

## HOUSE OF ASSEMBLY

Tuesday 20 June 2000

## ESTIMATES COMMITTEE A

**Acting Chairman:**

Mr I.P. Venning

**Members:**

Mr M.R. De Laine  
 Ms A.K. Hurley  
 Mr I.P. Lewis  
 Mr E.J. Meier  
 Mr J.J. Snelling  
 Mr M.R. Williams

*The committee met at 11 a.m.*


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Department for Primary Industries and Resources,  
 \$106 974 000  
 Administered Items for Department for Primary Industries  
 and Resources, \$76 116 000

**Witnesses:**

The Hon. R.G. Kerin, Deputy Premier, Minister for Primary Industries and Resources, Minister for Regional Development; and the Hon. W.A. Matthew, Minister for Minerals and Energy.

**Departmental Advisers:**

Mr D. Mutton, Chief Executive Officer, Primary Industries and Resources SA.  
 Mr G. Knight, Executive Director, Corporate, Primary Industries and Resources SA.  
 Dr C. Fong, Executive Director, Office of Energy Policy.  
 Dr N. Alley, Director, Mineral Resources.  
 Mr B. Laws, Director, Petroleum.

**The ACTING CHAIRMAN:** Estimates committees are a relatively informal procedure and as such there is no need to stand to ask or answer questions. The committee will determine an approximate time for consideration of proposed payments to facilitate the changeover of departmental officers. I understand that the minister and the opposition spokesperson have agreed on a timetable for today's proceedings. Will the minister advise of the agreed timetable?

**The Hon. W.A. Matthew:** Essentially, the Department for Primary Industries and Resources has two ministers. The first segment, due to go until lunch, will comprise the minerals and energy part of the department's workings. After lunch, until at least the meal break, possibly beyond, will comprise the rest.

**The ACTING CHAIRMAN:** I note that minister Kerin has lost his voice today. 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 to the Clerk of the House of Assembly no later 7 July 2000. I propose to allow the lead speaker of the opposition and the minister to make an opening statement, if desired—and I presume that will be made by the Hon. Wayne Matthew, on the minister's behalf—of about 10 minutes but no longer than 15 minutes.

I will take a flexible approach to giving the call for asking questions, based on about three questions per member, alternating between both sides. Members may also be allowed to ask a brief supplementary question to conclude a line of questioning. However, supplementary questions will be the exception rather than the rule.

Subject to the convenience of the committee, a member who is outside the committee and who desires to ask a question will be permitted to do so once the line of questioning of an item has been exhausted by the committee. An indication to the chair in advance from any member outside the committee wishing to ask a question is necessary. Questions may be based on lines of expenditure as revealed in the Estimates Statement. Reference may be made to other documents, including the Portfolio Statements. Members must identify a page number or the program in the relevant financial papers from which the question is derived. I remind the committee that I will be quite strict on that. Questions not asked at the end of the day can be placed on the next day's House of Assembly Notice Paper or asked as a question without notice.

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, that is, that it is purely statistical and limited to one page in length. All questions are to be directed to the minister and not to the minister's advisers. The minister will be given the opportunity to answer every question as it is asked. The minister may refer questions to advisers for response or undertake to bring back a reply. I also advise that for the purpose of the committee some freedom will be allowed for television coverage, by allowing a short period of filming from the northern gallery. I remind all members, the minister's advisers and observers that all mobile telephones should be turned off while in the chamber.

**Mr LEWIS:** Mr Acting Chairman, let me, first of all, disabuse myself of what the pleasantries were at the commencement of your remarks. I did not understand or hear clearly what you said.

**The ACTING CHAIRMAN:** I am sure the member for Hammond has heard those remarks before. There is no break from the standard. It is the normal situation in relation to supplementary questions.

**Mr LEWIS:** Mr Acting Chairman, I want to draw attention to the remark I think you made about there being an arrangement between the minister and the opposition.

**The ACTING CHAIRMAN:** I asked the minister to tell the committee whether they had agreed on the timetable, and the Hon. Wayne Matthew told us that they had agreed. The member for Napier agreed that the time had been arranged.

**Mr LEWIS:** Notwithstanding that, may I place on record my belief that that is outside the sessional orders for these committees and that, whilst it is convenient and perhaps sensible—and I do not question that—surely it can only be taken as a guideline since the sessional orders do not countenance that there will be a guillotine, nor did the House contemplate providing a guillotine, for the consideration of lines before the estimates committees during the course of the examination of those estimates. It is not within the power of the committee to make up rules as it goes along, and we therefore should accept that that is, indeed, the state of play such that any member of the committee, or for that matter someone who is outside the committee and who wishes to ask

a question, cannot be gagged from so doing just because the clock has reached a particular time, other than those times specified in the Standing Orders and the sessional orders concerning meal breaks and the conclusion of the committee's deliberations no later than 10 p.m. I want to ensure that the record shows that I do not accept rules made up by the committee as it goes along.

**The ACTING CHAIRMAN:** I understand that the rules are quite clear, but I also understand that in the past the committee has basically decided its own course of events during the day, and we have kept it reasonably informal, as the honourable member would know.

**Mr LEWIS:** Members of the committee are not here representing the opposition, the government or anyone else: they are delegates of the House of Assembly. For us to presume that it is within the power of a minister and any members of the committee to make rules that do not appear in the Standing Orders or sessional orders is quite wrong.

#### Membership:

Mr Hill substituted for Mr De Laine.

**The ACTING CHAIRMAN:** I understand what happened in committee B last week; I read about it in *Hansard*. Hopefully today we will cooperate and at the end of the day everyone will be satisfied. If there is an attempt to call the committee off early as we go through, I think that should be agreed to by all the members. If it is not, we may have to consider the standing orders in relation to that. Minister, would you like to make an opening statement?

**The Hon. W.A. Matthew:** Thank you Mr Chairman. As the Deputy Premier has lost his voice, with your indulgence and that of the committee, I will give his opening statement, followed by my own.

The Department of Primary Industries and Resources South Australia, known as PIRSA, continues to be a key economic agency delivering a wide and varied range of services to ensure real benefits for the people of this state. The department's services cover a wide range of industries, and the agency has undertaken significant work and review to ensure that all sectors are managed appropriately. This has resulted in a realignment of reporting responsibilities to provide distinct areas of focus for PIRSA. These are food and fibre, which includes Food for the Future; agricultural industries; fisheries and aquaculture; sustainable resources; research and development (SARDI); and mineral and energy resources, (including mineral resources, petroleum and the Office for Energy Policy).

The committee might recall that during last year's hearing considerable interest was shown in the area of performance management. I am pleased to inform the committee that considerable work has been undertaken to enable better measurement and reporting of performance management. As part of this work, customer satisfaction surveys were undertaken, and these clearly identified that the industries and general public are very satisfied with the service that the department provides.

The state is moving ahead well with its food and fibre industries, with a strong focus on exports and high quality produce. Challenges are always provided by commodity prices and seasonal conditions, but in general some encouraging developments are under way. We all know how successful the wine industry has become, and you, Mr Chairman, in particular have a strong interest in that industry.

*An honourable member interjecting:*

**The Hon. W.A. Matthew:** Only favourably, of course. The grains industries continue to achieve success. Horticulture has gone from strength to strength, the meat industries are moving forward and South Australia is now Australia's leading aquaculture producing state. Since this government's support almost three years ago, the aquaculture industry has been developing and maturing. The value of production has increased by 94 per cent to \$181 million in 1998-99, and the economic impact from flow-on effects has increased to \$156 million. In total, the industry was worth \$337 million to the South Australian economy last year.

The department assists many primary industries by identifying new opportunities, providing agronomic support, research and development, business training and advice, regularly supporting assistance with the Department of Industry and Trade to open and maintain new enterprises and markets and helping to manage disease and pest incursions.

In relation to SARDI and its key role in the area of research and development, the benefits of SARDI managed research programs have been assessed through benefit-cost analyses. The significance of SARDI's contribution to the state is reflected in the results of the review of a number of programs which have provided benefit-cost ratios in the ranges of 5:1 to 160:1, with a weighted mean of 18:1. The benefit of this research to South Australia is further highlighted from independent studies that show that, in relative terms, South Australia benefits more from research and development in broadacre agriculture than any other state. I mentioned the role of the department in managing pest and disease incursions and activities such as fruit fly prevention, and Ovine Johnes disease management and phyloxera prevention are continuing priorities. In addition, a major program has been set up to manage branched broomrape for 2000-01 to prevent both the spread of the weed and threats to export markets, to ensure that the weed is not established elsewhere in South Australia and Australia and to determine the host range and potential impact and the behaviour ecology of the weed.

Funding of \$2.3 million has been approved by SCARM and the commonwealth, states and industry are to contribute to funding. The department is working closely with landowners and industry to develop and review protocols for effective quarantine and to develop strategies to manage the weed in various crops and pastures, and landowners and the department have embraced the importance of containing this weed. The commonwealth has committed \$167.5 million over the next four years to combine property management planning and the Farmbi\$ program. Wildcatch fisheries are now included in this program, and I am pleased to advise that this is something the Deputy Premier has been personally lobbying federal ministers to implement for a number of years.

The Premier's Resources Task Force reported its findings in December 1999 and, in response to the task force report and associated mineral resources plan, the government is moving on many fronts to implement the recommendations. I will outline these shortly in my capacity as Minister for Minerals and Energy.

Regional development is very important to this government and to the Deputy Premier personally. It is certainly a cause that he has championed during his time in his ministry. To reinforce its desire to focus resource on regional development the government has prepared its first regional budget statement, and I trust the opposition parties have taken the time to see what a strong contribution we are making. This statement outlines the government's commitment by identify-

ing its spending on regional services, a commitment which exceeds \$1 billion per annum. This statement highlights the range of initiatives that the government has either put in place or enhanced in response to the social and economic needs of regional South Australia. It also details some new measures being taken to help meet the challenges of living and working in regional South Australia.

The state government has already moved quickly across a broad range of areas in response to the Regional Development Task Force report and the issues that it has raised. As a demonstration of the state government's commitment to regional development, it has established the following:

- A Minister for Regional Development, who is a senior cabinet minister.
- An Office of Regional Development to ensure a whole-of-government approach to regional development.
- A Regional Development Council to advocate for regions on issues at the state level.
- A regional development issues group comprising senior state government officers who commit their agencies to action.
- A \$14.5 million regional development infrastructure fund to accelerate high priority infrastructure needs in regional South Australia.

**An honourable member:** Good idea.

**The Hon. W.A. MATTHEW:** It certainly is. These initiatives, along with the extensive commitments laid out in the regional budget statement and the new directions shown in the draft regional development strategy which has been released today, demonstrate that this government is getting on with the job in relation to regional development.

This government recognises and values the contribution and importance of the state's primary industries and resources sectors and regional and rural communities, and the operations and achievements of the agencies are a clear demonstration of our focus. We will always continue to strive for improvement, which is essential in the ever changing environment in which we live. The Deputy Premier and I certainly welcome examination on our portfolio areas from the committee, and I hope that this assists members to gain a better understanding of the approach being taken to drive these industries forward to create better opportunities for those dependent upon them.

It is also my intention now to give my own address in relation to the minerals and energy sectors, which follows the one that I have given on behalf of the Deputy Premier. The Office for Minerals and Energy Resources has been established as a key economic development sector of government in a bid to expand the important resources sector in our state. The work of this office and the important work of the Office for Energy Policy make up the minerals and energy portfolio. The changes that have resulted in this new structure were in direct response to the Resources Task Force report publicly released in October last year.

In February 1999, the Premier established a task force, headed by Richard Ryan AO, to report on ways of expanding the state's resources industry. The task force identified increased exploration to \$100 million per annum by 2007 as being fundamental to achieving minerals and processed mine product output valued at \$4 billion by the year 2020. The government acknowledges that these are challenging targets, and understands that a huge effort will be required by the private sector to achieve these goals that have been set. There will have to be a paradigm shift in the way in which all parties involved in the resources industry in South Australia

undertake their business, government included. The government's response to the task force report was released by me last Friday, 16 June. Some of the key actions recommended by the Resources Task Force build on work that government is already progressing. They include:

- Providing improved access to land, including access for low impact exploration.
- Working with Aboriginal interests in the minerals industry towards mutually beneficial outcomes with respect to both Aboriginal heritage protection and native title.
- Establishing South Australia as the nationally recognised leader in geoscientific information services, particularly online services.
- Global promotion of the state's mineral prospectivity, capability and investment potential.
- Implementing appropriate incentives to enhance the competitiveness of South Australia's exploration environment on the world stage.
- Creation of a ministerial portfolio and agency that is clearly identifiable as representing all the mineral resources and energy interests of the government, with a focus on providing an effective one window into government.
- Reducing the costs of doing business in South Australia.

On the mineral side of the operation, significant work has been undertaken through the Targeted Exploration Initiative for South Australia (known as the TEISA program), including the use of airborne geophysics to help reveal subsurface geology and mineralisation beneath some 200 000 square kilometres of regional South Australia. Analysis of new geoscientific information also has resulted in a significant breakthrough, assisting the industry in the search for new opal deposits. Upgraded and improved minerals, petroleum and energy website channels have been launched. These web pages represent the start of better information provision for the general public, industry, local school children and overseas investors. There is still much more to be done on this, and the industry is looking forward to having easy access to quality digital data.

On the petroleum side of the operation, the number of petroleum exploration licences and licence applications in South Australia are at high levels, with approximately 70 per cent of the state's prospective areas covered. At the end of May this year, 16 petroleum exploration licences were in force in South Australia, covering an area of 47 600 square kilometres (or 5 per cent of the state). A further 34 areas are under application over a total area of approximately 150 000 square kilometres, which is 15 per cent of South Australia.

Until recently, annual exploration for petroleum expenditure in South Australia has been about \$90 million per year (about 40 per cent of the Australian onshore total), mostly concentrated in the Cooper, Eromanga and Otway basins. Expenditure in South Australia fell to about \$25 million in 1999 following the expiry of the SANTOS joint venture exploration licences in February. We expect that these will rebound to the 1998 levels when native title determinations have been secured for new explorers in the region over 2000-01.

National and international companies are keenly focusing on the state's phased Cooper Basin acreage releases. The first release, which closed in March 1999, attracted 41 bids for 11 blocks, with expenditure of \$45 million over the five-year licence term. The second release closed in November 1999. A total of 16 consortia, comprising 19 individual companies, lodged 47 bids for eight blocks. Nine companies were from

interstate: six were United States based and four were Adelaide based.

Interest in the blocks has been extremely high, with a total of \$120 million of exploration expenditure committed by the winning round 2 bidders. The third round of Cooper Basin blocks is currently open and being promoted nationally and internationally, and bidding for the first five blocks on the margins of the Cooper Basin acreages closes in a few days time, on 30 June. The remaining three core blocks close on 28 September this year.

There are currently 163 petroleum production licences in place, with all but three in the Cooper and Eromanga Basins. The other three are in the Otway Basin over the Katnook gas and Caroline carbon dioxide fields. Numerous applications for new petroleum production licences were received from Santos and joint venture partners prior to the expiry of petroleum exploration licences 5 and 6 in the Cooper Basin. These applications are currently being processed.

The current area of petroleum production licences in the state is 8 900 square kilometres (just 1 per cent of the state's area). Royalty payments from petroleum production in the state will be approximately \$44 million in 2000. To date, the state has received more than \$920 million in royalties from the petroleum industry since the start of production in 1963. Following the release of eight areas in the offshore Great Australian Bight region, three licences are currently being offered to successful applicants. These licences will be offered for an initial six-year period, with five-year renewal periods thereafter, subject to minimum 50 per cent relinquishment.

A significant amount of work on security of energy supply has been undertaken by the Office for Energy Policy. The work has resulted in:

- The amendment of the Gas Act 1997 to improve handling of gas shortfalls before and during an emergency.
- A national gas quality specification to be incorporated into gas regulations to remove technical barriers to trade and to increase gas security of supply by facilitating entry of gas from interstate into SA.
- Examination of potential new gas supplies from interstate, including consideration of proposed new gas pipelines from Victoria and from the Northern Territory to access interstate reserves for South Australian consumers.
- Improved processes for gas supply from the Moomba processing plant and delivery through Epic Energy's Moomba to Adelaide pipeline. A working party, comprised of government, South Australian Cooper Basin producers (principally Santos), Terra Gas Traders, Origin Energy and Epic Energy has identified improved processes and procedures to optimise gas delivery from Moomba to Adelaide, thereby increasing the reliability of our gas supply.
- Continued market monitoring of supply security levels for petroleum product output from Mobil's Port Stanvac refinery, as well as shipped-in supplies through Port Stanvac, and BP and Shell terminals in Port Adelaide.
- Monitoring the quality of petroleum products, liaising with the commonwealth government, the Department of Industry and Trade, the Environmental Protection Agency and Mobil, Shell and BP to ensure that fuel product quality is consistent with market needs.

The Office of Energy Policy continues to administer the National Gas Authority of South Australia, the State Energy Research Advisory Committee, the Remote Areas Energy Subsidy Scheme, greenhouse programs, and to undertake the

work of the technical regulator. Work has also facilitated several proposals for wind generation sites in South Australia with the Department of Industry and Trade, based on the office's previous resource mapping of wind resources in South Australia in 1988.

This is just a small snapshot of the work undertaken within my portfolio. I take this opportunity to place on record the government's appreciation of the continuing dedicated work undertaken by the departmental employees, and I look forward to expanding on the information I have provided to the committee when I answer questions about the operations of and expenditure by this section of the government.

**Ms HURLEY:** I refer to page 2.8, volume 1 of budget paper 4, 'State resource regulation planning'. I have not yet managed to get a copy of the government response to the task force report, but I was a bit disappointed to see media statements from the Minister for Mines seeming to attribute much of the downturn in the monetary level of exploration to native title issues and heritage issues only, without much mention of the difficulties generally for mining industries and exploration in the current climate. Much money is pouring into the dot com stocks and a lot of commodity prices are falling, and they are therefore difficult times for exploration companies. I invite the minister to comment on that. Also, how many registered native title mining agreements are current in South Australia and how many are pending?

**The Hon. W.A. Matthew:** First, I am surprised that the deputy leader does not have a copy of the task force response. I have made a mental note of that and will ensure that it is delivered to her. I do know that the member for Kaurana has a copy: he rang up and asked for a copy and that was speedily delivered to him; so, I will ensure that the deputy leader has the same courtesy afforded to her.

It is a surprise to me that the deputy leader has interpreted my media statements as simply focusing on Aboriginal heritage and native title issues as being a reason for the slowdown in the mining sector, because I have never concentrated my remarks on that sector although, as the deputy leader knows, it is not always possible for those of us in politics to advise the media which six or eight seconds we would like for the grab on the radio; if only we had such power.

I acknowledge the deputy leader's concern that commodity prices have had an effect on exploration, particularly with gold. Only this week we saw the media carry a report of the Gawler Craton joint venture partners indicating that commodity prices temporarily placed their operations on hold. There is no doubt that commodity prices have had an effect over recent years. There is also no doubt that dot com companies have been attracting investment from the traditional investing area in the mining sector.

However, that is not to overlook the fact that land access is and remains the most significant problem facing the industry today. It is beholden upon government, the community and all people involved to ensure that we do our level best to move our mining sector forward beyond these difficulties. I am happy to share with the committee an example of a dilemma that was put to me recently by a junior explorer. That company wished to undertake exploratory drilling in the pastoral lease area, therefore non-native title, but had to undertake Aboriginal heritage clearance.

The cost of the drilling, I am told by the company, would be about \$6 000. However, the cost of Aboriginal heritage clearance was to be in the vicinity of \$27 000. The dilemma was that some nine representatives were required by the

clearing group (the Aboriginal Legal Rights Movement) under the act, and the company was required to transport the team in to undertake that work; to provide them with monetary payments for undertaking the work; and to provide them with accommodation, with food and with vehicles. This small company put to me that the dilemma it faces is that it must put to its shareholders justification for spending \$27 000 to drill a \$6 000 hole or, alternatively, it could fly a geologist business class to South Africa, put that person up in South Africa for two weeks, undertake the same drilling and go into mining production without the large variety of clearances that we face here.

There is a challenge for our community in progressing mining activity but the encouraging signs in the time that I have been in this portfolio are the strong willingness of Aboriginal groups to foster mining, and tribal elders to whom I have spoken are eager to have mining in their area because they recognise that it provides good work for their community and can bring economic benefit to their area. We have to gradually work through a number of dilemmas.

The deputy leader also asked questions relating to native title registered and pending. I will need to get back to the deputy leader with the exact number, but I am advised that, in approximate terms, there are eight registrations and about 30 pending. I will bring back the exact number for the deputy leader and take that on notice.

**Ms HURLEY:** It is not strictly the minister's area, but will he advise how many active native title claims there are in South Australia, what time frame is required to deal with them and the estimated cost?

**The Hon. W.A. Matthew:** That question should be directed to the Attorney-General to get the exact figures, but I will take it on notice and have the Attorney-General give the precise figure.

**Ms HURLEY:** The budget papers mention native title issues that require resolution in the Cooper Basin, and the minister mentioned that in his opening statement. What are the native title issues that are a problem there, given that there has been fairly active exploration and production in the basin over many years? How will the minister proceed with resolution of those issues?

**The Hon. W.A. Matthew:** Present today from the department is Mr Bob Laws, who has been personally involved in some of this work, and it is appropriate that I ask him to provide an answer to this question.

**Mr Laws:** When we received the first applications for licences in the Cooper Basin last year, the right to negotiate process under the commonwealth Native Title Act was initiated. Negotiations under that act have occurred. Most recently there was a meeting in Port Augusta of all four claimants who have areas that cover the Cooper Basin with all the licence applicants. That was a very positive meeting and we are hopeful of organising another meeting shortly that will come near to finalising negotiations for the first round of applications. It is a requirement under the commonwealth Native Title Act that the right to negotiate process be pursued. There is a right to go to arbitration if negotiations fail, but negotiations are currently still progressing on that. We are hopeful of resolution in the short term.

**Ms HURLEY:** I have a supplementary question. Is this the usual right to negotiate process? Is there a particular issue in the Cooper Basin that has provided some special difficulties?

**Mr Laws:** There is no special difficulty in the Cooper Basin. The negotiations were held up for some time because

of the re-registration test that all the native title claimants had to pursue, and it was not certain until very late last year who were the native title claimants who had passed the test, and therefore who were the claimants who could be represented at the negotiating table.

**Mr MEIER:** My question follows that asked by the Deputy Leader of the Opposition in relation to the resources task force. Will the minister outline what the key findings of the resources task force were and how the government has responded to them?

**The Hon. W.A. Matthew:** The recognition of the contribution by minerals output to the prosperity of South Australians was a prime driver behind the government's establishment of the resources task force to prepare a report and mineral resources plan. The task force's valuable work and recommendations have provided the government with a strategic focus to boost the industry and the state's economy. Its vision, mission and recommended changes are challenging and recognise the unrealised mineral potential of our state. Achieving these aims will require a significantly increased level of mineral exploration activity over the next five to 10 years and, in these difficult times of weak commodity prices, with the exception of oil, and the greatly reduced budgets for exploration, the government and resources industry will need to work closely together.

The task force report recommended that a number of important areas need to be progressed for the industry to achieve the task force's vision. It put together a vision statement, and I will quote from that, in which it saw:

... a resurgent South Australian minerals industry growing to \$3 billion of mineral production and \$1 billion mineral processing per year by 2020, winning sustainable wealth for Australians.

The task force report identified principally nine objectives to create the necessary competitive business environment for the minerals industry in South Australia and they are: making land more accessible; stimulating vibrant exploration activity; supportive and responsive government; planning for infrastructure development; a skilled work force; engaging people to recognise the value of the industry; attracting increased investment and value adding; strengthening the support and service sector; and fostering innovation in research and development. As I indicated in my opening address, the government has finalised its response, and I released that publicly on Friday, and it will continue to address priority issues identified by the resources task force report. It acknowledges the need to strengthen, integrate and expedite the approach at all levels of government.

It is appropriate that I use this opportunity to acknowledge the considerable work of the government multi-agency response team on this because, once the task force completed its work, a number of government agencies went through that response to ensure that we provided an integrated, whole of government response to the task force. Funds have now been allocated in this budget to get the whole of government initiatives proposed in the response under way, and I look forward to that happening and to reporting to the parliament on a regular basis the progress of that response.

**Mr MEIER:** I noticed that one of the minister's comments was that the government be responsive and supportive of the resource industry's wishes for better services, facilitation and ongoing development. What has been the government's response to that recommendation?

**The Hon. W.A. Matthew:** The question asked by the member for Goyder probably focuses on the most significant area of the report, in which government needed to demon-

strate an early response so that, if the industry were to gain confidence, the government had to be seen to be taking its recommendations seriously. Indications from the industry are that it has been very pleased with the government's swift response to its recommendations. Essentially, we took immediate responsibility by creating a separate ministerial portfolio, and the Premier did that before government formally responded to the report because he recognised the importance of demonstrating to the industry that there was to be a separate drive within government, and I am delighted to say that he has vested that responsibility in me.

The establishment of the Office for Minerals and Energy Resources has also occurred within Primary Industries and Resources SA, and that new office becomes the government's focal point for the mineral and petroleum sectors. A new executive director has been appointed to the office; and Dr David Blight starts work with the office, on 10 July this year. Dr Blight has been working in Western Australia and brings to the role experience from a wide area including academic, active professional work within industry, and also work within government. The comments that I have had from Western Australians, who know of him, on his loss to that state and also from people in the industry about the gain we have made in attracting him are encouraging, so he comes with a very good reputation and we look forward to his not only living up to that but also, as I pointed out to him recently, exceeding that with his work in this state.

The office itself will establish an effective one-stop shop—a one window to government—requested by the industry and we look forward to the industry's benefiting from that approach. We have also advertised nationally for expressions of interest from people to become involved in the Resources Industry Development Board. That board will have the role of championing the government's response to the resources plan, to report on the performance of the industry, and to provide important strategic advice to government. Effectively, this board will provide a crucial role in guiding and monitoring the partnership between government and the resources industry towards achieving the realisation of the task force vision.

The government is also examining the current royalty regime with a view to encouraging further mineral exploration and will continue to undertake regular reviews of fees and charges to ensure that there is a balance between obtaining a fair return on the community's resources assets while, at the same time, improving the incentive for investment in mining. That is just a quick sample overview of the responses that have been undertaken to date, but I believe the government has demonstrated to the industry through its quick response that we are indeed serious about focusing on and answering its concerns.

**Mr MEIER:** You mentioned that land access is a major issue for mineral exploration. The Leader of the Opposition asked a question earlier about native title claims and their impact. You have cited one particular example of how native title may well lead one company to go to South Africa rather than to stay here in Australia. I wonder what progress this government has made in addressing this particular issue which could have serious consequences for our mining industry in the future?

**The Hon. W.A. Matthew:** It is a very significant issue and the opposition has also acknowledged that, in part, through its questioning. In relation to the third question asked by the Deputy Leader of the Opposition about the number of active native title claims, I gave approximations of eight that

had already been registered and 30 pending. I can now advise that the correct figures are 14 registered and 59 pending. The pending number is higher than I initially anticipated.

In relation to the question asked by the member for Goyder, South Australia is the only state to have achieved a commonwealth approved alternative to a right to negotiate a scheme on native title matters for the minerals industry. This is spelt out in part 9B of the South Australian Mining Act 1971. We believe that this provides us with a workable and competitive model for negotiation of native title matters. Nevertheless, the industry is reporting that issues of native title and Aboriginal heritage have created delays and uncertainty for mineral exploration companies and that these delays and uncertainty are impacting adversely on the government's desire to achieve higher levels of mineral exploration and mineral development in this state.

The government believes the only long-term viable solution to this situation is through negotiated outcomes that address the issues of the stakeholders. To this end, the government late last year initiated a process of seeking solutions through indigenous land use agreements. The government's negotiating team, which comprises senior personnel from Primary Industries and Resources, the Attorney-General's Department, the Department for Environment and Heritage, and the Department of State Aboriginal Affairs has had several joint meetings with the South Australian Chamber of Mines and Energy, the Aboriginal Legal Rights Movement and the South Australian Farmers Federation.

I am pleased to report to the committee that all parties have endorsed the process of negotiated agreements. It is our ambition that indigenous land use agreements will address issues crucial to explorers and miners relating to consent access for low impact exploration activities and expedited processes on work site clearances. Template agreements will be developed to assist mining companies and Aboriginal claimants to reduce the time taken to reach agreement. It is important for me to place on the record that Aboriginal elders to whom I have spoken are frustrated by the delays and processes that have occurred in the past, too. It is important to acknowledge that many of them, too, wish to obtain agreements so that work can proceed because they recognise the value of mining work for their communities to provide work for their people—meaningful, important work—to very much change their way of life.

In addition to these negotiations, the government will consider options to improve the management of Aboriginal heritage and, where necessary, amend the State Aboriginal Heritage Act to reduce the uncertainty on extinguishing tenures by progressing the Native Title (South Australia) (Validation and Confirmation) Amendment Bill which is currently before the House. The mineral resources plan and the resources task force, as I have indicated earlier, set out nine objectives with related strategies and actions to achieve the necessary competitive business environment for the minerals industry in the state. That first priority is making land more accessible. In the report the task force stated (and it is important to put this on the record):

Land access is crucial to provide the opportunity and security for exploration. It is imperative that the native title provisions in the Mining Act be amended to facilitate low impact exploration as provided for the revised commonwealth native title legislation. It is proposed that the minerals industry and Aboriginal interests be brought together to reconcile native title and Aboriginal heritage issues with industry needs. This will ensure that land is accessible for responsible exploration and development whilst providing

opportunities for economic development for remote communities, but also ensuring the protection of Aboriginal heritage.

That last point is important because the mining industry itself in its task force report also recognises that value of ensuring the protection of Aboriginal heritage. In the response that I released last week, I indicated that the government would be giving native title, Aboriginal heritage and environmental matters immediate attention. I put to industry in the response that we will:

- continue to improve the state's native title and Aboriginal heritage legislation to ensure efficiency of process and increased certainty and security for all parties;
- continue to progress negotiations between native title claimants, the government and the resources and primary industries sectors to establish indigenous land use agreements;
- review and adjust South Australia's land use policies to ensure their continued effectiveness in balancing government's development and conservation objectives.

While the industry called for amendments to facilitate low impact exploration, instead we preferred to focus on indigenous land use agreements. I have put to the industry that there are problems with simply going down a low impact agreement area; debate then tends to focus on what is and what is not the definition of 'low impact'. We believe it is far more important to negotiate through all issues with interested parties rather than bog ourselves down with defining an area as being in a particular category or not. It is with these initiatives that we hope we are able to move the industry forward in the interests of all.

**Mr MEIER:** Aboriginal tribal elders are becoming frustrated, too, with the time delays. Would I be right in assuming that it is perhaps the white lawyers who are the big obstacle in the negotiations, generally?

**The Hon. W.A. Matthew:** As the member for Goyder and the Acting Chairman know, I certainly would not wish to generalise nor would I wish to classify people by colour, creed, socioeconomic status, or anything else. However, it is fair to say that it has been put to me by some Aboriginal elders that legal representation from Adelaide has caused them some significant problems—they have ventured to suggest that in some situations legal representation from Adelaide has encouraged other parties to lodge objection. One particular area with which I know the Deputy Premier is frustrated, and so am I, relates to some of the antics that have been occurring in the Yumberga region in our state.

I have had the privilege of speaking with Aboriginal elders in that area who are very cooperative and eager to have exploration undertaken so that they can find out what is within their region; but some of that work has been thwarted by legal representation from Adelaide. Frankly, I do not like seeing country people toyed with in that way. I know that the Deputy Premier has expressed that view on a number of occasions. We want to see the matter sensibly resolved and worked through. It is in no-one's interest to have lawyers who, in an effort to feather their own nest, decide to wade in and group together people to cause problems when they know full well that the traditional landowners and land users have been very supportive of work that has been occurring in regions such as that.

It is a significant issue and one which, regrettably, can occur under the presently framed legislation. That is why I continue to stress that many Aboriginal elders with whom I work are probably more enthusiastic about starting mining than mining companies, if that is possible. Regrettably, that refreshing attitude does not get reported at times. Aboriginal

elders do not seek a public forum to express their viewpoint for fear of retribution from others who may seek to invade their territory, often with the support of Adelaide-based lawyers, to use their terminology.

**Ms HURLEY:** I am a little concerned about the few questions we have managed to ask in the time so far. I will try to keep my questions fairly brief so that we can deal with some opposition questions on this important issue. Because the mines and energy budget is inextricably linked with agriculture and other such industries, it is a little difficult to determine what is the total mines and energy budget out of the total budget for PIRSA. Could the minister tell me what the budget is?

**The Hon. W.A. Matthew:** I am in the position (and it is a rare occasion) of agreeing with the deputy leader's frustration. The budget papers have been presented in a way that does make immediate extrapolation of some information certainly not as I would like and, if I can speak for the Deputy Premier, it is probably not as he would like either, but it is a whole-of-government, Treasury approach. I will ask Mr Geoff Knight to provide the break down he has to the committee.

**Mr Knight:** As the deputy leader is aware, the current arrangement presenting information in the budget papers—which has moved away from the program structure into output classes—makes it more difficult now to discern information by industry. I do not have the available information with me today but we could certainly provide that information to the deputy leader on notice, whether it be minerals and energy separately from agriculture and fisheries or information at lower levels. Our ledgers provide information down to the project level, so that we are able to provide any kind of information the deputy leader would want.

That could be information about industry in terms of wool, meat, etc. There is no problem with the information not being available. We must provide the information: it is published in the budget papers in alignment with a whole-of-government process that talks about output classes, which makes it more difficult to provide the information for which the deputy leader is looking. We would be happy to provide that information on notice.

**Ms HURLEY:** I find it very interesting that the Minister for Minerals and Energy does not know the figure for his budget. What then will be spent on the targeted exploration initiative this year and for the next two years, and what will the priorities of that survey be? That is, will efforts still be concentrated on the aeromagnetic survey or will moves be made to go into other areas to provide more exploration information for industries in South Australia?

**The Hon. W.A. Matthew:** I cannot let go unanswered the deputy leader's flippant remark about the minister's not knowing what his budget is, and the deputy leader would not expect me to sit here and not answer that remark. As she well knows (or she should know), government has restructured its operations into 10 main portfolio areas in agencies that reflect those operations. The reason is that it is sensible to take the same advantage of bringing together corporate areas that many large companies have taken with their organisations. In the process of budget estimates, if the deputy leader wants me to tell her exactly what per cent the overall corporate budget of the department is covering in terms of payroll, other human resources aspects and the operations of the department, Mr Knight has indicated that he does not have that figure presently available. He has offered to take that

question on notice and I will provide that figure to the deputy leader.

No longer is government broken up into the small chunks it was broken up into under a Labor Government. That is a very good reason. I remind the deputy leader that we have had the task of cleaning up Labor's mess, and clean it up we will.

*Mr Hill interjecting:*

**The Hon. W.A. Matthew:** The member for Kaurna can roll his eyes—

**The ACTING CHAIRMAN:** Order!

**The Hon. W.A. Matthew:** —and utter a word that probably should not be printed in the *Hansard*, if I heard him correctly. What was the word the honourable member uttered when he said something commencing with 'b'?

*Mr Hill interjecting:*

**The ACTING CHAIRMAN:** Order! The Chairman did not hear it so it is irrelevant.

**The Hon. W.A. Matthew:** The fact is that this government has undertaken a strategic, corporate-driven approach to the process of government and, frankly, that is exactly what the private sector expects of us—and I would hope that there would be members of parliament who would hold us accountable if we did not do so. The current status of the TEISA program—and I am pleased that the deputy leader acknowledges the importance of that program—is such that airborne geophysical surveys have been completed for the Murray Basin region and the final data is being quality controlled by departmental geoscientists.

That data was released early this month. Other airborne geophysical survey data recently completed from Eyre and Yorke Peninsulas (indeed, the area of the member for Goyder), and the Mannum to Kanmantoo and Stuart Shelf surveys are now also publicly available. The Woodroffe map sheet airborne geophysical survey in cooperation with the Anangu-Pitjantjatjara people is in progress with approximately 70 per cent of the survey completed. In light of the questioning that has occurred so far, again it is important to put on record the government's appreciation of the way in which that group of Aboriginal people have worked with us and have been eager to facilitate this survey undertaking. It is yet another example of the way our cooperative approach is starting to bear dividends.

Additional funding by the federal government, through AGSO, has also enabled the department to expand the current round of airborne geophysical surveys over the Anangu-Pitjantjatjara lands to include the Mann and parts of the Alberga map sheets immediately adjacent to the current Woodroffe survey. The southern Gawler-Craton drilling program is achieving exciting results, including the presence of primary and secondary sulphides in some areas. The deputy leader may have noted that we are actually undertaking drilling in conjunction with a TEISA program to provide further information to industry and to encourage further work.

In that vein, tenders were called for a drilling program in the Musgrave Ranges area, and an assessment of those tenders has now been completed. A database project has commenced, with four contractors being selected to undertake a project or projects simultaneously. Assessment of tenders for the Outalpa mapping program in the Curnamona Province has also been completed, and TEISA program proposals for years three and four have been realigned to reflect the recommendations made by the resources task force.

Essentially, those recommendations required not only that the geophysical data be obtained but also that government

undertake some drilling as well. The Deputy Leader may have noted that the resources task force response has an allocation of \$3 million in this financial year. Of that \$3 million, \$2.2 million is new money and \$800 000 has been diverted from the TEISA program to give us the option of a more flexible approach, and that can be either with drilling or alternatively going back and undertaking further mapping work. We have done it in that way to give us greater flexibility to meet the changed demands of industry through that resources task force.

**Ms HURLEY:** By way of supplementary question, I did not ask for information regarding what had been done. I asked: how much will be spent this year and in the next two years?

**The Hon. W.A. Matthew:** The Deputy Leader would be aware that we indicated initially that \$10 million would be provided over a four-year period. Of that \$10 million, \$3.2 million was spent in 1998-99; \$2.4 million was spent in the financial year just gone; \$2.2 million was scheduled for this current financial year that we are debating, that is, 2000-01; with \$2 million remaining for 2001-02. Of that \$2.2 million that was targeted for TEISA for this new financial year we are about to enter, \$800 000 has specifically moved into the resources task force initiatives, and it may or may not be used specifically on TEISA programs. It gives us the flexibility to use it for drilling programs or for other things. We recognise that we can gain greater flexibility and value from that in not just placing it in TEISA.

The other reason we have done that—and I have to put this on the record—is that we have been successful for the first time ever almost in gaining a significant federal government contribution to exploration in our state. I personally have thanked the commonwealth government's manager from AGSO recently for the recognition they have finally shown in South Australia's mineral potential and their willingness to invest in this sort of work. They are putting in \$800 000 in their own right, plus six people on the ground, effective immediately, to assist in our program. So, we are getting far greater input than we had anticipated when that TEISA announcement of \$10 million was first made.

**Ms HURLEY:** I refer to page 2.35 and the ground water issue. I am aware that the staff who made up the ground water section in mines and energy have now been moved into the Department of Water Resources, and I am disappointed about this, because in many ways the expertise of hydrogeology staff and engineers belongs professionally within minerals and energy, and the data relating to ground water and the knowledge of ground water supplies and mineral deposits are fairly closely linked. This is at a time when water policy is taking new directions, separating out the water resource from the ownership of the land and the concern by the mining industry that they will have reasonable access to water and the allocation of water rights. How many staff who previously worked on ground water have been transferred out of the department into water resources, and what are their qualifications? Also, what procedures have been set in place to ensure proper communication between the two departments?

**The Hon. W.A. Matthew:** In many respects, this question follows on nicely from that throw-away line that the deputy gave earlier, and I indicated the new corporate structure of government. One of the problems of governments of the past, particularly under the deputy leader's party and time in government, was that there just did not exist an appropriate cooperation between agencies. Government departments are but a grouping of people for corporate reasons. We have



reduced the number of groupings of people and encouraged greater cooperation between departments.

It matters not to the taxpayer of South Australia or to the mining industry which agency's computer systems process pay for staff. However, what does matter is that people work cooperatively together and, just as within the new Department of Water Resources, we have staff upon whom we depend and rely for advice. That is equally so within the Attorney-General's Department, particularly in relation to native title and indigenous land use agreements. We have staff upon whom we rely and work cooperatively with equally, within the Department for Industry and Trade. So, the departmental boundaries do not stop that work occurring.

I will need to get back to the deputy leader with an exact number of staff transferred, but it would involve approximately 65 full-time equivalents and the transfer of some \$3.7 million. The deputy also asked for the qualification of each of those staff. Obviously, I will have to take that on notice and provide an answer.

**Mr WILLIAMS:** I note in Portfolio Statements, budget paper No. 4 on page 2.8, under 'Highlights from the 1999-2000', the following statement:

In conjunction with industry, administrative procedures for managing gas rationing in the state were refined following an incident in August 1999.

What is the government doing to ensure the security of gas supplies to South Australia? I ask this with the knowledge of the imminent commissioning of the new Pelican Point power station which will put even further pressure on the existing gas supplies.

**The Hon. W.A. Matthew:** This is clearly a significant question for the state. Security of gas supply is critical for our economic future, and a significant portion of the state's electricity supply is sourced from gas-fired power generators. Apart from a small supply of gas in the South-East of the state, indeed in Katnook in the member for MacKillop's electorate, the state's total supply of gas is sourced from the Cooper Basin at this time. The volatility of the national electricity market leads to somewhat dramatic changes in the demand for gas, and those in turn obviously impact on the efficient operations of the Moomba to Adelaide gas pipeline and the operations of the Moomba gas plant.

South Australia currently consumes about 89 petajoules of natural gas a year. Of this amount, 53 petajoules—or about 58 per cent—is used for electricity generation. Contracts are in place for 95 petajoules a year until the end of 2003, and then for only 60 petajoules a year to the end of 2005. So, effectively, there is insufficient gas under contract to meet the state's demand from 2004. That factor is a significant reason for the recent call requesting submissions from interested parties in constructing a new gas pipeline into South Australia from other gas fields, particularly in light of new industry opportunities, especially the SAMAG proposal which has recently been announced by government and which, in its own right, will consume at least 10 petajoules a year.

The economic operation of the Moomba to Adelaide gas pipeline is not necessarily in sync with the economic operation of the Moomba to Adelaide gas plant. As a consequence gas deliveries can be below the quantity required on any one day so the reliability of supply becomes questionable. In recognition of this the government has facilitated discussions between all players in the gas chain in an attempt to increase the reliability and supply of the gas and to move it to Adelaide pipeline. The proposed Duke pipeline from Bass Strait to Sydney is likely to release gas currently

under contract to AGL for sale in South Australia. AGL is active within our state through the proposed sale of gas to National Power at Pelican Point and access to this AGL gas would, at least, be a short-term solution to the state's gas supply problem.

Possible other future supplies of gas are from the Timor Sea, in the Otway Basin off Victoria and from South-West Queensland if gas from Papua New Guinea is delivered into the Australian east coast markets replacing South-West Queensland gas which can then be directed back into South Australia. In particular the decision by Phillips Petroleum to develop the Bayu-Undan fields in the Timor Sea has significantly increased the likelihood of gas delivery to South Australia from the Northern Territory. The pleasing thing is that there are a range of options and those options will be tested by the public request that has gone out in the last week or so. Obviously the availability of gas for fuel for the state's power generation needs in the short, medium and long term are critical to our electricity supply and are a prime focus of that activity.

**Mr WILLIAMS:** On the same topic I would like to ask the minister whether he can give the committee some information about the current status of the Katnook gas field and particularly the production from that field which is in my electorate in the South-East.

**The Hon. W.A. Matthew:** I am well aware that the member has a strong interest in what is happening in the Katnook field. It is an area about which he and the people who are working at that field have every right to be proud. The field (which is just south of Penola) was discovered in 1987 by Ultramar and was the first commercial gas discovery in South Australia as part of the Otway Basin. There was follow-up drilling which confirmed sufficient reserves to justify the construction of a pipeline by Epic Energy to local markets in 1990.

Since the original discovery at Katnook commercial quantities of gas have been discovered in neighbouring Haselgrove and Redman fields and that gas is also being processed through the Katnook gas plant which commenced production in 1991. Low-grade gas has also been discovered in the Ladbroke Grove gas field and is currently finding a commercial use in electricity generation at Ladbroke Grove power station. The South-East gas market has grown significantly since 1991 from 1.5 petajoules per annum to over 2.5 petajoules in 1999.

There are some significant gas customers for that gas of which the member for MacKillop would be aware and they are important employers in his electorate. The plant provides gas to Kimberley-Clarke (near Millicent) and the gas there replaced LPG and brown coal briquettes. The SA Fries potato chip factory (near Penola) was attracted to the area because of the natural gas supply and domestic and industrial customers in Mount Gambier who were previously supplied tempered low pressure gas through a reticulation network.

The oil and gas industry in the South-East is making a significant contribution to the state's economy and the government through its royalty payments. There are more than \$1 million worth of royalty payments expected to be made to the state from the South-East in the coming year. Importantly, Origin Energy which manages the plant will be investing approximately \$2 million in sophisticated seismic surveys in the area to further improve its prospects for a gas draw and it is highly likely that these prospects will be tested through a multi-million dollar program of several exploration wells in 2000-01.

**Mr WILLIAMS:** Again, with reference to energy matters, there has been quite a bit of talk in my electorate also by I think probably six proponents to install wind-powered generators along the coast south of Millicent, which they believe is one of the windiest places in the state. I note that the commonwealth government recently has approved a strategy to enforce the mandatory 2 per cent increase in renewable energy to the total Australian electricity supplies. Can the minister tell the committee what impact this will have in South Australia and what the government of South Australia is doing to assist in the implementation of that 2 per cent increase?

**The Hon. W.A. Matthew:** The member for MacKillop identified the 2 per cent factor which has caused the government—and, indeed, all governments around Australia—to drive change to achieve the 2 per cent mandatory increase in renewable energy that has occurred through the commonwealth government's recently approved approach to the National Greenhouse Strategy. There is significant increased potential activity for developing wind farms in the state as a result of that, and it is fair to say that it has started a flurry of activity by people interested and strongly believing in the value of wind-generated electricity as a feasible technology for large-scale renewable energy. The Office of Energy Policy and the Department of Industry and Trade (and this is another example, deputy leader, of two sections of government working cooperatively together) are facilitating various private wind farm proposals at Lake Bonney in the South-East, at Cape Jaffa, Tungetta Hill, and so on. Funding through the Australian Greenhouse Office, the greenhouse abatement program, is being sought to build electricity lines in these areas to connect the wind farms as well as support other local industries in these areas.

Essentially, the federal government's renewable energy target seeks to increase the contribution of renewable energy sources in Australia's electricity mix from about 10.7 per cent, where it stood at 1997, to 12.7 per cent by 2010. That clearly represents a substantial increase above current levels—in fact, by about 9 500 gigawatt hours in 2010, phased in over time. Members would be aware that this is a key policy commitment of the federal government that was announced by the Prime Minister. Under these targets, all electricity retailers and wholesale electricity buyers on electricity grids of over 100 megawatts of installed capacity will be liable to buy a proportion of renewable energy. Renewable energy certificates will be created on the basis of accredited renewable energy generation, and these certificates can effectively be traded on the financial markets.

The member for MacKillop would be particularly pleased, I am sure, about the fact that a significant amount of this renewable energy focus is appearing within his own electorate. I know that he has been a keen advocate of the benefit of wind farms, and I am sure that he will closely follow the work that is being undertaken in his electorate and give the companies involved every bit of encouragement they need. I have no doubt that he will continue beating a path to my door for appropriate support for those companies to encourage them in their activities.

**Ms HURLEY:** I refer to page 2.5, referring to the promotion of Cooper Basin acreage. Under competition policy and, of course, just in the general interests of the state, the Cooper Basin has been opened up to companies other than Santos to explore, and the minister outlined in great detail in his opening statements the acreage opened and the tranches that have already been released or are about to be released.

Can the minister indicate, as a result of that, how many exploration companies other than Santos are now operating in the Cooper Basin, and is there any indication yet that these companies will proceed to production?

**The Hon. W.A. Matthew:** The deputy leader would recall that only rounds 1 and 2 at this stage have been finalised, with round 3 closing on 30 June, and round 4 in September of this year. So, the information that I can provide is obviously at this stage restricted to the rounds 1 and 2 results. However, I will give the block reference that each company has been allocated. Some companies have been successful in winning multiple blocks. Australian Crude Oil Company has been successful in winning blocks CO98-A, CO98-B and CO98-D; Liberty Petroleum Company has blocks CO98-C and CO99-A; Stuart Petroleum has blocks CO98-E and CO99-C; Tyers Investments Pty Ltd has blocks CO98-F and CO99-H; Beach Petroleum has blocks CO98-G, CO98-I and CO98-J in partnership with Magellan Petroleum. Stuart Metals has CO98-H. Strike Oil and Australian Gasfields Ltd, in partnership, have CO98-K. Vernon E Faulconer Australia Incorporated has CO99-B and CO99-D. Origin Energy has CO99-E. Amity Oil has CO99-F and Santos Ltd has CO99-G. Work is yet to commence with respect to all of those because, as I indicated in my opening statement and as was also indicated by Mr Laws from our petroleum division, work is still under way with respect to negotiating the native title issues.

**Ms HURLEY:** Can the minister inform the committee of the status of the Coongie Lakes control zone and indicate which parties have been consulted in this respect?

**The Hon. W.A. Matthew:** The deputy leader would be aware that recently the government released a paper on the Coongie Lakes region. The date for response was May of this year. We have also accepted some late submissions, which are at this time being considered to determine where we move from here. The deputy leader would be aware that the whole purpose of this consultation process was to seek the community's views on the options for petroleum activities in the area. Any management plan that results from that will depend on the preferred option indicated by this process. That preferred option has not yet been decided. Again, the whole process is being facilitated by two agencies working together (for the benefit of the deputy leader). Those agencies are Primary Industries and Resources and also, appropriately, the Department for Environment and Heritage, with independent ecologist advice.

It is worth putting on the record that representatives of the key conservation groups, unfortunately, declined to be involved with a reference group to oversee the process. In fairness, though, I have met with the representative of one of those groups, Declan Andrews of the Wilderness Society, who advised me that the reason why that group declined to be involved within the reference group is that it did not want in any way to hamper its ability to be able to put forward representation—and, indeed, if it so desires, to disagree with the outcome. However, I was encouraged by his support for the public consultation process that we have gone through in this very sensitive area of our state. As the deputy leader would be aware, Santos's rights over that area expired on 28 February last year.

**Ms HURLEY:** I refer to page 2.30 of budget paper 4, and the Extractive Areas Rehabilitation Fund. I note that there is a drop in the allocation of the amount of the fund, which I understand represents a payment from private industry and a matching payment by the government. It would seem to

indicate that there is perhaps a slow-down in the activity of the extractive industries in that they are contributing less to this fund, because it is an allocation on the basis of volume. How many separate sites does the expenditure for this past year represent? Where are the sites, and what was the expenditure on each?

**The Hon. W.A. Matthew:** There is a multiple number of questions there. I will endeavour to answer them all, other than the sites that the deputy leader wants specifically detailed; I will need to take that on notice.

In 1997-98 receipts to the fund amounted to \$984 958; expenditure was \$528 784; there were 33 approvals involved, the value of which in total became \$1 330 010. In 1998-99 the receipts were \$887 000; expenditure was \$885 000; and 43 approvals were involved, the value of which is \$922 574. I do not at this stage have the value of receipts and expenditure for 1999-2000, but there were 71 approvals, the value of which amounted to \$2 233 085.

So, there has been an escalation of the approvals, certainly no slow-down. I know that these are matters about which the deputy leader is concerned, and for similar electorate reasons I share that concern. Within my electorate Boral Industries operates the Marino quarry. That is one on which I keep a very close eye, and I wish to see areas of that rehabilitated as soon as mining operation is completed, so I understand the direction from which the deputy leader is driving. She wants to see the fund fully utilised, as I do, and I will do my level best to ensure that it continues to be utilised.

A project assessment panel exists to review projects in excess of \$100 000. The panel comprises members from industry, the government and external experts. The panel has met six times to assess proposals lodged by various mining companies and consultants, with four proposals recommended for approval, one rejected and the others to be resubmitted. I will bring back to the deputy leader the details of which proposals were involved in that.

**Ms HURLEY:** As a supplementary, I refer again to page 2.30 and the statement of cash flows for the Extractive Areas Rehabilitation Fund. The 1999-2000 estimated result was \$1 million and the budget was \$950 000. The 2000-01 budget is \$950 000, so does the minister expect that that will be exceeded again, or is he saying that there is no slow-down in expenditure?

**The Hon. W.A. Matthew:** The \$1 million result was budgeted, and the \$950 000 was an estimate at the time the budget papers were completed; it was pretty close at that stage. There is every chance that that could be exceeded, but we do not yet have the final figures. I will bring to the deputy leader the final figures as soon as I am able obtain them.

**The ACTING CHAIRMAN:** The member for Hammond. I note, just for later, that the member for Hammond is not present; that is all. The member for Kaurua.

**Mr HILL:** My initial question relates to the Resources Task Force. Before I ask it, I would say that as a shadow environment spokesman I am very supportive of mining in our state and mining generally. I refer to a comment made last night on radio by Professor Possingham, who made the point that, of all the activities we do on the land, mining is one of the relatively least harmful to the environment. Agriculture and irrigation, etc., do more harm, and I think we all understand why that is the case. Whilst I support mining, I was concerned by the Resources Task Force recommendations. In strategy 4.1 it indicated:

As a matter of urgency provide access for low impact exploration on all lands.

On my reading of that, that means all the lands currently protected by national park or conservation status, etc. As we know, only about 7 per cent of the state is protected in that way. I suppose it is not surprising that that recommendation was made, when you look at the membership of the task force. I note that there is nobody on that task force from an environmental background and nobody from the Department of Environment; they are all from the mining industry or from departments associated with the industry, or individual mining companies.

I have also noted the government's response to that task force, as follows:

Facilitate cost effective, low impact exploration, including in reserves and environmentally sensitive areas, as part of the multiple land use policy.

Then there is a government response, which I think at best is ambiguous, so I ask the minister directly: does he rule out the opening up of all lands in South Australia to exploration? In other words, will there continue to be protection from exploration for some areas, for example, on Kangaroo Island, in the Flinders Ranges, in the Coorua and so on?

**The Hon. W.A. Matthew:** First, I commend the member for Kaurua for volunteering his refreshing attitude toward the activities of mining. As the honourable member and I would probably agree, there are parts of our state that are also important to sensitively protect. Just as he recognises the value of mining, I as Minister for Minerals and Energy recognise the value in protecting important parts of our state and our natural heritage. If he is asking me to rule out a total opening up of the state to mining without protection, of course, I can rule that out immediately; that certainly will not occur.

In terms of ruling out parts of the state for exploration, it depends on his definition of exploration. You could argue that the TEISA surveys that we are undertaking are of a magnetic nature in themselves, as scientific exploration, so I want to be sure that we have our definitions straight here. There are joint use areas of national park in our state on which exploration activity can proceed, and I certainly will not rule out exploration in those joint use areas.

However, I will say that any work that is undertaken will go through the usual careful processes, and some applications for exploration activity will be rejected. As the honourable member would be aware, there are some controversial ones before the government at the moment. Consideration of those occurs not only by me as Minister for Minerals and Energy but also by my colleague the Hon. Iain Evans as Minister for Environment and Heritage, to determine whether applications for on-ground exploration ought to proceed or not.

**Mr HILL:** I take the point the minister makes that there are some areas which are sensitive and which we have to protect. But will the minister be coming back to the parliament seeking a changing of the protection given to certain areas of the state that are currently protected from exploration? The Yumbarra example is one where his predecessor came to the parliament to seek an opening up of that area. Are there other areas of the state that may or will be subject to similar extension, or will the minister rule that out?

**The Hon. W.A. Matthew:** There are certainly no areas of which I am aware that would necessitate that process. As the member is aware, the case of Yumbarra came about as a result of the work of a parliamentary committee that recommended that the parliamentary process be worked through. I am aware of no desire by any group for that to occur in other areas at this time. If the member is aware of any group,

I would be interested in hearing about it, but at this stage the answer is no. He raises an important question because I know that, when the task force report was released, the Australian Democrats jumped very early on to the media bandwagon and tried to imply that there was some insidious motive of the government in encouraging mining in our national parks. That is certainly not the case.

We hope this report is a sensible way forward, and, as the member for Kaurna is aware, the mining industry of today is very different from the mining industry of 50 years ago, and it, too, is aware that there are areas of the state in which it is simply not appropriate for mining activity to occur.

**Mr HILL:** I appreciate that answer. I refer now to Yumbarra, and I think that the minister is on record as saying that this will be a test case about how sensitive mining can occur, and I agree with him. Once again I refer to Professor Possingham, who has made the point that, unfortunately, the preparation for making it an appropriate test case has not been done. The biological surveying and understanding of the area is inadequate and should have been done over a period of time before exploration or mining was allowed.

I gather that the company that plans to undertake the exploration has conducted a biological survey, but I have also been told that that is not publicly available. In order for a proper assessment of this exploration and potential mine, will the minister undertake to allow that biological survey to be made public, so that all of us can assess whether or not the mining is done in a sensitive way?

**The Hon. W.A. Matthew:** I have just consulted with my departmental officials as to why the report is not publicly available. I know at this stage of no reason why it should not be, other than that the report is with the Department for Environment and Heritage for its assessment. If we are to have truly accountable processes, I agree with the honourable member that it should be publicly available and I will undertake to pursue that matter and determine why it has not been released and at what stage it can be so that public scrutiny of it can occur. I have been advised that the Department for Environment and Heritage is preparing an official response, so that could be the reason for the delay, but I will ascertain that from Minister Evans and I expect that the report will become public property.

**Mr HILL:** A couple of issues in the mines portfolio relate to my electorate. I refer first to the Sellicks Hill quarry. This is an ongoing saga, and I am sure the minister has had an equal amount of correspondence on the issue as I have as local member. An ERDC report was presented on the quarry cave. Members know that the company that owns the mine where the cave was found collapsed the cave. The ERDC inquired into it and made some recommendations and people are still awaiting a response from government in relation to this. Will the minister tell us what the current status is and will he let us know what he will do to protect what remains of that cave?

**The Hon. W.A. Matthew:** I would have been disappointed if the member had not asked something about Sellicks Hill. I am well aware of his interest in the matter and I recall that some of the correspondence on file is his, and multiple times. As the member indicated, this has been a vexed issue and the Environment, Resources and Development Committee, with which you have a close association, Mr Acting Chairman, proposed detailed amendments to legislation to ensure that incidents similar to the Sellicks Hill quarry implosion are prevented in future. That is the other important

thing—not just what happened there but to make sure it does not happen again.

The Mining (Private Mines) Amendment Act 1999, which proposed regulations, a code of practice developed by industry and tenement incident procedures, addressed the principles of the Environment, Resources and Development Committee's recommendations without necessarily adopting the prescriptive detail. It will ensure that significant solution caves will not be destroyed if discovered in future. This outcome has eliminated the potential, importantly, for future financial risk to government from issues of this nature, and that is something else that we have had to take into careful consideration.

It is proposed to finalise the regulations under the Mining (Private Mines) Amendment Act and bring the act into operation on 1 July. My department will monitor the effectiveness of the legislation, the code of practice and the implementation of the tenement incident procedure to ensure that this is monitored effectively for the best outcome. As the member for Kaurna is aware, the inquiry resulted in 38 detailed and prescriptive recommendations that focused on the legislative regime. I believe that the steps that we have taken to be implemented from 1 July address those, and I am sure that he will look forward to carefully scrutinising the work to ensure that the recommendations are in place as he desires them to be.

**Mr HILL:** I thank the minister for the answer and I will go through the scrutiny process, but I suspect that I will be back here next year asking yet another question on this issue. One hopes not. I refer now to another quarry in my electorate, the Maslin Beach or Rocla quarry. The minister may be aware of the unique sands that are present in that quarry and there has been talk over a period of years about giving the arts department or the tourism department access to these sands. I have visited them and they are extraordinary. On the front page of the *Southern Times* of 3 November there was a story about this issue. Under the heading, 'Sands of time vision at a standstill', the article stated that, in 1995, Arts Minister Diana Laidlaw called on the Mines and Energy Department to survey the Rocla quarry site and study gallery park plans to ensure that the coloured sands could be displayed safely. As of 1999, it was not known whether the Mines and Energy Department ever undertook the study. If that study has been undertaken, what were the results? If it has not, will the minister make sure it happens as a matter of priority?

**The Hon. W.A. Matthew:** I have had the privilege of visiting the quarry about which the member speaks and I agree that it has unique sands. It is also appropriate to put on the record my commendation to Rocla for the way in which it manages that quarry. It is of significant size and a lot of traffic travels past it. I dare say that most of the member's constituents would be unaware of just how large an operation is screened from the roadway. It is important with quarrying activity today that companies are cognisant of not only nearby residential areas but also passing traffic so that people do not pass an area that is blighted by mining operation, and Rocla has that area nicely screened from public view so that the land quarry is not a visible, noxious scar on the surface. The detail to the member's question can be best answered by Dr Neville Alley, who is head of the minerals section within the department. Dr Alley had the joyous task of working on this issue for some time and I am sure that he is happy to share his work with the committee.

**Dr Alley:** A review was done by the department which involved also the heritage or monuments section of the

Geological Society of Australia (the South Australian section) where they had a good look at how those sands could be preserved. It was concluded that they were very unstable and easily eroded. When the forms were exposed they were spectacular and colourful, but within a year they had crumbled and it was a flat, sloping piece of sand. Everyone agreed in the end that there was no purpose in trying to preserve them, so the issue was put to rest.

**The ACTING CHAIRMAN:** That is question 5: the member for Hammond is still not here. The member for Kaurna.

**Mr HILL:** I have visited the site, too. The sands were spectacular and it is a great shame the area cannot be used in some way, but I also agree with the minister's comments about the activities of Rocla. It is rarely an issue for my constituents: it is a well managed site.

I turn briefly to Office of Energy Policy issues, or greenhouse gas issues. I will roll my questions into one and give the minister an opportunity to answer them generally. What budget does the office have; how does that compare with last year; and is minister the key minister in terms of greenhouse gas activities for the state? I refer also to the Premier's press release of 21 February this year where he said that there was 'a target in the reduction of carbon dioxide emissions by 20 000 tonnes over the next two years'. The Premier also said in the same press release that South Australia currently produces 30 million tonnes of carbon dioxide, so 20 000 tonnes is a relatively small amount; it is well less than 1 per cent of the total. Is that sufficient to meet the national targets or South Australia's contribution to the national targets?

**The Hon. W.A. Matthew:** The total budget for the Office of Energy Policy is \$10.66 million. The budget has effectively been maintained against last year's levels. In relation to the amount of money allocated for sustainable energy programs, \$830 000 is allocated for sustainable energy policy programs, and a further \$300 000 is allocated for the State Energy Research Advisory Committee (SENRAC). That particular committee ensures maximum benefit from budgeted energy research grants that are likely to accrue to South Australian consumers. The sum of \$670 000 has been further allocated through the voltaic rebate program for renewable energy, and \$2 million possibly coming for the renewable remote power generation program. At this stage we are optimistic about that \$2 million.

As the member for Kaurna would be aware, a significant amount of federal funding is being devoted to this; Dr Fong and his staff have been very successful in obtaining a significant slice of this and they continue to try to gain an even more significant slice so that we can have the benefits of that expenditure here. In relation to which minister has principal responsibility for greenhouse gas activities, the Minister for Environment and Heritage has principal responsibility but, obviously, I have a role through the Office of Energy Policy, which is also administering a significant number of programs. In relation to the Premier's press release of 21 February, if I have noted the details correctly, the honourable member indicated that he had announced a 20 000 tonnes reduction in greenhouse gas emissions over two years against a total 30 million tonnes reduction. We actually have an agency target of 15 000 to 20 000 tonnes by June 2001 and that is the part for which my agency is responsible.

*Mr Hill interjecting:*

**The Hon. W.A. Matthew:** It seems to me that this press release focuses on those things for which my agency is

responsible, and on that basis I would expect that the target will be more than the 20 000 tonnes. I will take the balance of the honourable member's question on notice, speak with the Minister for Environment and Heritage to determine their targets and then come back with a complete figure. The Premier's press release would appear to focus on the targets which have been set by my agency through the Office of Energy Policy alone. I would agree with him on that basis: we would expect to see that target exceeded.

**Ms HURLEY:** I refer to page 2.11, output 2.3, 'compliance services'. This, again, wraps in all the activities of agricultural inspection, fish inspection, compliance and so on, along with some key aspects, I would have thought, of the minerals and energy portfolio inspections for compliance in areas such as Olympic Dam and Beverley. What percentage of the compliance services statistics relates to the operation of the minerals and energy portfolio, and what is the frequency of inspections at Olympic Dam and Beverley?

**The Hon. W.A. Matthew:** I am aware that the member asked a similar question last year in estimates and I would defend that question asking as being reasonable, as well. I would prefer to see a greater breakdown in budget papers. I am happy to provide as much detail as I can today; I may need to take some of it on notice. Effectively, I can provide the honourable member with a breakdown rounded for significant projects as detailed at 2.3: in dollar terms, Beverley, \$32 000; Olympic Dam, \$55 000; gas regulation and safety \$1.110 million; and electrical regulation and safety, \$1.478 million. The other amounts fall within the agricultural and fisheries side of the department's activities: \$748 000 for fruit fly; \$793 000 for the department's rural solutions disease surveillance; and \$3.706 million for fisheries compliance. That gives a total of \$7.922 million. Those are rounded the most significant projects. The total budget for output was \$15.838 million, which includes accruals and overheads. We can endeavour to provide a more detailed breakdown for smaller level projects if the member so desires.

The honourable member asked about the number of inspections for Beverley and Olympic Dam. All I can provide at this time is the total numbers for petroleum mineral groups. I will take the question on notice and provide for the honourable member a detailed answer breaking it down for Beverley and Olympic Dam.

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

#### **Additional Departmental Advisers:**

Mr W. Morgan, Director, Office of Regional Development.

Mr G. Knight, Executive Director, Corporate.

Mr A. Johnson, Acting Executive Director, Sustainable Resources.

Mr R. Wickes, Acting Executive Director, Food and Fibre.

Mr W. Zaccharin, Acting Director, Fisheries.

Mr I. Hartmann, Manager, Corporate Finance.

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

**Ms HURLEY:** Much of the economic impetus for South Australia has and will come from the regional areas of South Australia. Indeed, South Australia's export statistics in the past couple of years have been delayed as a result of a boom in the wine industry, food and fisheries and mining. Adelaide depends on its regions, and the health and prosperity of the

city of Adelaide depends on a good and profitable regional structure and infrastructure.

The fact is that cities in regional areas now need special attention—some because growth has been very strong and certain aspects of infrastructure and services need to be addressed and some because withdrawal of industries has created unemployment and migration out of those cities, and that is particularly so in the upper Spencer Gulf. Many country towns are also in a similar position.

However, when we talk about regional development sometimes the core issues that affect peoples lives are lost. We are not talking necessarily about agriculture, mining or any of those areas; but the core issues of health and education affect everyone living in the regions—and we must not forget that those are key components.

Families do have a right to expect a basic level of health and education, even though they live in the country. We cannot expect people to live in the country and contribute to the state's economy if they do not have the basic services available for their families.

My concern is that not enough attention is being paid by the government to the views and suggestions of people in the region. Regional areas often need only seed money or short-term expertise to get things going. However, at this time, regional areas need to be paid particular attention because some areas of South Australia are suffering and others need the additional support just because the growth has been so strong in their particular area.

I would like to read a short article from the SAFF members' magazine dated June-July this year. The article was written by the organisation's CEO, Rhonda Baker. In relation to the budget, Ms Baker said:

It was... the first time the government chose to produce a regional statement. This report assisted the Premier in promoting the budget as 'bush' friendly and one to 'grow regional communities'. I have to disagree. Of the \$263 million of new spending announced only 11.4 per cent is aimed at regional and rural areas. Of the \$1 billion regional statement only 3 per cent is for new initiatives. In the current economic climate farmers are facing increasing costs of production and declining terms of trade. We need a concerted effort to reinvigorate regional South Australia. Disappointingly funding cuts were made in some of the most needed areas, such as country roads, road safety and the environment.

Could the minister respond to that accusation that the budget is not as 'bush' friendly as was promoted at the time?

**The Hon. R.G. Kerin:** I thank the deputy leader for initially acknowledging the importance of regional areas. That issue is something which rural members in this place have often raised. I also agree with several other statements made by the deputy leader about industry restructuring and its effect on areas such as the northern Spencer Gulf. The sentiments expressed by the honourable member are very much behind why the regional development task force was established and why the government has responded with the establishment of the Office of Regional Development.

When the deputy leader speaks about broadening the idea of regional development beyond industry development to health and education, that has been very much highlighted by the fact that we have separated the Office of Regional Development from the Regional Development Section within Industry and Trade. Wayne Morgan's office well and truly focuses on the cross-government issues. An issues group has been established under the Regional Development Council. There was much urging from some areas that that council should be about regional development boards and economic development.

We have ensured that health and education and a range of other social issues are represented on that group. That issues group includes representatives from each of the government departments to achieve that whole-of-government approach and to ensure that we look at not only social issues but also economic issues. That issues group is working extremely well. It is starting to solve some of the problems which were frustrating people in the past.

Over the past five to six years there has been a big improvement in the standard of our country hospitals. We have seen the new hospital at Mount Gambier. Significant amounts of money have been spent on a range of hospitals across the state, including those at Port Augusta and Port Lincoln.

Many of our schools were looking very tired. If anyone were to speak to any of the rural members they would talk about redevelopments or new schools in their areas that were much needed. In respect of the SAFF figures, I believe that there might have been a bit of a knee-jerk reaction. I am not too sure how some of those figures were arrived at. Certainly, following further discussions, some of the figures provided by SAFF in the first day or two have been clarified.

Most people within SAFF would acknowledge that this government's record with respect to country roads has been a big improvement on that of previous governments. Certainly, never enough money will be allocated for country roads. Everyone wants bitumen roads, and that is understandable and understood. However, it a matter of priorities. We have undertaken a major program to look at our country roads. The sealing of the rural arterial roads is on schedule. Because of economic activities in some areas and a range of other issues another program has been put in place which sees some of the local roads getting some priority; for example, Gomersal Road and several others.

When you look at the whole picture of country roads, you realise that the statement about a cut in the allocation to country roads is perhaps somewhat misleading and unfair on the good work that Minister Laidlaw and the government have done with country roads. I acknowledge what the Deputy Leader says, namely, that not only this government but other governments in Australia have always seen regional development as just economic development. The Deputy Leader sees government as just trying to be a facilitator of that. If you listen to country people, you hear that it is about more than just economic development. Certainly, we have acknowledged that with the composition of the Regional Development Council. I took some flak from certain people about that, but I have a clear idea about where that should be heading. We need to integrate all the areas of government when we look at regional development.

#### **Membership:**

Ms Rankine substituted for Mr Hill.

**Ms HURLEY:** The minister mentioned the Regional Redevelopment Council. I would like to work through a bit of what is developing into a quite complicated regional development bureaucracy. The bodies that I have identified from the regional development statement are as follows: there is the Minister for Regional Development (and I saw it as a welcome move to have a minister just purely in charge of regional development); under him, there is the Office for Regional Development; the Regional Development Council; the regional development issues group and the regional development infrastructure fund, which I believe is under the

Minister for Regional Development; then there is also the Minister for Industry and Trade who still has some input into regional development activities. Underneath the Minister for Industry and Trade is the regional development team. Then, of course, there are the regional development boards and local government which has an involvement in regional development. It all seems to be a fairly confusing mix. Some of the following questions seek to tease out who is responsible for what, who gets what money and where it comes from. I refer to page 12 of the regional development funding. How many regional development boards will share the \$250 000 allocated to employ a business adviser? Will the boards contribute to the employment costs of that business adviser, and from which portfolio does the funding come?

**The Hon. R.G. Kerin:** There are 14 regional development boards. The line of responsibility for those boards is under industry and trade. The deputy leader has questioned the positioning. When we set up the Minister for Regional Development and the Office of Regional Development, I pushed that the regional development boards stay within industry and trade, and that the regional development group stay within industry and trade. There may be a confusion of terms, and that is unfortunate. One of the reasons why I did that is that there are—internationally, nationally and locally—quite often development opportunities recognised which could go either to the metropolitan area or to regional areas. One of my greatest fears was that, if we had separated regional development in the economic development sense out of industry and trade and put them separately, they would not have been kept in the loop of what opportunities were available. Therefore, we may have seen developments that could possibly have gone to country areas snapped up for the metropolitan area.

There is also another advantage. Once again governments have been 'guilty' of just seeing regional development as economic development rather than the broader range. So that is the other reason for that separation. The Deputy Leader basically asked about the reporting of the regional development infrastructure fund. That is basically under the control of both me and the Minister for Industry and Trade, as well as the Treasurer. We have joint sign off on the regional development infrastructure fund. Applications over \$200 000 need to be approved by the state development committee of cabinet. That is a joint responsibility of the two, so we do get that mix of pure economic development and the social infrastructure which is also eligible for that fund.

**Ms HURLEY:** By way of supplementary question, I also asked about the \$520 000 allocated for the regional development boards to employ a business adviser. It seems to me that that might not be enough for the 14 boards to employ a full-time business adviser. How many boards share that \$520 000? Will the boards contribute to employment costs, and which portfolio does that funding come from?

**The Hon. R.G. Kerin:** Once again, the Minister for Industry and Trade is the minister responsible for those matters. Many of the boards already have business advisers within them. I am just not too sure of what the ultimate breakup will be. Most of the board's funding is government funding. However, with regard to the breakdown of the new funding for business advisers, a lot of boards already have business advisers. That is really an administrative issue for the Minister for Industry and Trade and his department. However, it was obviously taken into account when they decided on the level of funding required to make sure that they all had business advisers. Once again, it is outside my

portfolio area, but that also picked up on an issue of some joint funding with some councils that wanted to put in place business advisers. That was one issue that was discussed. We could go to the Minister for Industry and Trade and get the correct answer on how that will ultimately be used.

**Ms HURLEY:** Did I interpret the minister's answer correctly—that that is not new money but what existing money is used for?

**The Hon. R.G. Kerin:** The sum of \$15 000 per board of new money was provided for business advisers on top of that. The sum of \$45 000 per board used to be provided for business advisers, but I would stand to be corrected on that. That is what was flowing to each one for the business advisers employed on boards for a period of time.

**Mr LEWIS:** I invite the committee to contemplate the relevance of a place called Flaxley where dairying had its research facilities established. Let me draw to the committee's attention to budget paper 4 (page 2.19), classes 4.1 to 4.5. In the context of competitive neutrality, can the minister or anyone else help the committee understand exactly what those statements mean, especially in relation to the extension services that we have had in South Australia from the Department of Agriculture as it used to be known and the Department of Primary Industries and Resources as it is now known and the applied research on farm, and compare and contrast the direction in which we are going with respect to competitive neutrality in the context of, say, the Education Department or the Human Services Department or the provision of fire services or TAFE, and so on?

It seems to me that, whilst it is not spelt out there, what we are really doing is telling farmers that in the future we will meet them in the marketplace. The rural community has produced so much as an input to the state's (and to the nation's) economy in export income earning capacity, and we take that so much for granted that the people producing that enormous contribution to the balance of payments are not really getting a significant contribution towards their own welfare and prosperity. I thought the deputy leader in asking a question was a bit wide of the mark, because that is where the process began, as I have observed it, when Labor was in office and it is continuing now unless I am mistaken.

Competitive neutrality is a worry to me as it is removing the means by which rural enterprises will continue to get objectively determined information about new techniques to enable them to remain competitive in delivering to the Australian people their export income streams. For two to three decades now, the people concerned have not received anything like a proportionate reward for themselves and their families for those efforts. I would like the minister, if possible, to explain where this competitive neutrality policy is taking us. Will the information that farmers get be commercially tainted by the organisations that provide it or can they continue to rely upon some objective appraisal of the veracity and validity of the information they get about new farming techniques?

**The Hon. R.G. Kerin:** I take it that the last part of the member's question refers to extension services?

**Mr LEWIS:** I am talking about those classes 4.1 through to 4.5. I do not really know what they mean. Well, I think I do and it frightens me.

**The Hon. R.G. Kerin:** I think that the—

*Mr Lewis interjecting:*

**The Hon. R.G. Kerin:** Let us not rely too much on the paper work. I think it comes back to the philosophical debate which has been held quite often about the provision of free

agronomic services to the farming community and the extent of those services. If you go back a while—and I think the department is trying at present to get some figures for me on the availability of agronomists across South Australia—it really is a philosophical debate as to where government's resources are best put in terms of how we help the productivity of farmers. There are two schools of thought on this matter. One of those schools of thought would be that, going back 15 or 20 years, there were a lot of agronomists within the department across South Australia. If you looked at the total number of agronomists across South Australia 20 years ago, probably 80 or 90 per cent of them were employed by the department, out there offering free agronomic services.

If you lived close to a town that had one of those agronomists, you tended to use them a lot and it left a lot of holes, even in those days, because of the spread of them. When we talk about competitive neutrality, one of the arguments would be that the distribution of free agronomic services offered by the department contributed to market failure in that very few other agronomic services were available. It may well be just because of changing times, and it might not be totally because of changes in the department over the past 15 years or so, but over a long period of time the number of free agronomic services provided by government has diminished greatly. However, at the same time there has been a very large growth in the number and range of commercial agronomic services available, and they vary. Some are straight-out pay-for-service type agronomists—the consultant type who set up and charge so much per hour, or so much per year in a lot of cases, to provide agronomic services. You then have the agronomists employed by the bigger companies—the fertiliser companies or the chemical companies—who are out there providing a service. Often there is some cynicism or a little bit of fear amongst farmers (and I think the member used the word 'tainted') that their advice will be to sell their product. You also have, on the next level, a range of services provided by people with a range of products who might bring about some balance to the others.

It is a philosophical debate as to whether or not the government should be in there competing with all and sundry with a free agronomic service. I think the worldwide trend would be that governments have gradually pulled away from it. No doubt, the member has heard of the fears of lack of independence, about which I have heard plenty of times. Who knows whether or not this issue is overrated? I suppose that a bit of a role for government is maintained there. Whether that is maintained by government providing an alternative, independent, paid for service, whether it is a mixture of paid for and free, or whether it is free, is one of the real points of contention that perhaps governments have dealt with separately. But there is a range of services out there.

The member is correct with respect to competitive neutrality. One of the issues that crosses my desk quite often is that, with respect to some of these services, some of the private providers are starting to complain about the fact that they feel that government is duplicating the services that are offered commercially. They are challenging that and saying that, under competitive neutrality principles, that is really breaking the rules. Certainly, we saw that with state flora: quite often we had complaints from the commercial nurseries, and whatever, which felt that we were subsidising or quasi subsidising services, which was leaving them at a disadvantage. So, I know what the member means, and certainly competitive neutrality is one of the drivers; there is no doubt about that.

However, I think that the opinions of land-holders out there are somewhat varied. Some will say that the services that are available without government are well and truly good enough; others will say it is absolutely essential that the government is in there with a free service. So, I understand what the member is saying. Certainly, the way in which governments have provided services over time has changed markedly. One of the figures that I had hoped to have was the number of qualified agronomists around regional South Australia now, compared to when the government was the sole provider, because I think the member will find that the number has increased quite a few times. Part of that is because we have market failure but part of it is because productivity has become so important: the game of farming has become a lot more complex, so there is a far bigger market for information.

**Mr LEWIS:** Continuing in that vein, what are to be the funding arrangements for extension services next year? In the context of competitive neutrality, as I understand it, next year departmental agronomists will have to compete with people from within (one could nearly say) the private sector; but many of them will be employed to push a particular line about fertiliser use according to the brand of fertiliser, or chemical use according to the range of chemicals being sold by the company that employs them. As I understand it, whenever a farmer approaches them, they will be told straight out, 'You want to run your farm on our information. We charge a fee for the service'—which will attract a GST, of course, because it is a service; like it or lump it. Everyone, if they are doing it not for the sake of getting the sale of the fertiliser or the chemical but for the fee, will be doing that, anyway. So, that is neutral: I acknowledge that.

But what about the objectivity of the information that they are getting? I do not see anything anywhere in the last five years that enables us to continue the tradition of doing, as I said in my explanation to the first question I asked, the on-farm applied research in a number of replicated trial plots around a given regional area of reasonably similar soil types and climate to determine whether or not a particular change in farm management technology was relevant. I do not see the means by which those funds will continue to be available under the policy that we are pursuing in this state. And I do not even know whether all the other states are as eager and keen to do it the same way—they probably are. In Australia these days decision makers spend too much time in corporate boxes and the rest of the people spend too much time complaining about how uncomfortable it is to stand on the pavement and wait for a bus for five minutes, and they ignore all the real implications for rural Australia of the excessive expenditure that is going on in urban Australia. They also ignore the consequences for themselves of the loss of export income that will result when we suddenly wake up and find that our farmers are no longer leading the world because they do not have the objective and valid information from applied research to make the improvements in productivity that they will have to make to keep pace with their competitors overseas, such as the American farmers, who are still being granted enormous subsidies, and the European farmers who obtain those subsidies indirectly through market protection. That is still going on—and likewise the Canadian farmers.

I do not know how this will work, but I need to know, and so do the people whom I represent, because they constantly come to me and say, 'I have heard that we will have to start paying for our services from Primary Industries and Resources SA. Is it true?' A few years ago, I said, 'I do not



think so. What are you talking about? Of course you have to pay if you are going to use this chemical or that chemical.' But what I have noticed in the budget papers indicates to me that probably next year they will have to start paying. I want to know whether it is true that they will have to do so, and where the objective information will come from if no funds are available to undertake that replicated applied research around the state in consequence of the reduction in time available to the agronomists who used to do it.

**The Hon. R.G. Kerin:** I will deal with this matter in two parts. I will have Geoff Knight explain the movement of figures, so we clarify the figures in the budget paper.

In relation to the other issue, most of the agronomists out there nowadays do not do much in the way of one-to-one work. The numbers game has dictated for a long time that, in relation to the productivity of the sector, it is best for them to work with groups. When we talk about competitive neutrality, we are talking not so much about competitive neutrality with those who are selling fertiliser or a particular brand of chemical; rather, it relates more to the competitive neutrality with the consultants who pay.

As far as trials go, one matter is the standard of advice available to Australian farmers nowadays, and the gap between trials being done and extended out has improved a lot over the years; that is getting there a lot more quickly. Much of that is to the credit of farmers who are willing to go to far more seminars and more field days. Their uptake of training opportunities has been absolutely magnificent over the past few years. They are well and truly willing to have a go.

GRDC has done a very good job in upping its focus on extension as well as on trial work. Even much of the company-paid trial work with new products is independently done, to remove the bias. That does not say that there cannot be some bias when someone is actually talking about those trials, but most of that trial work is independently done and the results independently available.

I think that the numbers of dollars available nowadays to farmers—delivered in a different way from free agronomy services, granted, but through Farmbiz, property management planning and a whole range of other programs—are probably as high as they have ever been. However, much of it comes down to groups, whether that be egg bureaux or other groups, working out just what they want in order to set up the programs.

Farmbiz is a terrific, heavily subsidised program which calls for a small commitment from the farmer, and I think that most farmers would say that that is a good idea, because if they have to pay something it means that they will follow up and keep going. All in all, while any change will always bring some resistance, I think the honourable member will find that they are pretty well catered for at the moment, although it is quite often a matter of standing on the pavement, as the honourable member said.

It is a matter of a go-getting attitude from some of the farmers. There are enormous opportunities available to them. I will ask Mr Knight to pick up the figures to explain what the honourable member asked about.

**Mr Knight:** If I can talk through some of these numbers in terms of whether or not they may or may not indicate an underlying trend related to competitive neutrality and so on, it might be helpful. Sometimes behind these numbers there are movements or changes in treatment that can create the impression of trends, which may be misleading. I will be

happy just to step through each of these lines one by one in output class 4.

In the first, output 4.1, in terms of expenditure there is virtually no change. In 4.2, trade and market services, there is a significant reduction between 1999-2000 and 2000-01, which comes about through the transfer of a function from the PIRSA portfolio to the DIT portfolio. That is the Industry Development and Resources Unit that was formerly part of PIRSA. Another factor at play there is that some expenditure previously included in output 4.2 is now shown under output 1.1, in relation to the farm seafood initiative. So, that reduction of \$1.2 million is purely explained by a shift to another output within PIRSA and the transfer of a function to the DIT portfolio.

**Mr LEWIS:** The industry is not reducing its contribution: it is just general revenues going backwards, the contribution from that quarter?

**Mr Knight:** No, there is no reduction there either. In terms of our output class structure we have shifted some expenditure under the farm seafood initiative to a different output class, and a function that PIRSA was responsible for last year, resource development, has now shifted and is shown under the DIT portfolio. There is no reduction in appropriation for output 4.2 at all.

For output 4.3, where there is a growth both in revenue and in terms of expenditure, that increase is associated with increased commonwealth funding that we are receiving under this budget for Farmbiz, and also the Riverland Rural Partnership Program. That explains an increase in expenditure into next year of around \$2 million and a comparable increase of revenue of about \$1.2 million. That is not affecting producers at all; that is purely additional revenue from the commonwealth government.

**Mr LEWIS:** The state is not making a contribution to that?

**Mr Knight:** The state's contribution to output 4.3 has gone up from \$5.1 million this financial year to \$6.7 million next year, so there is quite a large increase in terms of state government appropriation into output 4.3.

**Mr LEWIS:** That is the same in all the others?

**Mr Knight:** The explanation for each one is a little different. In output 4.4 there is actually a reduction in spending next year, purely as a result of the completion of the Eyre Peninsula Regional Strategy. A large amount of expenditure in 1999-2000 on that strategy falls out of the numbers in 2000-01. Finally, on output 4.5, the infrastructure project services, there is a growth in revenue of \$2 million.

That purely relates to commonwealth revenue in relation to NHT projects and the Loxton Irrigation Rehabilitation Project. That growth in revenue of about \$2 million for output 4.5 does not affect farmers, either. There is nothing to do with competitive neutrality in those numbers.

**The ACTING CHAIRMAN:** I would like to remind members that every effort is being made to allow all members to ask and explain their questions. I ask members to please restrict the length of time to ask their questions as time is limited and other members would like to ask questions. The member for Hammond.

**Mr LEWIS:** I thank you for that explanation, but it is difficult for me to ensure that the other members of the committee understand the base background to the concern I have unless I explain it. If it seems that I have taken an undue amount of time, I apologise for that. However, I want to go on with that line of questioning.

To put it in simple terms, the agronomist has gone from Wudinna: that is history, or so the people around Wudinna who are supposed to be in the know tell me. What other agronomists will be knocked off or transferred to other work where they will not be available to do the kind of work that they have been doing historically? I guess this also relates to the remark I made at the outset, that Flaxley was a stupid decision for dairying in the context of deregulation of dairying.

The number of dairy farmers on the Fleurieu Peninsula in three or to four years' time will be probably not much different from the number of fingers that I have on both hands—and that is only nine—because of the impact in the marketplace. What we could have done with all that money to sustain a dairy industry in South Australia by making its research and so on more applicable in a more efficient location is probably lost as an opportunity. I do not want to see the same thing happening in dry land farming now.

I fear that we will retain the agronomy position at Loxton and the funds spent in retaining the research centre at Loxton at the expense of the position at Lameroo, based on what I have seen happen at Wudinna. And I fear that the same thing is happening at Kadina or Clare: one or the other will go, I bet. My worry is that there will be a reduction in the number of agronomists and we will continue with decisions about their location based on the historical location of research centres rather than future benefit to the dry land farming agricultural production community. My question then is: why keep the dry land centre at Loxton? Why not transfer the position to Lameroo?

**The Hon. R.G. Kerin:** A couple of points of clarification will be useful. If you go back four years ago there was no office at Wudinna. The office at Wudinna then grew to four people through the Eyre Peninsula Regional Strategy, even though the agronomist position there was funded out of state resources to run some programs to do with the strategy. That point made, it really comes back to the role of government at the end of the day. There has been a reduction in staffing by one agronomist on Eyre Peninsula but, at the same time, there has been an increase in the staffing at Minnipa by six people. If we remove the emotional side of a family's leaving town, which is hard to do because that is an issue in itself, and if we look at the situation in the District Council of Le Hunte, which takes in Minnipa and Wudinna, an extra six people have been employed at Minnipa. They are doing research, basically.

It comes back to the role of government and assessing where is the greatest area of market failure. Where is the market picking up on delivering to farmers what they want? A couple of years back there was a strong identification that we needed to increase the level of research work into dry land agriculture in the lower rainfall areas. It was well and truly identified to me by quite a few people as an area of priority because farmers and industry bodies were seeing that the rate of productivity increase in our higher rainfall dry land farming areas was far outstripping that in the lower rainfall area. That was not to do with extension. We needed to lift our research effort with cereals in the lower rainfall areas and to try to find some legumes that were suitable for those lower rainfall areas.

When looking at the bigger picture rather than any specific appointment, what we have done has been totally appropriate given the messages we received as to what the priorities should be. While plenty of people were willing to give advice and offer agronomy services, the real problem was that there

was a market failure in the companies that were doing research, and in the government to an extent, and to pick up on the research effort would make a difference to the lower rainfall dry land farming areas.

Some decisions do not always please everybody but time will tell that the decisions as to our priorities will be correct. There is some resistance to the removal of the position at Wudinna and that is one of those things, as the member for Hammond would well know. The six extra positions at Minnipa will never get us any more than a momentary pat on the back, and the removal of one position will cause a lot more ruckus.

As to the honourable member's question about other positions, I am not aware of where changes will be made. I have an idea of the bigger picture but I could not give any specifics. We are continually assessing where the resources are best used, what the needs of industry are, and where we can best address the issue of helping farmers to produce. It is a case of trying to find the right mix between research and extension and pick up on where the failures are so that the government concentrates in those areas rather than competes with other forces.

**Ms HURLEY:** My question concerns regional development funding (page 12, Regional Statement). On page 14 it is stated that \$80 000 in funding will be provided to collocate export development officers with regional development boards in partnership with Austrade. Does 'collocate' mean that the officers will be physically located in the regions? Is the \$80 000 the state government funding component or is it the total cost? From which department will these funds come?

**The Hon. R.G. Kerin:** The issue lies within Industry and Trade but I can give the member an idea of it from my own involvement. There are Austrade officers in Mount Gambier and the Riverland. Since the establishment of the Upper Spencer Gulf common purpose group, which is the three northern Spencer Gulf cities working together, the combination of Austrade, the state government and the local regional development boards has led to the placement of an Austrade export facilitation officer in the Upper Spencer Gulf region. While it comes under DIT, my understanding is that that is what that funding is about.

As members know, growth in all our regional areas relies on exports because the local markets are of a limited size. In the past, we have not picked up enough on the export opportunities in regional areas. Those officers are finding opportunities and we want to extend that.

**Ms HURLEY:** There is reference on page 12 to a regional development board framework. Who is the responsible minister and how will the money be distributed? The paper states that \$750 000 will be allocated for various new initiatives for the regional development board framework.

**The Hon. R.G. Kerin:** That is within the existing regional development boards, which come under Industry and Trade. That is extra funding for the 14 existing regional development boards within DIT for new initiatives.

**Ms HURLEY:** Is the \$700 000 for the regional development team of DIT new money? Page 14 makes reference to \$100 000 to expand the level of DIT services: is that in addition to the \$700 000?

**The Hon. R.G. Kerin:** Once again, it is within DIT. My understanding is that that may not be new money. I think that is money that runs the regional development team. It is a commitment of that money but, while I am not 100 per cent certain, it is within DIT and I would doubt that that is all new money.

**Ms HURLEY:** There is reference to \$60 000 in funding for an officer in a remote location. Which two boards will share that money? What will be the role of that officer and which department will fund that grant?

**The Hon. R.G. Kerin:** My understanding is that, once again, it is within DIT so I am not aware of the fine detail. The Northern Regional Development Board has been funding an officer in Coober Pedy, and it might be an extension of that. The other board that funds an officer away from home base is the Eyre Regional Development Board, which has an outposting at Ceduna. I am not aware of the detail because it is within DIT, but I hope that is helpful to the deputy leader.

**Ms HURLEY:** Given that is within DIT, the role of the officer would be trade development although it is listed under the small business component of the budget paper?

**The Hon. R.G. Kerin:** Yes, small business is one of the responsibilities of the regional development boards under Industry and Trade.

**Mr MEIER:** One of the many positive initiatives that the government has made in agriculture in the last few years has been the State Food Plan and Food for the Future, which was launched in 1997. If I remember correctly, it had an objective of increasing the value of the food industry by a threefold amount to \$15 billion. What progress has been made?

**The Hon. R.G. Kerin:** Because of the way in which the voice is going, I might ask the Chief Executive to help out for a few minutes.

**Mr Mutton:** One of the important things about the Food for the Future plan which was identified to shift the contribution of the food-related industries in this state from \$5.3 billion to \$15 billion by 2010 was the need to ensure that we clearly had a mechanism to measure performance in those areas. One of the things which has been implemented and into which some resources have been put is a score card that contains current information about performance in South Australia. If we use ABS and related statistics, the lag time in being able to get those statistics is quite significant. A small group of members of the Premier's Food for the Future Council, chaired by Mr Perry Gunner, has been put into place to track progress of the initiative.

From a base of around \$5.3 billion when the program was started, we have now reached the current figure of \$6.9 billion, so at this stage we are on or slightly ahead of target in regard to that program. I think the other important thing about the score card is our being able to track export trends in each of the sectors in South Australia and, as a result of that, be in a position to identify opportunities for growth and provide that intelligence to industries that are in the business of exporting and adding value to food products. The work that has been done has been very good indeed. For instance, the head of the Supermarket to Asia component of the federal government, who reports directly to the Prime Minister, has been very complimentary of the work which we have done to have current information available to track progress in this state and which allows decision making to be much more timely in order to support areas within this state in the food industry.

**Mr MEIER:** It is obvious—and certainly to my way of thinking it is essential—that for the success of the state food plan to be achieved one needs to continue on exports rather than rely on the domestic market. How is the government facilitating export growth?

**Mr Mutton:** One of the things that has been identified as extremely important, if we are to meet the planned growth in contribution of the food sector to the economy in this state,

is that exports must be a significant component of that. This does not mean that we do not put emphasis on improving productivity, value adding within the state, but the export component is very important. As part of the Food for the Future initiative, an export facilitation group has been put together to help and assist in market entry and expansion strategies for targeted export markets that match South Australia's supply capabilities.

This program is being done in conjunction with Food Adelaide. A team of agency staff from Food for the Future, International SA, the Business Centre, Primary Industries and Resources SA, and Transport SA are the key players, and they are developing an 18 month forward plan for export promotion supported by both industry and government as a collaborative effort—a true partnership in being able to move things forward. The program will include a coordinated effort in inbound and outbound trade missions. We are bringing a number of buyers into Australia to meet growers and producers on the ground, a range of instore promotions, and market awareness events. The government has also supported a range of food expos and marketing opportunities through Food Adelaide, Japan and Taiwan being the two key target markets.

Food Adelaide has been put together to establish a range of representatives to target overseas markets, to support the infrastructure through the overseas offices of the South Australian government, to analyse and identify market opportunities, and to promote the participation of South Australian producers and their ability to bulk up a range of products for that supply. There has been very good success in the past 12 months in a number of companies exhibiting at Japan's Foodex 2000 (a total of 12), as well as food and hotel Asia opportunities at HOFEX early last year and in Singapore earlier this year. It has been a very successful exercise in supporting the food industry in South Australia and we have demonstrated results in improved exports out of those initiatives.

**The ACTING CHAIRMAN:** I want to ask a question about meat rabbit farming. I have asked several questions on this matter, and I realise that in the past few days the minister has made a public announcement that this has now been given the okay. How many people have expressed interest in this industry; have the Victorians beaten us to the gun; and has the department any input to assist those beginning in this industry, particularly in relation to guidelines, rules and regulations?

**The Hon. R.G. Kerin:** My understanding is that there will be a strict code of practice on it and they are within the guidelines. For a long time there have been expressions of interest to do with rabbit farming. It has been one of those contentious issues. Certainly, over time one of the real fears within the farming community has been that escaped rabbits could set up colonies. That has been well and truly allayed by a better understanding of the type of rabbit to be farmed—which everyone has been assured would not survive in the wild, anyway. It is an ongoing level of inquiry.

Certainly, as a result of what has happened with the calicivirus and the reduction in the number of wild rabbits, and the fact that there is not a lot of wild rabbits around, it does lend itself to there being a market for rabbit farming. While we had a lot of wild rabbits, the viability was not there, anyway. Queensland might be the only state that does not allow rabbit farming. We are quite confident that for a number of people it will provide an opportunity, so some communities will benefit from it. Apart from perception, I

cannot see much downside for it. It is one more option for certain people and will meet a demand in the market for rabbit meat; I think they call it underground mutton.

**Ms HURLEY:** I want to talk about jobs in regional areas. I have the Australian Bureau of Statistics labour force figures, and I have been comparing the figures for December 1993 with latest ones for April 2000. In Adelaide, there were 356 000 full-time jobs in December 1993 and 353 000 in April 2000; part-time jobs in 1993 were 122 900 and in 2000, 146 500. In other words, there has been a decrease of 3 000 in full-time jobs but an increase in part-time jobs of 23 600.

There was a net increase in jobs over that time of 20 600 and, given that the then Premier (Hon. Dean Brown) promised 20 000 jobs a year every year, it is interesting to note that it has taken seven years to exceed that 20 000 figure. However, of most interest to me at the moment is the country figures. Full-time jobs in the country in December 1993 were 133 100; in April 2000 the figure was 122 500—a decrease in full-time jobs of 10 600. The figure for part-time jobs was 46 300 in December 1993 and 54 400 in April 2000—an increase in part-time jobs of 8 100. That is a net decrease of jobs in the country of 2 500 as compared with an increase of 20 600 in Adelaide.

Minister, could you provide a response to those figures, especially in light of criticisms by the CEO of SAFF that not enough money is being spent in country areas. Does the Minister believe that this budget and government policies will provide enough to redress those dreadful figures?

**The Hon. R.G. Kerin:** This question comprises several components, one of which is the extremely long-term trend in our traditional industries. Dry land farming has been one of the major employment bases within our rural economies for a long time. The trend for many years has been an absolute increase in the size of holdings, an increase in the size of machinery and great increases in productivity as a result of the type of machinery used, and we would say 'thank goodness' because the terms of trade require us to produce a lot more.

While socially having some major impacts, reduction in some of those areas is the result of the fact that communities need to be comprised of viable units. For a very long time, that factor has been a major contributor. With respect to rail, over the past few years bigger plants, such as BHP and Pasminco, have gone through enormous restructures and the figures in terms of reduction in jobs in some of those organisations are quite large. However, if one draws back the trend lines one can see the figures getting higher. If anything, the rate of diminishment of some of those jobs has reduced over time.

Contrast that with the newer industries. One reason why we see so much increase in the amount of part-time employment is, first, the type of industry. Over the past few years enormous numbers of people have been newly employed in areas such as horticulture and viticulture. Initially those areas employ many part-time workers in respect of trellising, planting and the establishment of infrastructure. In the case of vineyards, full-time jobs normally flow through three or four years down the line when the vines become productive. One of the major drivers of change between full-time and part-time employment relates to the terms of employment. It does not always mean that people are employed for fewer hours or taking home a lot less money. It is the way in which people see industrial relations in this day and age.

If a person is employed full-time many employers find the range of responsibilities somewhat onerous and inflexible, so

those factors contribute. Yes, in both our traditional manufacturing and primary industries areas we have seen a reduction in levels of employment, but it is important in South Australia that we do contrast that against what has been a major lift in the areas of horticulture, viticulture and aquaculture, which has seen us face a challenge which we have not faced in many decades. We are experiencing a lack of labour and we are having to shift labour around country areas. Housing is becoming a problem in some country areas. There has also been a big lift in the amount of training.

While the raw figures indicate that an old trend continues, a new trend is starting to run into those figures. That is turning around some of those figures and it is turning around some of those communities, which is very good to see. We need to continue because those new industries are well and truly export orientated and it will take a big effort to ensure that they grow to the extent that we want them to.

**Ms HURLEY:** I would now like to talk about infrastructure building which appears at page 15 of the Regional Statement and which is very much related, I believe, to the jobs issue. These papers mention the \$5.5 million that was allocated for the infrastructure fund in response to the regional task force report. Has there been any expenditure from this fund so far and have any priorities been determined?

**The Hon. R.G. Kerin:** Yes. Probably the major area of funding which has emerged from the Regional Infrastructure Development Fund at the moment has been the provision of, in most cases, three-phase power to sites for new developments. The infrastructure costs of getting electricity for a range of projects, including wineries, factories, dairies, and in one case a saw mill (in other instances it is water and roads), has been somewhat prohibitive. The fund is being used to try to soften that blow and to ensure that the project goes ahead. For instance, one project from that fund was the sealing of the Balcanoona airstrip.

The benefits from that project means money for Arkaroola and the surrounding area. It is great for that community to have a sealed airstrip because it will allow tourists from interstate to travel into Arkaroola. That is another instance—which is a little different from the fundamental projects—of the provision of working infrastructure in regional areas to get new developments up and going and employing people.

**Ms HURLEY:** Speaking of three-phase power and other such issues, I notice that \$6.41 million is allocated for electrical power generation predominantly in regional areas. My understanding is that, from this time on, this would be expenditure by a private company rather than government infrastructure. What is that expenditure for?

**The Hon. R.G. Kerin:** Once we get away from the primary power grid we operate, through the Office of Energy Policy, the Remote Areas Electricity Scheme, which basically supplies power to remote towns (not individual properties) that are not on the electricity grid. This scheme affects a range of communities, such as Oodnadatta. Many outback towns rely on the Remote Areas Electricity Scheme. Quite a bit of money goes into the capital to rebuild or maintain that infrastructure. Infrastructure costs are high, and the idea is, rather than have those people paying enormous amounts of money for electricity, it basically provides electricity to those towns for about 10 per cent higher than the normal grid price, which is a lot less than they would normally get it for. It is an expensive scheme but it provides something that is much closer to equity for those remotely located people.

**Mr WILLIAMS:** Late last year the government gave an undertaking to bring to the parliament some legislation governing the burgeoning aquaculture industry. Certainly, in recent years it has been a huge industry in the state. My understanding is that the growth in that industry has been restricted to several species and to a relatively small part of the state. Many proposed developments in my electorate, in the southern part of the state, are quite frustrated at present by various pieces of legislation and regulations. Can the minister provide an update on where his department is with the development of the aquaculture legislation and give us an overview of what that legislation will hope to achieve with the development of the aquaculture industry?

**The Hon. R.G. Kerin:** It is an area of real frustration. Basically, we have inherited a system whereby aquaculture came along and was initially practised—and still is practised—under several pieces of legislation. That does not provide for investors the level of certainty they would like to see if they were putting up their dollars. We are determined to try to find a way of satisfying all stakeholders, but removing a lot of the risk which is there to those people who will provide a lot of jobs. I ask the Chief Executive to give some detail.

**Mr Mutton:** As was mentioned earlier by the Deputy Premier, the aquaculture industry in this state is certainly seen as being one of those industries that have the potential to continue to improve employment and economic growth opportunities in regions. The growth that has occurred in employment and returns over recent years is a clear demonstration of that. As the Deputy Premier mentioned, there are issues involved, and the legislation under the Fisheries Act at this point is one of those issues of concern we have had. Therefore, the need to review aquaculture legislation to ensure certainty, transparency and accountability for the aquaculture industry within a framework of ecologically sustainable development right across the stakeholder group has been seen as being important.

The proposed legislation will address planning, licensing, environmental management and tenure requirements for aquaculture development to ensure the sustainable development of the industry. In developing the proposed legislation, the government will review the existing regulatory framework for aquaculture, address environmental multiple use and community use relevant to aquaculture, and identify options for regulation of the industry. To ensure that the views of the public and relevant government agencies are reflected during the development of the legislation, a community reference group and an interagency steering group have been established. Membership of the community reference group is made up of industry and conservation representatives, an academic in the field and local government representation.

The interagency steering group includes representation from the Departments of Environment and Heritage, the Attorney-General, Transport and Urban Planning, the Arts, and Primary Industries and Resources SA. A discussion paper which identifies the issues relevant to the industry, discusses a number of options for regulating the industry and it obviously there to seek comments will be released to the public shortly. Following completion of that phase of public comment on the discussion paper, a draft bill will be developed and released for further public comment prior to the tabling of a bill in this House.

**Ms HURLEY:** I refer to page 15. The sum of \$630 000 has been allocated to work with industry to identify needs. That seems a fairly large amount of money to actually

identify needs, with which I would have thought the regional task force report would assist greatly. Who will carry out this work, and how is it proposed to be done?

**The Hon. R.G. Kerin:** Once again, this falls within the DIT portfolio, but I understand that the \$630 000 is to fund Infrastructure SA. That will make sure that our infrastructure planning in regional areas is well and truly prioritised in the right way; that the right gap analysis is done. I agree with the deputy leader that any money provided for infrastructure should go into infrastructure. One of the issues we have is that demands will be so much greater than whatever will be available financially for infrastructure. While it is under DIT—and I do not know what else it ranges into—certainly Infrastructure SA will be about gap analysis and making sure that there is coordination across government of the spending on infrastructure and making sure that we get the biggest bang for the dollars that go in.

**Ms HURLEY:** I would like to deal briefly with the important issue of port infrastructure. A number of port infrastructure works are listed on pages 15 and 16. Of course, there is no mention of the deep sea port infrastructure work that the grains industry in particular wants to see carried out at Port Adelaide. What is the status of the deep sea port infrastructure discussions? Will the port infrastructure works listed on page 15 be done regardless of any sale of the Ports Corp?

**The Hon. R.G. Kerin:** The work listed there has obviously come from Ports Corp, and I take it that a lot of that is programmed work—capital work and maintenance work that has been put in. I dare say—and I do not know the ultimate answer—that that would continue and would be taken into account by bidders as either work in progress or work to be done. The more fundamental question the deputy leader asked is about the status of negotiations on the deep sea port report recommendations and what would happen with the port infrastructure as far as deepening goes. That is the central point of some extensive negotiations going on at present between the government and government agencies with the grain industry.

Certain levels of agreement have been reached as to what needs to be done. It has been agreed that further work needs to occur pretty quickly to come up with the full picture. So, negotiations are ongoing. There has been a certain level of accommodation. The final agreement on what needs to be done and who should pay really relies to some extent on the work currently taking place as agreed between the two bodies.

**Ms HURLEY:** I turn to pages 16 and 17 of the regional development statement. Regional development profiles are to be done at a cost of \$75 000. What will be the target audience of those profiles? Will it be tourism or industry investors?

**The Hon. R.G. Kerin:** I will ask the Executive Director of the Office for Regional Development, Wayne Morgan, to explain the regional profiles.

**Mr Morgan:** The regional profiles are intended as a snapshot to the regions. They are an entree either for an investor or people who are looking at locating to the regions. The information contained within those documents will have a wide target audience. It may well be targeted at the investment person who is looking from within Australia, this state or overseas; it may be the person who is looking at relocating to the regions; or it may even be someone in the region who is looking at preparing a submission for funding and, therefore, where they might find relevant statistics about

the region, its industries and other information that is relevant to that region.

**The ACTING CHAIRMAN:** There is a question from the chair, minister, about locusts. Without a doubt you have made public comment about them and said how they will probably reach Adelaide, and so on. What is the state of play at the moment, and what recommendations or advice are you giving to farmers to enable them to be ready for the locusts? In regard to the availability of chemicals, should they buy them and will they be available?

**The Hon. R.G. Kerin:** Tomorrow we have a major meeting of all the stakeholders in Clare in which some of these issues will be discussed. There are several options. Obviously there will be an enormous aerial campaign. That is pretty much locked in and tenders are being called for both chemicals and aircraft. As to the next level of arrangements regarding what happens locally, there are a couple of options that have been discussed with some stakeholders. Tomorrow at Clare that will be one of the major issues on the table. There are several schools of thought in relation to those issues at the local level with regard to how misters and chemicals are healed in the most efficient way, and they will be taken into account. That is very much the purpose of the meeting at Clare tomorrow.

**Ms HURLEY:** The sum of \$300 000 has been allocated to the production of the quarterly *Regional Directions* supplements for 27 regional newspapers. This is presumably for more government semi-political advertising in order to try to retrieve the vote in country areas. Will regional development boards, farmers organisations, and so on, be given an opportunity to advertise their initiatives in this supplement as well for the cost of \$300 000?

**The Hon. R.G. Kerin:** I am very surprised that the deputy leader would be so cynical about our wonderful communication! There are issues about these initiatives and where we want to go, as well as things such as the Regional Infrastructure Development Fund. Perhaps one of the complaints in the past has related to some of the initiatives that the government has had. A lot of people have said, 'I never knew about that,' or 'How come we weren't told about it?' and so on. While I understand where the deputy leader is coming from, we have had a number of complaints over time about how people find out after the event concerning the availability of certain assistance, whether that be financial or facilitation. It has been available and the fact that they did not know well and truly asks the question about whether or not the information is out there.

I think the other aspect (and this has come out of the Regional Development Council, to a fair extent) is that the members of the council are saying that they want regional people to celebrate some of their achievements, to look at some of the good things that they are doing and some of the good things that are happening and promote them, so they can lift their sense of pride in their own communities and help them to market to other communities some of the things that they are doing. We would hope that, through *Regional Directions*, we will be able to achieve those two things in particular and also a few others. I know where the deputy leader's cynicism comes from, but I certainly do not share it.

#### Membership:

Mr Hill substituted for Mr Snelling.

**The ACTING CHAIRMAN:** Does the deputy leader wish to resume questioning?

**Ms HURLEY:** I refer to department structure, Portfolio Statements, page 2.1. In a memo dated 2 June to all staff of the Department of Primary Industries on the subject of the 2000-01 budget, the chief executive says:

... in relation to many of our traditional ongoing activities, funding will be very tight in 2000-01. The portfolio has over successive years been required to achieve budgetary savings. The savings that have been required of this and other portfolios next year are the means by which the government is funding new initiatives. . .

The CEO continues:

The consequences for PIRSA could include growth in employment opportunities in some parts of the organisation, while in others, there will be reductions as we strive to realign the organisation to new and emerging priorities of the government. This adjustment process is likely to be more pronounced in groups that are already finding it a challenge to meet this year's budget targets.

Will the minister provide details of all those groups or units within his department which will have cuts or increases in their employment levels in 2000-01, including the estimated number of jobs which will be lost or gained?

**The Hon. R.G. Kerin:** Obviously, as I mentioned before in reply to a question from the member for Hammond, the demands of industry and the community on the portfolio forever change: industry is changing all the time. There are some areas where some industries are picking up a lot more self-reliance and expecting government to take on a different role, and that is obviously bringing about changes within our focus. For instance, going back a few years, industry development was not what we saw as a priority. Nowadays, because of the fact that we are extremely reliant on exports, that obviously has to be a terrific focus. I am not too sure whether the CEO would like to respond beyond that as far as any of the specifics are concerned.

**Mr Mutton:** I think it is very clear that in all organisations, whether they be public or private, ongoing change is taking place, and if we did not embrace that change in line with the demands of our customers and community I am sure that we would be severely criticised. As has been identified in the budget papers, there are some areas where there has been a priority set, and I refer to page 2.3 of the document, which identifies across government priority areas, ministerial priority areas and key initiatives for 2000-01 and beyond. That is a demonstration of the areas where we need to reorientate resources within the organisation. Fundamentally, a large proportion of the issue is about reorientation of resources and ensuring that we have resources that are effectively trained to work in the areas of need into the future rather than necessarily being, I guess, stuck in an area that has been seen as a priority in the past.

As I said before, it is a very normal process and what I was doing in communicating with my staff (and it is very good to see that effective communication is circulated widely) was ensuring that staff within the organisation understand and openly embrace the sorts of changes that go on, and the process that we are putting in place is there to facilitate and help that. So, there are areas where there will be increased expenditure in 2000-01 and there are other areas which are not seen as high a priority where expenditure will be reduced. As a result, there is the likelihood that there will be some individuals within the organisation who do not see their skills base being capable of being changed and there is the possibility, therefore, of some targeted separations as part of that. But all of that is about the reorientation of the organisation to the demands and the needs of the future.

**Ms HURLEY:** I take it from that that there are no specific details at this stage of which groups or units will have cuts or increases. TVSPs were mentioned. How many TVSPs did the department grant in 1999-2000, and from which groups did they come? Will the department offer TVSPs in 2000-01, and from where will they come? In particular, I would like to know whether the TVSPs are likely to come from people working in country areas or those centred in the Adelaide office.

**Mr Mutton:** There were TVSPs within the Department of Primary Industries and Resources during 1999-2000, and I will be quite comfortable in providing the number of those to the Deputy Leader of the Opposition. I am sure that there will be some TVSPs in 2000-01, but at this stage they have not been specifically identified and, as the deputy leader has commented, we are working through the issues with staff and with managers in regard to programs for 2000-01.

**Ms HURLEY:** Supplementary to that, is there no budget for TVSPs in 2000-01?

**Mr Mutton:** The arrangements in place for TVSPs are the same as they have been in previous years. They are managed by a whole-of-government arrangement, with approval for those coming from the Commissioner for Public Employment. We would be managing any TVSPs in the same way as we have managed them in 1999-2000.

**Ms HURLEY:** The flow chart for the Department of Primary Industries, shown in the Portfolio Statements, indicates that the department has undergone a significant restructuring, with the number of controlled entities or divisions being reduced to seven. Does the government plan any further restructuring of the department in 2000-01? If so, what changes are planned?

**Mr Mutton:** The answer is no.

**Mr LEWIS:** I want to pursue the matters that I was considering during the course of the questions I was asking earlier today, about the value of agricultural production to South Australia. Since that time I have been able to obtain from the library an estimate of some of those values for South Australia. I point out that food and live animals in 1988-89 was worth \$934 million in exports for this state and it is worth about the same now, \$915 million last year.

Amazingly, in 1988-89 beverages were worth only \$73.4 million and are now worth almost 10 times that; in 1998-99 they were \$702 million. Crude materials that are inedible are categorised as having been worth \$494 million and are down to \$373 million. However, animal and vegetable oils, fats and waxes have gone up from roughly \$6.5 million to \$14 million. There has been improvement in all those things that we produce on-farm: that is the gist of what I am talking about.

They are substantial contributions to the export income of this state and this country, and we take them all for granted without thinking for a moment that our prosperity depends upon them. Hence the reason for my concern about what is happening in rural communities where, as the deputy leader said, population is falling, therefore the numbers of people left there doing these things are depleted.

The numbers being attracted to it are inadequate, and I am anxious that we as a government are not doing sufficient to address the problem of providing the additional technological changes and improvements that will be necessary even to maintain our level of exports. Our costs of delivery of those services, in terms of the administration expense within the department, are going up, but the amount of money we are allocating is going down.

It seems to me, from what I have been able to discover in these past few hours, that we are in strife in that respect. We are still spending money at the same rate in management but not in delivery. That is where the difference is being found. In this state you can find out anything from anyone. I know of three agronomists who have left the service or are about to leave it, more particularly; they are people with whom I have some close connection.

One is connected in a family context, Tom Davidson; Peter Fairbrother I studied with at Roseworthy; and we all know about Mr Woods from Loxton. I do not know whether or not it is an oxymoron, but how do you have a targeted separation package for a volunteer? I do not understand that. But that is what has been going on, and that continues to be a worry. Notwithstanding what we are trying to do with food and fibre, if we do not have that service available to do the objective work that I spoke about, then I think we are in some trouble.

I want to turn away from the specific focus on agronomists and look at the complaints I have received in recent months from apiarists, following an address I made to a conference at Cooke Plains a little while back. Those who care about the future of the industry see themselves as being ignored. American foul brood is being allowed to run riot, without any attempt being made simply to quarantine and clean up that problem, as provided for in the act.

There is no will on the part of the department to address that problem. At least, that is what the apiarists seem to be able to illustrate in their correspondence to me. I have four letters here of recent date that point out that the staff we had in the apiarist service has gone and we have spent \$200 000 on a task force report that was published in 1998, yet we still have not done anything about its recommendations in any measured degree; and American foul brood is on the increase.

What will be done for the bee keepers, if anything? Have we spent their money on a task force that has produced recommendations in vain now that their staff have left the department?

**The Hon. R.G. Kerin:** It is true that there are vacant positions, but vacant positions occur and we cannot stop people exercising their free will and moving on to other jobs, and that is being addressed. The honourable member said he got a clear message from the apiary industry. I wish we could get a clear message from the apiary industry, because it is very divided on what the future of the industry should hold.

It is divided on how we should address American foul brood; there is absolutely no doubt about that. A lot of them would argue with the statement that \$200 000 was wasted on the task force; that might be the view of a small number of the apiarists. One of the real frustrations with dealing with the apiary industry has been the fact that it is very hard to get any sort of consensus of opinion out of the group. We have done several things for the apiary industry. We have set up an advisory group. Unfortunately, that has not worked as well as some of our others, in that it has found it hard to get industry support behind it. It depends on which group you speak to within the industry as to, first, how they feel about some of the actions that have taken place and, secondly, what they want to happen. Whatever we do with the apiary industry, a group of disenchanted growers will complain about what we do.

We established the advisory group to give industry some ownership of our apiary schemes, and that is the way we want to go ahead, but we have had some trouble keeping staff. Whilst I cannot deny that people have the right to move on,

perhaps not in every case that may be symptomatic of the problems that we have in dealing with the apiary industry, that we have trouble getting apiarists to agree on anything.

**Mr LEWIS:** I am told by the blokes who write to me that the inspectors left because they were disenchanted, as they were not being listened to. If phylloxera breaks out, we have a plan to deal with it pronto; if fruit fly breaks out we have a plan to deal with it pronto; but if American foul brood is found anywhere, so what? Do we wait for all the industry to agree that something has to be done? We would never get householders to agree that we should strip all their fruit and dump it to get rid of fruit fly, and we would never get all vigneronns to agree that their vineyards ought to be ripped, removed and burnt.

When the disease is there, it must be dealt with, or else we simply say to the industry, 'You are on your own.' We ought to repeal the act. It should be one or the other: we are either fair dinkum or we are not. That is what they put to me and that is what I put to the minister to reflect their frustrations. The conference that I attended was packed out, standing room only, and not one person had any view other than that American foul brood ought to be eradicated. Let me compare that with heroic mastectomy to get rid of breast cancer, and that means to cut it off if it is crook. To get rid of it is the only way for the industry to survive.

If we leave foul brood in our bees, what might be this year a good honey flow prospect of 7 million could easily turn into a mess of a decimal fraction of that amount. No woman would agree that there is any other future. If you asked the breast, it would say that it did not want to be cut off but, if it is not, the body goes and the breast goes, too.

**The Hon. R.G. Kerin:** The big difference between dealing with AFB and fruit fly or phylloxera is that, while apiarists all agree on eradication, they cannot agree on how to get rid of it and they cannot agree on putting industry funding towards getting rid of it. It is fine for them to say that they want eradication because we all want eradication of every disease, but American foul brood is very widespread. If we have got only an outbreak of a disease, we can deal with it. The problem with AFB is that it is very widespread across the state. It has a high level of prevalence within the industry, and we cannot deal with something with a high level of prevalence as we can with individual outbreaks of a disease.

I would like to see the apiary industry pull together and come to one opinion on the way it wants to go because, whichever way we go, we have a battle. There is no agreement from the industry. They say they want to eradicate it but, when we look at how we should go about eradicating it when it is so widespread, different apiarists have different points of view. Some of them have it and some have not, so their points of view vary accordingly.

**Mr LEWIS:** We are really saying that running red lights is very widespread but we will never get agreement about how we should stop it. Nobody has written to me saying that they want the act repealed; yet it seems that the policy is to ignore the act. When American foul brood has been reported by several apiarists, I have been shown incontrovertible evidence that the department has chosen not to act. I simply place their concerns on the table knowing that I can do no more than that, and I thank the minister for the frankness of his answers thus far.

I return to the matter of agronomy services and ask whether the minister will give me an assurance that the agronomist at Lameroo will not be taken out, that there will be a full-time agronomist at Lameroo. Notwithstanding my

views about the Loxton Research Centre and my opinion that, if one has to go, the position at Loxton is less relevant, and although dry land salinity is a big problem around the Murray, the more relevant place to put the agronomist and the more relevant location in which the applied research should be done is nearer to Lameroo than to the river.

**The Hon. R.G. Kerin:** Yes, the agronomist will be staying at Lameroo.

**Ms HURLEY:** I refer to the structure of the department with its seven controlled entities. Will the minister provide a budget for each of those entities and will he provide the number of employees in each of them?

**The Hon. R.G. Kerin:** I will take that on notice and provide that information.

**Ms HURLEY:** The government has recently advertised in the *Notice of Vacancies* for two managerial positions in the department's business units. This relates to some extent to the member for Hammond's line of questioning. There are currently five managerial positions in the business units based in regional South Australia at Port Lincoln, Clare, Renmark, Struan and Flaxley. Will the minister guarantee that these five managerial positions in rural South Australia will be retained, or are they to be compressed into the two positions?

**The Hon. R.G. Kerin:** I ask Roger Wickes, Acting Director, Food and Fibre, to give the detail.

**Mr Wickes:** The program is to adjust that business unit and put in charge two people who are doing the main accounts. We are trying to turn it into a business unit so it has all its costs in it as part of the various policies on competition. Team leaders will run the various programs against the industry outcomes, such as the field crops program or the land management program. Funding is being put aside for services from the regional area, and people will be identified to provide that service. The structure is changing from what was a very regional structure in delivery to an industry structure, but it will maintain a response at a regional level. We cannot say that those regional managers will be retained in their current form, but people at a regional level will provide that combination across those regional areas and bring that information forward. So, the numbers are changing and the structure is changing.

**Ms HURLEY:** I have a supplementary question. Is the minister saying that there will be two positions in addition to the positions already at those regional business units?

**Mr Wickes:** No, there will be not be any more positions, and some people will change their role.

**Ms HURLEY:** Where there were five managerial positions in those regional centres, those managerial positions will go.

**Mr Wickes:** In the new structure they may become team leaders or they may take the two other positions about which you talked. All are lined up for interviews at the moment.

**Ms HURLEY:** Will those same people who are now currently called 'managers' be the team leaders at equivalent salary and position, or is that a different position which will be filled by different people?

**Mr Wickes:** The new two in part of the restructuring are part of the five; the other part of the five will be arranged into team leaders, and also there will be the opportunity to provide a regional service from people identified within a regional location.

**The ACTING CHAIRMAN:** The deputy leader—third question.

**Ms HURLEY:** I refer to portfolio statement page 2.1. The portfolio structure for PIRSA reveals that fisheries is now



included as part of the food and fibre section of the department. Fisheries seems to no longer retain a separate entity within the department, and the Director of Fisheries, Dr Gary Morgan, apparently left the department in April. Did Dr Morgan resign or was his contract terminated? What are the details of any termination payout made to Dr Morgan?

**The Hon. R.G. Kerin:** I will ask the Chief Executive Officer to answer that question.

**Mr Mutton:** To answer the first question in relation to the structure, the establishment of a food and fibre group within Primary Industries and Resources, which includes agriculture, fisheries and aquaculture, is to ensure that we have a clear, consolidated and coordinated approach to the management of the food and fibre initiatives across the organisation. Previously, those components of the organisation were done in separate components but the areas of key commonality, including food safety and issues such as regulation, compliance and licensing, are now able to be more effectively handled within that framework. We have a consolidated view of where food and fibre is going in this state.

In relation to Dr Morgan, an agreement was reached in regard to the termination of his contract and the arrangements in regard to that severance were in line with the terms of his contract.

**Ms HURLEY:** What are the terms of his contract?

**Mr Mutton:** I would argue that they are not things which you put in the public domain.

**The ACTING CHAIRMAN:** The member for Goyder. The member for Hammond.

**Mr LEWIS:** First, I tell the minister how much the people in the Murraylands appreciate the government's initiative of establishing the task force, directly as a consequence of the minister's agreeing to the notion that it was necessary. In short, I remind the committee that my arguments about the need for such an examination and consultation process of the phenomena of what was happening in rural communities began back in the 1980s, well before the minister was fortunate enough—or may be unfortunate enough—to become a member here; certainly before he became a minister.

The task force has done a great deal to identify the ways in which rural communities can lift their understanding of their reasons for being and the way in which they may be able to enhance that. But there arises now a problem that they want the minister's assistance. I mention that problem to him. It is that, because of changes which have been made by Australia Post, the pharmaceutical services to be provided from 1 July in some of those places, say, Karoonda, will mean prescriptions have to be lodged at the pharmacy depot before 4.15 p.m. one day but they will not be available until, at the earliest, 9 a.m. the next day because of the way in which Australia Post has rearranged its postal services through the Mallee. While the depot has been frank with the local community in explaining that, to run his mail run at a later time would cause the local contractor to return back to Karoonda well after 6 p.m. He is in no way responsible for the new arrangement, they have pointed out, it having been required of him 'by the faceless men in the big city who have little regard for the wellbeing of country community to do it'. They have invited people who feel that they are disadvantaged by these new arrangements prospectively to contact their local member of parliament and also write directly to the manager of Australia Post in Adelaide to complain.

Judging by the letters I have received, they think it is a waste of their correspondence and contributing improperly

to the revenue of Australia Post by writing to him. They have written to me to ask me to see what I can do about it. I will ask you to lend your support and good offices to see whether a more reasonable arrangement, similar to that which we have under the community service obligations for Telstra, cannot be instituted to ensure that these people who get sick, who manage to get a prescription some time in the afternoon one day, can get some medication without having to drive 60 or 70 kilometres to do so, by returning to the original arrangement.

**The Hon. R.G. Kerin:** As late as last week I met with a couple of representatives from the task force. It was not raised at that time but, if the member is kind enough to give us the details, we will certainly follow it through.

**The ACTING CHAIRMAN:** The member for Hammond's second question.

**Mr LEWIS:** Under the terms of the task force and its recommendations, I ask another question, that is, the wish of the communities and the committee to see some effort being made now to enable fish farming demonstration trials to be undertaken which would reflect commercial management technique practices for the people who live in those localities, similar to the kinds of applied research or demonstration plots that we do for and with farmers. Is it possible for us to provide some finance through the department, or any other source known to the minister, to put some aquaculture production trials in place which would replicate the kind of management approach that is undertaken at a commercial level, not necessarily on the scale of commercial activity but certainly which replicates the practices that would be necessary to demonstrate the management techniques and the equipment involved, whether the species be fin fish or crustaceans or a mixture? It does not matter; they would like that; otherwise it is the blind leading the blind.

**The Hon. R.G. Kerin:** I am willing to follow that through. Obviously, with fish trials there is an additional level of complexity compared with field trials for other things. There is a need for ongoing surveillance and care, but certainly I would be willing to look at any proposal for that. It is certainly one of the areas of opportunity for people in that area. As with most of these areas of opportunity, demonstration that it can work and how it works is important. If it is feasible, I am certainly willing to look at any proposal the honourable member might have.

**Mr LEWIS:** Is it likely that any time soon we will phase out commercial fishing in the Murray and, if not, why not?

**The Hon. R.G. Kerin:** As the honourable member would know, as a result of an inquiry by the ERD Committee last year, there has been a reduction in the number of licences within the Riverland and, for the time being, that situation will remain. It would take a major restructure. I think that some people would like to see those licence holders kicked out. I do not think that—

*Mr Lewis interjecting:*

**The Hon. R.G. Kerin:** I am certainly not talking about the honourable member. Some of the protagonists in the Riverland feel that those licences should be taken away. A very social aspect is related to that. It is an industry in the area. Unfortunately, much of the blame for the fact that recreational fishers in that area are not catching many fish falls squarely back on the professionals. While to some extent that may be the case, certainly the health of the river is really the major aspect. If some of the very vigorous opponents of the Riverland fishery put the same amount of effort into doing something positive for the river, we may see some real

benefit. However, for the time being, the government's position is that licence holders in the river fishery will remain.

**Ms HURLEY:** What were the reasons for the termination of Dr Morgan's contract and how much time was left on his contract?

**Mr Mutton:** Again, I suggest that the fundamental reasons for the termination of the contract are confidential as part of that arrangement between Dr Morgan, the Commissioner for Public Employment and me. It was determined that fisheries management should take some new directions and, fundamentally, the issue for Dr Morgan was that that did not necessarily fit in with where he was coming from. A little less than two years remained on Dr Morgan's contract.

**Ms HURLEY:** Has the position of Director of Fisheries been re-advertised and, if not, why not?

**Mr Mutton:** The position has not yet been advertised. The Acting Director of Fisheries has all the powers of the Director of Fisheries. We are going through the process of reviewing that position carefully. There will be an ongoing position of Director of Fisheries to carry out the responsibilities and powers of the Director. As I said, that matter is currently under discussion and review and that position will be called in the future.

**Ms HURLEY:** Will that position, when it is called, have the same salary level, ranking and access to the minister as when Dr Morgan was first appointed Director?

**Mr Mutton:** The position will certainly have the same access to the minister. It will have an appropriate level of responsibility and accountability. It may not necessarily be at the same salary level.

**Ms HURLEY:** I refer to 'aquaculture class 2.2, licensing services' (page 2.10). The structure of the aquaculture unit of PIRSA as at October last year comprised the following 18 positions: general manager; personal assistant; coordinator, industry support services; manager, phytoplankton and biotoxin monitoring; SASQAP manager and laboratory assistant; manager, fish health; quality assurance manager; manager, aquaculture compliance; principal policy officer and project officer; senior extension officer; client manager, shellfish; client manager, fin fish; client manager, freshwater; industry development officer; leasing office; project officer—licensing. I am sure that the minister can confirm that structure. On budget day the minister's press release stated:

Aquaculture, one of the state's fastest growing industries, will benefit from an additional \$2 million over the next two years to further develop the industry and identify new business opportunities.

Will the minister say how many positions will comprise the aquaculture unit after 30 June when the first instalment of this additional \$2 million becomes available, and will he provide the title and function of each of the positions in the new aquaculture unit?

**The Hon. R.G. Kerin:** With respect to the last part of the honourable member's question as it relates to titles and positions, I will need to take that on notice. As background, 3½-four years ago I took a proposition to cabinet for extra funding for the aquaculture unit. At the time we received \$5 million over three years. At that time cabinet indicated that, after that three-year period (apart from the base funding for aquaculture), we should be more reliant on cost recovery of money from licences, leases and services to the aquaculture industry. Delays were caused by appeals and other matters but, despite the growth of the industry, we felt that it was necessary in this latest budget round to supplement

again the funding with \$1.3 million for this coming year and \$700 000 in the next year.

Again, we are hoping that cost recovery from licences, leases, etc., at the end of that time will pick that up. That is where the additional funding arose. It was always understood that when the initial funding was announced that would disappear. I have a more complete picture of positions now than a few weeks ago. Next year there will be 15 positions as against 17 previously. I know that the deputy leader referred to 18 positions as at October. I am not too sure; I have the comparison of only a few months ago which stated 17 positions and 15 in the new year. The range of services (as the deputy leader will see when she receives the list of positions) within the aquaculture unit has moved to another stage of development within that industry.

There are different demands from the industry than those previously experienced—much of it is project work. We will provide that information to the deputy leader.

**Ms HURLEY:** The minister indicated that the type of positions will change. When he mentioned 15 positions he said that many will relate to project work. Are those 15 jobs therefore full-time permanent positions?

**The Hon. R.G. Kerin:** I take it that they are the equivalent of 15 FTEs, but I believe that some people will be on contracts. The positions will be a mixture of contract and permanent because timeliness of work is involved.

**The ACTING CHAIRMAN:** With respect to branched broomrape, I appreciate the minister's work and efforts in relation to ramping up the situation and alerting the public to a very serious problem. What is the current state of play, realising that the weed is possibly dormant now or at least cannot be identified? Are you confident that this year we will be able to make big inroads in terms of not only containing the weed but reducing it in infected areas?

**The Hon. R.G. Kerin:** Branched broomrape is a very difficult issue. Anyone who understands the biology of the plant and the fact that it is a parasitic weed will realise the depth of the problem that we face. We are dealing with a weed that will not germinate without a host weed. So the seeds could sit there for quite a few years. Realistically, any plan to eradicate branched broomrape would be a 15 to 20 year program which we need to embark on. At a national level, we have been successful in getting the eradication of branched broomrape instituted as a national program. We have come up with protocols in a quarantine which has been acceptable from a trade point of view and which is important for all industry. I have met with quite a few of the farmers. The matter has been extremely well handled by the department, the weeds boards and everyone involved. In the face of a difficult situation, I found a great sense of camaraderie and a willingness to get on and deal with the problem. It is very unfortunate that it is out there, but one of the problems we have is that it is so easily masked by either spraying or grazing. It is in many paddocks where we presently cannot find it. It will be a long-term program. Although it is extremely difficult for them, the farmers of that area have been very cooperative and helpful, and they are determined that we will be successful.

**Ms HURLEY:** What was the allocation to the aquaculture unit in 1999-2000 and what is the allocation for 2000-01?

**The Hon. R.G. Kerin:** I will take that question on notice and get those figures for the deputy leader.

**Ms HURLEY:** I refer to the farmed seafood initiative. The minister has just described how the \$2 million will be allocated as \$1.3 million this year and \$700 000 next year,

after which time the industry should be able to take up that cost. To which administrative unit of the department will jobs under that farmed seafood initiative be allocated?

**The Hon. R.G. Kerin:** It is within the food and fibre administrative section.

**Mr HILL:** I refer to correspondence that I have had from Geoff Russell from the animal liberation organisation. Mr Russell asked me whether I would ask some questions in parliament about some of these issues, so I said I would. I refer to a letter to me which concerns claims that the minister made regarding the results of egg production in Switzerland as a result of the removal of battery hens. Mr Russell tells me that the minister's claims that there was a 20 per cent claim drop in egg consumption was wrong; in fact, it was only 8 per cent. He asked where the minister gets his claims of a decline in bird numbers when the document clearly indicates an increase in egg production. On behalf of Mr Russell, will the minister spend some time setting straight the record about battery hens and where we are heading at a national level in relation to this issue, because I understand there was a meeting in Tasmania in March or February?

**The Hon. R.G. Kerin:** Some figures were provided. We checked them and corrected them with animal liberation. As to the interpretation of those figures and the information we have been given, unfortunately, some of the incorrect information that animal liberation members have put around the place has not been corrected by them. There has been a lot of misinformation about battery hens in Europe. There has been constant information that they have been banned in Europe, but that is not correct. Misinformation about just what has happened in Europe and to the status of the rules and regulations within Europe has been bandied far and wide. It has been a quite frustrating topic. At present we are nationally in agreement pretty much right around the table. We agree that labelling is a major issue that needs to be addressed, and we need to look forward at where we take the industry. Going back some years ago—I think it was in the early 1990s—we were given some assurance about changes being made and about our rules in the future.

We have to be a little careful that whatever we do does not destroy the industry and that we move forward in a way that is animal welfare friendly. That is agreed around the table. However, we also need to take into account the way that some of the other methods of producing eggs, such as barn laid eggs, are painted by some opponents of battery hens. Some quite solid evidence has been put forward to ARMCANZ about the animal welfare aspects of some of the others. If you just listened to the loudest section of the battery hens debate, you would think that the use of battery hens for egg production is incredibly worse than any other form of egg production. Certainly, there is evidence to the contrary.

However, to summarise, there is a genuine commitment around the table at ARMCANZ to head towards a better standard of cage. That is consistent with what is coming out within Europe. As a result of the ARMCANZ meeting SCARM has prepared a discussion paper which will be released to industry for consultation in the next week or so, and also a forum of the interested stakeholders will be held. It is an emotional issue, and it is one of those issues on which there has been a reasonable amount of misinformation, and that has probably made the issue slightly harder to deal with.

**Mr HILL:** In relation to output class No. 3, there is a statement that talks about the introduction of legislation in relation to integrated natural resource management, or words to that effect. What will be the scope of that legislation, and

what implications will it have for the management of our natural resources and for other departments such as water and environment and heritage?

**The Hon. R.G. Kerin:** Mr Wickes has been our long-term director of sustainable resources. He has been our representative around the table for most of the discussions with other departments, so I will ask him to comment on the detail.

**Mr Wickes:** We have been working with other agencies, and we have a draft paper which is now going to the ministers. The idea is to put in place some overarching legislation that makes the connection. So, you have the ministers working together, and then at a local and regional level you would have these integrated natural resource bodies. A number of them are already operating under the Natural Heritage Trust program. We want to pick up those sorts of bodies and give them some imprimatur under the legislation.

We are not looking at trying to make a revolution and change all the soil conservation boards and the animal and plant control boards. Rather, we are trying to set in place an overarching framework which the ministers would be managing to make sure that those connections would happen where possible.

On eastern Eyre Peninsula we already have the Animal Plant Control Board and the Soil Conservation Board wanting to amalgamate. In the last month we have been through the legal process by which that can be done. There is a feeling in the community that there needs to be coordination at a regional level and already we have some regional panels operating. This will put together some legislation which will allow that to happen and change to occur over time. This is making sure that all the stakeholders we have currently involved stay involved as part of the adjustment process that will occur, rather than coming in with something that would be 'over the top' and make for big change throughout the whole system. That is the tenor of the legislation. It sets up a board with the ministers on it that would manage that process and change over time.

**Mr HILL:** I guess we will need to wait to see the legislation and the draft reports before we can get into that in any more detail. I have a question about the Pastoral Board. I understand that when the water resources ministry was established the Pastoral Board was coming into your department but I am not sure, reading through the budget papers, whether that has happened or not. I ask whether you can clarify your responsibilities in relation to pastoral lands?

**The Hon. R.G. Kerin:** The responsibility for the Pastoral Board and the act have transferred to me. It is not reflected in the account so that transfer needs to occur.

**Mr HILL:** Right, so there is not much point asking you about what the expenditure will be and what outcomes are anticipated?

**The Hon. R.G. Kerin:** I think that is still a matter of negotiation and Treasury setting out all the legal expenditures.

**Mr HILL:** I must say it is four or five months since the decision was made to separate the departments: what is the problem?

**The Hon. R.G. Kerin:** The timing of the Pastoral Board was not necessarily at the time of the separation out of water resources. It followed from there. It really was a separate decision not connected to the water resources decision.

**Mr HILL:** I guess I will have to wait for further information on that one, too. I have one or two more questions.

**The ACTING CHAIRMAN:** Does the member for Goyder wish to ask a question? The member for Kaurna.

**Mr HILL:** I want to ask a question about something I do not really understand a lot so you will pardon my hesitancy. It came from an ABC program on *Quantum* concerning what is called a primal algae affecting our native fish called physteria. On *Quantum* I understand it was called the 'cell from hell'. In some senses it acts like vegetation and in other contexts it acts more like an animal that attacks fish. I am wondering where the department is in relation to dealing with this issue.

**The Hon. R.G. Kerin:** Like the member I do not understand the technical side of all that, either. I will ask Rob Lewis, the Executive Director of SARDI, to comment.

**Mr LEWIS:** The species you mentioned is one of a number of species of phytoplankton which are microscopic animals found in sea water. I think it came to prominence associated with the death of tuna in 1996. There was an extensive survey of the cause of those deaths on which the South Australian Research and Development Institute (SARDI) published a report which included looking at a whole range of potential parameters including environmental and weather effects. It also looked at the phytoplankton and other smothering and water quality characteristics. The primary cause as identified by SARDI was as a result of a high energy storm event but there were a significant number of secondary events including algal blooms. With direct reference to the *Quantum* story, an academic from Tasmania who was interviewed on *Quantum* made his view known that he believed the primary cause was this phytoplankton. The reason for this judgment on his behalf was that, from reading our report, he made a statement about how we handled the samples. That statement was incorrect. I have written to him and asked him to respond, and I have advised him of how we did handle those samples, and that discussion is still taking place.

**Mr HILL:** With respect to Natural Heritage Trust funding, can the minister inform the committee what quantum of funds was received by his department last year and how that was expended, and what quantum is expected this year and how it will be expended?

**The Hon. R.G. Kerin:** I will ask Roger Wickes to answer that question.

**Mr Wickes:** The amount of funds approved in 1999-2000 was \$25 642 000, and we are still engaged in negotiations with respect to the funding for this year. The State Assessment Panel has finished its assessment and is putting the case to the ministers in the next few days, and that will then go to the commonwealth. So, we will see what that outcome will be. The total bid of that program is \$26 174 000, and we will have to wait until we see how the NHT board deals with that; that is its business.

**Mr HILL:** My final question relates to the State Salinity Committee, which I think the minister is chairing: can the minister provide us with an update on that?

**The Hon. R.G. Kerin:** I will ask the chairman of that committee, who is also the chief executive, to comment.

**Mr Mutton:** As was reported some months ago, the Premier established a State Salinity Committee to develop a strategy for South Australia. Certainly, from the government's perspective, a group of the chief executives of the key portfolios came together to work directly on that initiative. Underlying that, there are two other components also being worked on. One is a strategy for salinity in the Murray River—and, therefore, the Murray-Darling Basin, or the South Australian component thereof—and there is also a strategy being worked through, in collaboration with the soil

conservation board, in regard to dry land salinity. Those three documents will form a set of documents for community consideration, and we expect them to be in the public domain around August this year. This will be the overarching strategy for salinity in South Australia, and the Premier requested that the document be delivered to him by the end of June. We still plan on meeting that objective of delivering a draft document to him for his consideration within that time frame.

**Mr HILL:** Senator Hill made some comments, I think, earlier during the week about water flow and the associated problems and the lack of ability to use water flow as a way of dealing with salinity. Have the government or any of the departmental officers seen that report, and can they comment on those statements?

**Mr Mutton:** I have not personally seen the report at this stage. That is an issue that would be considered by the Murray-Darling Basin Commission in regard to flow capability within the Murray system and some concerns about extra environmental flows being able to be handled by the main channel of the river. I think that there are opportunities and ways to achieve that through utilisation of outer branches and related mechanisms in the river system. I cannot comment any further on the content of that report but it is an issue that would be considered fully by the Murray-Darling Basin Commission at its next meeting leading up to the ministerial council meeting in August.

**Ms RANKINE:** My question relates to output class 2. It is stated in the targets that the minister's department will conduct an extensive locust control program in cooperation with the local community. As the minister well knows, for many years I lived in country South Australia and I have experienced a couple of locust plagues. Apart from the economic devastation, they have a real and significant impact on people's daily lives in a range of areas. I have also found in my electorate that millipedes are having the same sort of effect on people's daily lives: the soft furnishings in their homes have been ruined and people have developed skin allergies. They are really nasty little beings, and in some areas they are very much out of control. When you are shovelling bucketloads of them out of your lounge room, you really have a problem.

I have raised this matter with the minister on a couple of occasions, and I was pleased to see in a media report recently that the minister indicated that any request for state government assistance in the control of millipedes would be considered. Can the minister tell me whether he has reviewed the position of the state government regarding the situation involving millipedes? I understand that prior to that the minister had said that the state government had no responsibility in relation to their control. What assistance would be provided, and will the state government now implement a coordinated strategy across infested areas to, in fact, attack this infestation?

**The Hon. R.G. Kerin:** I thank the member for the question: I am well aware of her interest in millipedes. The real difference is that, while I have a clear responsibility for locusts, millipedes is really a local government issue. I do not walk away from the fact that the state government should have a part to play but it is not really a primary production issue. If the Local Government Association wants to coordinate with the state government on where we go with this issue, I am quite willing to do so. Certainly, the role that Primary Industries may have may be along the research line. Obviously, the office of local government may have a role to play. However, it really is not a primary responsibility of my

portfolio area, and for us to shift resources out of other areas into something outside our area of responsibility would be extremely difficult. But I reiterate that if the Local Government Association or a group of councils wish to approach me, I am willing to try to facilitate whatever coordinated approach we can come up with. This issue involves not just the metropolitan area: country communities are also doing it hard with respect to millipedes. It is a pretty insidious problem, and people do not like living with them. So, I reiterate that I am quite willing to play any facilitating role but it is not an area of primary responsibility.

**Ms HURLEY:** I would like to deal in greater detail with locusts and biosecurity expenditure: output 2.4, incident response services, page 2.11. Last year during estimates, in answer to a question about the funding of future outbreaks of locusts, the minister said:

These sorts of emergency or similar type programs are on an as needed basis. They are extremely hard to budget for. That is why we have a biosecurity fund that these come out of. . .

No reference is made within the Portfolio Statements to a biosecurity fund. Indeed, the only references to biosecurity appear in the commentary on major resource variations. This section states:

Incident resource. The decrease in expenditure is due to a reduction in biosecurity activities from \$5 million in 1999-2000 to an estimated \$4.1 million in 2000-01.

What is the expected balance in the biosecurity fund at 30 June 2000? What was the balance at 30 June for each of the past three years? What are the details of expenditure and income for the fund over this period?

**The Hon. R.G. Kerin:** Before asking Geoff Knight to give the detail that the deputy leader has asked for, there is a difference in the accounting treatment of this. On the issue of the extra \$2 million allocated to that fund in this and future years, we have had a run of things such as locusts, grasshoppers, fruit fly and broomrape. We have had a range of biosecurity issues that have created a heavy draw on that fund, so we have put in \$2 million extra per year to try to fund more adequately, rather than running balances, which Geoff Knight will refer to in a moment.

We also realise that, with something the size of the locust problem this year, there is a chance that we may need to go back to cabinet for resources to handle that problem. With that background, I ask Geoff Knight to address the questions that the deputy leader specifically asked about the balances in that fund.

**Mr Knight:** First, in relation to the deputy leader's comment about no reference in the portfolio statement or budget papers, there is one thing to clarify. Although we make general reference to a biosecurity fund, it has been a mechanism for a number of years whereby Treasury has created a capacity to make provision for what are really events that you cannot properly budget for. In fruit fly, for example, it is difficult to know whether it might cost \$1 million in a bad year or only \$200 000 in a fairly good year. So, although we refer to that fund, it is not actually a separate appropriation line of the parliament.

If you examine the estimates statement and the bill, you will not find biosecurity as a separate appropriation line. However, having said that, the portfolio manages the fund as a distinct entity within its accounts, so I would be happy to provide details as to the amount of expenditure and income of the fund over recent years. I do not have that information with me right now, but we can provide it fairly quickly.

One of the problems that we have had, in probably the past three years, is that there has been a very large increase in both the range and the severity of the types of events that have impacted on the fund. In the past two or three years it has been very much grasshoppers. Towards the end of this year and next year, clearly locusts will be the big issue, whereas we have not had locusts now for probably four or five years. Also this year we have had branched broomrape, which is a new occurrence.

While all that has been happening, we have had the continuation of things such as OJD. Also, from the biosecurity fund we contribute to a range of national outbreaks as part of the national cost sharing arrangements. This is probably the first year in which we have benefited from that national arrangement, because the expenditure that we are incurring in relation to branched broomrape is something that other states are contributing to, in the same way as we in the past have contributed to such things as Newcastle disease, some of the other fruit fly arrangements, and so on.

I would like to clarify the figures in the Portfolio Statements that incorrectly create the impression of a reduction in funding. In 1999-2000 we greatly overspent the budget for biosecurity. We had a total income for the biosecurity fund in the vicinity of \$1.5 million. The honourable member will see from the Portfolio Statements that we overspent greatly against that amount, largely because of the grasshopper initiative that has been going on now for a couple of years, and also, to a lesser extent, the locust campaign in autumn of this year.

For next year, and for the next three years, in fact, the government has increased the level of funding from the Consolidated Account to the biosecurity fund by \$2 million per annum. From the way that the figures are looking now, that will not be sufficient to manage the locust threat in the coming year, and there is likely to be a need for further money to be provided to the biosecurity fund. However, on a budget to budget basis there has been an injection of \$2 million per annum for the next three years.

The figures mentioned in the Portfolio Statements compare 1999 actual expenditure, which as I say was greatly over budget, with the actual revenue going into the fund in 2000-01 and, although it has gone up by \$2 million, it probably will not be enough to meet the likely quantum needed for the locust campaign next year. As to the detail of ingoings and outgoings and the residual balance in the fund, I will be happy to provide that information on notice.

**Ms HURLEY:** The minister has said that we can expect the worst locust plague in 70 years next spring. How will this \$2 million plus, or whatever it takes, be spent to ensure that this plague can be contained? How confident is the minister that adequate funds will be made available to cover this plague?

**The Hon. R.G. Kerin:** I suppose that any statements of confidence about controlling the plague must be taken in the context that what we are dealing with is nature, and we are dealing with an absolute plague of massive proportions. We are going to have three problems: we will have the problem of the locusts that have flown into the cropping areas in spring having now laid or laying at the moment, which means that we will have hatchings in those areas. Also, there is a very high likelihood of hatchings in our marginal areas, the areas just north of our cropping areas, and locusts flying in from there; they damage the pastoral area and then they fly into the cropping areas. We also then have a risk of hatchings

from the large populations in the more northern part of the state, if they get right air currents, also coming into the areas.

The problem is extremely complex compared to what we have had in the past, and is spread over a far wider area than we normally have to deal with. So, confidence has to be along the lines of doing what we can to minimise the damage that is done. You will not stop some locusts actually feeding. You will not stop all damage. That would not be physically possible, and certainly not environmentally possible. So, the confidence is couched in terms of trying to minimise the amount of damage, rather than saying that there will not be any; because there will be. And there will be what can only be said to be a significant level of damage. We just have to do the best we can to minimise that.

The big expenditure items in any locust campaign are the chemical and the aerial application. Also, at the meeting at Clare tomorrow we will address the issue of what we do as far as ground application of chemical goes. We need to take into account how we most efficiently use the amount of chemical that is available, and how efficiently we use the number of available aircraft and pilots. We are talking about a scale of problem way beyond what any resources could totally address. So, it is about efficiency.

It is about making sure that we have all the land-holder clearances available. We need to take into account the environmental aspects as to where we spray and how we spray. There is the aspect of making sure that we respect the rights of individuals, be they organic farmers, householders, bee keepers, etc. An enormous range of issues need to be addressed. I have warned cabinet colleagues about the size of this and about the fact that there will be a need to adequately resource what we can do.

Resources are an enormous part of the solution to a massive problem, but just as important is the issue of cooperation between government, local government and all land-holders to make sure that whatever we do is done in an integrated fashion. With locusts, it is so important that what we do is done strategically, in order to ensure that we minimise the problem as much as we can.

**Ms HURLEY:** In relation to incident response services, PIRSA has awarded itself a perfect score for 1999-2000 of 100 per cent for quality, which is measured as incidents detected and responses to adverse events and emergencies. It has also awarded itself a perfect score of 100 per cent for timeliness defined as responses against agreed plans and specifications. Given the widespread criticism of the department from farmers over perceived deficiencies in its response to the locust threat, does the minister seriously believe that such performance indicators have any value?

**The Hon. R.G. Kerin:** The important part of the answer is that it has not been PIRSA awarding itself the 100 per cent: it was done by some consultants who were commissioned to conduct surveys of a significant coverage of the outputs of the various groups within the survey. That is the result that came out of the customer satisfaction survey. To refer to the locust issue, I point out that one of the biggest problems with locusts is that, among individuals who saw an aeroplane spraying three or four kilometres away while locusts were eating their crop, there will always be dissatisfaction. Part of being strategic is to make sure that resources go into spraying the highest densities and, in this case, particularly in those areas that are not used to locust outbreaks, it took a bit of getting that message through to land-holders. The basic question about the 100 per cent is that that was the rating given by the consultants after the survey.

**Ms HURLEY:** In that case, perhaps the money that was spent on the consultants who gave that score was not worth spending and the department should find an alternative method of assessment.

**The Hon. R.G. Kerin:** I am sure that the department does not agree.

**Ms HURLEY:** The minister has stated that a shortage of chemicals was the reason that PIRSA was unable to control the locust plague earlier this year. Will the minister explain to what he was referring and will he give the committee an assurance that he did not mean a shortage of money?

**The Hon. R.G. Kerin:** That statement has been attributed to me a couple of times, and I am not sure where it came from. It was taken out of context and I think it came from a statement which I made and which I stand by that the size of the problem faced by the Plague Locust Commission and PIRSA in the spring was way beyond what all the aerial and chemical resources in the world could cover. The size of the area, which was about 1 000 kilometres by 1 000 kilometres, was way beyond what could be treated.

That statement was picked up by someone, and I have heard it quoted back several times that I talked about a shortage of chemical being the problem. That was never the case. It was taken out of context. The same situation will arise in the spring, and we cannot possibly hope to cover the area that is infested with locusts. The plague starts in the Channel Country in Queensland and goes down through the north-west of New South Wales, right across the north of South Australia, into Western Australia, and now into the cropping areas of South Australia and even into Victoria and south-western New South Wales. It is just an enormous area, and that is where that statement grew legs.

**Ms HURLEY:** The South Australian Farmers Federation has called for the development of a national strategy involving South Australia, Queensland, New South Wales and the Northern Territory to address locust numbers. Does the minister support such a national strategy and, if so, has the minister sought a meeting of commonwealth and state governments to develop such a program?

**The Hon. R.G. Kerin:** Yes, we do, and it has been in place through the Australian Plague Locust Commission for quite a while. The commission runs a very extensive program and that is an enormous help to us. We have clearly defined areas of responsibility between the two. The meeting at Clare tomorrow will be attended by representatives of the Australian Plague Locust Commission so they know what we are doing and we want them to share with us what the plans are for the spring. In addition, we have asked that it be placed on the ARMCANZ agenda because of the size of the problem this year so there can be a review of what all the states are aiming to do during the spring.

**Ms HURLEY:** The South Australian Farmers Federation has also reported that farmers are frustrated that PIRSA is not keeping them informed on government strategy on this issue. The minister has mentioned the Clare meeting several times. Is that to be accompanied by support services through which farmers can access information and assistance, since current strategies do not seem to have been working for them?

**The Hon. R.G. Kerin:** I am aware of that frustration. There have been a lot of phone calls to my office and there are different points of view everywhere across the state as to what we should do. Not every one of those ideas is right and they vary enormously. On one Friday morning in my electorate office a guy came in and said that we had to give farmers chemicals. About 10 minutes later a farmer came in

the door and said, 'Whatever you do, don't start handing out chemicals to farmers because it will not be used strategically.' There is a real variation of views as to what we need to do.

In the last couple of years, the campaign against grasshoppers has worked better than ever before in that a community reference group helped us with the decision making and involved all the stakeholders in what the department was doing with the campaign. It was also involved in the autumn this year, but not to the same extent. We have not seen before what happened in the autumn, so there was no extension campaign about what was going to happen. It defied the textbooks, basically, and it had not been seen before. Therefore there had to be a contingency and there was no time to pull back and run an education campaign. However, with the spring, we will make sure that consistent messages get out to the community.

**Ms HURLEY:** The minister mentioned the use of chemicals by farmers. Are there any plans to allow for the use of chemicals during the locust plague by individual farmers? In view of that, are there any plans to provide training? Does the minister intend to authorise the upgrading of chemical licences to insecticide licences to assist farmers in controlling the locust plague?

**The Hon. R.G. Kerin:** I thank the member for what is a pretty important question. Some of those issues are on the agenda for tomorrow. The upgrading of licences is an issue for the Minister for Human Services, but we are working closely with the minister's department on what needs to be done. There was misunderstanding to some extent as to the licences, but that has been pretty well cleared up. It is an issue for the health portfolio and, as I said, we are working closely with that department. As to the issue of farmers using chemicals on their own place, I point out that most of them have the appropriate training and qualifications, but we are talking to the various parties about what we need to do between now and the spring to make sure that what landholders do as part of the overall strategy is in tune with what everyone else does so we get the maximum benefit.

**Ms HURLEY:** Fears have been expressed that the locust plague might extend down into the wine-growing areas in the north of Adelaide. There is a dilemma that, if there is no spraying, the locusts might eat the new growth on the vines but, if there is spraying, it may create problems for the clean, green image that the wine industry has developed in South Australia. Will the minister comment on how that is expected to be tackled?

**The Hon. R.G. Kerin:** Once again, it is a very important question. I have been a little disturbed to hear some of the radio comments on this issue in the past few days. It is a little overstated. Growers are well aware of the withholding periods for the various products they might use. How any plague will affect the grapevines is a bit of an unknown in that some years they tend to go for them yet in other years they do not. There is no consistent pattern. But it must be remembered that locusts are not only a ravenous feeder but also they move quite bit. In a lot of the grape growing areas, it does not necessarily need to be in the vineyard that the plagues are controlled but, rather, it is a matter of controlling the swarms that move in there. So it might not necessarily—and hopefully in most cases will not—involve spraying the vines, but growers are well and truly aware of their options for various chemicals that can be used in vineyards and the appropriate and safe withholding periods.

**Ms HURLEY:** I refer to output 3, 'coordination and advice', page 2.12. The minister would be aware that dairy

farmers in the South-East who have supplied milk to Victorian processors, Warrnambool Cheese and Butter Co-Op, De Cicco Industries and Murray Goulburn, will receive an average of \$40 000 less in compensation from the commonwealth dairy industry package than other South Australian dairy farmers. The anomaly results from the definition of 'market milk' used by the commonwealth and the fact that Victorian processors do not produce UHT or flavoured milk. A letter received by the opposition from De Cicco Industries and dated 15 June 2000 states:

De Cicco Industries Pty Ltd is a cheese manufacturing exporting company based in North Coburg in Victoria. We have since 1997 been purchasing milk from dairymen based in South Australia—Mount Gambier—currently 33 farms. We are very concerned that our farmers, along with others who supply Murray Goulburn Co-Op and Warrnambool Cheese and Butter Co-Op will be considerably disadvantaged by the dairy industry adjustment package resulting from deregulation. It appears that our farmers will receive \$35 000 to \$40 000 less than an equivalent farmer who happened to supply his milk to Dairyvale Co-Op or National Foods during the 1998-99 season. Our farmers and ourselves had no prior knowledge of this circumstance throughout the entire deregulation campaign. These farmers are now faced with reduced options to restructure their business compared to others in the same region.

When was the minister first made aware that these South-East dairy farmers would be relatively disadvantaged under the terms of the compensation package; and what action, if any, has he taken to raise this issue with the commonwealth?

**The Hon. R.G. Kerin:** It is not an issue for the federal government: it is an issue for industry and the way in which the industry decided to put together the package. I agreed yesterday to meet with a deputation of dairy farmers from the South-East. It comes down to the way in which the decision was made on how to divide up the package, based on where the milk went before. The industry made a decision based on what it felt was the most equitable means of so doing. The fact that it did it, in a way which now creates this problem for a group of farmers, did see a large distribution of money from Victoria into the other states. Farmers might look down the road and see the farmer who is supplying into South Australia versus those sending it across to the border to Victoria and receiving \$35 000 to \$40 000 more—which is the figure that has been quoted—and we need to verify that, because different farmers will be receiving different amounts.

In fact, if industry did it in a different way and, as a result, gave a higher amount to those in Victoria—assuming the package could not get much bigger than it is in total now—the South Australian grower who is getting the \$35 000 to \$40 000 more would get a lot less. You would have to lift not only those 120 South Australian farmers to another level but also the enormous number of Victorian growers who supply to the same producers. That is my understanding of it.

It is an industry issue as to how it was divided up. In effect, to change the rules would not mean that they come up to the level of the South Australian farmer down the road but, rather, it would mean that the South Australian farmers would come back most of the way and the Victorian growers plus the 120, or whatever, in the South-East would receive a bit more. But they would need to remember that any change would be an enormous disadvantage to the rest of the South Australian dairymen, those in Queensland and New South Wales and, I take it, Western Australia as well. That is where it lies.

Industry put it in place. I think there is enough discontent in New South Wales and Queensland already, but to go back and revisit and give more of the package to Victorians, who at the end of the day are 60 per cent of production, would

have a massive effect on the farmers in Queensland and New South Wales; it may mean that the package falls over, resulting in effective deregulation out of Victoria with no package. I am quite willing to take up the issue with whoever this group wants me to, but it has been industry who has put together the package and who made the fundamental decisions on which supplier would be compensated to which level.

I look forward to meeting with them, but there is another side to the effect on dairy producers outside Victoria if, in fact, their proposed change were made. My understanding is that it would not give them an extra \$35 000 to \$40 000: it might give \$5 000 to \$10 000 and pull back our people by \$25 000.

**Ms HURLEY:** The federal Minister for Agriculture, Mr Warren Truss, has criticised the state Labor governments for not putting extra money into the dairy industry restructure. Does the minister agree with this criticism; why does he believe he has been exempted from this criticism (this being a state Liberal government); and does this indicate that the Olsen government intends to contribute financially to the dairy industry restructure in South Australia?

**The Hon. R.G. Kerin:** I am not aware of the context in which that was said. There has been quite a bit of flak going back and forth between several of the state governments and the federal government over dairy deregulation. Quite frankly, I think it has been less than constructive; I think it is a case of people passing the buck. At the end of the day the issue of dairy deregulation was a state issue, not a federal issue. The fact that some state governments have chosen to hide behind the fact that the federal government came in and put in a package is being quite unfair. I do not think any criticism of state governments for not putting in money is justified, but I can understand where Minister Truss is coming from. He must be extremely frustrated with some of the misleading comments that have been made across the board, not just by state Labor governments. Across the board there has been a lack of reality in many people's comments about dairy deregulation; there has been enormous misunderstanding. I heard one National Party member on the radio this morning and, quite frankly, his comments just absolutely ignore the reality of the situation. He himself was basically blaming the federal government for dairy deregulation—which is absolute rubbish.

The Victorian industry and the Victorian government were going ahead, regardless of what happened elsewhere. Victoria does not stand to lose much at all from deregulation. If Victoria moved to deregulation and the other states did not do so, Victoria would be the enormous winner. Reality was that deregulation was going to happen, and it is good that it has happened with a package. I believe that the political debate has been quite appalling. It has not been responsible, and it is about time that some people pulled in their heads and helped the dairy industry, rather than trying to score a few points out of what will be a pretty difficult restructure.

**Ms HURLEY:** Is the minister concerned that the dairy industry in the South-East may suffer from under-investment as a result of this relative disadvantage in compensation payments; and is the minister concerned that the contract process currently being offered to dairy farmers for milk as low as 23¢ per litre could lead to too many farmers quitting the industry with long-term consequences for the future growth of the industry?

**The Hon. R.G. Kerin:** Obviously, some real issues were identified during the process. Some of our South-East

dairymen may have an advantage in terms of the size of their package over those dairy farmers in Victoria. Some of our South-East dairy people will come down to the same level of assistance as their Victorian counterparts. I have a lot of confidence in the long-term future of the dairy industry, which has a very promising future. Unfortunately (and this is the case with nearly every primary industry and most manufacturing industries), to be world competitive it is absolutely vital to have economies of scale.

As a result of actions of previous governments over the years, I think that South Australia is in a better position. But, quite frankly, New South Wales and Queensland, because they ignored the realities of the world for so long and over-regulated their dairy industry in terms of operating very unviable units, will find it extremely difficult. South Australia has had semi-deregulation for a long time. We are somewhat better off, but we will see quite a few (who knows the number) smaller operators disappear over the next four or five years. I do not think that there will be an enormous acceleration as against what has happened over the past 10 years, when much of this has occurred, anyway. Some of the problems to which people have referred in the dairy industry over the past two years have happened under regulation. I believe it will be difficult for smaller operators but, with the exception of Victoria, we certainly are better positioned than the other states.

**Ms HURLEY:** In 1998 the pilchard fishery was levied double the actual costs of the stock assessment program—the research project that chooses egg counts to estimate the biomass of the pilchard resource in South Australia. That was in order to build up a contingency fund in case of future problems in the fishery. At the end of 1998, pilchard farmers were told that \$240 000 was in this contingency fund. In 1999, the industry did not pay any fees due to the dispute over allocations between the original 14 fishers and the Australian Tuna Boat Owners Association.

For 2000, the department is seeking \$324 564 from the 14 fishers who make up the fishery following the recommendations of the judge-led inquiry held earlier this year. A component of this cost recovery is 50 per cent of the cost of the 1999 stock assessment program, which was \$69 215, with the remaining 50 per cent to be recovered in 2001. However, the department seeks to recover the entire cost of the 1999 assessment from the 14 fishers and nothing from the ATBOA nominees who were allocated 21.4 per cent of the fishery during 1999 and for the first three months of 2000. Will the minister provide details of the pilchard contingency fund, including the balance as at 30 June for each of the past three years, including year 2000, and the details of any expenditure from the fund over the past three years?

**The Hon. R.G. Kerin:** While I am reasonably aware of many issues with respect to pilchards, if the deputy leader is agreeable I will take that question on notice because quite a bit of detail is contained within the question. I would like to get it right. I will take that question on notice for a considered reply. I will need to determine the balances of the fund in terms of the earlier collection, what effect no collection of fees last year had on any balance that was left within the fishery and look at what has been allocated this year.

**Ms HURLEY:** Would the minister then answer the more general issue of the recovery of the fair share of pilchard fishery costs from the ATBOA for 1999 and the first quarter of 2000, when the minister granted ATBOA legal access to that fishery?



**The Hon. R.G. Kerin:** Again, without knowing the balances, I am not aware of the situation. The issue has not been raised with me. I will have to take the question on notice for a considered reply. I was not aware that what has been put forward was the case.

**Ms HURLEY:** It has been drawn to the opposition's attention that the proposed cost recovery from the pilchard fishery amounts to \$23 183 per fisher, which is considerably in excess of the recovery from fishers in other industries, such as the prawn industry, which, as far as I know, is far more lucrative for the participants.

**The Hon. R.G. Kerin:** Cost recoveries are based on actual costs of managing the various fisheries. That has always been a point of contention. They do vary. It is not the highest of the fisheries and, yes, it is higher than some others. With the exception of some assistance that was given at one stage to marine scale on ability to pay, cost recovery is based on the actual costs of running those fisheries, not on the basis of any resource rent or the value of the fishery. That is the way they are set—on actual costs.

**Ms HURLEY:** In that case, will the minister provide a breakdown of the cost recovery charges for all the fisheries for 1999-2000 and 2000-01?

**The Hon. R.G. Kerin:** Yes, that information would be available because the fisheries management committees scrutinise those figures.

**Mr MEIER:** It has been brought to my attention again this year that, at this stage, marine scale fishery licences possibly have not been issued, and it is now 20 June. That may have occurred in the past few days and I may therefore be unaware of it. This seems to happen every year. The worrying aspect is that come 1 July not all fishermen will have their licences with them. In the past when I have taken up this matter with you, minister, or your predecessors, I have been told that the people concerned can continue to fish and that they need not worry about being prosecuted.

However, one person reported to me that, apparently either last year or the year before, an inspector or inspectors visited the fish market and noted whose fish were being sold and checked whether the fishermen concerned had had their licence issued. Those fishermen were certainly threatened with prosecution for fishing without a licence. However, I have not been able to substantiate that. Why can fishermen not be given that month grace as part of their licence condition? Whilst they should have the licence from 1 July, if it has not arrived before the end of June, at least there would be no prosecution prior to 1 August.

**The Hon. R.G. Kerin:** There is a range of issues there which we will take up. I am informed that, as long as they have been sent a renewal, they will not be prosecuted in that interim period. The renewals should go out later this week. One reason why it runs so late is that we always have trouble getting the sign off on the licence fees within that fishery.

**Mr MEIER:** In parts of my electorate net fishing still continues to be a very big issue. Will the minister or one of his advisers update the committee on the latest progress? The possible closure of some bays for net fishing is an ongoing issue. I know some of my constituents, particularly in the southern part of the electorate, are concerned that decisions still have not been made on many areas.

**The Hon. R.G. Kerin:** The issue of further netting restrictions is part of the marine scale fishery restructure papers which have been finished, and there will be a consultation phase within a couple of months.

**Ms HURLEY:** I refer to the statement of financial position, Portfolio Statements volume 1 (pages 2.24 and 2.25). PIRSA's statement of financial position indicates that the total assets of the department have fallen by \$43.8 million from a budgeted \$243.807 million for 1999-2000 to a budgeted \$199.969 million in 2000-01. The net assets of PIRSA have fallen similarly by \$37.7 million from a budgeted \$185.944 million in 1999-2000 to a budgeted \$148.206 million in 2000-01. At this rate of decline, the department will have no net assets in less than four years. The statement indicates that this decline in net assets has resulted from a fall in cash and deposits of about \$12 million, a fall in the value of land and improvements of about \$8 million, a fall in plant and equipment of \$10 million and a fall in expected receivables of \$14 million. Against this, total liabilities have fallen only by \$6 million. Why was the significant deterioration in the financial position of PIRSA in 1999-2000 not anticipated at the time of the last budget?

**Mr Knight:** Certainly, were there to be a trend of the kind that is implied in the question, there would be a serious concern for the government. A number of issues have contributed to a decline from the budgeted net asset position published 12 months ago of \$185.9 million. I will touch just briefly on the principal four or five contributors to that. The first was that the level of cash that was projected to be sitting in the bank at the end of the current financial year, that is, 30 June 2000, which at budget time last year was estimated to be \$76.9 million, historic figures for this portfolio would show as a record high figure. Following the publication of the budget figures last year, there was a quite large list of carry over items which resulted in additional expenditure in 1999-2000 from things that were originally budgeted to occur in 1998-99.

Reading down the balance sheet, you will see there was a reduction in cash holdings of about \$14 million. A range of things contributed to that, for example, biosecurity. I mentioned earlier in reply to a question about biosecurity funding that the biosecurity fund in 1999-2000 was significantly over spent because of a gap between the cost of managing various incidents and the level of funding provided by the government. That has been corrected this year. That has probably been one of the main contributors to that decline in cash holdings. There has also been a reduction in the non-current receivables. That is largely retirement of debt in relation to the rural finance and development portfolio. The plant and equipment line, which the deputy leader referred to, is revealing a reduction of \$10 million in plant and equipment assets.

That is a quite anomalous implied decline, because it relates to the fact that there is a variety of assets which the government was investing in capital funds during 1999-2000, principally the upper South-East pipe drainage project, and the Loxton irrigation scheme. At the time of introducing the budget last year, both those projects were shown as included in that \$42 million plant and equipment assets. We have now removed those from those figures because they will not be assets on the government's balance sheet. That reduction from \$42 million to \$32 million is a reduction that is not real in any sense. Those assets in relation to Loxton and the upper South-East drainage project should never have been shown on the government's balance sheet. To a fair extent, the \$185 million figure that was published last year was an error in a number of accounts.

I refer to page 2.22 of the Portfolio Statement. Probably the final thing that has contributed to that reduction is that,

in 1999-2000 for a variety of reasons—and I can explore them further if the honourable member wishes me to—the department incurred an operating loss in relation to a number of funding shortfalls, one of which was biosecurity and that has fed straight into the balance sheet. So, just to summarise the position, there were two or three entries in the budgeted balance sheet for 1999-2000 that were not correct at the time, the principal one of those being plant and equipment which were overstated by \$10 million, because they included capital works which were not part of the balance sheet. They are now treated as operating expenses where we are contributing to investment in a community asset. The other main factors were reduction in outstanding rural finance and development items. In summary, I point out that there is no change between what we have estimated between 30 June 2000 and 30 June 2001. So I would expect the figure to remain pretty stable at the \$148 million figure from then on. We are not seeing a trend here.

**Mr LEWIS:** On the question of biosecurity that the minister's advisers have just been discussing in the course and in the context of the previous answer, do we have sufficient funds to meet the prospective costs involved in controlling the Australian plague locust which seems to have been able to fairly extensively establish egg beds across a vast area of the continent in recent times during the past 12 months and, as well, the other problem that we have—branched broomrape? Indeed, I will add a second part to that question: is it the government's intention to eradicate broomrape, or do we have to live with it? We are thinking about building a floating stage and a fancy footbridge across the river in the green lawns of Elder Park, and it will look beautiful if all the petunias are wiped out by broomrape in three years and we cannot get rid of them, and the grasshoppers eat all the lawn! What a lovely precinct it will be for which to have a bridge and a floating stage. I contrast, in what I consider to be quite a relevant context, the application of revenues appropriated for different purposes according to whatever your philosophical opinions may be as to whether or not it is appropriate. Do we have enough money and are we going to try and live with broomrape or are we really going to get rid of it?

**The Hon. R.G. Kerin:** I will try to be brief because I want to address this as a result of earlier questions. I reiterate that with broomrape our intention is still eradication and we need to be in there for the long haul because of the biology of the plant and ease of control of the host plants. We could have seeds germinating even if another seed did not germinate now. We are still 10 years down the line and we could still have them germinating. We are in for the long haul. We have national sign-off on funding for this coming year which is a major step forward in terms of funding for the broomrape campaign.

In respect of locusts, I pointed out previously that, even with the extra money going into the biosecurity fund, I have seen a draft budget. You never know how big these campaigns are going to be but, if the draft budget is anywhere near right, I will be going back to cabinet to get more funds to handle the problem and will flag that to the Premier and Treasurer.

**Ms RANKINE:** I am happy for the minister to take these questions on notice. Which consultants submitted reports during 1999-2000, what was the date on which each report was received by the government and was the report made public? Can the minister detail all advertising and promotional activities and campaigns undertaken by all agencies within

his portfolio for 1999-2000, indicating the purpose and cost of each? Can the minister detail all interstate and overseas travel taken during 1999-2000 by himself and staff and any executive public servants, including costs, locations and purposes?

**The Hon. R.G. Kerin:** I will take those questions on notice.

**Ms HURLEY:** I would like to move back to the balance sheet briefly. Will the minister provide details of the accounts in which PIRSA's cash and deposits comprising an estimated \$65.391 million for 2000-01 in the balance sheet on page 2.23 are held?

**The Hon. R.G. Kerin:** Geoff Knight will answer the question.

**Mr Knight:** We can take that question on notice but the short answer is that they are all sitting in the department's special deposit account, which is an account held with the Treasurer.

**Ms HURLEY:** Will the minister provide details of all special purpose funds within his department including those listed under administered items on page 2.1 of the Portfolio Estimates, and will he say what the balance was in each of these funds at 30 June 1999 and 30 June 2000? Why are many of these funds not included in the operating statement or statement of cash flows for administered items for PIRSA which are on pages 2.28 to 2.31?

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

**Ms HURLEY:** I have some questions about compliance, and I refer to output 2.3, compliance services, page 2.11. The performance indicators given for 1999-2000 for compliance services were as follows. With respect to activity levels, the number of person days was 5 762. We are told that the levels from 1999-2000 are estimated to be 14 320, almost a threefold increase. The number of inspections was 2 156, the actual level being 19 610, a ninefold increase. The number of audits and incident investigations was 2 563, the actual level being 3 010; and the number of prosecutions was 141, the actual level being only 50, about one-third of the expected number. Clearly, the performance indicators for compliance given in the last budget were meaningless.

In last year's estimates, the opposition queried the value of these performance indicators for compliance given that one fruit fly inspection is treated as the equivalent of one inspection of an Olympic Dam mine or a Fishwatch inspection. Will the government end this farce and produce performance indicators which have some meaning—for example, by breaking down statistics for activity levels into like categories of inspections?

**The Hon. R.G. Kerin:** I ask Geoff Knight to answer what he can of that question.

**Mr Knight:** I have information here to deal with each of those areas. As was indicated last year at this committee, we are in the first year of the government giving performance indicators for all our output classes. The experience of the last 12 months has led to some refinement of the indicators in some cases, and we are now in a position to publish much more complete data in many cases. So, where there are apparently large increases from what was published last year and what we are now publishing this year, I am happy to run through each of those areas in turn, if the deputy leader wishes me to do so. Are we starting with output 2.2, licensing services?

**Ms HURLEY:** Yes.

**The Hon. R.G. Kerin:** We will provide that information on notice.

**Ms HURLEY:** The funding for compliance services for 2000-01 has fallen by 12.5 per cent. Will the minister provide a breakdown of this expenditure for 2000-01 compared to 1999-2000, so that the public of South Australia is informed about which services will suffer as a result of this 12½ per cent cut?

**The Hon. R.G. Kerin:** Yes. I will take that question on notice. That obviously goes across a range of the areas within the portfolio. Within fisheries, for instance, a lot of it is

services which are purchased by the individual fisheries. So, we can give the member a breakdown on last year versus this coming year.

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

#### ADJOURNMENT

At 6 p.m. the committee adjourned until Wednesday 21 June at 11 a.m.