to the relatively successful and higher adoption in higher rainfall areas and suggests that current packages of farming systems do not work in low rainfall areas.

It was unlikely that there would be any significant advancement of farming systems in these areas without the development of innovative management practices, and this

initiative was developed to address this issue and increase adoption of improved farming systems in our Mallee environments. Eyre Peninsula contributes significantly to South Australia's economy. The Minnipa Research Centre is an integral part of Eyre Peninsula's field crop industry, which produces about 45 per cent of South Australia's wheat crop and 25 per cent of the State's barley crop. The initiative will provide \$900 000 for the necessary upgrading of infrastructure at Minnipa and \$1 million for funding of additional personnel and operating moneys over five years for the new research projects. The expenditure on upgrading the research capability of the centre is being overseen by a steering committee with representation from industry, SARDI, PISA, the university, the Lower Eyre Peninsula Regional Development Board and the GRDC.

Mr VENNING: The increase in funding by the GRDC is welcomed by the industry. For what reason do we see that increase? Is it because of increasing need or is it a recognition of SARDI's supremacy in this work in Australia, or both?

The Hon. R.G. Kerin: There are several factors. First, the GRDC made very clear that it wanted to see a commitment from SARDI, PISA and the State Government to the Minnipa Research Centre. Also, it delivers on the realisation that, of all the levies paid over time, there has been a bit of a feeling from Eyre Peninsula and from low rainfall areas that perhaps they could do a little better in respect of where the industry funding was going. It is an important acknowledgment of the contribution that the grain growers in lower rainfall areas have made, and the GRDC identifying that it could leverage that money well by financing this project at Minnipa.

Mr VENNING: On page 458 of the Program Estimates, the text under 'Issues/trends' within the SARDI crop research and development documentation highlights that one of the key trends likely to continue for the medium term is the buoyant grain trade, based not only on traditional markets but also on rapidly growing Asian economies. Will the Minister comment on the significance of the Asian region to the South Australian grain industry, particularly on the types of grains that are being increasingly sought by these markets, and relevant activities by SARDI in supporting this area? Hopefully, too, we will grow the grain.

The Hon. R.G. Kerin: Yes, I suppose growing the grain depends on rain, which in some areas, including the member for Custance's farm, has been really scarce. It is interesting that grains such as milling wheat have now overtaken rice as the dominant food grain in the developing world. The South Australian grain industry makes a major contribution to the South Australian economy; in fact, more than the meat, livestock and wool industries combined. It is certainly of great importance. The industry is heavily dependent on international trade, exporting around 80 per cent of our wheat and 75 per cent of our barley production. The grains industry contributes an average 18 per cent of the total value of exports from South Australia, an average 3.6 million tonnes worth \$650 million per annum to this State.

Last year the industry generated over \$1 billion for South Australia. Some of the key competitive factors for the South Australian grain industry are: closeness to the Asian markets; the low cost production systems that we practise here; low freight costs, due to the closeness of ports (the fact that our industry is very much in the coastal areas); and a major driver at the moment is that feed grain imports into China are forecast to jump from 2.2 million tonnes to 12 million tonnes by the year 2005. Also, the combined feed grain imports to Indonesia, Malaysia, South Korea, Taiwan and Thailand are

forecast to jump by six million tonnes by the year 2005. So, the total Asian import market requirement for wheat alone is forecast to be 16 million tonnes by the year 2000, which is equivalent to the total average annual Australian production of wheat.

China's demand for malting barley from South Australia is also highly favourable. As Chinese beer production continues to increase to meet local demand, beer production in China has increased from 10 billion hectolitres in 1980 to 90 billion in 1995—a factor of nine over 15 years. The key factor in meeting this increasing market demand is to develop improved cereal and pulse varieties, which enable high and sustainable on-farm productivity and which meet increasingly stringent market quality product specifications. Whilst the traditional bulk commodity markets for wheat will remain the Middle East, new markets in Asia are seeking particular grains, with specific quality attributes for a range of products such as Udon noodles, yellow alkaline noodles, instant noodles and steam buns.

Farmers will increasingly be required to produce grain of specified quality for particular markets and end products. Major programs undertaken by SARDI in supporting these developments are the cereal and pulse breeding programs, the crop pathology unit and the grains quality laboratory. SARDI's quality laboratory, complemented by the University of Adelaide's malting quality barley laboratory, supports the market driven breeding programs through monitoring quality characteristics of the varieties developed.

Ms HURLEY: My first question relates to page 459 of the Program Estimates, 'Pastures and sustainable resources research and development'. There has been a reduction in external industry funds in this area, and the Government is attempting to secure adequate and more diverse external funding for pasture research programs. To this extent, I take it, a pasture leader is to be appointed. Will the Minister explain the role of the pasture leader and what salary this person will be paid?

The Hon. R.G. Kerin: The change in funding from industry for that program results from a change of direction within the International Wool Secretariat as to its priorities. For the more specific details I hand over to Dr Plowman.

Dr Plowman: At present SARDI has a number of separate program groups in the pastures area, and the aim is to bring those together with a common pasture leader. The purpose of that leader will be to give a higher profile to the pastures group, particularly to develop closer contacts with the funding organisations and with the farming community. The salary is yet to be determined but will be in the range of PSO4, PSO5.

The CHAIRMAN: The member for Napier will address her comments through the Chair and will not ignore the Chair when the Chair tells her to address her comments through the Chair.

Ms HURLEY: My apologies, Sir. Will the position be funded as a departmental position or through private industry?

Dr Plowman: The position will be funded by a re-allocation of resources within the Government component, but we hope that it will give great effect to the program, resulting in much greater funding from both the commercial sector and from industry through the research and development corporations.

Ms HURLEY: I now turn to page 461 of the Program Estimates, 'Horticultural Research and Development'. In 1997-98 one of the results sought is an expansion of research

and development activities into higher priority areas funded by industry. Will the Minister explain what areas are considered higher priority areas and how these particular areas are categorised?

The Hon. R.G. Kerin: Through SARDI there is a detailed priority setting process in which this will be picked up. I will ask Dr Don Plowman to give the details.

Dr Plowman: Broadly, the redirection of the program went into a greater emphasis on post harvest research—and we have seen the results of that with the increased exports of citrus into the United States—and also into support to any horticultural industry looking to export. Additional effort also went into some of the sustainable management programs within viticulture.

Ms HURLEY: A point of clarification, are they the only two areas that are classified as higher priority and, if so, how were they decided upon?

Dr Plowman: The process that was used was the one referred to by the Minister. It is the role of the SARDI board to set the priorities for research and development in primary industries in South Australia. The process used was one of identifying the opportunities for research and development and also those where there is a lower priority. In relation to the priority setting process that has just been completed, the area of low priority was in tree crops and the high priority areas were post harvest and viticulture.

Ms HURLEY: Can I obtain some further clarification? I still do not understand how these categories are arrived at. Is it on economic grounds or scientific grounds? What are the criteria?

The Hon. R.G. Kerin: It may be helpful if I get the Chief Executive quickly to run through the way in which SARDI goes about the priority setting process. It is a pretty collaborative process and a lot of work goes into it.

Mr Lewis: In establishing priorities for any of our commodity areas, we have to take into consideration a number of factors. These include the national, State and regional agenda. We approach priority setting through the SARDI board at two levels. First, it is strategic and notional. Once we set broader priorities at the strategic level—and I will come back to that in a minute—we then look at individual programs to see how we can match available funding, whether it be State Government funding, external funding or a combination of both, to the strategic directions. A large amount of input goes into the strategic assessment of where our broad priorities go. At the national level, the Horticultural Research and Development Corporation and, for example, the various industry associations, all produce strategic plans which, based on their assessments, indicate where they are willing to invest money according to industry input into consideration of priorities.

At the State level, the SARDI board, as the Minister has indicated, has set up a highly consultative and interactive process with the stakeholders. Two working groups function as part of the annual cycle and these include representation from the SARDI board, industry leaders, Primary Industries SA, and researchers from both the industry and the universities. There is a transparent and detailed process involving comparison of a number of screens, including attractiveness and feasibility, against the priorities which are identified. We also look at the sustainable economic contribution expected through these benefit cost analyses. No research program goes ahead unless it has what we call an ex-ante benefit cost analysis put on it. As you have heard in the Minister's opening remarks, we have an on-going program to look at

what we call ex-post benefit cost analyses. It is quite a detailed, well documented, interactive, consultative process using national, State and regional priority setting mechanisms which are established to ensure that we integrate through all sectors of the industry.

Mr ANDREW: I refer the Minister to the Program Estimates, page 461, 'Horticultural Research and Development'. That line indicates that outcomes listed under the 1996-97 objectives particularly highlight the Centre for Horticultural and Crop Improvement being launched at the Plant and Research Centre on 11 December last year. How has the collocation of SARDI with the University of Adelaide at the Waite research precinct benefited the State's horticultural industries to date?

The Hon. R.G. Kerin: We are talking about the horticultural industries, but all primary industries have benefited greatly by the level of cooperation at the Waite precinct with so many bodies on the one campus. SARDI scientists are working collaboratively with the university and CSIRO scientists to carry out high priority research projects which are funded by the State's major horticultural industries. Collocation has resulted in increased research capability and access to competitive national funding for those local horticultural industries. The Centre for Horticultural Crop Improvement centred at the Plant Research Centre was launched in December 1996, as the honourable member said. This centre links the resources of SARDI, PISA, the CSIRO and the University of Adelaide to carry out molecular and conventional breeding, variety evaluation and the disease testing of horticultural crops.

Through funds provided by the Dried Fruits Research and Development Corporation considerable success has already been achieved with breeding a high quality early maturing apricot variety. Additional funding has also been received for research on new almond varieties, with the Horticultural Research and Development Cooperation and the Australian Almond Growers Association granting \$27 000 and the Australian Research Council allocating a further \$55 000 for collaborative research with SARDI. Other horticultural industries benefiting from the expertise and capability available at the Waite research precinct include the cherry industry, which has five new cherry varieties under field evaluation, and the olive industry, which will soon have access to the world's best olive varieties from Israel.

Mr ANDREW: I again refer to the Program Estimates, page 461, 'Horticultural Research and Development'. How is SARDI assisting the South Australian citrus industry at the moment with developing export markets for a record crop of navel oranges this season?

The Hon. R.G. Kerin: I acknowledge the interest of the member for Chaffey in the citrus industry as a whole and certainly, given some of the issues facing valencias at the moment, it is not an industry without a few problems. SARDI's research programs in this area seek to expand the export of fresh fruits and value added horticultural products by supporting the sustainable and efficient production of quality crops with an effective research and development program. SARDI scientists in collaboration with CSIRO scientists at the Waite campus and with PISA's industry development officers have implemented strategies to ensure that top quality fresh citrus arrives in overseas markets this season. A practical infill guide to growing quality citrus has been distributed to growers.

Accredited training courses for citrus packers have been held, and strategies for controlling pests and diseases have

been developed. SARDI scientists have developed a post harvest treatment with oil to control insects on navel oranges that are of concern to quarantine authorities in the United States of America and have established that shipping fruit at lower temperatures reduces rind blemishes and results in higher quality fruit arriving on overseas markets. A collaborative project with CSIRO scientists has also developed a simple infill test to ensure that sensitive navel oranges will not be damaged during harvest. SARDI scientists are working closely with citrus exporter Riversun to ensure that a record million boxes of navel oranges worth \$30 million and sourced mainly from the Riverland of South Australia are shipped from the port of Adelaide to the United States of America this season. Certainly, the member for Chaffey will be well aware of the terrific effort that has gone into collaboratively marketing those oranges, and it is important that SARDI and Government support them in any way we can, and that is largely through the research effort.

Mr ANDREW: I refer the Minister to the description with respect to pastures and sustainable research and development (Program Estimates, page 454). The budget figures indicate a difference of about \$330 000 between estimates and revised current expenditure for the program for 1996-97 and a further decline of \$200 000 into 1997-98. Can the Minister explain the reason for this? What is SARDI doing to restore funding? What impact is it having on the total pasture program?

The Hon. R.G. Kerin: The member for Napier will be interested in this, because it cuts across a question that she asked. As I said, the decline in funding is due to a reduction in industry funds, that is, from the International Wool Secretariat, the Meat Research Corporation and the Grains Research and Development Corporation because of reduced income to the corporations or changes in their priority. In order to maintain the outputs from these important programs, alternative sources of funds are being actively sought.

These include the development of stronger commercial linkages, the development of a collaborative project in China with funding sought from the Australian Centre for International Agricultural Research, and the development of new projects for consideration by the research and development corporations.

Despite the significant funding reductions, new cultivars have been released recently: Herald strand medic was released in 1997 to substantially boost medic production in low rainfall cereal districts; and a b al ansa clover cultivar is about to be released from the South-East SA program. A lucerne breeders line has been multiplied for release early next year which provides farmers with a multi-resistant variety with better performance than the existing cultivars. The new research thrust has been initiated with GRD support, which will see evaluation of a wide range of new pasture species from SARDI's internationally recognised collection of pasture seed germ plasm.

The Hon. FRANK BLEVINS: In his opening remarks, the Minister gave some indication of the number of employees of SARDI. So that we can find out what has been SARDI's contribution to depopulating rural South Australia, can the Minister be more specific about how many FTEs SARDI has located outside the metropolitan area and where they are located this financial year? How does this compare with the 1993-94, 1994-95 and 1995-96 financial years? I am willing for the Minister to take that question on notice.

The Hon. R.G. Kerin: I understand the concerns of the member for Giles. I will obtain a considered answer with the figures for those years and supply it to him.

Ms HURLEY: I refer to support services (page 63, Program Estimates). One of the trends for SARDI is the development of service level agreements with Primary Industries South Australia, Department of Information Technology Services and EDS for information technology. Can the Minister inform the Committee of the cost of the contract with EDS for the supply of information technology?

The Hon. R.G. Kerin: I will ask Mr Kevin Stacey to give what detail he can. Any detail he cannot give we will put on notice.

Mr Stacey: I do not have the total cost of the contract for EDS, but we will take that on notice and see whether we can provide it. I can tell the Committee the effect of the EDS contract pricing on SARDI. Given that SARDI was a cash-based agency, we did not pick up the cost of infrastructure and IT prior to EDS. Since the EDS contract came into force and the due diligence exercise was undertaken to identify the services we should obtain, there has been an increase to SARDI of \$316 000, and we have received a Treasury supplementation to meet those expenses. Since the contract started, we have also expanded our use of services to meet our research requirements, and there has been an increase of \$47 000 in our cost of previous production of IT services. The remaining details I am happy to take on notice.

Mr LEWIS: Notwithstanding my interests in cereals, I would like to draw the attention of the Committee to the world of fish. I refer to page 462 of the Program Estimates. A wide range of research programs relevant to fishing carried out by SARDI is listed. What examples can the Minister give of the type of research supporting the industry, any significant achievements of SARDI and the practical applications of that research to underline and expand on the remarks that he made to the Committee at the outset?

The Hon. R.G. Kerin: As the honourable member highlighted, a wide range of research activities is taking place, activities which are essential to understand and manage the fisheries, and that is important. The commercial value of fisheries in 1995-96 was \$227 million, which is a major input to the State. The researchers have achieved many outcomes that have been practically applied to fishing industry development. For example, over 1997, the development of methods in estimation of the spawning biomass of pilchards in South Australian waters was carried out. This has enabled the Government to set sustainable fishing levels at 3 500 tonnes for 1996-97. This program was vital following the mass mortality of pilchard stocks in southern Australia and New Zealand in 1995, as widely reported. SARDI's assessment indicated that egg production in pilchard stocks had fallen by 50 to 60 per cent and SARDI is now monitoring the recovery of these pilchard stocks.

The first statistically robust statewide assessment of recreational fishing effort was also recently completed by SARDI. This study has built up an accurate picture of the resource usage of all popular fishing species by recreational fishers and compares it with the corresponding commercial catch. These data are now ensuring that discussions over resource allocation issues can take place based on accurate and up-to-date information.

The results of SARDI's prawn research surveys have enabled the Spencer Gulf prawn fleet to target large prawns in a small area of the gulf rather than to trawl indiscriminately. The benefits are that fewer nights are fished, which means that the industry saves on its costs; a smaller area is impacted by trawl operations, meaning that environment impacts are minimised—they trawl about 10 per cent of the gulf; and the

larger prawns targeted attract a higher value, enabling the industry to remain competitive in what is an international market, where our prawns compete with cheaper imported aquaculture products. A recent cost benefits analysis of this research has shown a return of 14:1 to the community and a direct return of \$2.3 million additional income to the fishery per annum.

In other recently completed research, SARDI found that the Spencer Gulf prawn fleet has one of the lowest recorded ratios of non-prawn catch, or buy-catch, meaning that the industry has a low environmental impact relative to most other Australian and overseas prawn fisheries.

Mr LEWIS: I refer to the \$2.9 million the Minister just mentioned as the benefit to the prawn fishery in Gulf St Vincent. Does that involve reduced costs, or does it relate to improvements in the quality of the quantity caught so that they are in the higher price bracket, rather than simply sweeping across the board and depleting juvenile stocks by fishing in areas where there is a greater mixture of sizes, rather than a congregation of adults? What factors make up that benefit of \$2.3 million.

The Hon. R.G. Kerin: The Chief Executive is experienced in this field, and I will ask him to provide some detail.

Mr Lewis: There are basically three elements in that factor. First, as the Minister indicated, there is the reduction in cost of fewer nights; therefore, their operating costs are lower. Secondly, as the honourable member has indicated, we are targeting a higher valued prawn; a larger prawn has what we call a higher buyer value, and you get a much greater return in the market for it. The third factor taken into the cost benefit analysis is the sustainability factor. It is being taken in a more environmentally friendly manner. If you put those three together, you come up with that estimate.

Mr LEWIS: Page 462 deals with the program for aquatic science, research and development. There is a wide range of research programs there, all relevant to the fishing carried out by SARDI to which I have drawn attention. I wish to draw attention to the other part of that industry. Regarding the emerging aquaculture industry in South Australia, an industry in which I am interested and pleased about, can the Minister indicate how research and development are contributing to the growth and sustainability of this industry?

The Hon. R.G. Kerin: Certainly, through its research, SARDI has provided a major impetus to the development of aquaculture as an emerging industry, by both providing practical research outcomes and also ensuring that that is transferred to and developed by the industry itself. SARDI is also a major provider of scientific and technical advice to key Government agencies responsible for the assessment of aquaculture development applications and for decision making on resource allocation issues as the industry expands. There are two recent examples of SARDI's industry development activities in this area. First, abalone aquaculture is poised to follow tuna as a major source of export income. Following the past five years of research and development, seven abalone farms are now operating in South Australia. Abalone farmers have benefited from the results of SARDI projects that have developed low-cost manufactured feeds and advanced grow-out tank design systems.

Secondly, diets developed by SARDI and now produced by South Australian feed manufacturers are the most competitively priced manufactured abalone diet in the world. This is an important element in the developing industry's expansion and viability. Improvement in grow-out design systems for abalone farmers has seen growth rates increase

by 40 per cent in comparison with last year's growth period. This research has largely been funded by the Fisheries Research and Development Corporation and the National Cooperative Research Centre for Aquaculture.

Mussel farming is another area of South Australian aquaculture that is developing to commercial reality, based on research on the feasibility of mussel culture by SARDI in conjunction with A. Raptis and Sons. The company has now commercialised Kangaroo Island based R and D leases, based on the confidence provided by SARDI's feasibility trials. Blue mussel product is now being sold to all Eastern States, and further trials are under way to evaluate export markets for the mussels. As part of the SARDI R and D program, extensive environmental monitoring of the development area is also being carried out to ensure that future production is ecologically sustainable, and this research has been funded by the Raptis company.

Mr LEWIS: The Minister obviously shares the new found community excitement at the prospect of an aquaculture industry that is improving performance dramatically in the way he has illustrated. Does he also share my anxiety that one of the impediments to the expansion of the industry is ignorance among the financial sector—for example, banks—in believing that aquaculture is high risk compared to other enterprises, simply because they do not know about the science that backs it up? We might do well to educate our risk assessment financial managers in their work in loan determination as to what a good industry it is for them to lend in, now that we have been able to give security of tenure, for instance, on the sites, where that security will provide lenders with what they require as a fixed asset back-up to their loan.

The CHAIRMAN: Does the member for Ridley ask the question in the respect that it may impinge on future budgets?

Mr LEWIS: Yes.

The Hon. R.G. Kerin: I share the view that one of the impediments to rapid expansion in aquaculture is the lack of available capital, and that occurs partly because aquaculture is often seen as a high risk venture. We can do only what is within our control. Certainly, with the aquaculture management plans and with the R and D that is occurring, we are removing a lot of that risk and putting the industry on a much firmer footing as far as going to the banks, etc., is concerned. The honourable member also mentioned the lease tenure issue, which has a major effect on aquaculture leaseholders' ability to raise finance. We have been able to give them that certainty, and that underpins much of what they need to be able to do to take it to a financier. It is an area where much capital will obviously be needed to get us to the stage where we fulfil our aquaculture potential. Through our research programs and management plans and by giving them leasehold and some security of tenure, we are achieving what is within our control in relation to giving the financial sector as much confidence as possible in the aquaculture industry.

Mr LEWIS: I again refer to page 462. Given the 1997-98 objectives, in which reference is made to further development of manufactured feeds for tuna farming—the Minister has already mentioned how well we are doing in the preparation of feed from our own locally produced grain, and so on, for abalone, having achieved for us a dramatic improvement in grow-out rates of 40 per cent per year—what is the current status of important feed developments in the tuna industry?

The Hon. R.G. Kerin: It is pleasing to be able to inform the member for Ridley that, after quite a difficult task of trying to come up with alternative formulated feed for tuna, SARDI researchers have had some recent success in develop-

ing a moist manufactured feed pellet which is attractive to the farmed tuna. This is certainly a major step in achieving economic viability for the industry, as it provides growth characteristics in farmed tuna close to that of currently used pilchards. For stock limitation and potential environmental purposes, the continued use of pilchards as the major feed source is considered to be sustainable in the long term. An ongoing research project has been funded by the FRDC and the CRC for aquaculture to improve further the feeds, feeding strategies and product quality. Currently, this industry depends on the importation of frozen pilchards for food, and the development of a replacement formulated food that can be made in South Australia is seen as vital for the long term sustainability and competitiveness of what is an important regionally based industry, particularly for the Eyre Peninsula.

The CHAIRMAN: What is a CRC?

The Hon. R.G. Kerin: A cooperative research centre, Mr Chairman.

Mr LEWIS: Does the new feed provide us with not only improved growth rates but also improved flesh colour by providing a better balance of vitamins in the feed pellet? Arising out of the expenditure on this research, are we also able to say now that using this improved pelletised food reduces the risk of the sort of pollution beneath the aquaculture nets that caused (or contributed to the cause) of the deaths that occurred during the storm 18 months ago?

The Hon. R.G. Kerin: I ask the Chief Executive to answer that.

Mr Lewis: The feed is intended to improve a number of quality characteristics. One is obviously growth, where we get a return through increased weight; the second is texture; and the third is colour, which are the areas you identified. However, we are also looking at a number of other factors, including taste. The tuna are quite finicky about the taste and texture and will spit it out if they do not like it, so we have to get that right. They will also not take a floating feed, so we have to get the consistency and density right.

Mr FOLEY: They're fussy fish!

Mr Lewis: They are the thoroughbreds of the ocean. We have to get the sinking rate right so that they can feed properly. Concerning the environmental impacts, I point out that the major cause of the tuna deaths last year was basically a physical storm event. However, another factor in food development involves improving the ratio at which we convert feed to flesh so that it can be made more environmentally appropriate.

The CHAIRMAN: There being no further questions, I declare the examination of the vote completed. I thank the officers of SARDI, who will not be with us for the rest of the day.

The Hon. R.G. Kerin: I also thank the Committee and all the officers of SARDI for their contribution this morning.

Mr I. Millard, General Manager, Forestry.

Mr C. Young, Manager, Aquaculture.

Mr D. Mackie, Acting Manager, Fisheries.

The CHAIRMAN: I declare the proposed payments open for examination. It has been agreed that we examine these two votes together, being the Department of Primary Industries SA and Minister for Primary Industries—Other Payments, specifically, the South-East Drainage Board. With respect to the Department of Primary Industries SA I refer members to pages 58 and 248-52 in the Estimates of Receipts and Payments and pages 433 and 449 in the Program Estimates and Information. With respect to the Minister for Primary Industries, Other Payments, I refer members to pages 60 and 256 in the Estimates of Receipts and Payments and pages 443 to 449 in the Program Estimates and Information. Does the Minister wish to make an opening statement on matters related to these lines?

The Hon. R.G. Kerin: Yes, Mr Chairman. Primary Industries South Australia has reviewed its strategic direction, and good progress has been made towards an output, customer and market focus. Our goal is to be a major partner in the sustainable economic development of primary industries in South Australia. The development of a business approach to our services is an important step in achieving positive outcomes for both Government and industry in this State. The budget appropriation to PISA from the consolidated account is consistent with that of 1996-97, and reflected in the budget is the previous cost of subsidising SAMCOR. The \$6.3 million associated with funding SAMCOR activities prior to its sale accounts for the reduction in PISA appropriations. The budget appropriation will permit a continuation of existing levels of activity. The major thrust will be to expand the effort in those areas with greatest potential, to increase the viability of South Australia's primary producers and their contribution to the State.

On the national scene, a series of major policy reviews are nearing completion or have now been completed, and these include the rural adjustment scheme, the drought policy and the rural communities access program. In conjunction with the Agriculture and Resource Management Council of Australia and New Zealand (ARMCANZ), the Federal Minister for Primary Industries and Energy intends to develop comprehensive, integrated rural policy packages in response to those reviews. These packages will address rural adjustment, risk management, drought, farm welfare, farmer business management skills development and training, and rural community development. In partnership with the business community, the Government is committed to further economic development in South Australia.

I have established a series of industry development boards, which are key catalysts for greater industry and economic development for the benefit of all South Australians. Boards are now in place for wool and horticulture, the Meat Industry Development Board will be announced next week and the field crops and seed feed boards will follow soon shortly afterwards. I announced this initiative last year and it is now starting to take shape. Industry development board members are creative people with outstanding skills and have a proven track record in their field of business. Their visionary thinking will identify opportunities and help establish a strategic direction for continued industry growth in the \$4 billion primary industry sector. I look forward to a close relationship with the industry development boards as we form

Department of Primary Industries SA, \$45 290 000
Minister for Primary Industries—Other Payments,
\$2 875 000

Departmental Advisers:

Mr D. Mutton, Chief Executive, PISA.

Mr K. Freeman, General Manager, Business Operations.

Mr R. Wickes, General Manager, Sustainable Resources.

Mr B. Windle, General Manager, Agriculture Industries.

a shared vision for the development of the State's primary industries into the next century.

Both PISA and EDA have a strong commitment to developing a whole of Government approach to the food sector. This will incorporate both fresh and processed food. Further, it will include key elements such as export development and investment attraction—two areas in which PISA and EDA are already working together. With regard to export development, I recently led a trade mission of 47 producers and agribusiness people to the HOFFEX exhibition in Hong Kong. This enabled these people to experience and learn first-hand about the international trading environment. EDA also provided assistance to 20 export-ready companies to help raise their profile with Asian buyers by exhibiting their products at their exhibition at HOFFEX.

Following HOFFEX, I led a delegation of 20 agribusiness and food export companies to Guongzhou in China for a special Austrade exhibition. Both events were highly successful and companies on those trade missions are confident of gaining business and, indeed, some of those people have already reported new business. Strategic and targeted trade delegations in partnership with industry will be a key to refocussing primary industries towards a customer and market driven culture. PISA continues to prove its capability to respond to pest, plant and animal disease outbreaks. Recent events have demonstrated that PISA can deal with complex emergencies, such as surveys for anthracnose of lupins and fire blight on apples and pears, and deliver results in a timely way.

In both cases the combined PISA/SARDI effort has been commended by industry and acknowledged by interstate departments of agriculture and primary industries. These responses have involved managing industry, PISA and SARDI effort, interstate and AQIS coordination and the management of up to 120 people in survey teams. Planning is well advanced for controlling an expected locust plague in spring 1997. Surveys conducted across known critical areas this autumn have identified large areas of South Australia that could be damaged by locusts later this year.

The threat is in the agricultural and pastoral areas of the southern Flinders Ranges and eastern Eyre Peninsula over an area of around 160 000 hectares. Initial estimates indicate that this program will cost approximately \$750 000 to treat around 35 000 hectares of locusts with an eight-week campaign. If left unchecked, locusts will eventually migrate southward, attacking cereal and horticultural crops. We are protecting crops from a pest that has the potential to cause millions of dollars of damage. Production of our cereal belt alone last year topped in excess of \$1 billion. Another major pest for the State is fruit fly. There have been ongoing reviews into our border controls, and I confirm that the fruit fly roadblock operated by PISA officers at Ceduna will remain in operation.

The decision to keep the roadblock at Ceduna followed detailed studies to determine the feasibility of relocation. The roadblock is important in quarantining South Australia from mediterranean fruit fly and other threats that are present in Western Australia. The social and economic impacts of having the roadblock at Ceduna were a major consideration in assessing the feasibility of relocation. It has been estimated that the economic value to the Eyre region is \$443 000 *per annum*, with most value concentrated in the Ceduna township. There are 11 staff employed on the roadblock, most living in Ceduna, and many with young children attending local schools.

Relocating those positions to the Western Australian border would have had serious social and economic impact on the local community, with a flow-on effect to the region. The decision to keep the Ceduna roadblock in operation will give certainty and confidence to the staff, their families, the local community and district. The formation of the National Heritage Trust by the Commonwealth provides South Australia with an opportunity to increase the activity in natural resource management. The farming community over the past five years has strongly supported the landcare movement. There are now nearly 300 landcare groups operating in South Australia and significant changes have been made towards conservation farming techniques and improved irrigation practices.

It is an important year for landcare in South Australia, as we will host the national landcare conference in Adelaide from 17 to 20 September. A small army of people from around the State have been organising this event, which will include more than 20 field tours. We anticipate between 800 and 1 000 people with interests from all States and Territories, as well as New Zealand, South Africa, the United States of America and Europe. The first stage of drainage works for the upper South-East Dryland Salinity and Flood Management Plan north of Lucindale should now be ready to proceed, but I must report that the project continues to be the subject of a good deal of undermining by sections of the South-East community.

The drainage works have been held up by the Native Vegetation Council, which twice rejected an application to put the drain through deep swamp. However, a third application was approved and we are pleased that the Native Vegetation Council is now able to take a regional view of native vegetation issues. Tenders for construction of the drain were advertised on 10 June 1997. Construction is likely to commence in mid September. Cabinet has agreed that the levy from land-holders would not be collected until the first tender was awarded. The State and Federal Governments have between them committed \$18 million to the project, but it is about time that the whole community got behind it and let the work begin.

I was disappointed to note that in recent days members of the South-East community have again attempted to change the design of the scheme. Those people have had ample opportunity to have input into the design—some were an integral part of the original decisions and appeared to be playing games with the future of farmers in the South-East. It is about time they accepted the decisions being made by the Drainage Board. Let us make no mistake about who are the beneficiaries of this scheme. This project is an investment in the future. It is designed to halt the degradation of lands. At the end of the day farmers will be the winners with increased land values and productivity. I would now like to see them totally support the board so that we can get the drain built.

Contracting out of services to the private sector to achieve improved efficiency and cost effectiveness is a policy of this Government. Following a comprehensive education and selection process conducted over some months, Cabinet approved the signing of a five-year contract with Veterinary Pathology Services Pty Ltd to provide veterinary diagnostic services from the State Veterinary Laboratory (VETLAB) at Glenside. The contract provides cost-effective services to the livestock industries through a national company with a South Australia-based operation and a good record in veterinary diagnostic services. VETLAB continues to operate as a State Government-owned veterinary diagnostic laboratory able to

meet national and international protocols relating to disease-free status and certification. VPS starts providing services under the contract from 1 July.

A review into maximising the value of the State's South-East forests was completed in November 1996. After consideration of the recommendations, Cabinet resolved to retain ownership, including harvesting rights with the State's forest plantations and to expand plantings in the green triangle region in support of the local growing and processing industry. Aquaculture is widely recognised as having significant potential for growth within the State. The value of the industry is conservatively forecast at around \$90 million for 1996-97, and the tuna farming industry alone accounts for 15 per cent of the lower Eyre Peninsula economy. The industry is also a major contributor to regional employment.

Aquaculture management plans have now been completed for the entire South Australian coastline and provide a sound basis for the allocation of the coastal resource for offshore aquaculture. The agency is in the process of restructuring the aquaculture group to ensure the effective and efficient management and administration of the industry and to drive its sustainable growth into the next century. Integrated management committees, consisting of commercial and recreational fishers, PISA, researchers, processors and the community, have been established to advise on management issues for all major commercial fisheries.

I express my appreciation for the commitment and results achieved by staff in PISA and the way the organisation has worked collaboratively with the community, industry and other agencies of Government. PISA staff have shown a strong commitment to primary industries in South Australia, and I thank the executive and all the staff for a strong effort over the past year.

The CHAIRMAN: Minister, there is a bit of confusion. You were told 15 minutes. You went slightly over but we are allowing two lines to be examined so I am sure that is what the confusion was about.

The Hon. R.G. Kerin: My watch must be running slow.

The CHAIRMAN: It is, by about five minutes.

The Hon. R.G. Kerin: Thank you, Sir, for your forbearance. I think you need a new time keeper.

The CHAIRMAN: Does the Opposition wish to make an opening statement.

Mr FOLEY: No, Sir. I refer to page 440 of the Program Estimates and the program title 'Agricultural Industries'. I note that the proposed decrease in recurrent expenditure of \$8.2 million for 1997-98 is largely due to a one-off in the 1996-97 funding for SAMCOR operations at \$3.5 million, the adjustment for SAMCOR deficit funding of \$2.8 million and the State contribution to papaya fruit fly of \$1.2 million. I believe that final settlement of the sale of SAMCOR to Agro occurred on 24 January 1997 for \$4.8 million. Has the Government received in full the moneys owing from the sale of SAMCOR? If so, was the money paid directly to Treasury?

The Hon. R.G. Kerin: As the honourable member would realise, the sale of SAMCOR is handled by the Treasurer through the Asset Management Task Force. I will have to refer the detail of those questions to the Treasurer because, frankly, it does not come under our portfolio.

Mr FOLEY: I beg to differ. There is a funding line in the budget Estimates. SAMCOR is the responsibility of the Minister for Primary Industries; I know that only too well. I expect an answer.

The CHAIRMAN: The Minister must answer questions as best he can. As the Chair heard the member for Hart's question, it was in respect of the payment of moneys. If the money was not paid to the Minister's department, it is a bit much for the member for Hart to expect the Minister to answer a question for which he has no responsibility. I will leave it to the Minister to consider his answer.

The Hon. R.G. Kerin: As the member for Hart mentioned, the operation of SAMCOR comes within the Primary Industries portfolio, but the sale of SAMCOR is under the Treasurer's purview through AMTF. So, moneys paid by the purchaser of SAMCOR do not come under the Primary Industries portfolio but are handled by Treasury through the AMTF. It is outside my control.

Mr FOLEY: What is the big deal in answering the question? Does the Minister have something to hide? Has the money been paid?

The CHAIRMAN: The Chair has just ruled that the Minister will answer the question. The Minister has answered the question. I ask the honourable member to ask the next question.

Mr FOLEY: At page 442 of the Program Estimates I note that the Rural Adjustment Scheme is a major source of funds. Given that the Federal Government has decided to wind-up the Rural Adjustment Scheme as of 30 September 1997, how will this substantial decrease affect rural finance and development in South Australia? What provisions has the Government made to secure a better deal for rural South Australia out of the uncommitted Commonwealth funds of approximately \$199 million?

The Hon. R.G. Kerin: I am happy to answer that question as it does fall within the range of my portfolio. Obviously, the Federal Government did make a series of announcements which impact on the Rural Adjustment Scheme. We will have to wait and see what impact that has, but at the moment we are putting together a response to a meeting that ARMCANZ had about three weeks ago at which the Commonwealth Government put before us some of its suggestions for the direction of RAS. The basic change in direction being considered concerns the fact that over quite a few years a lot of Federal Government money has been spent through RAS, previous programs for rural adjustment or rural welfare and a whole range of programs.

There is a general feeling that rural Australia has not received particularly good value from the money put in. The Federal Government and the State Governments in general are considering how rural Australia can do the very best out of the \$199 million to which the member for Hart referred. At present, we have had discussions with the Federal Government. We have put together some thoughts of our own; we previously put in submissions. As I said, we discussed it with the Federal Government about three weeks ago. We are now preparing another submission to ensure that we get the best for South Australia out of the direction the Federal Government takes with new RAS or whatever it calls the changed program.

Mr FOLEY: Clearly, your Federal colleagues are making life a little difficult in that area for the farming community. It would be nice to see members opposite occasionally stand up to the cut backs at Federal Government level. I refer to fisheries policy development and to page 443 of the Program Estimates. I note that in this financial year the department implemented a new river fishery management scheme. Is the Minister aware that in January 1997 the Murray-Darling Basin Commission, under the National Resource Manage-

ment Scheme, funded a paper on fisheries management and ecology, the co-authors being Mr David Baker and SARDI inland fisheries research scientist Brian Pearce. The paper states:

The long time decline of the fishery at a time when evidence suggests that societal priorities for preservation of the resource implies that the custodians of the resource are failing their mandate and 'the current structure makes a small group of users with vested interest responsible for policy formulation'.

Did the Minister and his department undertake an independent environmental impact statement on all aspects of the river fishery to ascertain the amount of native fish species catch totals? If not, why not?

The Hon. R.G. Kerin: I will ask Don Mackie, Acting Director of Fisheries, to provide more detail. As far as the river fishery goes—and this involves SARDI as well—there is ongoing monitoring of what is taking place in the river.

Mr Mackie: As the Minister stated, all commercial fishers are required to submit catch and effort data. That has been an ongoing process which we have monitored for a considerable period. The report to which the member for Hart referred is one that has since been revisited by SARDI. I do not have the title of the new report, but prior to making amendments to the current proposals to change the arrangement these issues were considered in full by the various management committees.

Mr FOLEY: Is the Minister aware that the Loxton-Waikerie council has also expressed concerns over this new plan and has indicated that not one native fish was caught at Loxton's annual Fisharama this year?

The Hon. R.G. Kerin: Yes, I am aware of that. We have made an effort to get more detail for the Loxton-Waikerie council. I think that the council gave only one side of the story. Certainly, I have heard that claim about there being no native fish at that location. I do not doubt that we have a big problem with carp, but some very good catches of native fish have been reported over the past 12 months.

Mr VENNING: I refer to page 442 of the Program Estimates, and I note the reference to group and individual training grants being available through the Rural Adjustment Scheme. Will the Minister elaborate on that?

The Hon. R.G. Kerin: I thank the honourable member for raising the training issue. Over the past couple of years there has been much more recognition within the rural community that there are some opportunities there for farmers to become better educated as technology moves on. Under RAS, farmers have an opportunity to seek financial support to acquire and improve skills under two separate guidelines, namely, the policy guidelines applying to grants and loans to individuals for the acquisition of farm management skills and professional advice, and those applying to grants for group activities for the acquisition of skills and professional advice. PISA is now applying the RAS training guidelines in South Australia and encouraging farmers to take the opportunity to improve their skills and seek professional advice to improve their financial, technical, management and business knowledge.

The Advisory Board of Agriculture and the South Australian Farmers Federation are actively promoting these schemes to their members to maximise opportunities under the schemes. As at 31 May 1997, 81 group training applications have been approved, for a total of \$229 000, and 52 individual training grants, for a total of \$17 300. A budget of \$750 000 was made available for these programs during 1996-97, and a similar amount will be provided in 1997-98. This is a practical application of what I was speaking about before—the change in the way we approach rural adjustment.

Putting money into training and the better ability of farmers to use the available technology is a very good way of getting some value for the farming community out of RAS.

Mr VENNING: My second question deals with the meat hygiene program and quality assurance in the meat industry (page 440, Program Estimates). Will the Minister advise the impact of the new meat hygiene regulations on the industry in South Australia and, in particular, on our rural butchers?

The Hon. R.G. Kerin: This is an important question and one that has been of some concern to rural communities. This has been coming for a long time. Through all meat industry sectors it is estimated that fewer than 10 per cent of operations in South Australia will close as a result of the introduction of new standards. A number of plants have closed, particularly in the smallgoods and rural slaughterhouse sectors, and a total attrition of up to 15 per cent may occur in these groups by the end of 1997. Some of these operators were planning to retire from the industry in any case, and others have been forced out because of inability or unwillingness to comply with the safety standards. The industry-based South Australian Meat Hygiene Advisory Council and the vast majority of processors remain strongly in support of the new hygiene controls.

We do not need to look far at some of the food scares we have had in recent years to know the importance of industry standards. What is going on in the meat industry has very strong industry support. People realise that, unless standards are in place and adhered to, the whole industry is at risk. While it has been difficult for some people, it has the strong support of industry and we need to make sure that the meat industry is looked after in future.

Mr VENNING: The Minister noted that several have closed. Does he have a list of which ones have closed, and will these closures leave any vacuum in the rural abattoir industry, particularly those that growers need to kill stock that cannot readily be killed at our major meatworks.

The Hon. R.G. Kerin: I do not have a list of those that have actually closed, but what tends to be happening is a bit of rationalisation. Some of these are victims of changed shopping habits within rural communities, as many people are choosing to have a day out shopping in one of the bigger regional centres. That impacts very much on the local butcher level. The other thing that has been put in place with the new meat hygiene standards is that slaughterhouses are now able to go through an accreditation system whereby, by coming up to certain standards, they are able to kill for other butchers, something they did not have available to them before. That will achieve two things: it will make some of the slaughterhouses much more viable, since they will have a bigger kill going through; and it will enable many more of those businesses to survive long term and keep the services out there.

Mr VENNING: This is a very important line. A problem that I have is that some abattoirs will take the challenge and upgrade, but is there any assistance at all for abattoirs wishing to do that? Is there any assistance for them to upgrade, both in advice and financially?

The Hon. R.G. Kerin: Advice wise they work very closely with Robin Vandegraaff in the department, who has been very good with the industry in working through the issues. One of the things that has come out of this financially is the enormous need within the industry both for training and for the preparation of quality assurance manuals and for the HACCP system. Very significant Government support has been put into that by PISA, the EDA and TAFE. That has

resulted in financial assistance worth \$370 000 for the 1996-97 period for training in both HACCP and meat safety. Negotiations are currently under way for further allocations to ensure that the small slaughterhouses do not fall over through lack of availability of funding to do the training. We are very aware of the problems some of these people face. We are taking a sympathetic role as to how we bring about change, but change must occur.

Mr VENNING: This is a very important industry, particularly in relation to the Kapunda area, which is looking to upgrade, and I understand that there is correspondence in the pipeline. My third question relates to developments in the South Australian dairy industry (page 440, Program Estimates). What is PISA doing to assist development in the dairy industry?

The Hon. R.G. Kerin: Dairy is an industry that has enormous potential. We are seeing that in other areas of Australia. South Australia can certainly share in what is somewhat of a boom in dairy production. Primary Industries is assisting the Dairy Research and Development Corporation in terms of the South Australian dairy industry plan to implement a regional development plan. The focus of the plan is to improve the competitiveness and profitability of South Australia's dairy farms. PISA will continue to support the orderly entry of new manufacturers into the South Australian dairy industry so that there is a sustainable lift in competition for South Australian milk, and we are seeing that entry going on at present. In this regard, it is imperative that the farm gate price for market milk be maintained and that all dairy farmers benefit from the improved returns for market milk through equalisation.

During 1998 the South Australian Government will be undertaking a review of the Dairy Industry Act as required under the national competition policy. Reviews of State dairy legislation are already under way in New South Wales and Queensland and will also commence during 1998 in Victoria. The outcome of these reviews, especially in Victoria, will determine the approach to be taken in this State. It is important that PISA monitor these developments and provide advice to the Government and industry on their implications for the South Australian legislation.

Ms HURLEY: My question refers to the Program Estimates, page 445, 'Management of Aquaculture'. I note that the Government intends to develop an aquaculture prospectus this year and I understand that there is a plan for an aquaculture farm on the old flower farm site at Port Adelaide. Some concerns have been expressed about this project.

Mr Venning interjecting:

Ms HURLEY: Well, this one is a Liberal Government trick.

The CHAIRMAN: The member for Culance should allow the member for Napier to ask her questions—she did not interfere with him—and the member for Hart can stop barracking.

Ms HURLEY: Some concerns were expressed about this project and the principal person involved, a Mr Johan Don. Is it true that the Government supports the proposal for an aquaculture development on the old flower farm site at Outer Harbor and has the Government promised any financial support to the scheme?

The Hon. R.G. Kerin: I will call on Mr Carl Young to give some detail about what is happening in relation to that project but, while we have written favourably regarding the

proposed system, it should not be construed as support of the project.

Mr Young: It is fair to say that there is significant support for the aquaculture industry generally. No financial or any other forms of support have been given for this specific project.

Ms HURLEY: Are the developers of this project paying the MFP for the land and, if so, how much? Is the Minister aware that the Commonwealth emblem was used in an advertisement for this particular venture in a Chinese magazine, thereby purporting to lend support to the notion that the Government was guaranteeing the venture?

The CHAIRMAN: Before the Minister answers, the member for Napier asked a question about the MFP. The Minister is not responsible for the MFP. Would the honourable member like to rephrase her question or the Minister may well consider whether or not it is appropriate for him to answer?

Ms HURLEY: I will rephrase it. Is the Government providing support to the project via a subsidy of the land?

The Hon. R.G. Kerin: I have had very little to do with this project. I had an initial briefing about 15 months ago regarding the fact that they were going to go ahead with it. Certainly, no approach has been made to me for any financial support for the project. As far as the deal between themselves and MFP is concerned, I certainly have not been involved in that. I do not know what receipts the MFP may get for the land or whatever. I have not been in the loop on any negotiations that have gone on in that area. I certainly have no copyright for the Commonwealth emblem. I was not aware of its use and certainly it would not be with our blessing that anyone would use the Commonwealth emblem.

Ms HURLEY: I move on to 'Forest Services' (page 448, Program Estimates). I note that agreements are to be developed with growers for the Green Triangle tree farm project for the export of woodchips to Japan, in particular to Mitsui/Nippon. The Minister announced this project last November and stated that the project aimed to establish 1 000 hectares of blue gum annually. Given that landholders and investors can enter into grower agreements with the joint venturers and PISA, will the Minister detail the role that PISA will play in this project and the cost to PISA in providing technical support?

The Hon. R.G. Kerin: I will call on Mr Ian Millard to give the detail for which the honourable member has asked. Certainly, we see it as an important diversification or alternative for landholders in the South-East. We are keen to see an expansion of the forest resource in that area. PISA obviously has a very important role to play regarding extension and facilitation, but I will ask Mr Ian Millard, who is General Manager of PISA Forestry, to give the detail.

Mr Millard: There is strong interest amongst farmers in the South-East—and beyond the South-East, in the Green Triangle region—for growing particularly blue gum plantations. Kimberley-Clark Australia required some support to get plantations in the ground for its operation at Millicent and, on a cost recovery basis, the Department of Primary Industries forestry group undertook the management of plantation establishment. That was over-subscribed and farmers were not satisfied: they were looking for more markets. It is important in tree growing projects that people know where they are going to sell the wood at the end. PISA undertook to try to find other markets. A consortium of Japanese companies has signed marketing agreements with

growers so that, in effect, growers are growing on consignment for the Japanese companies.

PISA's role is to act as a technical adviser to both the company and the farmers. We are being paid on the basis of the hectares established. We believe that there is full cost recovery and there is an incentive to get 1 000 hectares a year planted, which will return a profit to the organisation. We believe that we will get cost recovery if we can establish 750 hectares a year, and we will make a profit on anything over that. The arrangements are that the Japanese company pay PISA. They have contracts to purchase wood from the growers at an agreed price indexed to future log price movements.

The CHAIRMAN: Before the Committee adjourns, I refer members of the Committee to a question asked by the member for Hart on the sale of SAMCOR. I point out to the member for Hart that the sale of SAMCOR is listed under 'Assistance to Rural Industries', page 440, and therefore, while the question was in order, there is no line in this ministerial Receipts and Payments for the sale. It does not appear to be listed under the asset management review, but I suggest that, if the member for Hart wants to pursue the matter of the amount of money and when, he put a question on notice to the Treasurer or the Minister in charge of the asset management review task force.

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

The Hon. FRANK BLEVINS: My question relates to the depopulation of the rural areas of South Australia and the department's role in that, although I understand that the department only obeys the Government's and the Minister's orders. However, how many FTEs are located outside the metropolitan area? Where are they located for the year under examination, and how does that compare with the years 1993-94, 1994-95 and 1995-96?

The Hon. R.G. Kerin: We will have to take that question on notice to supply the detailed information, but I do know that more than two-thirds of our staff are outside the metropolitan area, which probably means somewhere in the vicinity of 650-plus people, at over 40 locations throughout South Australia. As far as Government departments go, we are a decentralised department, but I shall get the detailed figures for the honourable member on notice.

The Hon. FRANK BLEVINS: The Minister invites me to ask for the percentage breakdown between metropolitan and non-metropolitan employees in the department. How does that compare with the previous four financial years?

The Hon. R.G. Kerin: Given the lack of mathematical capability of the member for Giles, we will get the calculator out and put the percentages alongside the figures for him.

The Hon. FRANK BLEVINS: Apparently I have a lack of arithmetical capability, but I do not have a lack of manners. Was it necessary for the Minister to be so rude?

The CHAIRMAN: As the member for Giles well knows, the Minister is at liberty to answer questions in a manner of his choosing. I well remember the member for Giles, when he was Minister, answering questions in a distinctly witty way. I am sure that he will concede that, if the Minister has learnt from him, he is a very wise man.

Mr ANDREW: I refer to page 449 of the Program Estimates regarding the program 'Support services'. What action has occurred to progress the recommendations of the task force reports for regional strategies which have been put

forward on behalf of both the Riverland and the Murray Mallee?

The Hon. R.G. Kerin: I acknowledge the enormous amount of work that both the member for Chaffey and the member for Ridley put into these two task forces, as well as the amount of effort that was put in by the local communities. Hopefully we will see some rewards for their effort. The Murray Mallee and Riverland task forces were established as a result of community delegations which approached me for my support. The task forces' role was to develop a submission for each region which could be considered by the State and Commonwealth Governments for inclusion under the rural partnership program.

The success achieved by the Eyre Peninsula task force report in attracting additional funding to that region was a significant motivating factor. Following extensive community consultation, strategic task force reports covering a range of regional issues and suggested strategies in both the Murray Mallee and Riverland regions of South Australia were submitted for my consideration in February and March 1997. The two reports have been forwarded to my Federal ministerial colleague the Hon. John Anderson to consider their inclusion as national priorities for support under the rural partnership program. Briefings on the report recommendations have also been held with South Australia's Federal parliamentary representatives to gain their support. Additional information has since been provided by PISA officers on questions raised by the Commonwealth on the two reports, and I understand that a response for South Australia's inclusion under the rural partnership program is expected from the Federal Minister shortly.

In the case of the Murray Mallee report, the recommendations, which address a whole range of social, infrastructure, welfare and primary industry related issues, are being further developed and progressed by various community subcommittees appointed by the task force. I fully support the self-help approach adopted by the Murray Mallee task force, as it shows a commitment by community members on that task force to the importance of the issues raised in the report and a willingness to give of their own time and effort to ensure that these issues are addressed. I have indicated to the task force that I am willing to attach a letter of support to correspondence from any of the subcommittees where such a letter can assist a report recommendation through to a satisfactory outcome. Correspondence from these various subcommittees is now starting to flow through my office.

Mr ANDREW: I refer to the sustainable resources program on page 441 of the Program Estimates with respect to the operation of both the Animal and Plant Control Commission and the related boards. I am particularly concerned and annoyed, as are the councils and the constituents we represent, that some councils are being required by the commission to increase their funding contribution to the pest plant boards. This was brought to my attention recently by the Mayor of the Loxton Waikerie council, who reinforced the point that, under the local government amalgamation process, severe restrictions have been placed on rate capping. This will impact on council's ability to increase rates.

I have been advised that the Animal and Plant Control Commission gave a commitment that, before any funding requirement was proposed, consultation would take place with local government. I have been told that has not happened. I also understand that special consideration was to be given to the circumstances surrounding council amalgamations. The Loxton Waikerie council is an amalgamation of the

Loxton, Waikerie and Browns Well councils and will take effect from 1 July this year.

With this Estimates Committee meeting today, it is appropriate that I ask the Minister to explain the basis of funding for the animal and plant control boards and, in particular, explain why councils such as the new Loxton Waikerie council are being asked to significantly increase their contributions to the pest plant boards.

The Hon. R.G. Kerin: As members are aware, the funding of the boards is a joint commitment between the State Government, through the Animal and Plant Control Commission, and the boards' constituent councils. In most cases, the pest and plant control boards are made up of several councils. The level of funding for each board is determined by the commission. It is based on a level up to a maximum of 1 per cent of urban rates and 4 per cent of rural rates of the council in accordance with the Animal and Plant Control Act.

The commission has always given and still gives highest priority to the funding of boards; for example, in 1991, when council rate revenues were increasing, the commission adopted a policy to maintain the balance of funding between local government and the State Government at about 50-50. This involved councils, paying the statutory maximum contributions, as well as the State Government, paying support subsidies to some boards. This policy has now contributed to the State Government paying a total of \$788 000 for support subsidies to 18 out of the 36 rural boards. However, many of the constituent councils in these boards are not now paying the full 1 and 4 per cent required under the Act, reflecting previous increases in their rate revenue.

Also, I wish to emphasise that these support subsidies are in excess of the \$1.04 million already being paid by the State Government to boards as a statutory subsidy of 50¢ for every council dollar. This policy is now seen to be inequitable, both for boards not receiving any support subsidy and for other statutory obligations of the commission which were not receiving sufficient levels of funding; for example, the control of proclaimed animals and plants on unoccupied Crown land and environmental weeds, and development of more efficient control strategies, including biological control. Certainly, for quite a few years, rural members have received many complaints about the control on Crown land, so that needs a higher priority.

For these reasons, the commission adopted a policy in 1977 that all constituent councils should pay the maximum statutory levels to their boards, where necessary, to meet board budgets, to give parity among councils, and to provide a better balance of funds to fulfil the Commissioner's statutory obligations. The State Government will still be paying about \$685 000 in support subsidies, so it certainly has not abrogated its responsibility to ensure a viable board system. This policy affects only councils which are not paying the maximum statutory contributions and which are members of boards that receive support subsidies. The honourable member mentioned Loxton and Waikerie, and they certainly fall into that category. Rate capping with local government reform is a concern to councils with this change of policy, but I understand that the rate revenue from the area of the current Loxton Waikerie council increased by 36 per cent from 1992 to 1997. Yet the contributions to boards decreased by 4 per cent during the same period, because of the benefits gained from a large support subsidy at the time.

The commission identified another means to reduce the level of support subsidies by reducing the number of local

authorised officers. This was not considered to be a viable option, mainly because the number of officers per board is low, even with council amalgamations and board reorganisations, which allows for minimal flexibility; and, importantly, the current number is commensurate with the level of work required in animal and plant control across the State. The commission has regard to the large support subsidy in excess of \$30 000 per annum that Loxton Waikerie, together with other councils, is receiving compared to other boards, and for this reason has agreed to phase in the change in contribution over three years. The commission informed councils, through the Local Government Association, after discussing the issue with that organisation. The Local Government Association was concerned about the change in policy, particularly in view of rate capping, with local government reform, but was also conscious of the reasons for the change.

As I have stated before, the Animal and Plant Control Board system, involving community board members and professional staff, provides an efficient system to minimise the threats and impact of animal and plant pests on primary industries in the natural environment. The basis for council contributions to boards should be equitable across the State. That would also be reflected by the expectations of the landholders who are the ones most concerned about proper pest and plant control. The subsidies that we offer should be more equitable across the State. We really need to take into account the rate revenue figures I mentioned previously, involving an increase of 36 per cent between 1992 and 1997 compared to a 4 per cent decrease in contributions to the board. Landholders may well understand why the commission has taken the action it has.

Mr ANDREW: Can we have a formal list of all the boards in the State for the council I mentioned, for other councils and for the entire constituencies, listing their percentage contribution so that we get a fair and complete picture of the total contributions from all local government bodies to their respective boards throughout the whole State?

The Hon. R.G. Kerin: I can provide that information for the honourable member today.

Mr ANDREW: I refer to the Program Estimates (page 440) with respect to agricultural industries. I am well aware that the Minister has initiated the development of a Horticulture Industry Development Board. How will the board be able to assist the development of South Australia's horticultural industries, both currently and into the future?

The Hon. R.G. Kerin: The Horticulture Industry Development Board is one of a series of five boards being established to facilitate the growth of South Australia's agricultural industries. The Wool Board was the first one put in place, followed by horticulture. The role of the board is to provide advice and guidance to me and Government on the most effective ways to develop and grow South Australia's horticultural industries. They held their first meeting on 6 May and have been meeting on a monthly basis since. The Horticulture Industry Development Board is being chaired by Dr Ed Tweddell, who is the Group Managing Director of F.H. Faulding and Company Limited, and a member of the Business Council of Australia. The board comprises seven members with experience in an array of horticulture industries and agribusiness, and PISA is represented by the two horticulture managers for industry development on the board.

In the coming months, the board will be reviewing a series of major horticulture industry development options and making recommendations to Government on how to strategically develop a stronger, more profitable and export oriented

horticultural industry. There will be strong emphasis on development of business and commercial skills within South Australia's horticulture industries and taking advantage of industry development opportunities. As I have said in the House recently, one of the things we have to realise in South Australia is that opening up new areas to horticulture, in tandem with the fact that our horticulturalists are becoming a lot more productive, really means that production levels are increasing rapidly. That requires that we find markets for that produce. If we do not open up new markets, that produce will be dumped on the local market, which will mean lesser returns for everybody because of lower prices. I have said before that we can no longer look at Asia and the export opportunities purely as an opportunity but as an absolute necessity. The Industry Development Board is examining some of the issues that need to be addressed to make sure that that horticultural export goes up as quickly as we are increasing production.

Mr ANDREW: I refer to the Program Estimates (page 440) with respect to the papaya fruit fly eradication program. I understand the South Australian Government has made a financial commitment to a national program to eradicate the papaya fruit fly after it was first discovered in Cairns a little over two years ago, in 1995. What is the current status of the program, and how does the Minister expect South Australia to benefit from it?

The Hon. R.G. Kerin: Papaya fruit fly was detected in the Cairns area in October 1995. It is a serious fruit fly and has a wide range of hosts, including all tropical fruits, citrus, stone fruits, pomefruits and many vegetables, including tomatoes and capsicums which are important to us.

To date, only one outbreak of papaya fruit fly has been detected outside the quarantine zone in north Queensland, and that occurred at Mount Isa in February 1997 following the detection of five male flies in that area. A national approach has been undertaken by the Commonwealth, all States and the Northern Territory to minimise the spread of the papaya fruit fly. These measures include stringent quarantine measures in the quarantine zone, approved quarantine treatments for movement of host produce and intensive trapping of papaya fruit fly in other areas of Australia. Following an initial suppression and containment program in the areas where breeding populations have been identified (Cairns, Mareeba and Mosman), a technical assessment including a cost benefit analysis by ABARE indicated that a full scale eradication program for papaya fruit fly was feasible.

The eradication attempt which is in its second year and which involves both male annihilation and baiting programs is reported to be progressing well. ARMCANZ recently approved the establishment of a secure factory to produce sterile papaya fruit fly at the rate of 125 million a week. These flies will be used as a wide area treatment, particularly in inaccessible areas such as world heritage rainforests. South Australia's contribution to the five year program to date has been \$575 000 in 1995-96 and \$743 000 in 1996-97. The current estimate for 1997-98 is \$1.5 million, which will be subject to Cabinet approval. Some people might ask why we are spending money in Queensland on fruit fly eradication. The obvious answer to that is that it will be a lot easier to try to eradicate it in that area than forever trying to fight it on home soil.

Mr FOLEY: I draw the Minister's attention to forest services, and I refer to page 448 of the Program Estimates. I note that the Government has received a report from the Forest Review Steering Committee. Among other things, the

report addressed the issue of maximising the value of the State's South-East forests. The report contained a number of recommendations, one of which was the need for a clear policy on the clearing of scattered native trees. Will the Minister detail the cost of this report?

The Hon. R.G. Kerin: The report was commissioned by the Premier and Cabinet and held within that portfolio, so I have never had to sign off on the cost and am not aware of what it was.

Mr FOLEY: I would have thought that a copy of such an important report on such an important part of the Minister's portfolio would be provided to him or his predecessor. I would be very surprised if the department did not know the cost of it.

The Hon. R.G. Kerin: Certainly I have read the report a couple times and we have acted on the recommendations that were made, but I have never seen a copy of the cost of the report. It was commissioned by the Premier and Cabinet, so I am not sure what the cost was.

Mr FOLEY: Will the Minister take that on notice and ask officers of his department to obtain that figure from the Department of the Premier and Cabinet and provide it to the Committee?

The CHAIRMAN: The Chair rules that question out of order. If it is funded out of Premier and Cabinet, the questions must be asked during the examination of the vote concerning Premier and Cabinet.

Mr FOLEY: On a point of order, Sir: the fact is that this report was paid for by Government and was of benefit to the Department of Primary Industries. I would not have thought it was a great drama for an officer of that department simply to ring an officer in the Premier's Department and get us a number. We could put the question on notice next Tuesday, and that will cost \$20 of public money to process. I thought this might be an easier way to do it.

The CHAIRMAN: I accept the member for Hart's point, but the honourable member knows that there are rules for Estimates Committees and that this place is governed by the rules. We are examining certain lines. In answer to a question from the honourable member the Minister has said that this does not come under any of one of those lines. Certainly if the Minister wishes to convey that information to the honourable member privately he may do so, but the question is not permissible as part of the Estimates Committee examination. As the honourable member himself points out, he has other parliamentary avenues to quite legitimately pursue that. If the Parliament chooses to pay \$20 for him to exercise his democratic right, that is entirely the business of the officers of this Parliament. We have rules and we will stick to them.

The Hon. FRANK BLEVINS: On a point of order, Sir, I point out that no Standing Order prevents the Minister saying that he will find out and provide the answer, when he provides all the other answers he takes on notice. That is done by every other Minister; I am not sure what the drama is here.

The CHAIRMAN: Since the member for Giles is questioning the Chair, I point out that in listening to the Estimates Committees I have not heard Ministers undertake to get answers in connection with matters that were the responsibility of other Ministers. Certainly, they provide answers if they fall within their portfolio area but, as to the matter of cost, on two instances today the Minister said that it does not fall within his portfolio area. If he wants to provide anybody with that information privately, he is

entitled to do so. That is his business: it is not the business of the Committee.

The Hon. FRANK BLEVINS: It is his portfolio. Somebody could be helpful and say they will find out for him and respond before the deadline.

The CHAIRMAN: I have made a ruling. I suggest we go on with questions.

Mr FOLEY: I am happy to move on, Mr Chairman; you are obviously enjoying your day of authority.

The CHAIRMAN: Was the member for Hart reflecting on the Chair?

Mr FOLEY: I was just making a statement, Sir: you seem to be enjoying your moment of authority. I thought that was a statement of fact. If you are not enjoying it, please tell us. I apologise if you are not enjoying it.

The CHAIRMAN: I did not ask the member for Hart to apologise: I asked him to ask a question.

Mr FOLEY: I understand that the Government has had some sort of consultative process on this issue. Will the Minister detail the progress of this policy and the results from the consultative process?

The Hon. R.G. Kerin: I take it that the honourable member is talking about the forestry review and that this is a follow-on question. I have no sensitivity whatsoever about the cost of the forestry review, but it is the responsibility of the Premier and I really do not know the cost. The Forestry Review Steering Committee recommended a major expansion in the area of plantation over the next 20 years, and it is seen that this will support the economic development of the South-East and the maintenance of world scale wood processing plants which will appear to require increasing volumes of log. The Government supports the recommendation, which proposes that PISA Forestry should double its rate of plantation expansion of radiata pine to 1 500 hectares per year. On the very important question of consultation, a lot of consultation occurred throughout the process. Dr Ian Ferguson conducted a significant amount of consultation with the major players in the South-East, and we have received quite a bit of comment since.

A range of recommendations were made. It was not a controversial report, as such. Most of the feedback from it was quite positive and certainly led to the Government's reaffirming its commitment to the South-East and the timber industry. There are no real outstanding issues that have not been addressed. One issue relates to what we do about scattered trees. The member for Hart would not be surprised to know that my officers are working very closely with the Conservation Council in an effort to formulate guidelines that are acceptable broadly within the community to try to solve some of the problems we come across. Much consultation has occurred and the review has been very useful as far as setting a future direction.

Mr FOLEY: I think this is my second question because the others were supplementary.

The CHAIRMAN: The honourable member cannot have two supplementary questions. The honourable member cannot have an opening question that is supplementary.

Mr FOLEY: No, Sir, I said that this is my second question from my bracket of three.

The CHAIRMAN: In this instance, the Committee will indulge the member for Hart and trust him. The honourable member can ask his second question.

Mr FOLEY: I note that the recurrent expenditure for the Minister and the Minister's office has increased by \$43 000

from the 1996-97 estimate. What does that significant increase mean?

The CHAIRMAN: Has the member for Hart finished his question?

Mr Foley interjecting:

The CHAIRMAN: The honourable member was adding comment.

The Hon. R.G. Kerin: Did the honourable member give a page number?

Mr FOLEY: From memory, page 438.

The Hon. R.G. KERIN: Is the member for Hart talking about this year's estimate compared with last year's?

Mr FOLEY: The 1997-98 estimate compared with the 1996-97 estimate which, Minister, you overshot. I think that was due to some pretty sloppy management of your ministerial budget.

The Hon. R.G. Kerin: No. The situation is that the reception area on the seventeenth floor of the Grenfell Centre was shared between my office and the offices of the Chief Executive and other senior PISA officers. That set up was not satisfactory and we therefore transferred the reception position from the PISA area to the Minister's office. There were some very good reasons for that, namely, public interaction.

The CHAIRMAN: Does the member for Hart wish to ask a supplementary question?

Mr FOLEY: Yes, Sir. Does that mean that anyone calling on the Department of Primary Industries comes through the Minister's office?

The Hon. R.G. Kerin: No. After much playing with telephones, I think we have all that sorted out.

An honourable member interjecting:

Mr FOLEY: I am interested. Like the member for MacKillop, I used to work in that office and it seemed to function well.

An honourable member interjecting:

Mr FOLEY: Only once.

An honourable member interjecting:

Mr FOLEY: Probably not, but hopefully officers in the department would have removed those yellow stickers.

The Hon. R.G. Kerin interjecting:

Mr FOLEY: I am also appealing to the guys sitting behind you, Minister.

The CHAIRMAN: Instead of the member for Hart asking people to do jobs for him, I direct him to ask a question.

Mr FOLEY: Will the Minister detail the number of overseas trips he has undertaken as part of his portfolio, the number of departmental officers who travelled with him and the cost of those trips? I am happy for that question to be taken on notice.

The Hon. R.G. Kerin: Yes, we will do that.

Mr FOLEY: As a supplementary question, could the Minister also state whether parliamentary secretaries accompanied him on any of his overseas trips and, if so, were any of their costs met by the department or his ministerial line?

The Hon. R.G. Kerin: The answer is, 'No'.

Mr FOLEY: May I now ask my third question, Sir?

The CHAIRMAN: The honourable member has asked three questions.

Mr FOLEY: That was a supplementary question to my second question.

The CHAIRMAN: I can count, but the Committee will allow the honourable member to ask as many more questions

as he wishes. If the honourable member wants to impinge on the member for Ridley's time, he may ask his next question.

Mr FOLEY: I raise an issue that has obvious interest to me as the shadow Minister for Information and Contract Services. Under the EDS contract, is the Minister's department now paying less for information technology services this financial year than it has in previous financial years?

Mr LEWIS: To which page and line does the honourable member refer?

The CHAIRMAN: We ask members to announce page and line references.

An honourable member interjecting:

Mr FOLEY: Exactly; computers are in all functions of Government.

The Hon. R.G. Kerin: I will ask the Chief Executive Officer to respond.

Mr FOLEY: I refer to page 449.

Mr Mutton: The Department of Primary Industries is paying more for its computing than it was, but clearly there are some understandable reasons for that, including the fact that, until that point, PISA was on cash accounting terms and the depreciation content of that was not included in the costs. The cost of the contract for PISA is \$1.417 million and, as with most other agencies, some increases in service have been asked for and provided by EDS since the contract was put in place. Obviously that would increase the cost of computing to the organisation which would have occurred in other circumstances.

Mr FOLEY: As a supplementary question, is the department paying more this year? The Minister for Information and Contract Services acknowledges that that may well be the case for a number of agencies, but they will be topped up from Treasury for the difference. So, at the end of the day, the net costs will be the same and any gap will be filled by a reimbursement from Treasury. Has that occurred and do you concur with those views?

Mr Mutton: The answer is 'Yes', there has been an allocation from Treasury to cover those costs that were not covered in relation to depreciation aspects and related issues.

Mr FOLEY: Are you now saying that the dollars you are spending this year are no more than the dollars you were spending before the EDS contract and after the top up from Treasury?

Mr Mutton: Apart from the fact that additional services have been provided as necessary as part of the contract. We are paying for those additional services over and above the negotiated contract.

Mr FOLEY: Are you happy with the contract? Is it a good contract?

The CHAIRMAN: The member for Hart will speak through the Chair, and he will not ask an indeterminate number of supplementary questions.

Mr FOLEY: May I finish this line?

The CHAIRMAN: Yes.

Mr FOLEY: Implementation wise, do you think it is a good contract for your agency?

An honourable member interjecting:

Mr FOLEY: It is a good question. He is the Chief Executive Officer. I am asking you whether you like the EDS contract or not.

Mr LEWIS: I always believed that it was appropriate for members to address their questions through the Chair and not use second person pronouns such as 'you', but rather, 'Mr Chairman, is the Minister happy with'. That is the

appropriate way to phrase the question, so that it is not an adversarial attack on the Minister.

The CHAIRMAN: The member for Hart would be aware that Speaker Peterson was very strict on that ruling. I direct the question to the Minister.

The Hon. R.G. Kerin: We all know where the member for Hart is coming from. The answer is that we are happy with the contract and, as the honourable member is aware, the contract has resulted in large savings to Government. While it may on the surface look as though some agencies are paying more, the honourable member is well aware that in the past some capital costs were borne by Government. The honourable member is well aware of that and has probably heard that answer many times. A lot of the costs did not pass through agencies' books. Agencies' costs did not always include depreciation, the cost of capital or asset replacement. In the past, those costs were met by Treasury and Finance and, as mentioned, are currently supplemented to agencies. In addition, Treasury has paid the cost of Southern Systems, which was part of the overall cost of data processing. For the honourable member to put together a picture of how many agencies have paid more does ignore the central costs picked up by Treasury and Finance before and does not provide a true reflection of the total whole of Government benefit brought about by the EDS contract.

Mr FOLEY: The question is: was it or was it not a good contract? Through the Minister, is Mr Mutton happy with the operational side of this contract?

The Hon. R.G. Kerin: That was the fifth supplementary question, and the answer is 'Yes.'

Mr FOLEY: But Mr Mutton was not saying that—

The CHAIRMAN: I think the honourable member has exhausted that line.

Mr FOLEY: The Minister is reluctant to allow the Chief Executive Officer to speak.

The CHAIRMAN: The member for Hart well knows the procedures of this Committee. The Minister is under examination. The Minister has his officers here to assist him. The member for Hart is on very dangerous ground to imply that the way the Minister answers questions is anything other than that which is allowed by the rules. I also draw the honourable member's attention to the fact that repetition is against Standing Orders. Members will find that that series of questions was answered this morning, if not by the Minister then by Mr Mutton, and that therefore the question was repetitive.

The Hon. R.G. Kerin: The member for Hart is a bit testy; it is the middle of the football season. To satisfy the member for Hart, I will allow the Chief Executive to answer the question.

Mr Mutton: I am quite comfortable with the quality of services that we are getting from EDS; they have been continually improving. There were some early issues in relation to satisfying some of the variations that were requested for work in the agency. The relationship between EDS and primary industries is very good. We have been in a situation of continual improvement in the work that is being performed for the organisation, and in a brand new, significant sized contract that is understandable.

Mr LEWIS: I refer to page 440 of the Program Estimates and to the heading 'Agricultural Industries'. I know that the Eyre Peninsula community is very interested in the improvements taking place on the site of the Minnipa research centre and the proposed improvements, because people believe that it will help boost the productivity of the region; indeed, so do

my constituents, because there are obvious similarities in soil types and climate between Minnipa and the Murraylands and the Mallee. I therefore see those prospective benefits. What is involved exactly, and what progress is being made?

The Hon. R.G. Kerin: I agree that what happens at Minnipa has an influence on all dry land cereal farming throughout southern Australia. Cabinet has approved the injection of \$500 000 into the research centre as a major upgrade. The GRDC has allocated \$300 000 to the upgrade as well as \$1 million over five years for salaries and operating funds for a major expansion of the research effort in the low rainfall cereal farming zone. The University of Adelaide has also seen fit to contribute \$100 000 to the upgrade. A management committee with representatives from the community, PISA, SARDI, the university, GRDC and the Eyre Regional Development Board has been formed to oversee the development of the centre as a centre for excellence in low rainfall dry land farming research. The inaugural meeting of that management committee was held on 9 May.

Eyre Peninsula produces about 40 per cent of the State's wheat and 25 per cent of its barley, and we are looking at agricultural production from the region amounting to about \$450 million annually. If the national productivity improvements in the cropping industry of 4 per cent per annum could be translated to Eyre Peninsula, it is estimated that the region could produce an additional \$18 million annually. South Australia will also enhance its high profile status in agricultural research and development in low rainfall environments. The upgrade of infrastructure at the centre will comprise the establishment of new office and laboratory facilities to house 20 personnel; modification of existing buildings to create a farmer information centre with facilities for group meetings and conferences; accommodation for visiting research scientists and students; a glasshouse; and materials handling and storage facilities. An architect was appointed in April to draw up plans for the new facilities, and it is expected that tenders will be called for shortly.

The cooperative nature of the proposal, with participation from the rural community, industries, State and university bodies, will provide a sound foundation for an exciting future in the development of South Australian agriculture.

Mr LEWIS: Given that a good part of the Minister's answer related to grain farmers, I ask the Minister to elaborate further. Grain farmers across the Murraylands and the Mallee frequently tell me how they are getting improved crop yields and increased grain production from the same inputs, whether it be by the grace of God, the rain and the sun or by what they procure and invest at their expense. When I asked them about that I found that the introduction of new techniques has been crucial in their success. I commend people such as Tom Davidson, who works in my electorate, and other agronomists around the State on the way in which they are field testing and promoting the information from research work conducted in facilities such as that at Minnipa.

I understand that PISA's TOP CROP, the 'Right Rotation' programs and the electronic information services are significant contributors and are very effective vehicles for getting farmers to adopt this new technology. What further information can the Minister provide about what he thinks is the estimate of costs to benefits in that, if we do not do that, we cannot make comparisons between how we spend the money in this portfolio area compared with other portfolio areas? We do it in PISA, but not all other portfolios come up with that cost to benefit. If we make some point about it, we

might as a community get somewhere in our assessment of how to get better results and the prosperity we so ardently seek from our public outlay. I therefore seek from the Minister greater elaboration about those programs and the benefits they bring for the costs incurred?

The CHAIRMAN: While the Minister is responsible for certain things, I do not think that he is responsible for the grace of God, the sun and the rain. It was kind of the honourable member to allude to those things, but I will ask the Minister to answer for those parts of his portfolio for which he is responsible.

The Hon. R.G. Kerin: It does not stop me from getting the blame for some of those factors, I might add. The honourable member is correct. This morning we had some return on investment-type figures in the SARDI estimates about the returns for research that has taken place. That clearly illustrates that the money that is put into research in agriculture returns very good dividends, and that applies to horticulture and other primary industries as well. The honourable member was also correct in emphasising the impact of new technology on the grains industry and how the rate of uptake of new technology has a lot to do with the increases in production that are achieved. Over the past 10 years South Australian cereal, pulse and oil seed producers have increased their production from about 3.6 million tonnes per annum (with a value of \$600 million) to 5.9 million tonnes per annum (with a value of \$1 billion), which is a large increase.

While the area sown to broad acre grain crops has risen from 2.8 million hectares to 3.2 million hectares, the principal reason for the enormous increase in production has been efficiency, not the actual area put in. The ability of farmers to understand the factors limiting crop yields and to introduce a technology to overcome these yield limiting factors has been significantly enhanced by a range of PISA programs, including Topcrop, LentilCheck and Right Rotation. The Right Rotation program has been delivered through the agricultural bureau movement and facilitated by PISA agronomists and field crop development officers. Following from the successful 1996 weed management workshops, which reached 2 000 farmers, Right Rotation in autumn 1997 addressed the critical production issues of seeding rates and time of sowing.

Across the South Australian grain belt, 1 000 farmers participated at 60 workshops. Rotation planning will feature at the 1997 winter workshops, with the emphasis being placed on agronomic principles along with the use of rotation gross margins to analyse and plan crop sequences. Topcrop is a farmer group based crop monitoring service addressing grain industry development opportunities, new crops and improved agronomic practices. This service has been well supported by 700 grain farmers in 70 groups across the South Australian grain belt. Electronic information systems are providing farmers and agribusiness better access to vital information technology for running their businesses, and PISA is at the forefront in developing this technology for the benefit of South Australian farmers. I see a great future for electronic information systems for farmers in the rural community.

Increasingly, the availability of hardware is not the limitation. Farmers are purchasing computers (with a CD-ROM and access to the Internet) and fax machines that enable them to take advantage of the wide range of relevant up-to-date information that can be provided by electronic information systems. One of the things that many people in the metropolitan area might not realise is just how farmers

over the past decade or so have seen changes in opportunity. I think that the general perception of farmers is that they may see change as a threat. They have certainly seen change as an opportunity and they have embraced that opportunity. We talked before about the number that have taken advantage of our RAS training programs. We are getting to the stage where that has been around for only a few months and already about one in five South Australian farmers have taken part in some form of training under that scheme. Having a receptive audience such as that does make it easier for PISA to get uptake of new technology, and that will see our primary producers go from strength to strength over the next decade.

Mr LEWIS: Based on that, and going laterally, would the Minister mind helping us all get the message across about what does happen in the rural industries and rural and regional communities to those who have urban lifestyles by perhaps providing for the Committee—taking this question on notice—the amount of dollars (or the percentage of State revenue collected from State taxes that is appropriated for the purposes of PISA) in comparison between South Australia, perhaps a smaller State (Victoria), one about the same size (Queensland) and a bigger State of about the same population (Western Australia) in each of the financial years of, say, 1965-66 (30 years ago), 1985-86 (10 years ago) and last year—and the Minister might like to drop in 1990-91 too as he goes past—and put that in a tabulated form with a synopsis in precis (of what he has just given to the Committee) on the South Australian Government's Internet home page, so that those people who are couch potatoes, who just browse the Internet and from time to time visit our home page, gain an appreciation of how much we do in comparison with other communities of the States of Australia and results we achieve with limited funds for the general levels of prosperity of all South Australians.

If the Minister would be kind enough to do that, it would be quite a step forward in the use of information technology as well as getting a wider public appreciation. Would the Minister mind having a shot at that?

The Hon. R.G. Kerin: I can have more discussion with the honourable member about what is required and attempt to put the information together. I see what he is getting at, and we would now have to include PISA and SARDI to do the proper comparison further back. I have spoken to the honourable member about this before. We really need to get the message across to the general public about the contribution that primary industries make to the State. We are making people more and more conscious that nearly 60 per cent of the State's exports come out of the primary production area. It is interesting that, just recently, one small initiative of PISA was to do an exercise with Hungry Jack's, where tray liners included some information about where the actual products came from and how the produce served there was nearly all South Australian.

The reaction to that has been very positive. A lot of our younger generation does not even think that the burger comes from the cow but think that it just comes out of the oven. There is an educational process, and we will do whatever we can to help with that.

Mr LEWIS: I have a question in relation to something the Minister had to say in his opening remarks, that is, the perennial problem that does not always arise on an annual basis but will really chew us up if we do not pay attention to it, and that is the problem of locusts (page 440 in the Program Estimates). Will the Minister tell us more about the likely losses if we do not control plague locusts, sometimes known

as grasshoppers, this spring and summer, and by what techniques will the Government be attacking the problem?

The Minister gave us a figure of some millions of dollars that were to be spent, and I would like that figure to be matched against the likely loss to the State's economy if we do not get on with it and make sure we control them. In what areas will we have to spend it? We would already know where the egg beds were, I guess. What is it likely to cost us, and what will happen if we do not?

The Hon. R.G. Kerin: We are looking at a cost of about \$750 000 and that will cover about 35 000 hectares of locusts. Surveys were conducted by PISA across known critical areas during the autumn. The surveys, coupled with information from landholders (which is always very important to us) and from the Australian Plague Locust Commission, have shown that there is the potential for locusts and grasshoppers to cause significant damage to large areas of the State this spring. The threat comes from three sources. Locusts mainly from New South Wales flew into the central and southern Flinders Ranges and the eastern edge of the Eyre Peninsula during March. Within certain northern agricultural districts numbers of locally bred locusts built up following the summer thunderstorms. In addition, a series of grasshoppers was present last spring and caused significant damage to country on the edge of agricultural land in locations from Burra up to Orroroo.

No matter what their source, all these locusts and grasshoppers have laid eggs, and it is the hoppers that emerge from these that will create the problems starting in October. Information coming into PISA has been sifted and a map produced showing where locusts will be in damaging numbers this spring. This shows the threat is most concentrated in the agricultural and pastoral areas of the southern Flinders Ranges and eastern Eyre Peninsula over an area of about 160 000 hectares, which is similar to what occurred in 1979. A feature of this year's infestation is the presence of locusts that are already in agricultural areas. If left unchecked, all these locusts have the potential to damage ripening broad acre crops. They attack cereals such as wheat and barley by nipping the heads off the stalks, resulting in nothing to harvest. Left unchecked, the locusts will eventually migrate southward and cause damage in the winemaking areas of the Clare Valley and could reach the horticultural zone around Adelaide. The eventual size of the problem will not be known until the end of October.

In 1991, in order to improve management of locust control programs, PISA officers wrote a contingency plan, and that will be the basis of the planning for this season. Since there are many separate threads to draw together requiring a long lead time, a planning committee will first meet in June. The elements of the contingency plan include letting contracts for chemical supply, spray plane and vehicle hire, employing casual labour and building communication systems as well as working out the details of day-to-day operations. The most difficult aspect of the planning is to say how big the program will be. As I said, initial estimates indicate the cost at about \$750 000 allowing for the treatment of approximately 35 000 hectares of locusts. That is based on an eight-week campaign using three core staff and four two-person teams.

PISA has a contingency fund from which to draw the costs of the program. The chemical use comes from the family of organophosphates. Fenitrothion, as with most sprays, is dangerous to people in its concentrated form in the drum. Careful procedures have been and are still being developed to make handling the chemical safer and to ensure we

minimise environmental damage. However, it is still poisonous and every care is to be taken to prevent poisoning and off-target damage. Careful and adequate planning, an adequate budget and, above all, a cooperative effort between landholders, apiarists, aquaculturists and PISA people, who must all do their bit, should result in a successful control program. I know that the level of cooperation we have had from landholders in the past who were willing to get on their bike to go and look has been very good, and we look forward to that cooperation again this year.

Mr LEWIS: I know the Minister is not old enough to remember, but his records would show that in the late 1940s we had a severe plague in South Australia and would show also the percentage damage done by those swarms as they moved across the settled areas of the State and destroyed so much of the State's agricultural and horticultural production. If that were to be in percentage terms converted this spring and summer to this State's economy, will the Minister take on notice a question to quantify, in terms of billions of dollars, how much would be lost to the State's economy in very short order if we allow them to get on the wing?

The CHAIRMAN: Does the Minister recall or does he want to take it on notice?

Mr LEWIS: I do not mind if the Minister is within 20 per cent of accurate.

The Hon. R.G. Kerin: The member for Ridley is correct in saying that I was not around in the 1940s. I will see what information is available concerning the level of damage. Obviously from the severity to which the honourable member refers the actual costs would be in the hundreds of millions of dollars. However, we will see what is on the records and whether we can provide the honourable member with some figures.

Ms HURLEY: I refer to page 435 of the Program Estimates and, in particular, to capital receipts, which have decreased from the revised figure of 1996-97 to the 1997-98 year. Will the Minister detail the plant, equipment and property currently owned by the Department of Primary Industries SA that is considered surplus to requirement?

The CHAIRMAN: The Minister can take the question on notice.

The Hon. R.G. Kerin: To keep things moving we will take the question on notice and provide the honourable member with a considered reply. Capital receipts is not a big part of our expertise.

Ms HURLEY: In that case I wonder whether the Minister would also note whether any of the services or property administered by the department will be contracted out or sold?

The Hon. R.G. Kerin: The reduction in capital receipts in 1997-98 compared with 1996-97 is mainly due to an expected decline in principal repayments of loans from farmers of \$1.857 million, and with no anticipated forestry sales of assets there has been a reduction of \$554 000. The situation involving loans has occurred because we have had a decreasing loan portfolio since the Rural Finance Department stopped providing loans, so that as loans are being repaid fewer repayments are coming in. In addition, capital sales out of forestry amounting to \$554 000 last year are down to nil predicted for this year.

Ms HURLEY: What plant, equipment and property is considered surplus to requirements?

The Hon. R.G. Kerin: Is the figure to which the honourable member refers \$40 000?

Ms HURLEY: I am referring to the situation applying generally within the department in terms of assets.

The Hon. R.G. Kerin: All that is listed in respect of plant, equipment, motor vehicles and vessels is \$40 000, which really is not significant.

Ms HURLEY: The Minister mentioned forestry, but is any property involved?

The Hon. R.G. Kerin: No, there is no property planned for sale.

Ms HURLEY: I refer to the Estimates of Receipts and Payments, page 249. The contribution from the Commonwealth under recurrent receipts was estimated last year to be \$838 000. The revised figure was \$1 983 000 and the estimate for 1997-98 is \$2 023 000. Given that the Federal Government seems to be decreasing its budget outlays, can the Minister say why an increase is expected in the budget year and what programs this will be expended on?

The Hon. R.G. Kerin: These are always estimates because they are bids for projects, and we may or may not get funding for those bids. The figure that is out of sorts is really the estimate for last year, which was less than \$1 million. Because of our success with the bids that we put up for research funding, we received just under \$2 million. We have based our estimate more on what we received last year than on last year's estimate. It was a good result for us that we were able to get that extra funding, but that figure of just under \$2 million is an estimate until we know whether or not we are successful with bids for research money as the financial year goes on.

Ms HURLEY: Is that a continuation of current programs, or are you expecting some to drop and others to be taken up?

The Hon. R.G. Kerin: There is a real mixture. Some programs drop off when they come to the end of their life and others start up. There is some core funding in that which is ongoing, but we hope for some new funding of programs, particularly to replace those that drop off the other end.

Ms HURLEY: I turn to page 440 of the Program Estimates. The Wool Industry Development Board has been appointed and is operating with the intention of setting strategic direction for the State's wool industry. I believe that the Minister has indicated that plans are under way to create more of these boards. Can the Minister confirm that and indicate the number of boards to be created and the cost associated with the start up and maintenance of those boards?

The CHAIRMAN: The Minister has already partially answered that question.

The Hon. R.G. Kerin: Five boards are envisaged, and wool and horticulture are already in place. The meat board will commence very soon, the field crops board is not far away, but the seafood board will not commence until a bit later in the year. The costs are within our industry development budget and it is estimated that the total cost of those boards and their projects for the financial year will be in the range of \$150 000.

The amount of time and effort that some of these board members are putting in should be acknowledged. We have been extremely fortunate in that we started at the top and approached some very good people, and we were a little surprised at their willingness to give of their time and effort. Perry Gunner is the Chair of the Wool Industry Development Board and is doing a terrific job, putting enormous effort into it. Perry Gunner is well and truly recognised as one of the leading business people in South Australia, as is Dr Ed Tweddell, who heads up the horticulture board. With

the calibre of person involved, we should be able to kick some goals with these boards.

Ms HURLEY: I refer to page 440 of the Program Estimates. We have had some discussion on papaya fruit fly, but it is noted that there should be an upgraded media program and sterile insect technique for fruit fly. This year there have been two outbreaks of fruit fly, one in Linden Park and one in Woodville North. One of the issues that remains unresolved in this area is the policy behind the closure of country fruit fly stations for certain periods of the year. Can the Minister outline the cost of the two outbreaks of fruit fly and can he explain why the fruit fly station at Oodlawirra is not open all year round?

The Hon. R.G. Kerin: I refer to an earlier statement that we are committed to maintaining the fruit fly roadblock at Ceduna, which is very good news for that community. We are dealing with papaya fruit fly in Queensland. Locally we are on the lookout for two strains of fruit fly: Mediterranean fruit fly, which comes from the west; and Queensland fruit fly, which comes from the other direction. Last year, when there was an outbreak of Mediterranean fruit fly, it was pointed out that it may have come through Oodlawirra, which is not correct. Mediterranean fruit fly comes from the west, so it got in somehow from that side.

As far as Oodlawirra goes, we announced several initiatives in February 1996, and the Oodlawirra roadblock was opened on a random basis for a 24-hour period during the months of February and March. It was open for 24 hours on a total of 20 occasions during the trial period, and fruit fly infestations were detected in four instances. As a result of the trial, we gave a commitment regarding an extension of the hours at Oodlawirra. A 24-hour program is currently run during the period mid-October to mid-March. This period corresponds to periods of peak vehicle movement through the roadblock, together with high interception rates for infested fruit and a higher risk of establishment of fruit fly in backyard fruit in metropolitan Adelaide.

Mediterranean and Queensland fruit fly continue to be major pest threats to our horticultural industries. The extension of hours during October and March cost \$26 522, and this is planned to continue in 1997-98. That is based on a risk assessment basis of when we feel the chances of fruit fly coming through are highest. The honourable member also asked about the cost of eradication, and this year, which was a pretty good year regarding fruit fly, we spent about \$100 000. Obviously, just extending the hours at Oodlawirra will not stop fruit fly coming into South Australia. A whole range of measures, both educational and quarantine, need to be looked at.

Ms HURLEY: Has there been an assessment of how much it would cost to run Oodlawirra around the clock all year round?

The Hon. R.G. Kerin: Probably about \$100 000 a year extra would be a quick assessment of it. It is guesswork whether that would save any outbreaks in South Australia. We spend a fair bit on fruit fly prevention, as well as eradication. Whether we spend our dollars on education, at the airport, at the bus station, the railway station or Oodlawirra is a value judgment.

Mr VENNING: I refer to the Program Estimates (page 440). What developments are anticipated in the South Australian pig industry, and how will primary industries assist in that?

The Hon. R.G. Kerin: As the member for Custance knows, the pig meat industry is very much domestically

focused. Only about 5 per cent of Australian pork production is exported, but there is enormous potential for that market to grow. Significantly, half South Australia's turn off of pigs is slaughtered interstate, denying the State the benefit of value adding to those carcasses. There are indications that the pork industry is poised to make significant investment in South Australia, fuelled by growing demand for exports and a move to have more locally grown pigs slaughtered in the State. Growth in pork production requires an environmentally sound approach to establishing large scale piggeries.

Primary Industries is working with the EPA, the Department of Housing and Urban Development, the Murraylands Economic Development Board and the South Australian Farmers Federation and pig producers to develop a set of guidelines for the establishment of piggeries. The guidelines deal with all the environmental issues connected with pig farming and will be of enormous assistance to developers and local government planners when having to deal with new piggery developments. Primary Industries will also undertake a study of the lower Murraylands Southern Mallee region to identify the most suitable locations for piggery and abattoirs development. This work will assist local authorities, primary industries and the Economic Development Authority attract investment to South Australia by providing a clear picture of the region's potential and, together with the environmental guidelines, will reassure developers that South Australia has a supportive and predictable approach to pig industry development.

Mr VENNING: I refer to page 440 of the Program Estimates. I understand that the Minister has recently signed a five year contract with Veterinary Pathology Services Pty Ltd, which is a private company, to provide veterinary diagnostic services for the State veterinary laboratory, Vetlab. How will the Government guarantee that the contractor will provide high quality veterinary diagnostic services in a timely and cost effective manner?

The Hon. R.G. Kerin: I agree with the honourable member's comments about the importance of this. The contracting out of services to the private sector to achieve improved efficiency and cost effectiveness is Government policy. In line with this policy, Cabinet decided that the provision of veterinary diagnostic services would be more appropriately provided from the private sector through a contract provider. The selection of the preferred contractor, which is Veterinary Pathology Services Pty Ltd, was made after an exhaustive evaluation and selection process, involving key Primary Industries' Department staff, private consultants and an independent senior officer of Agriculture New South Wales with directly relevant experience.

The evaluation and selection process was subjected to an independent review by a Probity Auditor who reported complete satisfaction with it. Veterinary Pathology Services has an extensive history in the successful provision of veterinary diagnostic services and has the capacity to call upon a large number of specialist veterinary pathologists, scientists and technical staff in times of emergency. The contract to provide veterinary diagnostic services which VPS has signed is a comprehensive document which outlines in detail all tests and other services to be provided by it. It obligates Veterinary Pathology Services to provide the services from the existing Vetlab site at Glenside, to define quality standards and to meet specific time requirements. Comprehensive reporting requirements are placed on the contractor.

The contract requires the contractor to provide an interim quality manual at the commencement date and to implement a specific quality assurance program to achieve ISA 9002 and IOS guide 25 requirements within 12 months of commencement. While the contract allows for the subcontracting of some work by VPS, this can occur only with my specific approval of both the test and service providers and will relate only to low volume, high cost tests where there is a substantial cost benefit from the subcontracting of those tests. In opting to contract Vetlab services, consideration has been given to ensuring that a competitive market for the provision of veterinary diagnostic services continues to exist and will additionally ensure that the Government meets its obligations to the national competition policy.

The PISA animal health branch is collocated in the Vetlab building at Glenside to facilitate contract management. As would be expected of such a contract, the directors have had to provide various guarantees and insurances to come into effect should the contract fail, along with a wide range of sanctions and remedies to be applied in that circumstance. As far as the research aspects of Vetlab are concerned, I advise the honourable member that they do not form part of the contract. However, the opportunity has been taken to clarify further the roles of both Primary Industries South Australia and SARDI by effecting the transfer of relevant Vetlab research staff to SARDI, thereby maintaining this capacity in South Australia.

Mr VENNING: I again refer to page 440. In the Minister's detailed statement to the Committee, he referred to the industry development boards. What is the role of the wool and meat industry development boards, and what are the Minister's expectations of them?

The Hon. R.G. Kerin: Certainly, the role of the boards is to influence the strategic direction and the growth of the primary industry sector in this State. Members of the current boards are skilled, and the Government believes that those yet to come will be skilled and successful business people who will make a visionary contribution and will resolve issues which are confronting each of the industries. The Wool Industry Development Board has been meeting monthly since March. I am looking to that industry development board to identify opportunities to develop further the market value of South Australia's wool, focussing on quality management, product differentiation and marketing. The board has a partnership relationship with PISA. This is evidenced by the fact that PISA is represented on the board and provides secretarial support to the board. Having regard to the expertise available to the board and to the department, PISA's sheep industries program will generally be focused inside the farm gate, and the board's program will generally be focused beyond the farm gate.

As I mentioned, the Chairman of the wool IDB is Perry Gunner. Perry has informed me that it is not the intention of the board to spend a major portion of its time on planning; rather, it will contribute to PISA's strategic industry planning process. According to Mr Gunner, the board is developing a project proposal aimed at getting producers and processors working together to market wool more efficiently and effectively. This will mean not necessarily an initial increase in price but more stability in marketing with long-term financial benefits and improved feedback to wool producers. The role of the Meat Industry Development Board, which is yet to meet, is similar to that of the Wool Industry Development Board.

Mr VENNING: I refer to the field crop or cereal industry development board, which the Minister also flagged in his initial comments. Will the Minister give a specific date for when he will announce that board and a rough idea of who will be on it (without naming any names)? Will there be any representation from his office, any of the grower organisations, marketing boards, grain handlers, or anybody else?

The Hon. R.G. Kerin: I am glad the honourable member does not want me to name who will be on the board. We are probably not all that far away. We have been doing quite a bit of work in identifying the best people and the best mix for that board. Obviously we need a good mix of people who understand the growing, marketing and storage issues in the grain industry. We also need people who may well be very good business people in their own right but who come from outside the grain industry to provide some other perspectives on what the grain industry can achieve.

The role or the aim of each of these boards is different. Certainly, the horticulture board has to concentrate on how it collects the production and gets it exported. I have just described what the role of the wool board would be. Certainly, field crops are unlike horticulture, where we have to collect the produce and export it. At the moment one thing we do very well, particularly with cereals, is collect up and export the produce, but perhaps we do not get enough value for the producers or the State in value adding to that production. The role of the field crops board is different from that of the horticulture board, in that it may be charged with working out ways of getting greater value by adding to production or looking at what other production facilities are needed, such as extra malt houses or canola crushing plants.

Mr VENNING: The agreed Federal Government sale of AN announced today will mean big decisions for all sections of industry. Will these boards be involved in this process, once it has passed this House—and I presume that it will pass? Will these boards have direct input into this, and what will be the Minister's role in coordinating this very important transition?

The Hon. R.G. Kerin: Obviously the one board on which this will have enormous impact is the field crops board. Perhaps it will affect the meat board to some extent, but certainly the field crops board is the one on which it will really impact. I would not see this board as having a role in that. Working through the issues that affect the grain industry is really the role of SAFF, the Barley Board, the Wheat Board and SACBH. Obviously, what happens to the railway lines in South Australia is extremely important to the grain industry in this State but, at the same time, the grain industry will be absolutely vital to whoever buys AN. Anyone buying AN would create a major problem for themselves by not looking after or consulting extensively with the grain industry, given that it is such a big part of the business.

The CHAIRMAN: I refer to page 440. The Minister may be aware that one of the subsidiaries of Luminis at the University of Adelaide has just developed a process for an additional growth factor in pigs which is triggered by a metallic element addition to the diet. In questioning, Luminis stated that the technology would probably have to be sold overseas, because the health requirements in Australia are such that approving the meat would involve a fairly convoluted process. Would it be possible for the Minister's department to look at licensing pig farmers with the new technology solely to produce for the American market? It seems to me that, if this development occurred here and was not available for local consumption but was available for

consumption on the American market, our farmers should grow the pigs and export the meat rather than export the technology, because we will get less for the technology than for the resulting meat products. Will the Minister have his officers look at the matter?

The Hon. R.G. Kerin: We will take that question on notice. It was a wonderful question—I must commend you on it—and we will try to get an answer for you.

Mr FOLEY: I turn to a subject which is dear to my heart and in which I have had a long and enduring interest, namely, the Gulf St Vincent prawn fishery. I refer to page 443 of the Program Estimates. How many hours were spent fishing this season—including searching for fish—and how many tonnes of prawns in the specified target range were caught? How does that compare with Gary Morgan's predictions on the sizes caught?

The Hon. R.G. Kerin: The 1995-96 figures indicate that the fishery produced 258 tonnes under the conservative harvesting size strategy, a maximum of 34 days fishing and a target size of 24 prawns or less per kilogram, which was established by the Fisheries Management Committee. The economic analysis of Dr Morgan's fishery model indicated that, at a level of production of 211 tonnes, licence holders would not have a sufficient income from fishing after tax to meet their buy-back obligations. So, the figure is 258 tonnes as against 211 tonnes.

Mr Mackie: This indicates that the predictions that Dr Morgan put together in his model are close to what is happening this season.

Mr FOLEY: As a supplementary question: I refer to the issue of the buy-back debt. I note that the Minister has not set a figure for buy-back payment this year. Will he enlighten the Committee as to what he intends to do about buy-back debt?

The Hon. R.G. Kerin: No, I cannot enlighten the Committee on that, because it has not been decided.

Mr FOLEY: I am sorry?

Members interjecting:

Mr FOLEY: Thank you for the coaching from the table. I am sure the Minister is quite capable of answering his own questions. If not, I am sure the Director will see fit to provide him with some help.

The CHAIRMAN: The member for Hart will not comment on dialogue between the Minister and his advisers; that is not generally done.

Mr FOLEY: I will choose to make comment on whatever I wish.

The CHAIRMAN: The member for Hart will choose to listen to the rulings of the Chair.

Mr FOLEY: Mr Chairman, I will comment as I see fit. If you are not satisfied with that you, of course, can take the appropriate action.

The CHAIRMAN: If the member for Hart wants me to, I will. The member for Hart will ask his next question.

Mr FOLEY: It is your call. As a supplementary question, Minister, you have said that you have not set a figure on the buy-back repayment. Why not? I find that an extraordinary admission by the Minister.

Members interjecting:

The CHAIRMAN: That interplay on both sides is uncalled for.

An honourable member interjecting:

The CHAIRMAN: The member for Hart knows that certain avenues are open to the Chair, which would be a great inconvenience to all other members in this Committee except

the member for Hart. I ask for the honourable member's cooperation—

An honourable member interjecting:

The CHAIRMAN: The member for Hart could not but other members might, so I ask for his cooperation.

The Hon. Frank Blevins interjecting:

The CHAIRMAN: I have just admonished my colleague as I admonished him.

The Hon. R.G. Kerin: As the honourable member might be aware, the licence figures have been set, but the buy-back is done under negotiation between PISA Fisheries and Treasury on an annual basis, and that has not yet been arrived at. The consultation with Gulf St Vincent prawn fisheries is an ongoing situation.

Mr FOLEY: As a supplementary question, over recent years how much of the debt has the department recouped?

The Hon. R.G. Kerin: We would have to dig out those figures. I do not have them at my fingertips. I will take that question on notice.

Mr FOLEY: Will the Minister advise the Committee on all expenditure undertaken by this and all agencies under his control with respect to consultants and consultancies and advertising and promotion for the past financial year? I am happy for that response to be provided at a later date.

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

Mr ANDREW: I refer the Minister to page 443 of the Program Estimates with respect to fisheries policy development and, in particular, the 1997-98 target objectives. It is stated:

Conduct a review of recreational fishing in South Australia that will consider the associated social and economic benefits.

With respect to the Murray River fishery, I have already formally conveyed to the Minister the concerns of a couple of my Riverland constituents. The Minister would also be aware that one constituent has written a number of letters to the Editor of the local press in this regard. Local recreational fishermen feel they have not had the opportunity for full consultation with respect to the newly proposed river fishery management plan. They feel they are being discriminated against compared with the professional river fishers. It is opportune that I raise this issue this afternoon because, Minister, you might be aware that some of your officers are in Waikerie this afternoon. It is unfortunate that my responsibility today prevents my attending that meeting. Notwithstanding that and without going into the specific concerns, it is sufficient to ask you, Minister, in general and broad terms, whether you believe that the Murray River recreational fishers have had a fair go and whether they will get a fair go under the proposed plans? What assurances can you, as Minister, provide in this regard?

The Hon. R.G. Kerin: The member for Chaffey has raised this issue with me over the past few weeks. It seems we went a fair way with this plan and then suddenly, 12 or 15 months down the track, we are hearing complaints of lack of consultation, and that is one issue that will be sorted out at that meeting today, which will go back through the level of consultation that has taken place. The draft plan for adjustment of the river fishery was released for public consultation in April 1996. To provide a good opportunity for public comment, the report was distributed to as many groups as possible who, we felt, would have an interest in the river resources and, in the context of the allegation that has been made, I think it is important that these groups be listed.

The report was distributed to all local government authorities that are adjacent to the Murray River; all commercial licence holders in the river fishery; the Riverland Fishing Club; the South Australian Field and Game Association; the Australian Nature Conservation Agency; the Murray-Darling Basin Commission; the Aboriginal and Torres Strait Islanders Commission; the Department of Environment and Natural Resources; the Department of State Aboriginal Affairs; the Gerard Aboriginal community; the South Australian Fishing Industry Council; and the South Australian Recreational Fishing Advisory Council. The report was also made available to all people who requested a copy.

A meeting was held in Renmark on 6 June 1996 at the request of the Far West Anglers Association, which was asked to prepare a submission on behalf of the South Australian Field and Game Association and the Riverland Fishing Club. The purpose of that meeting was to discuss and clarify the report and to provide an opportunity for representatives of relevant clubs and associations with an interest in the river fish resources to present information that would be considered for the submission that was being prepared. I am aware that an invitation to attend this meeting was extended to all local councils and interested people in the community, and notes from that meeting indicate that 43 people attended.

Further, I have been advised that Mr John Presser, Principal Fisheries Manager from PISA Fisheries, and Mr Greg Wood, a member of the Inland Fisheries Management Committee representing recreational fishing interests, met with three representatives of the District Council of Waikerie on the afternoon of 6 June 1996. This meeting was arranged by the council in response to an invitation by PISA Fisheries to discuss the report that had been distributed. I am also advised that, subsequent to this meeting, the District Council of Waikerie did not make a submission to the report.

A similar invitation was extended to all local councils adjacent to the river. When public submissions closed on 22 June 1996, a total of 13 responses, including one from the District Council of Loxton, had been received. These responses were considered by the working group who prepared the original plan, and a report was provided to me with the final recommendations for a plan to restructure the river fishery. Membership of the working group included representatives from the commercial fishery, the South Australian Recreational Fishing Advisory Council, PISA Fisheries and SARDI. Foremost in the plan is the need to ensure the sustainability of river fish stocks.

The plan will provide greater management flexibility to control commercial activity and catches during poor river conditions. A lot is being done to revitalise the river fishery and improve the reproduction of native fish species. The high numbers of juvenile and legal-size cod that are now evident in the river reflect the high reproduction over the past five years due to favourable river flows and improved flood plain management. I am confident that the changes that are being introduced in the commercial fishery will add to these improvements and will be beneficial to the management of fish stocks for both recreational and commercial fishers.

It is unfortunate that some of the accusations do not take into account the amount of consultation that occurred last year. Hopefully, the meeting in Waikerie this afternoon can sort out a lot of the outstanding issues.

Mr ANDREW: I refer the Minister to page 440 of the Program Estimates. The Minister would be aware that the olive industry is an important horticultural growth industry in this State. How is the Government and the Minister's

department positioning South Australia to be a key player in this important and rapidly developing food industry opportunity?

The Hon. R.G. Kerin: Australia imported almost \$100 million of olive products in 1996, which included about \$90 million worth of oil. Oil imports have grown an average of 15 per cent per annum for the past eight years, and inquiry levels are extremely high. The olive industry is characterised by a predominance of small growers and processors; however, larger developments are now being considered—and in that way we can put a dent into the level of imports. Industry, with strong support from PISA, is developing the structure and technical base required for a sustainable olive industry. At present, the focus is on high quality oil production to replace imports but with a view to export in the medium term. The national olive variety assessment project is successfully under way. The project, jointly funded by David Kaholi (an Israeli nurseryman and investor), the Horticulture Research and Development Corporation and PISA, is designed to identify the best varieties and production practices for Australian conditions.

The NOVA project has been run by an experienced PISA officer, funded through the Rural Industry and Assistance Development Fund. The officer is also providing technical support for local industry associations and other olive development projects. Related activities in oil quality research and DNA testing of varieties have been developed by industry in collaboration with the University of Adelaide, PISA and SARDI. This work includes an examination of the wild olive population in the State for possible value to the industry. The national strategic planning exercise initiated and supported by the South Australian industry, together with PISA and the EDA, has been successfully completed. The outcomes include strategies to develop further effective industry organisation, tackle quality issues, establish national research and development priorities, and prepare an industry training and education program. PISA officers, working with EDA staff, have been supporting and facilitating olive development projects by overseas and local investors.

Mr ANDREW: I refer to development of the South Australian native food industry, an area in which I have a particular interest because there is a major new development in the Renmark-Paringa area. With respect to page 440 of the Program Estimates, the Minister would be aware that native foods are a unique horticulture industry that offer an opportunity to establish new export food products out of South Australia. How are the Government and his department supporting, promoting and assisting this industry to become a major player in South Australia?

The Hon. R.G. Kerin: Like the member for Chaffey, most rural members have a number of constituents who are showing an enormous interest in the native food industry, as are some of the regional development boards. It is an industry which is growing rapidly. Predictions are that it has the potential to become a national industry worth about \$100 million within three to five years. Industry organisation, whether at a State or a national level, is poorly developed and quite fragmented. This presents a poor image and has led to problems in terms of access to research funds and commercial finance for projects which people have put up for consideration. Much of the native food industry is currently focused on gathering products from the wild. For it to become sustainable in the long term and for it to produce competitively priced products and consistent quality, there is a need to adopt cultivation techniques for many native food species.

Sustainability is also a concern from a natural resource conservation perspective, and there are examples of unethical collectors causing permanent damage by over harvesting.

The native food industry has a significant value-adding component, and processing can provide significant employment. Currently, there is a strong demand for products, particularly on export markets, and industry is incapable of meeting that current demand. In November 1996 PISA facilitated a workshop to identify critical success factors for development of the industry. The meeting drew together researchers, collectors, growers, nurserymen, processors and food manufacturers with a view to developing an industry support group or network. The objective is for South Australia to become the national centre of excellence for native foods and to grow the industry to become a significant exporter. A further series of meetings has developed the core of an integrated industry network. The group is currently developing plans for the cooperative development of commercial products. PISA is facilitating development of the group, Native Foods South Australia, with logistical support and is potentially a partner in a specific industry development project.

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

Minister Assisting for Regional Development and Small Business—Other Payments, \$70 840 000

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

The Hon. R.G. Kerin: Yes. As the Minister Assisting for Regional Development and Small Business, I am responsible for the community service obligation for water delivery and waste water services to the country regions of South Australia. This is an issue which demonstrates the State Government's and my commitment to people in regional areas. The value of the community service obligation for the pricing of water and waste water services to country regions has been estimated at \$70.84 million. Country regions are those outside metropolitan Adelaide. The boundaries are the western hills face zone, the Gawler River in the north and Gulf St Vincent.

The Government is committed to supplying water services at standard rates throughout the country regions of the State. The Government is undertaking a program of microeconomic reform, with particular focus on the delivery of services, to ensure that all South Australians receive the best value from public resources. However, the Liberal Government has guaranteed that regional water users will not be disadvantaged by this program and that there will be a standard rate for services. The implementation of the community service obligation will be cost neutral to Government. The line for which I am solely responsible is the community service obligation payment. While it is estimated at \$70.84 million, that is to be negotiated between me and SA Water.

The CHAIRMAN: Does the member for Giles wish to make an opening statement?

The Hon. FRANK BLEVINS: Yes. It is fair to say that this Government has been the most disastrous that I can remember in terms of regional South Australia. The Minister referred to the delivery of services. Regional South Australia

tells me that to a very significant degree services are being reduced or eliminated right across the board. The Minister would well know that more than anything regional South Australia wants people spending money and buying services in rural communities and at least maintaining the level of activity in those communities if not increasing it.

The opposite is the case. How many FTEs in Government or Government agencies, etc., are employed and now located outside the metropolitan area, and how does that compare with the previous four financial years? I also point out to the Minister that I have not asked what the metropolitan numbers were; therefore, it is not possible for me on the original question to work out the percentages. I suggest that the Minister listen a little more attentively.

The Hon. R.G. Kerin: The lines to which the honourable member is referring are not included in this, in that this is purely the community service obligation for the supply of water in country areas at an equal price. The Premier is the lead Minister with regard to regional development. In my agencies, the honourable member has asked the questions that he has referred to with respect to both SARDI and PISA. I do not know whether or not he has asked each other Minister the same question. Whilst I would be quite happy to see those figures myself, the Premier is the responsible Minister and I cannot make a commitment for him. It is not under the line that is up for questioning.

The CHAIRMAN: I thank the Minister: I was just checking the pages myself. I draw all members' attention to the fact that pages 63 and 257, the lines under examination, are solely in respect of cash appropriated from the consolidated revenue accounts and the non-commercial sectors and they are solely monetary amounts and concern only, as the Minister has pointed out, the SA Water Corporation subsidy for country users scheme. That is the matter on which questions should be addressed.

The Hon. FRANK BLEVINS: Given that the Minister has stated that he would like to see those figures that I have asked for—apparently I cannot ask for them here, or he will not respond—will he as Minister assisting the Premier in regional development ask the Premier for those figures of his own volition, so that we can all have a look at them? In my view, there is no more important question for South Australia.

The Hon. R.G. Kerin: Obviously, the Premier is the lead Minister for that area, and I cannot make a commitment for him. The member for Giles has every opportunity to put that question on notice in the normal way.

The Hon. FRANK BLEVINS: But you don't care.

The Hon. R.G. Kerin: Of course I care.

The Hon. FRANK BLEVINS: You do not care. If you cared, you would ask him.

Members interjecting:

Mr FOLEY: As the Minister would probably be aware, I take a special interest in water. How much will the price of water in the country increase during the next financial year?

The Hon. R.G. Kerin: If the member for Hart had listened, what I said was that the reason for this line in the budget is actually to ensure that the country water price remains at exactly the same level as the metropolitan water price. As he knows, in early December each year the price of water is announced. What it means for this budget line when that price of water is announced in early December is that, despite some of the fear that has been put among country residents through certain processes, this guarantees—and it is an important guarantee—country people the same water price as applies in the metropolitan area.

Mr FOLEY: I pity the poor country water users. In regional South Australia that price has gone up 25 per cent in the past 3½ years, and we will be reminding every one of the Government's constituents at the next election, do not worry about that. That is 25 per cent in three years.

Members interjecting:

Mr FOLEY: No, it is factual.

The CHAIRMAN: Will the member for Hart ask his question?

Mr FOLEY: It was the Government that chose to sell our water to the French and British, and we have had four price increases, the big stink and who knows what else will occur. The Government has given us a great issue for the election and we thank it for that. It is probably worth two or three points.

The CHAIRMAN: If the member for Hart would ask some questions on the line.

Mr FOLEY: I think we will even give Unley a nudge on the water issue. On this community service obligation—

Mr LEWIS: On a point of order, I do not know whether the Chairman took the same meaning as I took from that remark. That was, as I saw it, a direct threat to you as the Chairman of this Committee to intimidate you into agreeing to allow the member for Hart to pursue a line of debate that was disorderly, if not out of order. As it was a threat to the Chair, I believe that he should apologise for having made such a threat and withdraw, at least.

The CHAIRMAN: The Chair thanks the member for Ridley for his concern. I had admonished the member for Hart and I hope that he was proceeding to ask a question, because if he persists with this line I certainly will demand that he withdraw. The member for Hart appears to be testing whether the Chair would like to name him. The Chair would not like to name him, but there are other courses of action open to the Chair that the honourable member would find equally unpalatable.

Mr FOLEY: I wouldn't actually. You could name me and put me out for 14 days.

The CHAIRMAN: The member for Hart might find the Committee suspended until later this evening, and then he would have to come back. And so would we all.

Mr FOLEY: I do apologise if the Chair took any offence at my suggestion that the water issue of his Government will cost him two or three percentage points in his election. I apologise if that does the Chair any harm, and I did not mean it.

The CHAIRMAN: As the member for Hart would be aware, we have done more harm by sitting here waiting for him to ask a question, and I ask him to do so.

Mr FOLEY: On the question of water pricing in the country, the Audit Commission report, shortly after the Liberal Party came to Government, recommended that we should do away with cross-subsidisation.

The Hon. Frank Blevins: And the Government accepted it.

Mr FOLEY: The Government accepted the report. The whole potential threat of the removal of cross-subsidisation hangs over every drop of water that comes out of a tap in rural and regional South Australia. That threat hangs above them like the pong has hung across Adelaide for the past three or four months.

Mr LEWIS: That is nothing to do with the line.

The CHAIRMAN: It is on the matter of the continuation of the subsidy.

Mr LEWIS: The pong?

The CHAIRMAN: No, not the pong. The pong is just gratuitous. Let us get on with the question: it was a gratuitous remark.

Mr FOLEY: I will ignore the member for Ridley: it is the best way to handle him.

The CHAIRMAN: Do not ignore the Chair: just ask the question.

Mr FOLEY: The point I am making is that, as this threat of a gradual removal of that subsidy occurs over time, will the Minister explain to the Committee why he is leaving the threat of that eventual elimination of that cross-subsidy on the books of Government?

The Hon. R.G. Kerin: I thank the member for Hart for what was a rather cryptic question. First, there are many recommendations of the Audit Commission report that Government did not accept. Because some people have been out there scaring them, rural people have been looking for an assurance that they would not pay more for their water than people in the metropolitan area.

What better assurance than what we are doing in the budget? It locks away the community service obligation for me as the Minister Assisting for Regional Development and Small Business to purchase that community service obligation from SA Water. I would have thought that that was terrific news for regional and rural South Australia, which is exactly what it was looking for. They now know that they will not be paying more for water than people in the metropolitan area are paying. I do not see the line that the member for Hart seems to be taking. I know that water is an absolute passion of his—it is for most people at Port Adelaide—but this is particularly important for people who live in the regional and rural areas such as the member for Giles. The honourable member should be absolutely applauding this move by the Government to lock away the guarantee that people in rural areas will pay only the same as metropolitan people pay for water.

Mr LEWIS: Quite simply, the member for Ridley represents people who do not accept this policy, and on their behalf I make it plain that I do not. There are no circumstances in which I will ever agree that there ought to be a requirement on my constituents to subsidise people living in Ceduna. Our water in the towns of Lameroo, Pinnaroo and Parilla, in particular, would cost no more than 10¢ a kilolitre delivered to the home and factory meter, and it would not cost much more than that in the Lower Murray—none of which is yet filtered; it is last on the line—and in cases such as Swan Reach where there is neither filtered water nor adequate water supply, especially on a summer's day, one day that school will burn down. There are no circumstances, therefore, in which I would find any comfort whatever in this budget line if it binds the people I represent to pay exactly the same as do people in the metropolitan area (who incur great costs to heave the mud as well as the water over the ranges before they filter it) and people in Ceduna, Whyalla, Port Augusta, the Mid North and Yorke Peninsula; it is grossly unfair.

The CHAIRMAN: Does the Minister wish to reply to the member for Ridley's statement?

The Hon. R.G. Kerin: It is a statement. I represent the people of South Australia as a whole and certainly, if we were to go to actual costing at each tap, it would seriously disadvantage many South Australians. While I hear what the member for Ridley says about his own area, as far as a policy for South Australia goes I applaud the fact that rural communities will not be paying more than people in the metropolitan area pay.

The CHAIRMAN: There being no further questions, I declare the examination of the vote completed. That concludes the examination of all lines before this Committee for which the Minister is responsible. On behalf of the Committee I thank him and, through him, ask that he thank all his officers who have attended during the course of the day for the fullness and frankness of the answers given. I know that

the Government and Opposition members alike join with me in that respect.

ADJOURNMENT

At 4.14 p.m. the House adjourned until Wednesday 25 June at 11 a.m.