

HOUSE OF ASSEMBLY**Wednesday 20 June 2001****ESTIMATES COMMITTEE A****Chairman:**

The Hon. D.C. Wotton

Members:

Mr S.G. Condous
 Mrs R.K. Geraghty
 Ms A.K. Hurley
 Mr I.P. Lewis
 Mr E.J. Meier
 Mr M.J. Wright

The Committee met at 11 a.m.

Department for Primary Industries and Resources,
 \$115 624 000
 Administered Items for Department for Primary
 Industries and Resources, \$96 629 000

Witness:

The Hon. R.G. Kerin, Deputy Premier, Minister for
 Primary Industries and Resources, Minister for Regional
 Development.

Departmental Advisers:

Mr D. Mutton, CEO, PIRSA.
 Mr W. Morgan, Director, Office of Regional Develop-
 ment.
 Mr G. Knight, Executive Director, Corporate.
 Mr R. Wickes, Executive Director, Sustainable Resources.
 Mr B. Windle, Executive Director, Food and Fibre.
 Mr S. Archer, Director, Finance and Business Services.
 Dr S. Nelle, Director, Food for the Future.
 Dr D. Plowman, Director, Research and Development.

The CHAIRMAN: First, I declare open for examination the proposed payments for the Department for Primary Industries and Resources and Administered Items for Department for Primary Industries and Resources. As everyone is aware, these proceedings are conducted on a relatively informal basis. I remind members that they do not need to stand to ask questions. The committee will determine an approximate time for consideration of proposed payments to facilitate change-over of departmental advisers. Changes to the composition of the committee will be notified to the committee as they occur. I ask members to ensure that they have provided the chair with a completed request to be discharged form at the appropriate time. If the Deputy Premier undertakes to supply information at a later date, it needs to be in a form suitable for insertion in *Hansard* and two copies need to be submitted to the Clerk of the House of Assembly no later than Friday 6 July.

I propose to allow the Deputy Premier and the spokesperson for the opposition to make an opening statement (if they desire) of about 10 minutes but no longer than 15 minutes. There will be a flexible approach to giving the call for asking questions and that will be based on about three

questions per member alternating sides. Members will also be allowed to ask a brief supplementary question to conclude a line of questioning but, as we said yesterday, those 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 desires to ask a question may do so once the line of questioning on an item has been exhausted by the committee. An indication to the chair in advance from the member outside the committee wishing to ask the question is therefore necessary. Questions need to be based on lines of expenditure, as revealed in the estimates statement, and reference may be made to other documents as well including the Portfolio Statements. However, I would ask that members attempt at least to identify a page number or the program in the relevant financial papers from which their question is derived. I think that makes it a lot easier for us all. Questions not asked at the end of the day may be placed on the *Notice Paper*.

I remind the Deputy Premier 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 other members of 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. I remind members that questions need to be directed to the Deputy Premier and not his advisers. The Deputy Premier may, if he so wishes, refer questions to advisers for a response. I also advise, for the purpose of the committee, that some freedom will be allowed for television coverage by allowing a short period of filming from the northern gallery, if desired. I now invite the Deputy Premier to detail the program for today and, if he so wishes, to make an opening statement.

The Hon. R.G. KERIN: The budget shows government's strong commitment to primary industries and regional areas with the budget indicating a 21 per cent increase in the PIRSA budget. The state's benefits from industries such as wine, aquaculture and grain are enormous and have underpinned the state's strong export performance and economic base. In fact, South Australia is now showing the way nationally in this regard.

Given the breadth of the portfolios, to assist the opposition and the departmental staff present, we have prepared today's estimates sessions into a loose order to allow the time to be maximised fully. First, by agreement, I will take questions on Hindmarsh stadium, followed by regional development; agriculture and fisheries; and Minerals and Energy, which, of course, will be presented by Mr Matthew, who will deliver opening remarks at the beginning of that section.

In relation to regional development, the government comes to this year's budget with yet another solid year of achievement, one that has encouraged and maximised local involvement in planning, investment and decision making. Rural recovery is sweeping through much of country SA and follows a rapid move towards a more diverse range of globally based and consumer focused industries. As a state, we are the outstanding performer at present due to our rural-based exports, value of production and growth in regional tourism. The transformation of rural and regional South Australia has been fuelled by record grain and grape harvests, high livestock prices, an improved wool market, a rapidly growing aquaculture and wine industry, increased fruit and vegetable production, and growth in regional tourism.

The windfall is flowing through to rural and regional communities with prosperity and employment in many country towns at levels not experienced for many years. In many country areas, the problems of unemployment and low incomes are being replaced by work force accommodation shortages, a lack of skilled labour and an unprecedented demand on infrastructure. Indeed, there is no shortage of positive stories in rural and regional South Australia, but with that comes the challenges with infrastructure.

The state government's \$15.5 million regional development infrastructure fund has gone a long way to providing essential funding to get key projects and developments up and running, particularly in growth industries such as horticulture, aquaculture and tourism. In its first year of operation, projects assisted led to the creation or retention of some 1 570 jobs with new investment of over \$368 million. In this budget, the state government has allocated more than \$230 million in funding new initiatives to support regional development during 2001-02. This expenditure will focus resources from a whole of government perspective on the priority and strategic goals identified in Directions for Regional South Australia—an overall budget commitment which exceeds \$1.7 billion in 2001-02.

It has been a huge year for agriculture; seasonal conditions were tremendous, and prices in general were good—a hard double to get going at the same time. The state had yet another record grain harvest; the wine industry continued its growth; the meat industry had a huge increase in exports; wool prices finally returned to somewhere near a reasonable level for the first time in 10 years; and we beat off the major threat posed by the largest locust plague in 50 years. We continued to make progress against challenges posed by such issues as branched broomrape, OJD and BJD. In addition, we are in an advanced state of preparedness should foot and mouth disease or BSE ever cross our shores.

The government is very committed to FarmBis. This year, there were 27 965 enrolments and 9 342 individual producers having completed one or more FarmBis-funded courses with an expenditure over \$9 million. Significant community, state and commonwealth investment and natural resource management will continue this year through the implementation of the Natural Heritage Trust program and, in particular, the National Landcare and Bushcare programs. The government has announced new resources to create a coordinated, multidisciplinary food safety program that will enhance food safety standards across the primary industry sector and support implementation of the food safety regulatory reform package.

The areas of aquaculture, fisheries and horticulture are doing particularly well and providing terrific employment opportunities across regional South Australia. There is no doubt we enter these estimates in the strongest regional position for many years.

Today, I formally announced an independent review of the operations for fruit fly control in metropolitan Adelaide. I gave notice of this review recently when I became very concerned about the level of anxiety being expressed by the community about the health and safety aspects of the program. PIRSA conducts surveillance, eradication, border inspection and education programs, annually costing \$2 million to \$4 million depending on seasonal conditions and the incidence of outbreaks. The program is delivered by PIRSA's Pest Eradication Unit based at Prospect and involves about 40 full-time equivalent permanent staff and many casual workers for the eradication operations.

Although they have been conducted in Adelaide for the past 50 years, eradication operations have become controversial and worrying for householders. People are increasingly wary of strangers entering their properties without their presence, and of the use of chemicals in urban areas to bait and kill fruit fly. This year's eradication campaign has been particularly challenging since all of the outbreaks have been of Mediterranean fruit fly, which is endemic in Perth and is a species that is most difficult to eradicate and has required the most use of chemicals. The incidence of Queensland fruit fly in Adelaide has reduced with the tri-state exclusion zone across South Australia, Victoria and New South Wales and the use of a sterile fruit fly technique that needs minimal use of chemicals.

The review will be led by an independent consultant from PPK Environment and Infrastructure Pty Ltd, Dr David Cruickshanks-Boyd, who is the National Manager of Environmental Services, and he is extremely well credentialed. PPK has a proven track record with demonstrable expertise in reviewing government programs, the developments of biology and quarantine, human health, environmental impact and community and media relations. Specialists in agricultural science, environmental health, risk assessment and occupational health and safety will be available for the review. The consultant will lead the review and produce a report that includes the following:

1. An independent critique of the current operation including: technical basis and soundness in South Australia compared with world's best practice; communication with the community on the need for a campaign and the operational procedures and the facts and the chemicals used; communication of what householders need to do to alleviate any risks of exposure to chemicals and observance of withholding periods; procedures documentation and process improvement; staffing supervision and training, including occupational health and safety; organisation and management; hot line and responsiveness to public contact; community and local government relations during operations; risks of impact on people, pets, birds and the environment; and the role and effectiveness of prevention activities, including road blocks, publicity and awareness activities.
2. The strengths and weaknesses of the current program and the opportunities to improve that in the future.
3. A strategy and key action steps for improving the overall program.

A reference panel will represent all stakeholders, particularly community interests, and the consultant will prepare a consultation draft for presentation to the reference panel and finalise the report, taking into account the views of the reference panel. I want the report completed in time to allow improvements to be implemented for next season, so it will need to be finalised by 31 August 2001 at the latest. The reference panel will include community, local government, horticultural industry, gardening experts, Pest Eradication Unit staff and entomology, veterinary, pesticide and public health specialists.

Today, we are also announcing that PIRSA will negotiate with the Department of Agriculture in Western Australia for the supply of up to 6 million sterile male Mediterranean fruit flies per week for the eradication program next year. This follows preliminary trials this season with sterile fly and additional project funding for accelerating progress on the introduction of this method in Adelaide. In time, this will virtually eliminate the use of chemicals for eradication, although it will be prudent to initially include some continu-

ation of the bait spotting method for about an initial two week period following detection. New bait mixtures will also be trialled. I stress that PIRSA has begun these trials in advance of the review with the intention of a gradual changeover to the new methods.

We have accelerated this work in the interests of removing the anxiety experienced by Adelaide householders this season. I look forward to the outcomes of the PPK review and implementing a new community and environmentally friendly approach to fruit fly eradication in Adelaide next season.

The CHAIRMAN: Does the opposition have an opening statement for primary industries?

Ms HURLEY: No.

The CHAIRMAN: Are there any questions? The member for Lee.

Mr WRIGHT: As agreed yesterday, we have a series of questions to ask the Deputy Premier about the Hindmarsh stadium—

Mr LEWIS: You, too?

Mr WRIGHT: Go for your life—now that he has ministerial responsibility. I will not go over all of what I said yesterday, but I make the point—and I am sure that the Deputy Premier appreciates this—that we see the role of the Auditor-General as, clearly, a very important one. I say that genuinely. Naturally, he needs to go about his duties in an unfettered manner, but I have a couple of questions because it is important for the credibility of this inquiry that these questions are asked and answered today to the fullest ability of the Deputy Premier because I think this goes right to the heart of good government and, also, the inquiry.

My first question is: can the Deputy Premier today provide an assurance that all the relevant documentation in relation to the Hindmarsh Soccer Stadium inquiry has been made available to the Auditor-General? Will he guarantee to estimates that there are no documents missing, that no documents have been shredded, that no documents have been destroyed and that everything that is required from government by the Auditor-General has been made available?

Mr CONDOUS: I have a point of order. These questions were asked yesterday in the presence of the Premier and the Auditor-General.

The CHAIRMAN: They were asked of the Premier and the Auditor-General. It has been made known to the chair that the Deputy Premier is now responsible for this area, and I suggest that the questions are in order.

The Hon. R.G. KERIN: I have had carriage of negotiations related to the Auditor-General's inquiry on Hindmarsh since September or October last year. As far as I am aware all documents have been presented. Primary Industries was asked for any documentation; indeed, that went right across government. It is hard to give an assurance that every piece of paper has been found; it is always hard to give such an assurance. Certainly, from my discussions with the relevant ministers and from discussions around the cabinet table, I am not aware of anything that has not been given to the Auditor-General. A lot of paperwork has been generated, and that goes back over several years. With regard to my ability to know what has happened within departments over time, I am not aware of anything that has been held back from the Auditor-General. I cannot give an assurance as to whether every piece of paper has been discovered. As far as I have been able to witness, every endeavour has been made to give the Auditor everything he requires. I am not aware of any intent or effort in any direction other than full discovery of documentation.

Mr WRIGHT: By way of a supplementary question, we acknowledge that the Deputy Premier became involved in this matter in about September or October last year. That goes without saying. Another matter relating to the credibility of this inquiry needs to be cleared up, and it occurred prior to the Deputy Premier's becoming the lead minister. I am sure he would have been canvassed on this matter. We need a cast-iron guarantee that those documents that went missing from Minister Hall's car were copies. We were told that they were copies. I refer to those documents that were stolen—and I am being very specific—that relate to Hindmarsh Soccer Stadium. There were some shenanigans at the time about personal items. We are in no way interested in the personal items contained in Minister Hall's baggage, and nor should we be. Can the Deputy Premier say whether those documents that were stolen have in any way jeopardised the inquiry into the Hindmarsh Soccer Stadium?

The Hon. R.G. KERIN: From my recollection, at the time the minister made a statement to the House about the contents of the bags that disappeared from her car. I am not really aware of what documents were or were not in those bags. It is a bit hard to give the guarantee the honourable member asks for. I am not aware of what was in the bags. My recollection is that at the time there was nothing in there that was stand alone and could in any way have an effect on the inquiry. However, I must say I am working from recollection there, and I am not aware that anything that disappeared there would have any impact on the Auditor-General's inquiry.

Mr WRIGHT: By way of brief comment, we would hope that when this report is made available—and that needs to be sooner rather than later (and the government would prefer it that way as well; it has been 19 months and that is long enough)—the Auditor-General will be able to clear up any doubt whatsoever with respect to documentation, whether it was stolen from the minister's car or any other documentation. When the Auditor-General comes forward with his report, we want a clear assurance that all the relevant documentation from government on the Hindmarsh Soccer Stadium—regardless of where it needed to come from—has been made available. If as a result of the Auditor-General's Report there is any doubt that every relevant piece of documentation from government was made available to the Auditor-General, this inquiry will not stand up. It is as simple as that. In the very first instance, we will be looking for a clear message with regard to that from the Auditor-General's inquiry. Further, what is the total cost, as best the minister knows it, of legal advice and representation that has been provided to the government, including ministers, former ministers and members of parliament?

The Hon. R.G. KERIN: That issue really involves the Auditor-General. I can honestly say that I do not know what the legal costs would be. In relation to the Auditor-General's inquiry, as everyone knows, the Auditor-General is a very independent body. I can assure the honourable member that, from what I have been able to observe, the Auditor-General has been incredibly thorough in his investigation of this matter. It has been a very robust inquiry. I have not been called or had to appear before the Auditor on this issue, and I was not involved in the issue other than as a member of the cabinet at the time. Indeed, everyone who has had to appear before the Auditor-General has had to treat that as confidential. So, if I appear as though I do not know a lot about where the Auditor is at, it is because of that. However, while I have had carriage of this matter, and given the history of the project, as we have gone along with negotiations with the

federation, the Adelaide Force and the City of Charles Sturt, I have kept the Auditor informed as to our negotiations with those three bodies. Because the Auditor-General was doing a report on the matter, I felt that I should keep him in the loop.

Mr LEWIS: I rise on a point of order, Mr Chairman. From what we were told yesterday, if this minister, the Deputy Premier, does not know who represented whom and what the costs have been, then who does? Who does have responsibility for the oversight of this matter, which includes the inquiry as well as the transfer of any power and responsibility?

The CHAIRMAN: Order! I do not see that as a point of order. However, it is appropriate that, when the opportunity is provided to the member for Hammond to ask a question, that question be asked of the Deputy Premier.

Mr WRIGHT: The member for Hammond makes a very good point, and I will allow him to continue with that. If this government is to be accountable, that is a fair and reasonable question. If we cannot get the information from the Deputy Premier, as the member for Hammond said, we clearly need to get it from somebody. However, the member for Hammond can develop that point, and I am sure he will.

I agree with the Deputy Premier; the Auditor-General has been very thorough and very professional. I have little doubt about that. Post the initial interview I had with the Auditor-General, I have had cause to contact him only once or twice in 19 months just to find out where we are at with this. There is no doubt that the taxpayers of South Australia are expecting this inquiry to be reported to the parliament as a matter of priority. Certainly, the opposition has been very patient and, if the truth were told, the government would want it to come forward as well. Its being delayed the length of time it has is not doing anybody any good. I have little doubt that some element within government has deliberately frustrated the process of natural justice. As a part of his inquiry, the Auditor-General, needless to say and justifiably so, has—

An honourable member interjecting:

Mr WRIGHT: I did not say that; let me finish. He has allowed natural justice to take place. We are not in any way critical of that, because clearly natural justice does need to take place. What the Auditor-General said yesterday (and listen to this, member for Colton) when I asked him a question about natural justice was that some—and ‘some’ is the key word—delays with respect to natural justice have been inevitable. The Auditor-General deliberately has to be (and had to be yesterday) very careful of his wording. What he did not say—but what has taken place—is that other delays have occurred which have not been inevitable. Is the Deputy Premier aware of any examples of delays to the process of natural justice which have not been inevitable and, if he is aware of them, what has he done about them?

The Hon. R.G. KERIN: I think we are perhaps on dangerous ground here. I would never interfere with the Auditor-General. To my knowledge, the ministers and former ministers who have appeared have been sworn to confidentiality in all their discussions. We are not in a position where there has been any discussion about delays. If there is a government line on this, and a real will, it would be to get it out of the way. We are a bit frustrated ourselves at the time it has taken. No doubt, the Auditor-General is doing the right thing as far as natural justice is concerned, and I think we all agree on that. I am certainly not aware of any deliberate delays. I would have thought that the interests of the government are perhaps served by not having delays, but the fact

that the witnesses have been sworn to confidentiality really means that there is no way that I would be aware of what their feelings are.

I really do not know, because they are not allowed to discuss it with us. So, it is very difficult even to comment on it. One thing I can say to the member is that I am certainly not aware of any deliberate delays, and certainly my feeling of where the government sits on it is that the government would like to see the report wound up as quickly as possible.

Additional Departmental Adviser:

Mr W. Zacharin, Acting Director of Fisheries.

Mr LEWIS: In relation to the Hindmarsh stadium, what would have been the consequences for the ratepayers and residents of the City of Charles Sturt if they had been bullied into accepting the proposition of signing the mortgage agreement which the Deputy Premier put to the council prior to Christmas and which he has said publicly was vital and in the interests of all parties? What would have been the consequences for the residents and ratepayers had they signed off on it then, as compared to the consequences under the deal that has been done now?

The Hon. R.G. KERIN: There was a fair bit of misunderstanding at the time. I know the concerns the member had because I saw a press release at the time, and perhaps I should have spoken to the member then. I think he misunderstood what was happening. What was put before Charles Sturt council was an assignment of a mortgage, but as far as the ratepayers were concerned it meant that suddenly the government rather than the Soccer Federation was the body responsible for ensuring the proper running of the stadium.

From a financial point of view, if the Soccer Federation had fallen over with, say, unpaid lease fees (or whatever) to the council for the stadium, the ratepayers would have been out of pocket for that, whereas what this did was make the council—the government, really—financially responsible. For the ratepayer it was a simple assignment from the federation over to the government. The only risk for the ratepayer in all this was that the person responsible for paying the lease would not pay the lease. I put to the member that the government is a safer bet for the ratepayer than any sporting organisation, which might (and sometimes does) run into strife for a number of different reasons. There was no other repercussion for the ratepayer in what the council was asked, and in one way advised, to do.

Mr LEWIS: Supplementary to that, is it not true that one of the conditions of the lease, among several, was that, if the Soccer Federation defaulted in its payments (as it had), the lease would be null and void: it would be in breach of its lease and the Soccer Federation would no longer have had any title to the site or access if the City of Charles Sturt had exercised its right under that lease and it would have been free as the owner of the site and its improvements to sell it?

The Hon. R.G. KERIN: If I understand the member for Hammond correctly, he said that the Soccer Federation had not paid its lease.

Mr LEWIS: That is right.

The Hon. R.G. KERIN: I am not aware of that; I do not think that is correct.

Mr LEWIS: Is the Minister now telling me that up to this point all, any and every payment that was lawfully required of the Soccer Federation has always been paid, paid in full and paid on time?

The Hon. R.G. KERIN: This is the lease to the council.

Mr Lewis interjecting:

The Hon. R.G. KERIN: As far as I am concerned, it is an annual lease fee—a very low figure that is paid by the federation to the council—and I am not aware of the federation's not having paid the council for its lease.

Mr LEWIS: Supplementary to that again then, is it the Deputy Premier's understanding and view that at no time has the Soccer Federation ever been in breach of the conditions of its lease?

The Hon. R.G. KERIN: Once again, I take it that the member is talking about its lease with the council.

Mr LEWIS: I am talking about the lease between the Soccer Federation and the City of Charles Sturt and/or its predecessors in law.

The Hon. R.G. KERIN: Certainly I am not aware of any breach of that lease. That lease is between the Soccer Federation and the council, but it is a very low lease fee. I think it is \$5 000 a year—

Mr LEWIS: I was not asking a question about the money, Mr Chairman. There are other conditions in that lease of which I would have thought the Deputy Premier would have appraised himself. As Presiding Member of the Public Works Committee, I certainly attempted to, despite Minister Ingerson's determination that I should never either see it or understand it, nor should the rest of the committee or the parliament. Coming back to the point that I raised in the very first question I put to the Deputy Premier, is it his belief that the Soccer Federation has never been in breach of any of the conditions of its lease with the City of Charles Sturt or its predecessors and, if it were to be in breach, is it not true that the City of Charles Sturt then held vacant position, if it so chose, of the site and its improvements?

The Hon. R.G. KERIN: That would really be a matter between the council and the federation. I suppose the only place in which that would ever be sorted out is in a court of law. I am not in a position to judge whether or not the council has breached certain conditions of its lease. I would be a bit surprised because, in the environment in which we have operated—and hopefully we are getting towards resolution—the council has never even raised the fact that the federation had breached its lease. The only ones who can trigger a breach of the lease conditions would be the council.

As the council has not raised this possibility, I take it that it is not an issue. However, in relation to the council's taking vacant possession, I think that would be pretty much against the spirit of the agreement on the development of Hindmarsh stadium, which was very much the reason for the low lease rate. Also, having dealt with quite a few councils, I am not so sure that the council would want to take over the running of a state sporting facility and all the costs that that entails, because, as we know with stadiums across Australia, it is very hard to make the state level sporting facilities pay their way, and I really would not know why a council would want to take over and run a state sporting facility.

Mr LEWIS: That is an interesting, euphemistic and clever spin for the Deputy Premier to put on the set of circumstances to which I have drawn his attention. Either he pleads ignorance out of embarrassment or he is genuinely incompetent in that he has not made himself familiar with the terms of that lease, because it was quite plain to the council and its legal advisers and to the government, during the course of the negotiations prior to Christmas, that the federation was in breach of the terms of its lease on more than one count. Had the council pressed its point, it could have taken vacant possession—not to run the ruddy stadium

but simply to sell it to the highest bidder and be done with it, rather than having to put up with the mess.

Secondly (and I ask the Deputy Premier to respond to this point), the ratepayers and residents of Charles Sturt, had the government coerced them into signing that mortgage assignment, would have had no means whatever of replacing the open space, the recreational area, that had been there prior to the development's being made by the government in its pre-emptorial fashion to the extent that it had. They would have had no rights left had they signed that mortgage, and I am surprised that the Deputy Premier chooses to put the spin on it that the Charles Sturt Council would have had a liability in trying to run a stadium that is most difficult.

It would have had no need to do so: it could have called tenders from hither, thither and yon to flog it off, get rid of it and be done with the mess that it found itself confronted with. Yet the Deputy Premier, as I clearly recall, was saying that they were in effect being dogs in the manger because they would not sign the assignment of mortgage which would have immediately removed from them any rights or control over and interest in the property whatsoever had they done so.

The Hon. R.G. KERIN: That is just not correct. It was not taking the land from the council.

Mr Lewis interjecting:

The CHAIRMAN: Order! The member for Hammond has asked his question.

The Hon. R.G. KERIN: Materially, from where the council sat, it did not change the control of council over that site. The council had the same amount of control over the site whether the lease was with the federation or whether the stamping had gone ahead and the government had stepped into the role that it would have taken over with it. The role of council would not have changed: it just would have been a different client that it was working with, as was said at the time.

To say that this was sort of stealing something from the people of Charles Sturt is just not correct; far from it. The member suggests that local government body went down the track of having been part of a negotiation to get a world class facility in its area, and it was a negotiation whereby it agreed to what is a low lease fee for the Soccer Federation, contingent on that development going ahead and its getting a good facility in the area. To suggest that, having done that, a local government body should take the first opportunity that it can to look for a breach of lease to try to grab a state facility that belongs at the end of the day to the people of South Australia and the soccer community in particular, and flog it off to the highest bidder, I do not know where that would leave the community interests in this, or the Soccer Federation.

Even though I have had some differences of opinion with the Charles Sturt Council, I am sure that there is not one councillor on that council who would have taken that tack, because that would have been absolutely to steal the facility from the people of South Australia, particularly the soccer community of South Australia, and that is just not on. I do not think that anyone would have condoned its doing that. To talk about a breach of lease and say that it could have done that is purely hypothetical, because that only becomes active if council were to take a route that I think is totally unacceptable to the people of South Australia.

Mr WRIGHT: The inquiry has now been going for some 19 months. As the Deputy Premier would be aware, there is a motion that this report be presented to the Speaker and then to the parliament. I asked the Auditor-General yesterday

about his expectations of when the report would be available, and he suggested that it would be in the spring sitting of this parliament. Clearly, there would be a strong expectation by the taxpayers of South Australia that they would get to see this report before the next state election.

I know that the Premier has suggested on a number of occasions that the next state election will be in March, and it may well be so. But I have seen other Premiers and Prime Ministers make predictions about when elections will be held, and then suddenly there is an election six months before that prediction. If the report is made available in the spring sitting—and I have no reason to doubt the Auditor-General, particularly in the light of the fact that the inquiry has now been running for 19 months—can the Deputy Premier provide a guarantee to the committee and to the taxpayers of South Australia that they will get to see the Auditor-General's report before the next state election?

The Hon. R.G. KERIN: I would feel rather powerful if I could give that guarantee, because I control neither the timing of the Auditor-General's report nor the timing of the next election. We cannot force the Auditor-General's hand as far as presenting the report is concerned.

Mr WRIGHT: If he presents it in the spring session, as he said yesterday, can the Deputy Premier guarantee that that will be before the state election?

The Hon. R.G. KERIN: As the honourable member knows, the make-up of the House is such that the Premier's very strong desire is to go on March 2002, but if something were to happen and we were forced to an earlier election to give a guarantee would then mean that we would have to force the hand of the Auditor-General, which we cannot do. If the Auditor-General presents in the spring, that is well and truly before we have planned to have an election. In relation to the guarantee that the honourable member asks for, I really do not control either of those scenarios: the timing of the Auditor-General's report or of the election.

Mr WRIGHT: As a supplementary question, can the Deputy Premier at least guarantee to the committee that, if during that formal election campaign the report is made available to government, the government will then make it available to the taxpayers of South Australia? In other words, the report will not be held on to, will not be put away for us to actually discover that it has been made available during the campaign but does not become public until the election has been held. Can the Deputy Premier provide a guarantee to us today that, if the report is made available to government during a formal election campaign, he will make it available to the public of South Australia?

The Hon. R.G. KERIN: I do not think that we control that. The Auditor-General does not report to government: he reports to parliament; that is a matter for the Auditor-General and the parliament. My understanding is that he does not report to government and it is not at the government's prerogative to release his report.

Mr WRIGHT: As a supplementary question, it says in the motion that the Deputy Premier moved in November 2000 that:

Upon presentation to the Speaker of a copy of the Auditor-General's Supplementary Report on Dealings Relating to the Hindmarsh Stadium Redevelopment Project, the Speaker is hereby authorised to publish and distribute such report.

My interpretation of that is that it then would be made available to the taxpayers of South Australia. There would be no limitation, upon my interpretation of that motion that the Deputy Premier moved.

The Hon. R.G. KERIN: That is a matter for the parliament, not for me. I am not so sure that that is within my control. It is a bit hard for me to speak on behalf of the Speaker.

Mr WRIGHT: Just as a final comment, that is something that this House will have to deal with when it comes back, because we will not tolerate any possibility of a report being made available during an election campaign and not being made available to the taxpayers of South Australia because of the will of this government. We will deal with that in parliament. If there is any grey area or misinterpretation, I think this parliament will deal with that when it sits again. No-one should tolerate a situation because of any technicality with a motion such as that.

The member for Hammond, who has been here a lot longer than I, might have some advice on this. It is my interpretation of that motion that as soon as that is made available to the Speaker it can be made available to the taxpayers of South Australia. Nonetheless, irrespective of that, we should not tolerate a situation where, hypothetically, if there is an early election (and do not rule that out as a possibility), this report could be made available to government during the formal campaign and the taxpayers of South Australia may not get the opportunity to see those findings until after the election. If that were to occur it would be an absolute travesty of justice.

The CHAIRMAN: Are there any further questions?

Mr WRIGHT: I would like to ask my second question, sir.

The CHAIRMAN: It is your third question, and you are very fortunate to have that, with the number of supplementary questions that you have already had. So, this will be the last.

Mr WRIGHT: I asked a question yesterday which could not be answered (and I appreciate that) but which was referred to you today, so I will repeat that question if I may. Has an agreement between the Office of Venue Management and the Soccer Federation now been signed? If so, does it contain the elements which are in the draft agreement? I am happy to go through that draft agreement if you would like me to do so. It outlines a situation with respect to Adelaide Force and also the Soccer Federation with regard to its payments. I do not know whether you want me to read that. Are you familiar with that?

The Hon. R.G. KERIN: We will try to cover it as best as we can, and supplementary questions may pick up on any other areas. The agreement was signed. The reason for that agreement was that, with the hold-up we were having with council, one of the situations occurring down there was that contractors such as the electrician, cleaners and others were doing work at the stadium but we were not in a position to pay them. It was brought to my attention that this was the case. We had small businesses down there who were relying on getting paid, and that was the reason for putting that agreement in place. We were hoping to have all this sorted out at the beginning of the soccer season, so we had to put interim arrangements in place. Our initial advice was that the council would do the stamping, management would flow and we would take over the running of the whole venue. The agreement made us agents to be able to get on and pay those small business people down there. That was the only reason that agreement was put in place; it was to allow to us pay the people.

An issue that was raised in parliament concerned the statement within the agreement about the Adelaide Force not having paid the rent on the stadium. That was being contraed

against the money the government is holding. Until all the conditions precedent that are tying up the situation with council are met, we are holding money from the Force, and the rent fees are being contraed against it. One fee that the Force has met each match is that Venue-Tix have been paid out of the gate money. The money to Venue-Tix then comes off the Force's rent payment for the stadium for that round. The Force are charged an amount; out of that they pay Venue-Tix and they owe the stadium the remainder. That has been contraed, which meant that that income was not going in which would normally have gone to paying the electrician and other contractors and people who come in and work on a casual or contract basis down there. The reason why I asked for that to be put in place was for the government to become an agent so that those people could be paid. It was purely and simply to get past the situation where people were doing work there which they would stop doing if they were not paid, and that would bring the stadium to a halt. More importantly, some of them were very small businesses, so it was only fair that we find a way of making sure they were paid.

Mr CONDOUS: I would like the Deputy Premier to comment on this aspect of the Hindmarsh stadium. As a former local government person I would see the freeing up of nearly \$2 million by the Charles Sturt Council's handing over the Hindmarsh stadium as being a great financial benefit to the City of Charles Sturt. Had the present situation continued, all that would have happened was that the Charles Sturt Council would continue to get a peppercorn rental while at the same time having to maintain stringent parking regulations during matches, which were inconveniencing local residents. As minister, what benefits do you see coming back to the community and ratepayers of Charles Sturt once the stadium is handed over to government ownership?

The Hon. R.G. KERIN: The appealing part for the council and community down there is that this will be an injection of funds to them. Selling us the land on which the stadium stands certainly clears up some issues for the future, such as certainty and ownership and whatever. I have discussed that with the Auditor-General and kept him in the loop about the direction in which we are going. It makes sense for government, the community and soccer for us to do that. As far as the City of Charles Sturt goes, yes; it is a good one-off injection of money. From talking to a few people I believe that it will help them out enormously with the financing of a new or much updated library. The money has been earmarked to go towards that, and that is a benefit for the community there. It is a win-win that we get this sorted out, and I think council is quite close to us coming to an agreement.

Mr CONDOUS: I am not a soccer fan and never have been, because soccer was not played in Australia when I was a boy. I can remember the very first soccer match being played between Juventus, the first Italian team formed in Adelaide, and Olympic, the first Greek team formed in Adelaide, on a piece of parklands in the City of Adelaide at the corner of South Terrace and Sir Lewis Cohen Avenue. The game has come an enormous distance since then. What surprises me this morning is that both the member for Hammond and the member for Lee have ignored the important role that Hindmarsh stadium—

Mr WRIGHT: Not at all; you have misrepresented the situation.

Mr CONDOUS: No; but you are just playing the political point of view.

The CHAIRMAN: Order!

Mr Wright interjecting:

Mr CONDOUS: How much money are you putting into racing?

The CHAIRMAN: The member for Colton is asking a question of the Deputy Premier, I presume.

Mr CONDOUS: The thing is that we put untold tens of millions of dollars into the racing industry, which may result in one horse going out of Australia to the Tokyo Cup. As I am speaking now, it is about 2.30 in the afternoon in Auckland and it is kick-off time between Australia and New Zealand. If the Australians win it will place them one step away from being in the final 32 in the World Cup play-offs.

Mr LEWIS: How many South Australian players are in that game?

Mr CONDOUS: It is funny you should ask that. There are probably four. The most important one of all, Mark Viduka, because he has not been playing professionally in England for a lay-off period of four weeks, will play in the finals. He has just transferred for \$60 million on the world market. We are producing now, through the facilities at Hindmarsh stadium, young South Australians who are appearing at the highest level in Europe and the United Kingdom.

I am trying to point out the role that stadium is playing, yet there are members here who are continually criticising Hindmarsh when every other sport in South Australia has its principal base in which it can develop its sport. Would the minister give an overview of the importance of a new developing sport—and we say 'new' because it is only 50 years old in this country—and the future role it will play on the world circuit to put Australia in the world focus, in the top 32 countries in the world?

The Hon. R.G. KERIN: There is no doubt that we have a world-class stadium at Hindmarsh. I know the member for Hammond also had a chance to talk to some of the visitors during the Olympics about their feelings on it. As a result of talking to other team officials, I believe that they thought it was a superior venue; it is a very good venue. It is a great home for soccer in South Australia and the quality of the venue will only enhance the quality of soccer.

Apart from playing junior soccer in Port Pirie and being involved with a couple of soccer sides there, I have not had a lot to do with soccer. However, over the past few months, having dealt at great length with both the federation and Adelaide Force, the politics in soccer in Australia, through Soccer Australia, are extremely interesting. The politics of soccer are often volatile but, once you get beyond the politics of it, it is a great sport. It is very much a community-based sport. It is a home for many ethnic groups to continue with their traditions. Soccer plays a very important role in the community. There is no doubt that we have gone to great lengths to ensure that the federation and Adelaide Force are able to continue.

Because of what happened with the Rams going and soccer returning to one side, the viability of a few things started to suffer. As a result of negotiating through matters with both the federation and Adelaide Force, I am extremely mindful of the fact that soccer is looked after. We do not take risks with it. Some of the delays have caused a few risks but we have tried to manage those as best we can to look after the people involved.

Mr WRIGHT: I asked a question earlier about the cost for ministers, former ministers and MPs, and the minister was not able to answer that question. He suggested it was the

responsibility of someone else. Could he direct us as to whom in government we ask that question?

The Hon. R.G. KERIN: I am willing to take it on notice. I do not have carriage of that matter. My very best guess at this is that it is the Attorney-General who would normally bring in a cabinet submission for legal representation. I take it from that that the Attorney-General has the carriage of seeking from cabinet legal representation for ministers. My understanding is that someone has to pay that bill, and I take it that would be paid out of the Department of Premier and Cabinet. I can honestly say I am not privy to any of that information.

Mr WRIGHT: It is important that is established—and established today. We do not want to be running around the hurdy-gurdy. I believe the minister when he says that, but we will start with the Attorney-General. That might be a good starting point and, if it is not him, I guess he will refer us to the appropriate minister.

The Hon. R.G. KERIN: It is the Attorney-General or the Premier.

Mr WRIGHT: What is the total debt accumulated by the Soccer Federation which has been or will be forgiven by this government?

The Hon. R.G. KERIN: The Soccer Federation's finances are its own issue. I think the member is asking what we do about the losses incurred at the stadium by the Soccer Federation.

Mr WRIGHT: And the loans given to the Soccer Federation which have been stopped for the time being.

The Hon. R.G. KERIN: I will try to do the best I can. One issue is the payments on the stadium but there are other issues. While the Soccer Federation was stuck there running a stadium which it thought would have three tenants but which was back to one tenant, costs were borne by the Soccer Federation which rightfully were not fully its costs but which were nevertheless incurred. That is the basis of the payment made to the Soccer Federation. It does not cover all the losses it made during that time.

As a result of a series of negotiations, and its having to come forward with what all its costs were when it was caught with the stadium to run and nowhere near sufficient income to cover its costs, we got it to identify what all the costs were and what it was actually bearing which was not really its to bear. We then worked through to a figure to be paid to it to make up for what it had actually lost.

The Soccer Federation entered into loan arrangements on two issues at Hindmarsh Soccer Stadium, involving the western grandstand and the fit-out of that stand. The western grandstand was just over \$4 million and the fit-out was \$2 million. The government was the underwriter of those arrangements. The amount of money contributed to loan repayments inclusive of interest by the government to date in respect of the western grandstand is \$1 231 179. The amount of money outstanding on that loan by the federation is \$3.8 million. The amount of money contributed to loan repayments inclusive of interest by the government to date in respect of the fit-out loan is \$511 638. The total amount of money outstanding on that loan by the federation is \$1 837 999.

It should be noted that none of the money paid by the government so far has in fact be forgiven. It is possible it may not be forgiven. If in fact the federation were to take back the stadium, then there is an arrangement for the payment back of certain amounts. Under the arrangement the South Australian Soccer Federation is required to collect levies and

use these levies to repay the loans. The issue is that the levies are currently suspended. However, the federation may be required at a future time to reinstate those levies.

Mr WRIGHT: And may not.

The Hon. R.G. KERIN: That is right: may or may not. We do not want to break the federation either. Over the course of the loan, if the federation is required to reinstate the levies and there are not enough funds from the levies to service the loan repayment, then clearly none of the debt will be forgiven. The arrangement between the government and the federation is that on the date of expiration of the term, if there are any moneys payable by the federation to the Treasurer or the minister pursuant to the deed, then the Treasurer and the minister shall each release and discharge the federation from any liability to pay or repay any such amount. Therefore, at this stage it is impossible to predict the amount the government may forgive the federation. It is important to note that to date the government has not forgiven any of the debt incurred by the federation, even though the government has met its obligations as guarantor for the loan.

Mr WRIGHT: I find that a staggering admission. The Deputy Premier, in fairness to him, has been handed the poisoned chalice because the Minister for Recreation and Sport could not handle this issue. We are looking at a situation where loans to the government by the Soccer Federation have been suspended—and suspended for some time. I have not a calculator, but we are looking at a figure in the millions of dollars which may or may not be brought back for the federation to pay. But you can bet your life that it will not have to pay those loans because it has no money to pay them—so you can just add that to the bill.

How dare the member for Colton say that we are being political about this exercise. We have just had a staggering admission by the Deputy Premier that millions of dollars can be added to the bill for the Hindmarsh Soccer Stadium and for the taxpayers of South Australia because those loans will never be repaid by the Soccer Federation. They will not be repaid because the federation does not have the money to pay them. The Deputy Premier knows that and the government knows that. This has been a political exercise and a fiasco by this government from day one. This government did not build Hindmarsh Soccer Stadium for soccer; it was built for political reasons, and the taxpayers of South Australia have to meet the tab. It is a disgrace.

The CHAIRMAN: Order! Does the Deputy Premier wish to respond?

The Hon. R.G. KERIN: Certainly, sir. I think the member has it totally wrong. This is not money that has gone off into a black hole somewhere with the Soccer Federation hiding it or spending it on other things. This is money that has gone into a world-class facility for soccer in South Australia. To say that this is a disgrace is wrong. The money is not off somewhere with the Soccer Federation: the money that we are talking about has gone into solid infrastructure which helped to bring the Olympics to this state, which has given us a world-class sporting facility and which has given soccer a superior home. The inference is that this money has just gone off somewhere with the federation.

Mr Wright interjecting:

The CHAIRMAN: Order!

The Hon. R.G. KERIN: We are taking management control of the stadium. As with any sporting facility right across Australia, the whole idea is to try to generate enough income to pay for it. If we go back and look at some of the facilities built by the Labor Party in South Australia, we see

some very interesting stories. I do not like trawling back, but I actually have some figures relating to some of the sporting facilities which were built by the Labor Party and which show the shortfall and how they were never even projected to break even.

The member is implying that the Soccer Federation should go through the hoop to pay for a facility for all South Australians—and that is what has been behind this all the time. I take offence at the attack on soccer which is implied in so much of the argument that has gone on about Hindmarsh. As far as the soccer community is concerned, the money that he is talking about has gone into a facility and an asset for all South Australians. It has not been hidden away by the Soccer Federation. Why should the federation carry the can for a state facility? We will have management control; we want the control, and have done the work that we have with council and everyone else, in order to try to get the maximum use of that stadium and the maximum income generated in the hope that that income will go towards paying off these loans. That is why we have done what we have. But to sort of suggest that the money has been snuck off somewhere else by the Soccer Federation is just not right. The money has gone into a facility that is there for the good of South Australia.

The CHAIRMAN: The member for Goyder.

Mr WRIGHT: That was my second question, sir.

The CHAIRMAN: Order! The member for Lee has had three questions plus a supplementary.

Mr WRIGHT: Are you sure of that, sir?

The CHAIRMAN: I am positive. The member for Hammond.

Mr LEWIS: Will the Deputy Premier say what the cost to government would have been for the deal that was offered to the City of Charles Sturt prior to Christmas had they signed off on that mortgage assignment arrangement at any time, even in January, as compared to the cost to government now with the deal that has been signed? What is the difference?

The Hon. R.G. KERIN: I think the misunderstanding was the problem previously. The one before Christmas was not a financial deal; it was basically just a movement of certain responsibilities from the federation over to the government. As far as the council's asset (the land on which the stadium sits), the deal proposed before Christmas did not materially change the control of council. It did not change the asset of council so that was not a financial deal; it was about shifting certain responsibilities from the Soccer Federation to government. What we are negotiating with council at the moment is actually a purchase of the land on which the stadium stands. So, there is a footprint there; that is what we have offered, and that offer is before council at the moment. Hopefully, over the next week or so, that will be accepted by council.

Mr LEWIS: How much will that benefit the council; how much will they get out of it?

The Hon. R.G. KERIN: It has been stated in other forums, and the amount is actually \$1.7 million to purchase the land on which the stadium stands, and I think that is a fair amount.

Mr LEWIS: May I ask, perhaps with greater clarity than the member for Lee was able to communicate to the minister and his advisers, what has been the total cost to South Australia over the last five years of the sport of soccer as it relates to the arrangements that were entered into surrounding the preparation for and playing of soccer matches under the aegis of SOCOG? Included in that cost will be all the capital

items and all the debts taken over and forgiven or met by the state government to which the minister has referred, as well as the cost of staging and providing facilities for all the countries—

Mr WRIGHT: If he can't answer that, I can.

Mr LEWIS: I would like to have you on the record in that respect because the public does not know—staging and preparing of the teams from those countries—under the terms of the contract signed between the interests of soccer and the state government and SOCOG where those teams had to be accommodated at state taxpayers' expense and looked after in travel and other terms in their preparation for the Olympics here in South Australia prior to their going to Sydney, as well as the costs associated with the sale of tickets through the Tourism Commission's office (or whatever it was called) in King William Street, and the costs of the free tickets handed out by any and all ministers that did not go to people who would normally get those free tickets, as with the Entertainment Centre and the other places that the government has these little cubbyholes where it entertains people. That is revenue forgone when free tickets are handed to someone to toddle on to an event. Also included would be the costs that the government has met in the management and control of traffic, and so on, associated with the staging of the Olympic soccer matches played at Hindmarsh through the police, private sector or other agencies involved. Indeed, it would also involve any recurrent or capital costs at all that have been met related to the arrangements made for the playing of soccer as an Olympic sport here in South Australia that arose in consequence of the decision to change the stadium at Hindmarsh and do the things that the government then undertook to do. I ask the minister if he would perhaps take it on notice, given that he is unlikely to have the detail with him today.

The Hon. R.G. KERIN: I will take that on notice and endeavour to give as accurate an answer as possible, although some things such as traffic management may be somewhat difficult. However, I will endeavour to do the best I can. I also point out that, at the end of this process, we have finished up with a world-class stadium and a good home for soccer.

Mr LEWIS: Which, I also add to the Deputy Premier's remarks, has been created at such expense that even to operate it is beyond the means of any soccer team in South Australia if they are to meet the recurrent expenses involved in using it, as sad and as stupid as such an outcome might be. My question relates to the other—

The CHAIRMAN: Does the member for Hammond have a question?

Mr LEWIS: I do not know that they are exactly sad and stupid, but they might be silly and stinking things that were done along the way. I will revert to the line of inquiry that was being pursued at the outset of this estimates committee, namely, to try to discover the cost to the state's taxpayers, in total, of the legal advice which has been provided to any and all members of parliament—ministers, former ministers or other members—directly or indirectly, through and in consequence of the Auditor-General's inquiries into the debacle which established a world-class stadium that nobody can afford and which is commonly known as a white elephant.

The Hon. R.G. KERIN: I have already taken that question on notice.

Mr WRIGHT: I have a series of questions but I think, in fairness to this committee, and particularly primary industries

and the Deputy Leader of the Opposition, we will try to round our questions up in one round. I would like to ask a question and a supplementary question. I know the member for Torrens has a couple of questions and I think we have to be mindful and respectful of this committee. I will be brief.

Needless to say, I totally reject the comments made by the Deputy Premier. I in no way inferred that the federation had squirreled money away. I do not blame the federation for what has taken place because they have been caught in the crossfire. They have been a victim of the process. They were never going to be able to pay back this money, even if there were a continuation of three teams operating. They would have struggled to pay back the money. So, from day one, they were put into a financial position that I do not believe was sustainable; it was not good government and it was not a good policy position. This gets to the heart of the whole debate. This soccer stadium has not been built for all South Australians: it has not even been built for all of soccer. If you get out and talk to the grassroots of soccer—as we do and as the member for Torrens does—and if you get out and talk to community clubs, they are very critical of what has taken place. However, the Deputy Premier and I can have that debate at any stage.

In respect of what I was asking previously—and we have to address these costs—is the stadium, at least now, operating in a profit situation or is it continuing to accumulate deficits, and what are the projected profit and loss figures? I think that those are very fair questions.

The Hon. R.G. KERIN: There is one team there as well as grassroots soccer, which uses the stadium down to a junior level and cannot afford to pay big amounts, and the federation has, I think, up to 30 uses of the stadium per year so, obviously, it is not making money at the moment. If you look at sporting venues in this state and interstate, that is pretty common. It is potentially a multi-use stadium—there is no doubt about that—and we are trying to gain control of the management of the stadium (although we have been frustrated in that) to try to turn it around and maximise the revenue that it will receive by having, perhaps, more soccer. We would love to get a second soccer side here; there is a chance that more international soccer could be played here than is currently the case; there are opportunities for other sports to be played on that pitch; and, also, I think three concerts are allowed under the planning regulations. So, there is a range of issues that could turn it around.

As far as any projected figures are concerned, they are in abeyance because we have not been able to get effective control of management of the stadium—there have been some frustrations—but we are confident that, with good management and by attracting a few others, we can minimise the exposure of taxpayers. We are optimistic that it might be able to be utilised. The nature of that stadium has opened up quite a few uses and I would like to think that with good management and some good marketing promotion of the stadium we may even be able to put it into a profit-making position.

Mr WRIGHT: Given that the minister told parliament on 16 May—34 days ago—that he was going to get out his calculator and work out the average paying attendance at Hindmarsh stadium for Adelaide Force games in the 2000-01 season, can he advise the committee of the results of his endeavours with his calculator?

The Hon. R.G. KERIN: I will take that on notice. I think we can do that because we work very closely with the Force, but that is not really an issue as far as the finances of the stadium go: it is an issue relating to the finances of the Force.

The Force pays a set rental each time they use the stadium, so it is up to them how many people are there and whether or not they make a profit or loss on the individual game. But, I will endeavour to sharpen the calculator, get a new battery, and see if that can be worked out for the member.

Mrs GERAGHTY: I want to talk about soccer at a local level. In parliament on 16 May the minister said that the \$570 000 price which the Adelaide Force pays for the Oakden complex was for Litchfield House only. Can he tell me what additional payment the club will be making to the government for the use, lease or purchase of the training facilities adjacent to Litchfield House and how much of the \$570 000 has been paid to date?

The Hon. R.G. KERIN: I make the clarification that the \$570 000 is an option to purchase and that is part of the agreement which does not come into effect totally until we resolve the issue with the Charles Sturt Council which is a condition precedent. So, none of that \$570 000 has been paid because it has not been triggered. The Force says at the moment that they would like to take up the option but the option is not triggered until we sort out the issue with the Charles Sturt Council. My understanding is that the \$570 000 will have to be paid on settlement for Litchfield House if, in fact, that goes through.

The lease of the playing fields involves a peppercorn rental. However, that lease has a big condition on it: to maintain that standard of sporting facilities costs a lot of money. A peppercorn lease involves an insignificant amount of money, and that is the case with a lot of land that is vested to sporting interests across the state. The land is not sold to them; they come in on a peppercorn lease which involves their having to look after the land. How much that will cost depends on, for example, how hot a summer is. In the region of \$60 000 to \$100 000 a year is required to keep up that standard of grounds. When they are not using it, it is to be accessible to the general community. It is not as though there is a huge lease on it, but they have the responsibility for the upkeep, which involves quite a significant amount of money per year.

Mrs GERAGHTY: Is the minister aware of the contents of a letter from the North-eastern Metro Soccer Club sent last year to the Department of the Premier and Cabinet regarding its wish to negotiate a deal for the club to secure Rams Park as its home ground; and, if the minister is aware of that, why did he imply to the parliament that he had no knowledge of an offer from another soccer club besides Adelaide Force, which had expressed an interest well before last year?

The Hon. R.G. KERIN: Since that was mentioned in parliament, we have done a search of that. Both MS and Metro City Allstars approached the human services area of government going back some time. At the time, they were apparently rejected. I took over this matter in about September or October last year. I was negotiating with the force, and I did not know of any offers being on the table at that time. My understanding is that they had been rejected at the time. I was unaware of any other. The first I knew about the Metro City Allstars was when the honourable member raised the matter in the House in relation to MS. That was the first knowledge I had that there was any interest in that. However, by then I was well down the track of negotiating with Adelaide City. At the time of questioning in the parliament in May, reference was made to how the government could have got \$1 million instead of the \$570 000 by selling Litchfield House and the fields. Ever since I have been involved, I have not been aware of any intention by anyone

to sell off those sporting fields. They are important green spaces in the area. To sell that, we would have to redevelop sporting fields which would involve not only upkeep but development costs. So it has not been our intent to sell those sports fields.

Mrs GERAGHTY: I want to express again my great disappointment and no doubt that of the MS Society and the North-eastern Metro Stars given that they had made earlier approaches. Perhaps the minister may be able to enlighten us later as to why those offers were refused. Both organisations are community minded, and they play a great role in our community. If anything falls over with an arrangement with Adelaide Force, will the minister put this out to tender and approach these organisations and give them an opportunity now to come back with an offer? I can assure the minister that they are still willing to go through with this commitment, and they have the funds.

The Hon. R.G. KERIN: At present, that space is home to Adelaide City, which is a community club: it is not just a national league side; it has junior sides down through the grades. The area is owned by the Minister for Human Services, and I am sure we would be looking for the best use of those fields. That would be done with one proviso: given the standard of fields we have there, if the tenant was to move into Litchfield House, it is important that we do not find ourselves in a position that to service those sporting fields we had to then build more facilities on the open space there. If the land was to pass to other ownership, it is important that we take into account the fact that, given the standard of sporting fields there, we need some facilities on site without using up a lot more land. That would be a real consideration into the future of what would happen with that building. It would be great to see the building used for any community purpose, but I am also conscious of the fact that, if we sold it to a body that had no specific interest in sport, somehow we would need to cater for change rooms and the other facilities required.

Ms HURLEY: We are moving from talking about tens of millions of dollars going to a soccer club to \$785 000 going to the Office of Regional Development. This is half the problem. A lot of complaints to me from around the regions are queries about the function of the Office of Regional Development and the lack of funds and resources available to that office. The budget for the coming year is indeed \$785 000. That budget was exceeded last year; it actually spent \$880 000. That is not as big a blow-out as the Hindmarsh Soccer Stadium but nevertheless it has been pinned back down to \$785 000 for 2001-02. Will the minister explain what he regards as the role of the Office of Regional Development? By way of explanation, I note that most of my questions about regional development in last year's estimates were responded to by the Deputy Premier with the statement that it was the role of the Department of Industry and Trade to handle those functions.

It is safe to say that many of the people in the regions I spoke to were thinking that, once the regional task force recommendations were implemented—and there was an Office of Regional Development then backed up by the Regional Development Planning Council—some concerted action would be undertaken by this office. However, they have been very disappointed by what has come out of the Office of Regional Development. The feedback I have received is that they are very disappointed by the level of activity and the results obtained by that office.

The Hon. R.G. KERIN: The point that the deputy leader raises involves a misunderstanding on the part of some people—and I will probably name some of the people who have raised the matter with her—regarding the role of the Office of Regional Development. It is not to be grown into a big bureaucracy. Within industry and trade, we have the regional development unit, and we have 13 regional development boards spread out in the regions. Economic development remains a role within the Department of Industry and Trade and with the regional development boards. That has been a matter of some confusion, and because of that confusion we are at present going down the track of possibly renaming the Office of Regional Development the office of rural or regional communities. We are talking about taking steps such as meeting with the boards and having a forum to try to get over that confusion in some people's minds.

The role of the Office of Regional Development (as it is now called) is very much about trying to sort out the issues which run across government. I think the office has been successful with the issues group, which sits under the Regional Development Council. The issues group consists of members from right across government and it has been able to work through issues in a way, which, previously, has not been possible. For instance, the regional development boards have identified problems which they have come across in getting approvals or which have been impediments. They have identified them to the issues group, which has worked through how government as a whole can better handle many of those issues.

There has been a misunderstanding. The Office of Regional Development was never about trying to duplicate what was in DIT. It was never about trying to do the work of the regional development boards. A couple of boards found that a little hard to digest, but I think that they now have a better understanding. I believe that the Office of Regional Development has been successful. As far as trying to work through the issues within government, which is its primary role, it has achieved a lot. Mr Wayne Morgan has been proactive with several projects including Community Builders. The Community Builders project, which is one of the major projects coming out of the office, has been incredibly successful, as has been demonstrated this year by the number of communities lining up to do it.

The feedback from those who participated last time is exceptional. I believe that the projects coming out of the office—which are not about economic development but about community capacity building—have been excellent. However, the primary role remains (and the one which a small office in government should do), that is, utilising resources from across government to work together towards solutions for regional areas.

Ms HURLEY: Certainly, regional communities are facing many challenges. In his opening statement the Deputy Premier talked about the increased activity and profitability of primary industries in regional areas which has contributed to strong regional growth. He said that the money coming back into regions flowed into the community and decreased unemployment, for example. However, that builds challenges as well. Coping with the infrastructure is the obvious one, and the other one is ensuring that some of the benefits are reasonably evenly distributed among those communities, and that, I believe, is where the government can assist and facilitate.

In fact, the Deputy Premier put out a press release called 'Rural revitalisation through local action', part of which says

that the state government has allocated funding in 2001-02 to find practical solutions to regional work force accommodation shortages. The Deputy Premier would well know that that is becoming a serious issue in several regions. In the same press release, Mr Kerin further says that the council was keen to learn that the government had established a higher level across-government group to develop a strategy to help address the accommodation shortages caused by economic growth. What funding has been allocated to address those accommodation shortages and from which budget does it come? Can the Deputy Premier tell me more about this high level across-government group that has been set up?

The Hon. R.G. KERIN: I thank the member for her question and her acknowledgment of the development that is occurring. I will ask Mr Wayne Morgan to tell the committee what is happening. Money has come from a couple of areas, and we have certainly applied for federal money. We have received some federal money, but not what we had hoped for a specific project. Several projects are occurring, and basically they have different solutions, so money comes from different areas. There is a loan out of RIADF in one specific case, but I will ask Mr Wayne Morgan from the Office of Regional Development to advise the committee.

Mr MORGAN: The matter of providing work force accommodation as a result of the strong growth in the economy of regions has certainly arisen as a key issue for across-government consideration. In this particular budget funding of \$80 000 has been outlined, which, at this stage, is probably the minimum which can be identified to look at finding some practical solutions for those areas which are facing considerable growth in new emerging industries, such as at Naracoorte in the South-East, Port Wakefield and so on. The funding is primarily for the purpose of a study and the development of practical actions/solutions for those areas in which we are seeing a market shortfall in the provision of work force accommodation.

The project is a partnership between local government, state government and also the federal government, as the Deputy Premier outlined. The project combines the personnel from those key levels of government to explore specifically good case studies of where communities have been able to find solutions and also to explore the opportunities of working hand in hand with the private sector, but also, having identified some good practices, to promote and to make other communities more aware of the opportunities that they have identified. We will be looking at this particular study feeding into a higher level across-government group, which is being led by the Department of Premier and Cabinet. The purpose of the group is to look at areas where there are possible policy solutions which can assist in improving the level of market uptake for provision of housing to meet the needs resulting from economic growth.

As the Deputy Premier knows, he is active at the national level as well in working across the states and with local government and the federal government in trying to find opportunities for partnerships, in terms of the provision of investment by the private sector in the delivery of suitable housing, rental accommodation, and so on, to meet the specific needs being identified in regions. In the case of South Australia, it will not be a one size fits all approach: it will very much be horses for courses with different circumstances facing each regional community.

In relation to additional funding for assisting communities to help face some of those regional challenges, the government has identified a need and provided \$500 000 in this

budget, an allocation that the Regional Development Council will be considering in terms of the strategic direction in which that money will be allocated to specific initiatives. The initiatives making up the program to help build a stronger regional South Australia would be done in partnership with other players such as the federal government, local communities and industry. As a result, it is expected that that funding will leverage further funding to establish a greater level of resources to help to assist communities to fund local action to enable them to address some of the major challenges.

Ms HURLEY: I might have known that the allocated funding was for a report or a study—it seems to be the pattern. I was hoping that there might be some immediate action happening somewhere. Returning to the Office of Regional Development, will the minister say what percentage of that budget allocation is for staff costs, what is for other costs, and what are those other costs?

The Hon. R.G. KERIN: The deputy leader spoke about a blow-out last year, or the way it appears in the budget papers. What happened from budget time last year until the reporting was that cabinet actually approved another \$92 000 for Community Builders. That is why there is the discrepancy in the two figures within the budget: there was actually more money given to the office during the year.

The other issue is that, with the allocation for this year, \$500 000 was put aside for regional development initiatives that we then took to the Regional Development Council to get community feedback on how that would be best spent in the communities with a community building aspect to it, and what they have agreed to is a range of programs that will be managed by the office. That actually adds another \$500 000 to the office budget for this coming year.

Mr MORGAN: As the Deputy Premier outlined, the Office of Regional Development is a small team of about eight people. It is not a large organisation by any means, nor does it need to be. The funding that the state government allocates to the Office of Regional Development is fundamentally to support the salaries associated with a small team and would contain the bulk of the funding for which its operations are focused.

As the Deputy Premier outlined, our role is very much focused on facilitation and a strong voice in Adelaide for those regions, very much with strategic issues. As a result, the operations of the office are focused on supporting the range of new government arrangements that were established out of the Premier's Regional Development Task Force, particularly supporting the Regional Development Council, which is meeting approximately on a quarterly basis, and providing that advice to the government through the Minister for Regional Development on strategic issues and priorities.

In addition to that, the office has a strategic role in supporting the Regional Development Issues Group, chaired by the Hon. John Dawkins. That group was established by the new government arrangements of the Premier's task force and has a role in working across government in finding solutions and discussing the opportunities for action and direct outcomes of the work that is brought forward by the Regional Development Council or brought to the attention of the minister.

Fundamentally, the office does not have discretionary funding that it can directly apply to regional initiatives. The financial year 2001-02 has seen new funding of \$500 000, as the Deputy Premier indicated, which will enable the Office of Regional Development to facilitate new initiatives to assist in building a stronger regional South Australia. That does not

mean to say that the office is the delivery mechanism for the initiatives but it is the vehicle for which the funding, guidance and partnerships associated with achieving outcomes from that funding will be delivered.

Mr CONDOUS: What progress has the government made in implementing the recommendations of the Premier's Regional Development Task Force?

The Hon. R.G. KERIN: There has been excellent progress: more than 80 per cent of the recommendations have been implemented. A couple of the recommendations are ongoing, so you would never be able to say that they have been totally implemented, because they are directional.

Overall, the Minister for Regional Development, the Office of Regional Development, the Regional Development Council, the Issues Group, the strengthening of the development board network and the development boards in regional South Australia are doing a terrific job. They do not always get the praise that they deserve. We are getting about the right number of applications to spend the \$15 500 that is in the Regional Development Infrastructure Fund. We are very much on track. A lot of work has been done across government with the issues group to make sure that the recommendations of the task force have been followed and complied with, and I think they have done an excellent job.

Ms HURLEY: That last answer was very nice but it did not tell me what the staff budget was. I presume that the \$500 000 in additional funding is out of the \$785 000, so does that make \$285 000 for staff costs?

The Hon. R.G. KERIN: The staff costs were \$525 000.

Ms HURLEY: The office has an additional \$500 000, the Deputy Premier said, so the budgeted figure is not the correct one: it is additional to that.

The Hon. R.G. KERIN: Yes, there will be \$500 000 on what is in the budget, which has now been allocated that way by the council.

Ms HURLEY: For the Regional Development Infrastructure Fund, \$5.5 million has been allocated in 2001-02. In the Directions for Regional South Australia Frame of Action, the government's response, there is reference to the Development Infrastructure Fund that says that the \$15.5 million fund is to accelerate high priority infrastructure needs in South Australia. It stated that the projects assisted up until 1 January 2000 will lead to the expected creation or retention of some 1 570 jobs with new investment in excess of \$368 million. Has that target been met, and what jobs and investment targets does that \$5.5 million allocated for the next budget have?

The Hon. R.G. KERIN: To date, 34 applications have been approved totalling \$5.5 million and there are applications in the system at the moment for around another \$5.5 million. In the first year of operations there was projected creation or retention of some 1 570 jobs with new investment in excess of \$368 million. It is always very hard to get accurate figures, but we would hope for a similar goal.

The types of developments that we are helping out with the Regional Development Infrastructure Fund do vary a lot. Sometimes there is a significant cost to the whole project in getting three-phase power, say, to a smallish project, or it may well be that it is just one small sticking point on a much larger project. Certainly, quite a few of the projects that have been helped were projects with in excess of 50 to 100 jobs, and there is a range of others down to six and eight jobs, but many of those are very strategic because of their location and some of the add-ons of having that type of industry there.

In most cases it is for infrastructure up to the boundary of the property, so probably the largest number of applications are actually to bring a power supply to where a development is going to occur. Normally, we do that on a fifty-fifty basis. It is regular for a development to want to occur but it will cost them \$300 000, say (or up to \$600 000 in some cases), to get electricity to the site, and sometimes that is an absolute deal breaker, so the fund helps to make that affordable.

Ms HURLEY: How many of the 34 applications are for power related projects?

The Hon. R.G. KERIN: I will take that on notice, but I would say that we are probably looking at very close to half.

Ms HURLEY: About half of those 34 applications are for the provision of power infrastructure; what sort of other infrastructure has been provided?

The Hon. R.G. KERIN: A couple were for water. We did the Balcanoona air strip, which had some real tourism benefits for Arkaroola and that region. There are a few where roads have been part of the issue. In some it is a mixture of infrastructure that is needed on a site. There is a broad spread. I am willing to obtain for the honourable member a map that shows where they are located in the state and what type of grant the individual ones are. I can supply that pretty quickly.

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

Ms HURLEY: I inform the Deputy Premier and more probably the advisers that I plan to ask questions in order of the output classes. My first question therefore concerns output class 1. What is the break-up of the budget for output class 1.2 between mines and energy and the primary industries and SARDI figure?

The Hon. R.G. KERIN: I thank the deputy leader for the question and I will call on Geoff Knight to give the detail.

Membership:

Ms Rankine substituted for Mr Wright.

Mr KNIGHT: In the breakdown of output 1.1, \$2.53 million of the \$10.223 million pertains to the minerals and energy segment of the portfolio. I can provide the deputy leader with information about how that breaks down across other PIRSA groups if she wishes.

Ms HURLEY: I will move on to 1.2, the research and development area. Can I also have a breakdown between mines and energy and the remainder of the primary industries portfolio?

Mr KNIGHT: The total expenditure for 2001-02 for output 1.2 is estimated at \$51.398 million and, of that, \$5.145 million relates to minerals and energy. Most of the rest—\$39.247 million—relates to the South Australian Research and Development Institute (SARDI).

Ms HURLEY: Referring to research and development, the Deputy Premier would be aware that the former head of the department of fisheries has launched a scathing attack on the government, accusing it of making decisions on fisheries and aquaculture on the basis of politics and pork barrelling, not on the basis of good scientific research. Dr Gary Morgan, who was the head of fisheries between 1997 and last year, made those claims to the *Australian* newspaper in a letter, which states:

I have degrees in natural resources management and mathematics from both Sydney University and University of WA and a management degree from Melbourne University and have worked in the USA, the Middle East, Europe and the Caribbean. Much of this work has been with the Food and Agriculture Organization of the United

Nations (where, at various times, I ran both their global Fisheries and Aquaculture programs) and in senior executive positions with US Agency for International Development. My consulting business is in fisheries and aquaculture research and development.

Of my 2 children, my son is a Mechanical Engineer specialising in water and wastewater management research and my daughter has a degree and MBA in Hotel Management and is currently managing one of Boston's largest hotels. They both work with, and employ, a number of expatriate Australians.

I also have direct experience of the impact that this talent flight is having on Australia's capacity to manage its resources and generate sustainable economic growth. When I returned to Australia, I wanted an opportunity to pass on my experience and expertise so, in 1997, I took on the position of Director of Fisheries with the South Australian Government and essentially stood aside from my consulting business for a period.

I found the standards of both management (and more worrying, research) abysmal with research in particular poorly funded and lacking focus. The main impact on me however was seeing researcher morale so very low. There was no 'spark' and no excitement. (This is a government research organization.) Most researchers, particularly the young competent ones, were just waiting to get out and I think that, at one stage or other, every graduate researcher in fisheries and agriculture under 30 asked me to intervene to find a job for them overseas! This left those nearing retirement to carry on the work. God knows what will happen when they actually retire! I despair at the thought.

The other, more insidious, impact that this poor standard and morale of research support had was a lessening of the importance of research findings in Government decision making (on fisheries and aquaculture development). A vicious circle was developing where the recognition that the research was poor or inadequate led to it being discounted in decision making which then led to even lower researcher morale and more departures and less Government funding.

Decisions on fisheries and aquaculture development were, as a result, becoming much more politically-based and subject to overt pork barrelling. Simply because the strong research support base was rapidly disappearing. In this case, it actually suited the political agenda not to have a strong and vibrant R&D presence! I suspect this is also the case in other industries. That is when I left the position in early 2000. This is why I believe that the talent flight has already caused major structural degradation (certainly in the R&D areas with which I am familiar) which will not be easily reversed by tax reform alone. I am now again fully involved in my consultant business and, with a great tinge of sadness, will be basing myself in the USA—and I am certain that in the future I will be supplying research services back to Australia in areas where Australia was once the world leader.

So, after being hired by your government, that has been Dr Morgan's experience as Director of Fisheries. What decisions to which he was referring have been made based on politics and not good research, and are our fisheries and environment at long-term risk because decisions have been made based on politics, not science?

The Hon. R.G. KERIN: At the outset I would say that I do not agree with Gary's sentiments there. If you go to SARDI or Waite they will give the lie to what he said, because that is not the case. The other thing I will say is that the circumstance under which Gary Morgan left the department has a lot to do with the tone of the letter and some of the things that have been said. As far as the politics are concerned, Gary, like many of us, was quite disillusioned with the industry politics within the fishing industry. I know that decisions at fisheries management committee level, some of which were overturned, were of concern to both him and me. As I said, in some cases we overturned some of those decisions because they were based on politics within the industry. We have tried to address all that. I am not sure to what he is referring. I know Gary quite well. He has never raised those issues with me. I do not know what he is talking about and I do not think he is correct.

Obviously, because of the way in which his employment with the department was terminated, he does feel bitter, but he was the ultimate manager within the Fisheries Department so any criticism of management is a little hard to understand. Gary has had adequate opportunity to raise any of those issues with me, but he has never done so.

Ms HURLEY: As a supplementary question, are you saying that Gary Morgan never raised any issues with you about the quality of research and development in the department or the direction in which it was going?

The Hon. R.G. KERIN: Since it became obvious he was leaving, no, he did not. In my regular meetings with Gary during the period he was with the department, we talked at some length about many of those issues, but I can never remember Gary saying that there was a problem. He often had a problem with what the fisheries in their licence fees were willing to pay for R&D—I think we often have. We are in service provider mode whereby, if those fisheries want research on a certain thing and they are willing to pay for it, we supply it. This has been a problem with several people. Some people feel that they should pay and we should tell them what they get for their money. That is not quite the way it is. We go through a process with R&D that is paid for out of licence fees. He might not necessarily have agreed with that. Being a fisheries researcher himself, he would have liked to see work in other areas. He was not in charge of SARDI and fisheries research: he was Director of Fisheries.

Mr LEWIS: I wonder if under output 1.1 the minister could provide to the committee a simple statement by category of the sources of revenue which the department in each case under his care, or in his portfolio, obtains its funds? The categories to which I refer are general revenue; explicit fees and charges made on industry which are returned to it, presumably in the interests of that industry; and other fees and charges resulting in revenue which is used within the portfolio but not necessarily specific to the industry which provided it. I want to know where the money is coming from. In fact, I want to know as a proportion of the total amount of money being spent in the Primary Industries portfolio in 1985, as compared to this financial year, how much comes from each of those categories?

The Hon. R.G. KERIN: Output 1.1 relates to data and information products and services. I think the member might be looking for something broader.

Mr LEWIS: I defer to the superior knowledge of the minister in that respect and ask him to simply answer the question if I have it wrong. Notwithstanding that, I need the information. I am talking about what comes into Primary Industries as a portfolio and the sources of that revenue, whether it is coming from taxpayers' revenue, as it mostly used to, or from specific industry sources for specific industry purposes, or from the industry at large and used elsewhere, not necessarily in that explicit industry. For example, some of the Grain Research and Development Council funds are now used on programs that are, while symbiotically associated with grain production, not directly spent on grain crops. Where does the money come from in the portfolio; where does it go; and how does that compare in the same categories with where it came from in the financial year 1985-86 and where it goes to? I do not expect the minister will know that precisely today. If he is happy to take it on notice, I am happy to learn about it later.

The Hon. R.G. KERIN: We will take it on notice. We could give some broad outlines; certainly with 1985 we could not. It might be better to take the question on notice. It is

almost statistical. If the member is happy with that, we will endeavour to do that.

Mr LEWIS: Yes, I am happy with that. The point I am making is that I expect we will discover that there is less money available for Primary Industries from general revenue and more has to come from the industry itself as fees, charges and levies made on those explicit industries. That does not necessarily mean that the funds will be spent on that explicit industry, but it may be argued in the process that the purpose to which it is applied is a purpose which the so-called consultative council, committee, or whatever it may be, in that industry at the time thinks appropriate to spend it upon.

Altogether, as a society, as a state, we have taken the view over the past 15 years, both in the Labor Party and the Liberal Party, that it is okay to spend money on education, so long as it is in public schools or other government owned agencies, but that it is not okay to spend money on extension from general revenue where that is not the development of knowledge through what has been traditionally regarded as the formal source of instruction.

I will go on to explain further that my fear is that the rate of improvement in productivity within Primary Industries will therefore fall away—and indeed probably has fallen away on what could have been achieved—if the same level of expenditure from general revenue on that kind of extension service or education had been continued. I do not know whether or not that is the truth but the figures ought to illustrate that point. I have been disturbed in recent years to see the weeds section, for instance, simply vertically cut because the Treasurer and other cabinet ministers were unwilling to continue to finance it.

If an exotic plant is discovered, it will take, in effect, longer for it to be identified and for an appropriate policy to deal with it to arise in consequence of the demise of that professional section within the department than would have been the case 15 or 20 years ago. We run the risk of suddenly finding ourselves overtaken more rapidly by the disastrous consequences of not having that expertise within the department explicitly focused upon those exotic plants when they are growing out of place in our environment: by definition, these are weeds. They can simply occupy the ground, take up the nutrients and water and reduce our productivity and the usefulness of our land if we allow these weeds to become established. We do not have a commitment, it seems to me, to that kind of program any more. I will leave it at that and go on with my next question which follows on from this directly.

How much money has the government spent on fruit fly control in the past—and when I talk about the past, I mean 15 years ago, 10 years ago and five years ago—indexed into 2000-01 dollars? What are the consequences likely to be of this review if we pander to the whimsical inclinations of the ignoramuses who want to see the whole control program watered down? It is bad enough now for my citrus growers in Mypolonga, who cannot get the kind of accreditation which has been made available to communities in the Murrumbidgee Irrigation Area, for instance, or in Sunraysia, who are just as much at risk of being exposed to fruit fly infestation as the growers at Mypolonga; indeed, they are probably closer and at greater risk. Yet, the Mypolonga growers cannot get that kind of accreditation and certification that would enable them to enter the markets currently supplied out of New South Wales and northern Victoria.

So, I want to know what this government's policy is on fruit fly now; or does it not have one, pending the outcome

of the review? To what extent is DNA testing being used to identify the genetic relationship of the fruit flies caught in the traps, for instance, during this last summer, to those that were first caught? We know that it is the Mediterranean fruit fly that is causing the problem.

I suspect that it is the irresponsible indifference of members of the general public who are miscreant idiots, in that they take fruit prone to infestation from areas in which infestation is known to occur to another location within the metropolitan area, in the belief that they know better than the government. And they spread the bloody thing. The next thing we know, we will lose some of our horticultural markets as a consequence of that selfishness and that ignorant, indifferent, irresponsible behaviour. The penalties for it are just too low at present. It is an insidious and growing part of the culture of the younger generation in the metropolitan area to treat with disdain the attempts that have been made successfully to prevent any *Drosophila* from becoming established in South Australia. It just worries the hell out of me that we are prepared to pander to the whims of the voters in marginal seats that might affect electoral outcomes, in seats such as Unley and so on, and sacrifice, or seem willing to sacrifice, the millions of dollars of export income that we could otherwise enjoy.

What is the current policy? What is the expenditure level on fruit fly control? Will it be sustained? (This is not explicitly spelt out in the budget documents.) What attempt is being made to identify, through DNA testing, the close relationship between any of the more recent outbreaks and earlier outbreaks?

The Hon. R.G. KERIN: The expenditure for the campaign for 2000-01 is about \$3.3 million. On top of that are the normal fruit fly road blocks, and whatever. So, the bio-security fund section of it (which is the campaign) is over \$3 million, which is a lot more than you would ideally wish to spend, but it has been necessary. There is no doubt that we have had a good policy. The issue under review is very focused on what we do with fruit fly in metropolitan areas. We have a very strong policy. You would be aware that the tri-state committee recommended to me that Yamba and Oodlawirra be closed and shifted to the other side of Broken Hill, which I rejected out of hand.

The issues under review are very much to do with how into the future we can continue to control outbreaks within metropolitan areas. The way things were starting to run this year with the public debate really creates the risk (if not this year at some time in the future) of some sort of class action or whatever it is that actually stops the spraying, and that would put the whole industry at risk. It is worth being aware of that and ensuring that whatever we do is totally responsible. The review will be very much about the communication, education, procedure (occupational health and safety) and training to make sure that operators understand what they are doing as well as householders understanding (1) the need for spraying and (2) particularly their responsibilities in ensuring that they do not expose themselves to any sort of risks from the chemicals. Of course, these chemicals have been used for a long time in that field.

Referring to the previous statement made by the member, I inform him that this year the budget appropriation for primary industry is up 21 per cent. Since 1993 we have done reasonably well within primary industry; the level of government appropriation has stayed up. On top of that are those avenues where we raise revenue. I think that is pretty well on line. I think the other thing that we sometimes miss

is that 15 to 20 years ago almost every agronomist outside Adelaide was a departmental agronomist. The overall trained knowledge out there nowadays has lifted enormously. There are fewer farmers and the number of agronomists in regional South Australia is probably something like four or five times what it was previously. There is a whole range of commercial agronomists operating, whether they are consultants or people working for local business or fertiliser or chemical companies. The means of delivery have also changed through FarmBis and property management planning and so on.

I think nowadays there is much more focus on getting knowledge to where it is required, and that is not only government because GRDC has excellent seminars and field days around the place. Farmers are the ones who have to take the credit, because even though there are fewer farmers every seminar and field day is a lot better attended nowadays than was the case 15 to 20 years ago. There is a real thirst for knowledge out there amongst the farming community. I greatly respect the urge of the farming community; they know there are new technologies out there and that there are better ways of doing things, and the willingness of South Australian farmers to pick up on that has been terrific.

From a productivity point of view, five record grain harvests in the last six years speaks for itself as far as their ability to pick up on productivity is concerned. I believe that the big lift in productivity over the years has not necessarily been at the top end of the crops. What has happened is that the variability of crops in areas has almost disappeared. As the member would know, through eelworm and soursobs and so on, 20 years ago if your best crop was 15 bags the worst one was probably three because of some of these problems. Nowadays, if your best crop is 15 the worst is probably 12. I believe that is where a lot of our productivity has picked up. We have got rid of a lot of the flops that farmers invariably used to have because of things that were beyond their control at the time but they have used technology to drag those bottom crops up towards their top ones.

Mr LEWIS: With respect to fruit fly, I refer to DNA testing to determine the relationship between subsequent outbreaks that have occurred through the summer and the insects trapped in the initial outbreaks. There are means by which it is possible to establish fairly accurately whether or not these are from fresh infestations imported or from derivative infestations that have arisen from the spread of infested fruit within the metropolitan area. Can the minister say what contribution will be or has been made by the South Australia government to the breeding of sterile males for release to mate with females? It is a type of Clayton's mate: it all happens but nothing happens because the male is sterile. The female thinks she has what it takes but, in fact, she has been caught short and all the eggs that are laid are equally sterile. If the minister does not mind, can he not only identify what cost contribution is made by South Australia to that program, if any, but also can he describe the physical process of the entomologists and other scientists involved in developing the sterile male? I have a very good reason for asking that question.

The Hon. R.G. KERIN: First, it is certainly possible with Queensland fruit fly. I think that one of the issues—and I do not know the total answer—involving DNA with the Mediterranean fruit fly is that virtually all that come here would come from Perth from the one population, and that complicates things a bit. So, we are not sure but we can check on that. I suppose at the end of the day it is useful to know; you still have an outbreak, but we can check on that. The fact

that they nearly all come from the one population in Perth makes it a little harder to differentiate.

The issue of the sterile fruit fly is one that we have been pursuing with Western Australia for some time. What we will be spending on it is the topic of negotiations at the moment. We are looking to target about six million a week during the period of the campaign—

Mr Lewis interjecting:

The Hon. R.G. KERIN: Yes, that is flies. We are looking at about six million a week and we are negotiating with the department in Western Australia at the moment as to cost sharing and supply arrangements. We have a lot of hope that that may well be part of the whole answer. If it actually works as well as it has with, say, the Queensland fruit fly, it will in itself address a lot of the community issues involving the amount of chemical used, the way it has to be put out and the length of time it needs to be put out. We are very keen for that to actually work. The work on that is running a couple of years behind the Queensland fruit fly program: our work with sterile male Queensland fruit fly has been very good. Mr Barry Windle will answer the last part of the question.

Mr WINDLE: I will explain in relative lay terms, since I am not an entomologist. I understand that the population of Mediterranean fruit flies that is used to generate the sterile males is a heat sensitive strain. The process is, broadly, that the flies are raised, the whole population—males and females—is irradiated, which renders the males sterile—

Mr LEWIS: This is not just the sunshine, is it? The irradiation is radioactive?

Mr WINDLE: Yes.

Mr LEWIS: What kind of rays are they?

Mr WINDLE: I would have to check that. Then the population is subjected to a temperature which is lethal for the females, leaving only the sterile males. That population, in its pupating stage, is then transported for emergence in Adelaide and then for subsequent release.

Mr LEWIS: So they do not all fly while they are in flight? They are in the sleeping phase?

Mr WINDLE: Yes, they are pupating.

Mr LEWIS: And, on arrival, I presume they break from the chrysalis and are ready to mate, if I am not mistaken.

Mr WINDLE: Yes, that is correct.

Mr LEWIS: What is their libido like in comparison with the fellow that has not been irradiated and cooked?

The Hon. R.G. KERIN: Ask the girls!

The ACTING CHAIRMAN: Is that a second supplementary question?

Mr LEWIS: I am really asking what is the trade-off? We are using a lot of chemicals, Mr Chairman, which is causing a lot of people a lot of angst. How much more do we have to pay, if any more, to switch our techniques? That is what is motivating the question. I am trying to get that across to the general public. There are a couple of underlying sound messages in it, namely, that radiation is not all bad, nor is genetic manipulation of a species all bad, and in this case it will probably be cost effective. It will not only eliminate the risk that people feel they are exposed to of development of allergies or poisoning from the use of the sprays that are lethal to the fruit fly, but, also, it may be as cost effective, if not more cost effective, than relying on chemicals, baits and so on. That is the gist of it. It is about time the public had a little lesson in the benefits of some of these scientific techniques and enjoyed the benefit of it without getting hang-ups about what we will do with the nuclear waste of the dead male fruit flies because, once they have copulated, that is it—

you do not come back tomorrow night. It is like the white ant: it is all over.

The Hon. R.G. KERIN: I thank the member for sharing his thoughts with us. In regard to cost effectiveness, I am informed that this method is cost effective with Queensland fruit fly, but with Mediterranean fruit fly it is a bit different because they are a different beast: the numbers required are quite high, and making it work will probably mean a cost premium over the current type of program. However, I think that is a good investment. I make clear to the committee that going the way of the sterile fruit fly is not a reaction to the problems that we have had this year. It was always the intention that we would go into full scale testing with the sterile Mediterranean fruit fly at the first outbreak next year.

Membership:

Mr Snelling substituted for Ms Geraghty

Ms HURLEY: I would like to go back to Dr Gary Morgan's letter because I find it difficult to believe that the minister can shrug off what is basically an indictment of the Fisheries Research Organisation. In his letter Mr Morgan does not only talk about poor funding: he says that it is a poor standard of research. He does not talk about political decision-making within the fisheries industry: he is saying that decisions on development were becoming more politically based and subject to overt pork-barrelling. I think the minister's previous answer begs the question as to why Dr Gary Morgan left his position as Director of Fisheries.

The Hon. R.G. KERIN: As regards the reason he left, I am quite happy to speak to the member privately about that. I do not think it is fair to Gary Morgan for me to make too many statements publicly on that. In fairness, I will not state that. Strictly, his reasons are a matter between the chief executive of PIRSA and Dr Morgan.

The research priorities are not set politically. Rather, they come down to several steps. There is the SAPIRD, which sets the overall direction for research for both SARDI and those parts of PIRSA which interrelate with that. There is what we call SAFRAB, the body which looks at proposals which may require FRDC (federal Fisheries Research and Development Corporation) funding, and there are the fisheries management committees which make decisions on what they want to fund as far as research goes. So, it is very much not a political process in relation to any decisions that are made on the direction that research will take. It does not come to me: things are reported to me but the decisions on what research takes place are taken extremely independently of the political process, and so they should be. It should be the bodies that are funding them that make the decisions. And SAPIRD (the South Australian Primary Industries Research and Development Board), which is an independent group of people, sets the direction for government funding on research right across the board, whether it be fisheries or otherwise. So, despite the way in which the letter is worded, if Gary Morgan has a problem with the direction that the research was going, it is that Gary Morgan as an individual did not agree with the decision-makers within SAPIRD, SAFRAB and the Fisheries Management Committees.

Ms HURLEY: That means, by the sound of it, that you totally reject anything in this letter and that you have no concerns whatsoever about the standard or direction of fisheries research. I have spoken to a number of people, both working within the industry and in the conservation movement, who have also expressed to me concerns about research

in the fisheries area. But, is it the case that you totally reject anything that is said in this letter and you have no concerns whatsoever about that aspect of your department?

The Hon. R.G. KERIN: I suppose we would always love more resources in all these areas. As regards criticising individuals and the work they do, I absolutely refrain from doing that. I think that some excellent work is being done by some of our researchers. For Mr Morgan to say that it is only the older ones who are left, which is implied in the letter, is just not correct. You only have to go to SARDI to see that that is not the case. While Gary Morgan might not have agreed with the direction that some of those people were taking, I do not think he has the right to judge those people or question their competency just because he did not agree with what they were doing. There are some very good people there, and I think that they are doing terrific work. If you look at the health of our overall fish stocks, I think that is testament to the good work that they are doing.

Ms HURLEY: I do not believe that the tone of the letter suggests that Gary Morgan is criticising individual people. I think it is quite explicit that he is criticising the management and the direction of the whole department. As far as I know—and I asked this question at estimates last year—the position of Director, Fisheries, has not been filled. In last year's estimates the minister said that that would be happening shortly but perhaps not at the level of director. Could you update the committee as to what has been happening there?

Mr WINDLE: The process of appointing a fisheries policy director is well advanced; in fact, interviews are next week. The statutory role of Director, Fisheries, has been fulfilled throughout the year 2000-01 without breaking that function. The position has been called nationally and locally, and we have also sought expert recruitment assistance in that process. As I said, the interviews are next week, and both the major fishing industry bodies in South Australia are represented on the interview panel for that position.

Ms HURLEY: The research and development aquaculture strategic plan for southern bluefin tuna has been released. One of the key recommendations is for the development of manufactured feed for tuna, and that is obviously useful in terms of tuna farming management plus environmental sustainability for the industry. Another recommendation is the propagation of southern bluefin tuna. I understand that some sections of the tuna industry, while supporting research on manufactured feed, are not so keen on the propagation of southern bluefin tuna. Will the minister comment on the importance of those two objectives?

The Hon. R.G. KERIN: Manufacturing feed for tuna is very important. It involves not just environmental sustainability but economic sustainability as well. The feed conversion ratios from pilchards can be improved a lot with manufactured feeds. The manufacturing of feed has both environmental and economical benefits. It is just a matter of getting the right formulations and whatever, and that is really the vital next step. I am obviously very keen for propagation to go ahead, because who knows what the sustainability of some of those global fisheries might be. Australia is a commonwealth fishery, and Australia has been extremely responsible over the years as far as its catch goes. We are trying to get everyone in the same loop.

Fishing outside the quota still occurs, and that puts the whole thing at risk at some stage. Propagation allows two things to happen: first, if it works—which is the challenge they face, and a lot of R&D has to be done to get to that stage—it will offer sustainability to the tuna industry. It will

do so because it will make up for fishers not being able to catch fish to grow them or not being able to catch as many. Secondly, if we get the feeding part right, which will make tuna farming as such even more sustainable, propagation really means that we can build the total size of the industry. What tuna farming has done for Port Lincoln, and the flow-on to Eyre Peninsula, is quite amazing in a financial sense. If we can grow on that, and have a few other areas share in what is a real wealth generating industry, I would certainly support that.

Ms HURLEY: I would like to move onto output class 2, 2.1—Resource regulation planning services. In the commentary on major resource variations, the quite large increase in the budgeted amount for this section is attributed to the farmed seafoods initiative, management of marine protected areas and food risk management and safety. What is the funding allocation for each of those three areas?

Mr KNIGHT: The additional funding in 2001-02 for the farmed seafood initiative is \$2 million; for the food risk management and safety initiative, \$800 000; and for protection of the state's living marine resources, \$400 000. I point out that that is half the total state government commitment. The sum of \$400 000 has also been allocated through the Department for Environment and Heritage. So that initiative is a total of \$800 000.

Ms HURLEY: That adds up to \$3.2 million, which does not quite account for the increase in funding. It is not an easy thing to see what the resource regulation planning services do. What are the other services there? Who are the customers of this output class?

Mr KNIGHT: There are some other changes. One of the things that makes these statements a little difficult to understand at times is reclassifications from one year to the next. I can assure the deputy leader that they are not done for this reason. However, there is a reclassification of Animal and Plant Control Commission expenditure from another output into this one, and that is out of a further \$600 000. So in total those four come to \$3.8 million. I suspect the total variation is about \$4.8 million. There are other assorted minor changes. If you wish to get a fuller reconciliation of that, we are happy to take that on notice. They are the significant elements of that.

Mr LEWIS: My question is now about the tendering processes used by the department for the work that it has to get done by contractors. How are people or firms empanelled to make them eligible for participation in tendering for the work the department wants to get done by private contractors for pest and weed control?

Mr WICKES: The pest and weed control tendering you are talking about is done by the animal and plant control boards. It is up to animal and plant control boards to sort out their tendering arrangements for control of weeds.

Mr LEWIS: By way of supplementary question, what about in the context of the branched broomrape tenders that were recently let?

Mr WICKES: The current branched broomrape tenders that are let, which are to do with roadside management and fencing, have been put through a process of calling for general tenders and been through our APU unit to sign off on the process and also on the tenders.

Mr LEWIS: By way of explanation, I will refer to a letter which I have received about this program and which has disturbed me immensely. It is from Mike Mason, who is quite prepared to swear this under oath. The letter states:

On Monday 14 May my mother left a message telling me about the advert in the paper for fencing. On Wednesday the 16th I had a message left on our answering service informing us of the project and inviting us to attend a bus trip on Friday the 18 May. On Thursday the 17th May Murray Thomas from McNamara Fencing rang me at home to tell me about the tender and if I was interested he would send me the documents. I said yes please. I was home to arrange some things and rang to arrange the documents etc for this job. I rang contact numbers I was given on the phone messages (16th); I think I spoke to Nick Secombe, Project Officer, Branched Broomrape Program. He gave me another number, [and] I informed him that I had no tender documents and knew nothing of what he required, I explained to him that I was a local fencing contractor—

and I might add by way of explanation that this man and his business (Mike Mason Fencing Pty Ltd) has done extensive contracts for both state and commonwealth governments, not just South Australia—

and had already been involved and was well aware of the requirements and the danger of spreading the seed.

I rang the other number, a mobile, and was informed about the bus trip again on Friday 18 May, and I agreed to join them on the inspection, which was the bus trip. I also informed this [chap] that I had no tender documents and he said, [he would] have the documents on the bus for [me].

Friday I was there early, a man came around and checked [those of] us [attending] off a list. I inquired about the documents [and] he said 'Here' and gave me a modification of the original fence design. I said I still needed the tender documents; he replied that he would send them out to [me], so I gave him my business card and said that McNamara Fencing would not be attending as they did not do rural fencing work and they were sending their copies [of the documents] to me, but I said [that I was Mike Mason from Mike Mason Fencing] and would like my own tender document. . . There was a bit of a preamble talk to all the different contractors (earthmoving, fencing, spraying, fumigating and [the general] interested parties [who had been invited to this inspection]. [We were] informed that it is a big area and the trip would take most of the day and if we [wished] to leave early best we follow in our own vehicles, but if you [do so] you may miss out on some questions and answers. So off we went and arrived at the first site and just drove straight through and had a running commentary.

I asked what. . . the distance [of the proposed inspection would be] and got [the] reply, 'From the white peg to the next white peg both sides of the road'. I replied, 'If you have no measurements could we measure it with the bus trip meter?' [He replied] 'No trip meter' (bus diver shook his head). . .

He then said that somebody will be sent out on Monday. One of the people on the bus replied that Monday was a public holiday, to which he replied that it was not a problem, as 'they had someone out there all the time, and he would get the measurements sent out by Tuesday 22 May'. The letter continues:

We arrived back at Murray Bridge around 11.30 a.m. and I decided that I had seen all that was needed and when I received the documents and [the] distances [relevant to the fencing contract that I was interested in] I would have a closer inspection by myself and then ask [further questions if necessary].

On Thursday 24 May I arrived home after work at 7 p.m. and found I had just received the documents from McNamara Fencing and that the tenders closed on Friday the 25th May at 4 p.m., discussion time closed at 4 p.m. Thursday 24th May.

I had a previous engagement with DEHAA at Warooka on the Yorke Peninsula. I still haven't got distances [I had sought] or a copy of the tender documents from Nick.

On Friday 25th May in the morning on the way to Warooka I rang Mr Nick Secombe and asked some questions mainly about distances and he said he had forwarded them on to McNamara Fencing, and I asked what about Mason Fencing. He said he had fulfilled his obligation and I should get my act together; as far as he was concerned McNamara Fencing were forwarding everything on to me and [that] was not his problem—

I think the problem arises in this section—

I asked could I fax it in (the tender) [and] he said no, he couldn't have someone sitting next to a fax machine waiting all day [he said

it would be] bad luck [that I might not and would not be able to submit my tender and] you should have got your act together.

[I checked] McNamara Fencing got the distances on the Thursday, [Mr] Secombe rang back and left them on the voice mail [for me] at 10.30 a.m. . . [after I had set out for Warooka].

He denied ever hearing me say, please send me the tender documents and information. He gave us [the] distance, [but] no mention of [the] number of end assemblies, gates, etc [which are] all necessary in preparing a price.

It disturbs me that in further explanation and conversation with me Mr Mason pointed out that Mr Secombe, and anyone else who was involved in this process, was very uncooperative and unhelpful, and, accordingly, that may have affected the willingness of contractors to submit competitive and realistic prices and, more particularly, it may have excluded some people from prospective participation because of the offhanded and indifferent manner with which it was treated. I ask the minister: is this what he sees as acceptable behaviour and, if not, will he undertake to have the matter investigated and, if necessary, arrange for a recall of the tender to enable the state, the taxpayers and the program to get the most competent and best possible prices in each of the categories for which tenders were called; and, if not, why not?

The Hon. R.G. KERIN: I am quite happy to obtain a copy of the letter and have this matter investigated. I am very loath to judge these things without knowing the full story. We receive a lot of complaints over time and, once both sides of the story are known, you are in a much better position to judge. So I will not prejudge it, but I will obtain a copy of the letter from the member and have it investigated.

Mr LEWIS: Will the Deputy Premier tell the committee what the government expects will be the ultimate cost of this round of tender calls for the eradication program along the roadsides in the areas that have been set aside as the quarantined areas affected by branched broomrape near Murray Bridge and Bow Hill?

The Hon. R.G. KERIN: Tenders are still out, and for me to put an absolute figure on it prejudices the tender process to some extent. Within the program, we have indicative figures. We are looking at \$300 000 to be spent on fumigating roadsides and some other high risk areas. It is not a cheap process of fumigating. Obviously, that will depend on the level of tenders that come in. We only have indicative figures for that at the moment. Similarly with the fencing, that will depend on what actually comes in. I am not aware of the likely costs there.

One of the problems, as we head down a path of eradication and control, is just what the total 'ask' is at the end of the day for branch broom rape. That is something that we will continually have to monitor, and it is very hard to judge because we do not know for how many years we will be doing this.

Ms HURLEY: I would like to address output 2.3, relating to compliance services, and would like to go back to fisheries for a while. I am not quite certain how it is operated, but I understand that on the basis of some Crown Law advice some fisheries were advised that they could not undertake their own compliance work because of a conflict of interest, and now PIRSA has taken over that compliance work, hence the increase in budget that we see here. Can the Deputy Premier elaborate on that situation, and particularly, if it was on the basis of Crown Law advice, what question Crown Law was asked?

The Hon. R.G. KERIN: I am not aware of what the question was, but it was certainly on Crown Law advice that

action was taken as to the conflict of having the fisheries bodies actually directing certain things with compliance. I will ask Will Zacharin to try to address the question.

Mr ZACHARIN: Advice from the Crown Solicitor was that fisheries needed to take more of a hands-off approach in terms of providing compliance services; and that compliance services for fisheries, which are a public resource, must be in the interests of the community and should not at any time be fettered by a stakeholder group.

Ms HURLEY: Perhaps I can ask as a supplementary question, then, not so much what question was asked but why was the question asked at this stage? Were there perceived problems with the industry-run compliance programs?

Mr ZACHARIN: Compliance does not run any compliance programs, so we did not take away any programs that the industry was running, but they wished to use some people outside the Public Service to provide compliance services. Again, the advice from the Crown Solicitor was quite clear: that people who have powers of arrest or search and seizure need to be officers of the Crown. Therefore, outsourcing some of those services to other groups was inappropriate for the compliance services of this common property resource.

Ms HURLEY: I will repeat the question then: were there perceived problems? Why, having had it outsourced for some time, was this questioned?

Mr ZACHARIN: No compliance services were outsourced at all. There was a wish to, so we took advice on the aspirations of industry to provide some compliance services in some areas, and that was considered inappropriate so on that legal advice we did not proceed.

Ms HURLEY: I take it that the reason for the additional fisheries compliance officers being put out in different regions, as referred to in the budget papers, was as a result of this Crown Law advice. Will those officers be taken from existing PIRSA compliance officers or will they be additional officers, and what training will they require?

The Hon. R.G. KERIN: I can assure the deputy leader that that was not the reason for the extra officers. The extra officers were purely a budget bid that we put in, in that we wanted to step up the compliance effort. With more people fishing, better equipment, GPS and whatever else, compliance is one means of restricting effort, particularly illegal effort, and it was felt that the best way we could do that was through a range of measures, one of which was compliance.

In terms of who they will be, they need to be extra people because they are actually extra heads, an extra number of people, that we will have in compliance. Obviously, they will come in from outside. People who work in other sections of PIRSA could apply but, basically, they are people new to the compliance unit.

Mr ZACHARIN: We have put out applications to recruit people, and all those people will be trained to the TAFE certificate 3 level in compliance before they undertake their duties.

Ms HURLEY: The Deputy Premier referred to the increased need for compliance—increased effort by fishers, including recreational fishers. The Deputy Premier has just released a decision about recreational rock lobster fisheries that allows not quite an unlimited take but an increased take of lobsters by recreational fishers. Obviously, there will be much more of a requirement for monitoring this situation to find out whether recreational fishers of lobster are staying within their bag limits and are noting their take in what I gather is a log book. Is this one of the reasons why there is additional expenditure on compliance?

The Hon. R.G. KERIN: They are not particularly linked. What we wanted to do with the rock lobster was a different decision. That decision was taken only after we had done our bilaterals in the budget bids, so that they were separate, although of course they are connected. The extra money that we will receive for rock lobster pot registrations will be used very much to increase our information about and monitoring of the actual size of the recreational catch. We feel as if we need as good a grip on that as we possibly can get, so that we can identify the level of recreational effort.

The deputy leader will be aware that we have come to an arrangement whereby we will ensure that effort within the total fishery is capped by the transfer of some effort on a lease basis. To get that as right as we possibly can will require us to have a good system of monitoring the total size of the recreational catch. Compliance is part of that, but there needs to be more monitoring, and we are going to have little log books and a range of measures that we feel will increase our information as to the size of the recreational catch.

Ms HURLEY: I have a query about the expenses in relation to output 2.4, relating to incident response services, which are listed as \$5.851 million. As I understand it the budgeted amount last year was \$5.637 million, but the actual expenditure was \$13.023 million. Have I misunderstood, or is there some other factor in there that accounts for that \$8 million discrepancy?

The Hon. R.G. KERIN: That part of the budget is always extremely difficult to predict. The member would be aware that we spent over \$6 million on the locust campaign and that we had a difficult fruit fly year. There is a range. That part of the budget is very hard to predict, because at the start of the year you do not know where you are with locusts and fruit fly, and there are other components in there that are also unpredictable. It is probably further out than it would normally be, but a lot of that would be because of the absolute size of the locust campaign this year. It was an extremely good investment when you look at the way we had very little damage in a year when we had record crops. But it was expensive; it cost us more than \$6 million to do it. That is the major reason for the discrepancy, and fruit fly adds to it as well.

Ms HURLEY: I want to ask a question about where we are with incident response to ovine Johne's disease. Is the aim still the eradication of that disease, or is it simply control? What sort of incidence of the disease has there been in South Australia?

The Hon. R.G. KERIN: Yes, industry is still very keen on eradication. The only thing that makes people nervous about that is the incidence in New South Wales, where historically it has not been addressed perhaps as well as it could have been; it has almost become endemic in one or two areas over there. Industry in South Australia is very focused on eradication but at the same time doing as much as we possibly can to work out what the prevalence or incidence of it is. As a result of some of the testing we are doing, we are starting to show up some cases. As far as ovine Johne's goes, the member would be aware that recently we found an OJD positive case in the Millicent area. My understanding is that we are probably up to four, and more as tracers from that case, which is a bit of a worry, but tracing continues.

What gives us some level of confidence that it is not widespread is that we have done some pulled faeces testing at the abattoirs, and that has shown up some positives, but they have traced them back to properties on Kangaroo Island that we know have it. That has been positive. It means that

the test is picking it up, but virtually all positive results have been explainable. There is still a lot of work to be done; we still do not have a foolproof test for it. Kangaroo Island is our major focus of infection in South Australia—there is no doubt about that—but the latest cases in the South-East are of some concern to us. As we find each of those we then start to trace forward yet again as to where they might have sent sheep to carry through the infection. Whilst we have found four to date, it does not mean it will stop there.

Ms HURLEY: I now move on to something different, which probably does not belong in this section, but I was not sure where to ask it. I want to ask a question about marine aquaculture. I have received some information that section 59 exemptions have been issued for the release of mulloway into tanks but no permits for the release of kingfish or mulloway into marine cages. Indeed, the new species of fish for aquaculture is a very exciting development, but I would not like to see some slip-up occur, as happened with tuna in Louth Bay, which causes the industry some regulatory problems. I want to check that that system of permits and regulation is being followed with regard to different species of fish released into cages or tanks.

The Hon. R.G. KERIN: I will ask Barry Windle to answer the question.

Mr WINDLE: My understanding is that section 59 exemptions for the collection of kingfish brood stock have been issued and that the subsequent farming of kingfish is subject to development approval.

Ms HURLEY: And mulloway?

Mr WINDLE: Endorsements for species occur on the aquaculture licences, and my understanding is that they have been made.

Ms HURLEY: I would like now to move on to output class 3, 'Coordination and advice'. I am particularly interested in the aquaculture bill. The target listed in the budget for 2000-01 was that this bill should go to cabinet, and I notice that in this year's budget the highlight for 2001-02 is that it would have reached cabinet by the end of June. Will the bill in fact be before cabinet by the end of June?

The Hon. R.G. KERIN: Yes, the bill has gone to cabinet. There is one issue on which it needs to go back to cabinet, and hopefully that will be in the next two weeks.

Mr LEWIS: My questions arise from this Budget Paper 8, Regional South Australia. My first question arises from a remark that is made in there. It is provided to the parliament under the signature of a letter from the Deputy Premier and Minister for Primary Industries and Resources and particularly Minister for Regional Development, where he has signed off on that initial statement on page 3. It draws attention to supporting planning and infrastructure. In the second paragraph it provides local, regional management of water resources through catchment water management plans and sustainable water used to support industry as an example of the way the government is helping the regions. I further point to the statement made on page 6 that the government is committed to helping regional communities develop and enhance their capacity to determine their own future.

Why does the government not allow the communities of Pinnaroo, Parilla, Lameroo and Geranium to obtain the benefits they naturally enjoy from the underground water resources which they use in their towns, instead of compelling them to subsidise the cost of providing water supply to the metropolitan area and other communities such as Yalata and Woomera, where the cost of simply getting that water from the aquifer beneath the towns, putting it into an

overhead tank and reticulating it around the towns is less than one-twelfth of what they are charged for it? Yet they cannot enjoy the benefits of that lower cost, in spite of the government's saying it is committed to supporting regional development and providing this opportunity to help the regional communities enhance their capacity to determine their own future.

On the one hand, we are compelled to subsidise other people's water supply in the mallee and, on the other hand, we cannot get a reasonable power supply when the clear profit the government has been making for years out of that water supply program has been taken out on the other side of the state to the benefit of industrial, domestic and government agencies' premises. As minister for the regional development of the state, is he prepared and willing to go to bat for these communities in the mallee to give them a fair go so that they are not screwed for their water supply by SA Water and/or whoever else is responsible for billing it?

The Hon. R.G. KERIN: I am not sure what the actual costing of the water for those areas would be in a true sense—I know what they are charged. As far as cross-subsidisation is concerned, with the corporatisation of SA Water there is not really cross-subsidisation. I think it is now a \$76 million community service obligation which ensures that there is a statewide water price. If we were to go down the line of actual costings being reflected in pricing, it would absolutely devastate many of our rural communities.

In relation to the instance about which we are talking, I do not know: the major cost with water is always the infrastructure; pumping is a marginal cost. I take it that SA Water has done the infrastructure in those areas, including putting piping around the towns.

Mr LEWIS: The E&WS did that about 50 years ago.

The Hon. R.G. KERIN: But you will find the cost is the infrastructure. There are private water schemes around but for them to do something independently would work out more expensive than the system they currently have. I do not know how you break that down. On one hand, I have to go into cabinet to argue—and I have gone into cabinet over the years and argued—the case for one price across South Australia, despite what competition policy might say, because the actual cost in many areas would be far too high. The \$76 million, or somewhere in the mid \$70 million range, to make up the community service obligation to get water into regional areas is an enormous cost. Once all the costings are done, the honourable member might be surprised to learn that the actual costs in those towns are close to what is charged.

Mr LEWIS: I know what it costs to pump water from that aquifer per megalitre and it is nowhere near \$1 a kilolitre, yet that is what it works out to. It is nowhere near a 10th of a dollar a kilometre. The infrastructure is not all that extensive because the towns are fairly compact and the infrastructure is already there—just like it is everywhere else. It seems that the mallee misses out and does not get any community service benefits; and it suffers these kinds of disadvantages which ought to be sold as its advantage.

The minister enjoys enormous benefits for the communities in his electorate through the cross-subsidisation of water supply from the Morgan-Whyalla pipeline that augments the minimal amount of water that gets caught in the Bundaleer and the small reservoirs in the north Flinders.

The Hon. R.G. Kerin interjecting:

Mr LEWIS: Well, if they are no longer used, then all the water is pumped from the river. They are used as recreational areas, I guess.

The Hon. R.G. KERIN: Not yet.

Mr LEWIS: In any case, it costs a lot more to pump the water from Morgan to Port Pirie than it costs to pump the water from 50 feet underground in Lameroo to the header tank. I bet it costs no more or less in Port Pirie to put down pipes to reticulate that water to the homes than it costs in the mallee. In fact, it probably costs less because in those towns there is no underlying limestone or other sedimentary rock material; it is easy trenching. It is in the area of the mallee that was not inundated in recent geological time on which the limestone sediment settled, so it does not have the same costs. Yet we cannot get an even break to enjoy the benefits of where we are. It seems that we simply suffer the disabilities that arise out of the so-called equal water pricing policy which is not fair; and, if it is fair, then damn it—put some reticulated water around the communities of Swan Reach, Bowhill and Copeville which was promised it some 30 years ago when Tom Stott was the member for Ridley and which was never delivered.

While they were promised by the government when the Hon. Steele Hall was Premier, subsequently the Premier (Hon. Don Dunstan—bless his socks and rest his soul) repudiated that promise and nothing was done. No matter which way I look at it, the communities I represent miss out. Budget by budget, year by year, we build the Burra to Morgan Road and we fix up the road from nowhere else to Cummins, and so on, but we do not do those sorts of things in the mallee unless I bellyache about it continually. The Bowhill section of the road was opened only a few days ago—it was very polite of the minister to do that when she knew I would not be there—but that section still does not complete the sealing of the road from Bowhill to Murray Bridge.

My point is that we suffer disadvantage. I have done the best I can politely; I am getting to be more bellicose about it now; and I will get to be impolite about it in the very near future unless regional development begins to mean something for the people I represent rather than a lot of words that say things that ought to apply but do not apply to us. They may apply to others but they do not apply to us.

The Hon. R.G. KERIN: We have checked the figures of the regions and there is a community service obligation made through the CSO for supplementing the costs or the shortfall of revenue versus costs in the Murray Mallee.

Mr LEWIS: No: that is because of the nasty way and the deliberately deceptive way in which the boundaries are drawn. That includes the communities of Murray Bridge, Callington, Tailem Bend and along the river. I asked the department before it was privatised, I asked the minister who is now Premier, and I have asked the minister since then to segregate those costs, but they will not do it; they say, 'It will be too expensive.' Well, I have said it before: it is the kind of thing you would expect from a male bovine beast's backend.

The Hon. R.G. KERIN: I think we are off the primary industries line here.

Mr LEWIS: We are on regional development.

The Hon. R.G. KERIN: No, we were on that this morning; that was before lunch. I hear where the member is coming from but, if we were to look at the true cost, we are pumping a lot of money into the CSO. If in fact any of those towns were under, I do not think they would be under by very much. I think the real costs of supplying water are quite high.

Mr LEWIS: The next point I wanted to raise is in relation to the planning strategy for the development of regional

action plans to be finalised in 2001-02—page 4. Although not explicitly mentioned, there are two points. First, how long will it take for the STED scheme to be completed as a program; and, secondly, why cannot the government simply take up the proposition with Victoria and New South Wales that the sensible location of the interconnector, regulated or otherwise, is not through the Riverland—north, south or straight through the guts—but from somewhere just upstream from Piangil, across the Victorian mallee through Ouyen to Pinnaroo and Lameroo and into the switchyard at Tailern Bend where it would not only give better and more direct access to the metropolitan market for electricity through the major switchyard but also provide for a reduction in the greenhouse gas emissions that result from the necessity to rely on burning diesel fuel to generate electricity and/or drive the pumps that now lift and irrigate the water (some 53 gigalitres a year) that the mallee is seeking to develop? So, the two parts of the question concern the ETSA interconnector through the Mallee, and how long it will take to get the STED scheme completed.

The Hon. R.G. KERIN: The document that the member is referring to is actually a whole-of-government document, and the questions that have been asked are really for the Minister for Government Enterprises, who is in charge of the STED scheme.

Mr LEWIS: This should come under the portfolio area of regional development because there will not be any regional development for the Mallee unless it does.

The Hon. R.G. KERIN: The larger issue of how the interconnector comes into South Australia is bigger than just regional development.

Mr LEWIS: That is why I am sort of begging the minister, Mr Chairman. I mean, the nice chap that he is and with the amount of influence that he carries in the cabinet, he can make the point to his cabinet colleagues, if he is serious about regional development for the people in the Mallee, that that is the way to go. Indeed, if he wants to see better and more efficient interconnector services to the whole of the electricity grid in South Australia, for regional industry and any other industry, that is the way to go.

The Hon. R.G. KERIN: That is an issue of power supply and branch lines. The interconnector issue is a bigger issue. I know it is connected but it is a bigger issue of how you bring electricity into South Australia to create a greater certainty of electricity supply. The route by which it comes in is also important in relation to supplying electricity on the way in, but that is very much in the area of the Treasurer. I take on board the points the member has made. I am involved in those discussions around the cabinet table, and I push for a lot of those, but they really are not in my portfolio area. I hear what the member says, and I will certainly take that into account when these issues are discussed.

Ms HURLEY: I regret to say that I have a question about an area that is not in your portfolio, or under your control, either. But I know that you do have influence. It is regarding the sale of Ports Corp and the grain terminal. I know that you did have some clash with the Minister for Government Enterprises over this when the bill was going through the parliament and that there was, subsequently, an agreement about dredging of the port to take vessels such as panamax vessels, and that part of that agreement was that there would be a new grain terminal in Outer Harbor. My concern, and no doubt that of the grain industry generally in terms of efficient transport and export of their product, is that the grain terminal is built and that there is a railway connection through to that

grain terminal. I do not see any allocation in the budget for the infrastructure required for that, and I wonder if the minister, from his stand as Minister for Primary Industries, could give an update of what is happening with that development.

The Hon. R.G. KERIN: I can give something of an update. AusBulk, which basically controls grain storage in South Australia, anyway, will be the builder and operator of the Outer Harbor grain terminal. It is keen to undertake this as soon as possible, but you are probably looking at 2003-04 by the time this can actually be done. They are saying that the first export shipments are planned to leave the new facility in 2004. At the time the legislation went through, it was indicated that money would be put aside for infrastructure to service the Outer Harbor section. Money will be required to upgrade rail and roads into that area and that has been accounted for. There will be some preliminary work this year and, obviously, money out of next year's budget will need to be spent as well. The grain industry is certainly looking forward to that. AusBulk is very keen to meet the sort of time lines that have been put down. After all the years of discussion about a deep sea port, at the end of the day, it is a sale that has actually delivered what the grain industry has been looking for—and there is no doubt that it will help the grain industry.

Ms HURLEY: So, you are saying that the government's contribution for that infrastructure is in the budget in the forward estimates up to when the terminal will be built in 2003?

The Hon. R.G. KERIN: I have not gone through all the lines to see just where it is included. You will remember that when the bill went through, statements were made. We have actually committed to it. It is just that I am not too sure how it shows up in other ministers' budgets—whether it is on separate lines—but the government is absolutely committed to it.

Ms HURLEY: I refer to output class 4, Facilitation Planning Services, where there is a decrease—\$12.596 million in the budget as compared with \$17.798 million last year. What is the reason for that drop?

The Hon. R.G. KERIN: The difference is a timing issue with NHT. At the time we did our budget, the federal government had not committed to NHT Stage 2, which they have now done. So, it is basically a timing issue with NHT.

Ms RANKINE: This is to make the Deputy Premier's day. As the Deputy Premier is aware, the Playford City Council has adopted a policy of requiring building permits for the erection of glasshouses. It is charging fees of up to \$1.27 per square metre, which averages out from \$500 to \$700 for a new structure, as well as planning and assessment fees and the building industry training levy. There has been a lot of argy-bargy about what constitutes a building. My understanding is that greenhouses have always been considered to be plant for the purposes of horticulture, and not buildings.

In output class 4, one of the targets for 2001-02 is to attract South-East horticultural industry development using the natural resources and environmental management systems. Can the Deputy Premier tell us what the implications are for the South-East proposal, and horticulture generally, as a result of the introduction of these fees?

The Hon. R.G. KERIN: I believe that at some stage I have seen some correspondence from that particular person at Playford. I think it has been an issue for quite some time with that individual. I am not 100 per cent sure, but I believe

a lot of that is the actual treatment of glasshouses by the Playford council. It is an issue that has never been raised with me anywhere other than in that particular case.

Ms RANKINE: It has implications for the whole of the horticultural industry and certainly development. Is the Deputy Premier aware whether this is a policy taken up just by the Playford council or would it also be taken up by those councils in the South-East?

The Hon. R.G. KERIN: The reference here is not to do with glasshouses but to the land use mapping—

Ms RANKINE: But horticulture needs greenhouses—yes or no?

The Hon. R.G. KERIN: No, in the South-East it does not.

Ms RANKINE: Well, in Virginia there are about 600—

The Hon. R.G. KERIN: Yes, in Virginia and Murray Bridge. I will have to take that on notice. It has only ever been raised in that one instance in Playford where it has been an issue. I have visited Virginia many times and it has never been raised with me as an issue. So, it may just be the treatment by Playford council of glasshouses as buildings versus the way that, say, Munno Para handles approvals.

Ms RANKINE: But it does have implications and could impact significantly on that industry. If we are talking about \$500 to \$700 per glasshouse, plus other fees, it has the potential to be quite significant. In correspondence to me, in one letter you said:

I am concerned that greenhouse growers are not unfairly treated in any change of policy by local government. Accordingly, I have asked officers of the Department to look into the matter . . .

In the most recent piece of correspondence, you said:

While it is to be expected that this change will not be universally popular, the cost represents a small percent of the overall cost of greenhouse construction and will arguably be to the long term benefit of the industry.

I would be interested to know what the department has done to ensure that greenhouse growers are not being unfairly treated and how you see this being to the long-term benefit of the industry.

The Hon. R.G. KERIN: I will have to check the information. What I am really battling with is whether it is only Playford council that has adopted this policy.

Ms RANKINE: How could Playford council determine something as a building and not plant when it is clearly plant? It is not where they conduct their business or what they buy and sell but what they use to produce.

The Hon. R.G. KERIN: Obviously, that is what the Playford council has judged it as being.

Ms HURLEY: I refer to output class 4.3, Training and Education Services. The budget for this year is \$5.075 million. Last year the expenditure was \$4.913 million but the budget was \$10.163 million. Can the minister explain the apparent under-expenditure in that department of \$5 million?

Mr KNIGHT: I would be almost certain that that is due to a reclassification of the FarmBis program. Again, I will confirm that on notice if the answer is any different, but this year you will notice in output 4.4 a very large increase from \$32 million last year to \$48 million this year, and that includes all of the FarmBis program, among other things. There are other things there that I would be happy to detail, but last year we showed that under Training and Education, whereas this year at this stage we have put all of FarmBis under 4.4.

Ms HURLEY: I have a question regarding FarmBis and the National Heritage Trust. There has been criticism from several sources about the charges by PIRSA to administer both FarmBis and the National Heritage Trust, and that has particularly centred around the rural solutions unit. There are allegations that they are taking a great deal of the funding and charging in the region of \$88 an hour for those services and, therefore, using a lot of the money either for training through FarmBis or for projects using NHT funding.

Mr WINDLE: The situation in relation to FarmBis and PIRSA rural solutions is that PIRSA rural solutions is contracted internally to provide some of the coordination program for FarmBis but is not directly funded—or funded in any way—for the provision of training. Training funding is established through groups of farmers identifying training needs and applying for funding. The funding from FarmBis goes to the training provider and, by far, the majority of training provision under the FarmBis program has been from training providers both private and TAFE, but certainly the vast majority has been outside of PIRSA rural solutions.

Mr KNIGHT: To detail the issue, the administration of FarmBis is not undertaken by PIRSA rural solutions: it is undertaken by the corporate area of PIRSA. Nationally, all states have agreed with the commonwealth on set benchmarks for each part of the administration of FarmBis, and that includes the assessment of applications from individual farmers and so on, and those benchmarks comprise around about 10 per cent of the total program funding for FarmBis. This year, to date, on our figures we are running the administration component at about 9.6 per cent, so we are slightly under national best practice in relation to administration.

Ms HURLEY: I think we have mixed messages. You are saying, then, that PIRSA rural solutions does not have anything to do with FarmBis and does not receive any funding for project management?

Mr KNIGHT: No, I am not saying that. They do not handle the administration.

Ms HURLEY: Then the question is: what part of the funding do they get? Are they getting too much for the bit that they do?

Mr WINDLE: PIRSA rural solutions is only funded for a component of the FarmBis program, which is the coordination component. The levels of activity in that area equate well with the comparisons with benchmarks and with the performance against all states in terms of the total uptake of farming opportunity and the percentage of funding which is directly reaching training activities initiated by farmer groups. So, in answer to the question whether they are getting too much, the answer is no.

Ms HURLEY: We know that the administration component is about 9 per cent. What percentage is allocated to PIRSA rural solutions?

Mr WINDLE: In the budget for the current FarmBis program to 30 June 2001, training delivery is \$10.095 million; training support, \$2.5 million; training coordination, \$0.275 million; information and promotion, \$0.2 million; and administration, \$1.45 million.

Ms HURLEY: So, on my calculations, the administration figure is \$1.45 million, and the rest, which is the responsibility of PIRSA—that is, other than the delivery—is about \$3 million?

Mr WINDLE: Yes, that is regional coordinators and state coordinator and the information and promotion components. All of the program is steered through the state FarmBis committee, which is an industry-dominated committee, and

that committee provides direction to the state coordinator in terms of the delivery of the program.

Membership:

Mr Hill substituted for Ms Rankine.

Mr HILL: I apologise to the minister for going over territory that may have been covered before I arrived, but I want to ask about sustainability issues across a range of the minister's areas. I refer to output class 2, and the target for 2001-02 which is 'implement recognition and acceptance of ecologically sustainable development principles by fish farmers and the adoption of models for sustainability'. I am not sure whether a question about that matter has been asked before. Will the minister outline what the department means by ESD principles and whether or not the department brings in officers of the department of the environment in consideration of these principles as they apply to fish farms? What budget is there for the education of fishers, and what budget is also available for paying for officers to ensure that there is compliance with those principles?

The Hon. R.G. KERIN: I ask Mr Mutton to answer that question.

Mr MUTTON: One of the initiatives that has been incorporated into the budget, and therefore the outputs for this coming financial year, is to identify specifically funds to ensure that the planning aspects of aquaculture and the sustainability issue through monitoring are managed effectively for aquaculture as part of the ongoing sustainable development of the industry. Bearing in mind that it was a growing industry, it was seen as being significant and important to ensure that those things are in place. The targets for 2001-02 that the honourable member identified in his question are very much along those lines.

With regard to the issue about training and development for the aquaculture industry, again the issue of FarmBis is one of those mechanisms to ensure the development of effective training in that industry in management of aquaculture. The industry itself is generating support and industry-driven requirements for training in the area of sustainability and, as I said, the linkage with SARDI from the point of view of monitoring programs was undertaken to ensure the sustainability of the industry.

Mr HILL: I did not find that answer at all satisfactory. It was a bit vague on detail, and it did not address several of the points I raised. Could the minister come back with a more detailed answer after the estimates process is finished?

The Hon. R.G. KERIN: We can. It probably requires a detailed answer, because there are definitions and whatever that should be spelt out.

Mr HILL: I refer now to another target, which is the last target in the output class 2, 'Improve the management of existing and proposed marine protected areas in collaboration with the Department for Environment and Heritage'. I know the minister and the minister for environment have made announcements about joint programs, and \$400 000 a year from each department is to go in. Who is the lead minister in relation to this area? Why has PIRSA got such a prominent role in this area, given that the MPAs are the equivalent of national parks? We would think it fairly ridiculous if PIRSA was half funding national parks or having a major say in the development of national parks in our state.

The Hon. R.G. KERIN: It is important that we quickly make a distinction between national parks and marine protected areas. The issue with marine protected areas is

multiple use and how we look after everything. The fishing industry is a key stakeholder in this, and the fisheries department is a big player in the management of marine resources. The interaction between what happens on land and what happens in the sea must be taken into account, and that probably involves a number of portfolios.

In relation to who is the lead minister, at present purely a partnership attitude has been adopted to try to work through all the issues to make sure that the stakeholders are engaged. It is interesting to see how closely the Conservation Council and the fishing industry are working together in the consultations that have taken place. The fish in the sea are very much my responsibility. It is totally appropriate that the minister for environment and I work through this together because it needs to be a partnership.

Mr HILL: I refer to output 2.3, 'Compliance services'. In some ways this question is similar to the first question I asked. What percentage of the targets for 2001-02 and the estimated results levels for 2000-01 relate to environmental matters? For example, how many of the cautions/expiation notices would have related to breaches of environmental or sustainability principles and the number of prosecutions that related to those principles, and the number of person days related to compliance awareness, audits, and so on? Is it possible for you to obtain those figures? I do not imagine that the minister would have them at hand.

The Hon. R.G. KERIN: We will take that on notice and give the honourable member a reply which provides that information.

Mr HILL: I refer to output class 3, which is the coordination and advice section, and the highlight for 2001 and the target for 2001-02, relating to the draft integrated natural resource management bill. The highlight says that the consultation has been completed, and the target says that the bill will be enacted. I make the point, too, that this is another example of what on first blush would appear to be an environmental bill. It is strange that we see the department of PIRSA running with this issue, particularly when I know that officers of other departments are less than sympathetic in relation to this bill and perhaps have doubts about the strategy and the purposes behind this strategy. To put it bluntly, there are people in the water resources and the environment departments who think PIRSA is trying to take over, and they are feeling threatened by it. I know the minister put this bill out for consultation. Has the minister had anybody respond yet who has agreed with the model he is suggesting, and will he be taking that model away and reworking it so that it makes more sense?

The Hon. R.G. KERIN: It is an integrated natural resources bill, and I totally disagree that that should fit with environment any more than primary industries. If you look at where soils and pest and weed control are, you see that they are extremely important as far as natural resources go. The greatest resource we have to control these other resources is people, and most of those are farmers. In fact, they get nervous when primary industries is not involved in this type of thing. They are the stakeholders who either own or hold the lease over a lot of the country that we are talking about, and it is important that we embrace them. I am not too sure about the inference of people not being happy with the bill. A lot of it has been championed by some of the people in PIRSA, because they are the people on the ground. I ask Roger Wickes to make some comment about the results of consultation.

Mr WICKES: Consultation has gone on across the state. We have received a number of submissions and between the three agencies and their chief executives we have been working through a process to make modifications to that bill to cover everyone's interests. That is currently happening with Parliamentary Counsel at the moment. The whole area of integrated natural resource management is a partnership between the three agencies and we have been working together for a number of years. For example, the Natural Heritage Trust has established that partnership and the same thing has happened with the community. A lot of the points in the bill are building on the administrative structures that we have been putting in place through the Natural Heritage Trust, which are environment and conservation, and also the production side which we have been putting in place for the last four or five years. It actually builds in very much with the direction the commonwealth is taking in terms of the salinity and water quality strategy, which has been put in place in looking at regional relationships. This bill does that and also covers what we expect will probably happen with NHT mark 2.

Mr HILL: I take the point that the minister makes, that is, that soil is part of his portfolio. I refer to the Soil Conservation Council's annual report of 1999-2000. On page 10 under the heading 'Report in the third term for the Soil Conservation Council 1996-99' it states:

The report highlighted the key actions that Soil Conservation Council perceived were vital to maximising the progress towards sustainable land management and advised the Minister that Council had not achieved several of its goals due to lack of progress in respect to integrated natural resource management issues.

Can the minister say when this bill will be introduced into the House?

The Hon. R.G. KERIN: Hopefully, it is still on line for introduction at the end of this session. I am not aware of any reason why it would not be introduced at the end of this session.

Mr Hill interjecting:

The Hon. R.G. KERIN: My understanding is that it is still on line to be introduced later this session.

Mr HILL: I refer to output class 4 and one of the highlights for the year was 'initiated southern rangelands program to help pastoralists examine their businesses and options for a more ecologically and economically sustainable situation'. Will the minister explain a little bit about that? In particular, I am concerned about the proposals being put to the pastoral board that goats should be allowed on pastoral lands as a potential new economic venture. Does the minister believe that goat herding in pastoral lands would be ecologically sustainable, given the great problems we have had in the outback of South Australia with goats?

The Hon. R.G. KERIN: The issue of goats has been before the pastoral board for quite some time now. No definite decision has been made, but I know that there is a mixed feeling amongst the pastoral community as to what should happen with goats, and any decisions about allowing goats in any areas will be based on the principles of its being a sustainable practice. If at some time in the future the pastoral board were to make a decision to allow goats, it certainly would not apply across all the pastoral areas. Some areas would be more suitable than others and certainly there is some land on which goats should not be allowed. At the end of the day, it is a decision for the pastoral board. I will ask Mr Roger Wickes, who is closer to the pastoral board, to comment.

Mr WICKES: There are two issues with goat keeping in pastoral country. The first issue involves the Animal and Plant Control Commission and whether goats are able to be kept in and managed without escaping. A process has been put in place and it is being trialled in the pastoral area. That involves a risk management assessment, which means that some pastoral areas will not meet that assessment. The second issue is about the grazing of goats on a pastoral lease and its impact on the countryside, and the pastoral board is dealing with that. It has been interstate to look at what has happened in New South Wales; it has looked at the literature from Western Australia; and it is looking at trying to test the effect of goats on pastoral country before it makes any further policy decision. That is still to be worked through and it has a meeting tomorrow.

Mr HILL: It sounds horrific to me that you are even contemplating this. The number of animals that have been released into the wild in Australia in our short history is just phenomenal and I am sure every time the farming of these animals was contemplated, they conducted a risk assessment, although perhaps not as thorough a risk assessment as you are going through this time, but I do not imagine that people intended deer and all the rest of the animals—camels, horses and whatever—which we currently have, to be running around the outback. I am sure you recognise it, but there would be great concern in the community about this proposition.

The Hon. R.G. KERIN: In relation to that, the member has to recognise that the goats are already there. If they were not in the area, introducing goats into the rangelands would be a great risk, but, over the last few years, the feral goats in the area have been a very good source of income for many of the pastoralists. It is not as if it is an introduction of a new species. In fact, in some ways, it would be putting more control over the goats in the area.

Mr HILL: I refer now to your second point in the targets which is 'further construct water supply pipelines to replace open channels and water wasting out of overflow basins at Loxton'. I assume that this is being done, in part, to save water. Will the minister say what will happen to the water that is being saved? Will that go into the river for environmental flow or will it be used for further irrigation?

The Hon. R.G. KERIN: What has happened at Loxton is that when the decision was made to rehabilitate the old system with the channels (which was initially a federal scheme) and they started digging the ditches for the new pipes, it was amazing to see how much water had been leaking out of those channels. The mounding around the channels was quite unbelievable and the amount of salt that would have been carried back to the river as a result of the leakage from the channels was very high. The water savings are enormous. They are talking about 4.8 gigalitres per annum by the time this is finished. The benefit to the community will be enormous. Not only will the way in which water is brought to the properties be a lot more friendly environmentally because of the salt load back to the river but also the adoption of a lot more efficient irrigation on site will very much help the health of the river because the old practices used to cause the water to go through and take salt back. It is a terrific scheme. As far as what happens with the water savings, I will ask Roger Wickes to comment on the split, but some goes to development and I believe that some goes back to the river.

Mr WICKES: It has been agreed that some of the split will go into development to help with the scheme, but a

decision has not been made about the other component and what part of that will go into development and what part will go into the river. There is still an amount of water that will be saved—and it will take us a number of years before we save it—but the decision is still out on that component of the water.

Mr HILL: I refer to output class 4.4 and I note that the minister manages Coastcare. Will the minister give some details about the amount of money involved in the Coastcare program and how it has been expended, and also about what relationship there may well be with the environment department over the expenditure of that money?

The Hon. R.G. KERIN: The member has shown an amazing capacity to read; he has picked up something that is not there. We are not the lead agency for Coastcare.

Mr WICKES: We are not the lead agency for Coastcare, but this is talking about management services, and between the Department for Environment and Heritage and our department we manage a thing called the NHT secretariat. It happens to be run out of our department and the management of the funding for Coastcare runs through that secretariat. We do not make the decisions about Coastcare; they are made separately, but we do manage the transactions because it makes it more efficient to do it that way.

Mr HILL: I want to ask a general question, if I may, about revegetation schemes. A lot of programs are funded through the department, such as Trees for Life and so on. Although the Deputy Premier may want to take this on notice, can he tell me what schemes he currently funds; what they do; what are the various components to the contributions; how much from the state and how much from the feds, and so on; and what the achievements of those schemes have been?

In other words, I would like to know how successful has our revegetation scheme been over the past 12 months, what are we intending in the next 12 months and how many trees have been planted? Just as background, I refer to the *Australian* of Friday 8 June, to an article by Amanda Hodge, entitled 'Wasteland of empty promises'. It refers to Barry Traill from the Wilderness Society, who stated:

... every Australian state, including those with negligible clearing rates such as South Australia and Victoria, have failed to reverse the net decline of vegetation cover, despite signing an agreement to do so in exchange for a share of the \$1.5 billion in Natural Heritage Trust funding. 'We have had a lot of rhetoric and an extraordinary amount of money [through the trust that] could have been targeted strategically but has been frittered away on small projects'.

I am asking the Deputy Premier to comment on that and give me the detail to prove the lie to that claim, if that is the case.

The Hon. R.G. KERIN: Overall some terrific work has been done over time, but the best way of answering this question is to take it on notice and get back to the honourable member with the full detail.

Mr HILL: Some time ago, when the Pastoral Board was in the Environment Department, I asked the then Minister for Environment and Heritage whether the Pastoral Board put out an annual report and was told that they did not but she thought it a good idea that they did and that it would happen in future. I have yet to see an annual report of the Pastoral Board. I still think that it is a good idea: can the Deputy Premier tell me how it is advancing?

The Hon. R.G. KERIN: I will follow through what was said and what the statutory responsibility is.

Mr HILL: They are not obliged to, although if they are getting public money they should put out a report publicly.

The Hon. R.G. KERIN: We will check on the status of that.

Mr HILL: I refer now to the proposal to lift reserve status on two areas of coastal reserve at Port Prime and Port Parham so that mining of shell grit can occur. I have been told that PIRSA is supportive of an application by Clay and Mineral Sales for the lifting of reserve status on two areas within that coastal reserve. I refer to a report prepared by the District Planner of the Mallala Council, who stated in point five of his report:

It may be worthwhile to request that Primary Industries check the environmental management credentials of C&MS [Clay and Mineral Sales] in relation to post closure management and rehabilitation of mine sites. C&MS raised the ire of this council in the past following clearance of significant stands of native vegetation in the sand hills at Redbanks. I have also had reports that Clay and Mineral Sales have caused significant damage to dunes in the Port Gawler area following mining activities. I am unaware of any attempts to reinstate the original vegetative cover at any of C&MS's disused mine sites.

The report is pretty damning of the proposal. It says that there are significant stands of native vegetation that are perhaps in danger but certainly of conservation significance at the regional level. Does PIRSA support this proposal and will the Deputy Premier take up the suggestion of the council and investigate the bona fides of the company?

The Hon. R.G. KERIN: This issue falls within Minister Matthew's area of responsibility. I wonder whether the honourable member might ask him that question.

Mr HILL: I asked the Deputy Premier in the sense to do with native vegetation and coast protection but, since he is not looking after that as explicitly as I thought he might be, I will refer it to someone else. I understand that the Premier and the Prime Minister have recently signed off on the establishment of a centre for natural resource excellence in South Australia and are looking at various projects, one of which I understand is focused on the Mallee. Can the Deputy Premier give some details of that centre and its budgetary implications?

Mr WICKES: The Natural Resource Centre of Excellence is a concept that we are working on as part of the new agreement. It is a group that would be put together by the university and CSIRO in South Australia to concentrate on a number of those salinity issues and landscape issues that we need to solve if we are to go into a major salinity program. Currently, as the honourable member said before, we have revegetation going on in a fairly small way. We have to look at how we can escalate that if we are to solve some of the salinity issues, particularly the leakages that go back to the river.

The idea is to form a group with the best science available to concentrate on the regional activities that are required to do that, rather than having a larger national program. It is linked in, and we have been having discussions with Victoria about being part of that program. They are showing support, and we have put in some funding for this year to kick it off. That is basically about bringing together the leadership for that Natural Resource Centre of Excellence and allowing some of the projects to start. The actual funding involved, I think, is in the first instance about \$2 million.

Mr HILL: When will this be finalised and announced, so that we know what the program is?

Mr WICKES: We have to put it through the National Action Plan on Salinity to be finalised and we have to get all these other people involved, which is what we are doing right

now. It is in the conceptual stage. We do have a prospectus for it and we are working with the other agencies as well, in terms of the Department for Water Resources and the Department for Environment and Heritage. So, we have a concept and are just bringing in the players. We have a fair commitment from the university to be part of it.

Ms HURLEY: There is a notice today that Pasminco shares have been suspended from trading pending a response to an ASX price query, and a note that the company is suffering because of low zinc prices. Has the Deputy Premier had discussions with Pasminco, particularly given his interest in his own electorate with that company?

The Hon. R.G. KERIN: Yes, I have. I had discussions with Pasminco on a range of issues over the telephone last week and am meeting with Pasminco early tomorrow morning.

Ms HURLEY: There is just an omnibus question that I have to read in. In relation to all departments and agencies for which the Deputy Premier has cabinet responsibility, including relevant junior ministers, list all consultancies let during 2000-01 indicating to whom the consultancy was awarded, whether tenders or expressions of interest were called for each consultancy and, if not, why not, and the terms of reference and cost of each consultancy. What are the amounts provisioned for consultancies in the portfolio for 2001-02, 2002-03, 2003-04 and 2004-05?

The Hon. R.G. KERIN: I will take that on notice. Before thanking everyone, I will make a clarification of the *Hansard* record last night, where the Minister for Tourism said:

The Office of Venue Management is not assigned to me until 1 July.

On her behalf, I would like to clarify that the minister was referring to the administration support of the Office of Venue Management transferring to her on 1 July. It is only a minor difference, but it is worth making that clarification, because at present the administrative support for the office is provided through the combined corporate services in the Department of Treasury and Finance, which also supports the Department of the Premier and Cabinet. So, that clarifies what actually transfers to her on 1 July.

Having done that, I thank you, sir, for your forbearance today, and all members of the committee for their questioning and cooperation. All the staff who have been here today and who have gone through the hard work of preparing briefings, I thank very much for all their efforts.

Witness:

The Hon. W.A. Matthew, Minister for Minerals and Energy, Minister Assisting the Minister for Primary Industries and Resources.

Additional Departmental Advisers:

Dr C. Fong, Executive Director, Energy SA.

Dr D. Blight, Executive Director, Office of Minerals and Energy Resources, PIRSA.

The CHAIRMAN: I invite the minister to proceed with an opening statement, and I will then ask the opposition whether it has an opening statement as well.

The Hon. W.A. MATTHEW: It is my desire to make a brief statement and then, in accord with an agreement we have reached with the opposition, we will hand the duration

of questions over to them, unless anything occurs that necessitates a change to that agreement.

The past 12 months have been particularly eventful in the minerals and petroleum areas, which have continued to provide significant benefit to our state. This has been the first full financial year of administration under the Office for Minerals and Energy Resources which, as I reported to the committee last year, was formed in direct response to the Resources Task Force report released in October 1999. For the calendar year 2000, royalty payments for minerals and petroleum production in South Australia reached a record \$94.4 million, an increase of more than 57 per cent from the receipts of \$59.8 million in 1999. Significant contributors to this growth are the mineral resources at Olympic Dam and petroleum in the Cooper Basin.

A number of new and potential new mine developments exist, including:

- The Beverley Uranium Mine, which was officially opened on 21 February this year. The first shipment of 35 tonnes of uranium concentrate took place in March 2001. The mine is expected to generate direct employment for 100 staff, export income of some \$30 million a year, provide about 275 jobs in service industries, primarily in South Australia, and generate payroll tax and royalties to government of about \$1 million per annum.
- The SAMAG magnesium metal project based on a magnesite resource at Myrtle Springs near Leigh Creek which aims to commence production in early 2004 at a rate of 52 500 tonnes per annum of magnesium metal and magnesium alloys. Construction of a processing plant near Port Pirie is planned to commence early in 2002 and will create over 350 jobs directly and many more indirectly.
- The South Australian Steel and Energy (SASE) project, which has established a demonstration plant at Whyalla. During April-May 2001 a trial pit to recover a coal sample was excavated at Ingomar, some 70 kilometres south of Coober Pedy. Further metallurgical tests are planned to test the suitability of the coal. Capital investment to set up a project will be over \$800 million and will create up to 500 jobs.
- Southern Cross Resources Australia, which proposes to develop the Honeymoon Uranium deposits located 75 kilometres north-west of Broken Hill using in situ leach methods. This will result in significant annual economic benefits at regional and state levels of \$20 million and a further \$10 million nationally. Direct and indirect employment generated by the project is estimated at 200 jobs.
- Dominion Gold Operations Pty Ltd, which has applied for a mining lease for the development of the Challenger Project south-west of Coober Pedy. A feasibility study will be completed by mid 2001. The company plans to produce some 117 000 ounces of gold during the first two years of open cut mining.
- Southern Titanium NL, which has recently completed a trial pit for heavy mineral sands with highly encouraging results for ease of mining and grade at Mercunda about 25 kilometres north of Karoonda.

Mineral exploration activity in South Australia has been dominated by the search for copper-gold and gold deposits in the Gawler Craton and Curnamona Province, with some \$11 million spent on this exploration activity in 2000. Lower but still significant exploration expenditure of \$8 million was undertaken for zinc, iron ore, uranium, nickel, diamonds and coal. Significant rationalisation of the mineral exploration

industry has occurred over the past two years, with diversification away from copper-gold and renewed interest in zinc, heavy mineral sands, magnesite, nickel, platinum, iron ore and coal.

The State Government South Australian Resources Industry Geoserver (known as SARIG) Project went 'live' in May this year, providing online access to information and services relevant to exploration and development. Potential explorers can now access high quality geoscientific data over the internet, which they can use to identify potential prospective areas for exploration. They can also review current mineral tenements, and apply and pay for exploration licence applications electronically.

The fourth year of the highly successful Targeted Exploration Initiative South Australia (known as TEISA) will commence in July 2001. As part of the resources task force response, a significant boost was given to TEISA acquiring and delivering new, high quality geoscientific information and services designed to facilitate future exploration in target areas of the State. A total of \$1.7 million of TEISA funds has been allocated to digitally capture and archive petroleum data over a four-year program, which will conclude in June 2002. Approximately half has been allocated to seismic data. South Australia is now recognised by the industry as a national leader in petroleum data management.

The Extractive Areas Rehabilitation Fund has committed \$1 902 900 to 30 April 2001 for remedial work on existing, abandoned and operating extractive tenements. The Dawesley Creek-Brukunga remediation program for reducing the pollution levels in the creek has an ongoing operating budget of \$650 000. The Brukunga Minesite Remediation Board has considered a range of options for improving the water quality of the creek and the rehabilitation of the site over a seven-year period. As a consequence, the South Australian government has committed \$26.1 million to action these recommendations.

The government has allocated seed funding of \$150 000 over two years to facilitate the establishment of the Stone Industry Association, which will concentrate on the promotion of South Australian dimension stone, particularly to potential overseas markets.

Applications for three geothermal energy licences in the Nappamerri Trough closed on 1 February this year. Successful bidders are Scopenergy Ltd, SAGE Pty Ltd and Geodynamics Ltd. Up to \$135 million of new exploration expenditure will be spent over the next five years.

In recognising the need for easier community access to information on sustainable energy use we have created Energy SA which, as well as replacing the former Office of Energy Policy, now provides a one-stop shop for information and encouragement grants for sustainable and renewable energy, energy safety and conventional energy market policy and programs. This is in part facilitated through the establishment of the Energy SA Sustainable Energy Advisory Centre at 101 Grenfell Street to replace the Energy Information Centre. A new Energy SA web site has been established to provide comprehensive information on sustainable and renewable energy policies, programs and practices.

It is also an exciting time for energy supplies as five groups compete as potential new gas suppliers to bring gas from the Otway Basin in Victoria or from the Timor Sea via Darwin into South Australia. My staff have been involved in facilitating this activity as well as their ongoing role of monitoring existing supplies, including:

- Implementation of improved processes for gas supply from the Moomba Processing Plant and delivery through Epic Energy's Moomba to Adelaide pipeline arising from the recommendations made by the working party comprised of government, SA Cooper Basin producers, Terra Gas Trader, Origin Energy and Epic Energy.
 - Continuation of market monitoring of Port Stanvac Refinery supply security levels for petroleum product, as well as shipped in supplies through Port Stanvac and BP and Shell terminals in Port Adelaide.
 - Amendments to the Gas Act in 2000 via the Gas (Miscellaneous) Amendments Bill 2000 to provide an improved legislative framework for the more effective management of gas supply incidents. In particular, the ability to vary gas quality in a shortfall or imminent shortfall situation would enable an increase in the quantity of gas available.
- My staff have administered a variety of programs encouraging the establishment and use of sustainable and renewable energy, including:
- The awarding of \$331 000 in grants to organisations to commercialise sustainable energy technologies in SA.
 - Successfully hosting a conference, Future Directions for Sustainable Energy Research in South Australia, attended by 120 people from the energy research community.
- Indeed, I recognise that the shadow minister for environment also attended that conference; and I am particularly pleased that he did. It also includes:
- Facilitating through the RAES scheme (Remote Areas Energy Subsidy Scheme) renewable solar energy sources to be installed at Parachilna. This technology becomes economic as the cost of fossil fuels escalates.
- I know, sir, that that is something that you have been advocating for some time would occur. It also includes:
- Progressing green power options for South Australia consistent with national schemes. Green power can now be purchased through AGL.
 - Facilitating proposals for wind farms which now total over 2 000 megawatts, of which up to 1 000 megawatts is very likely to proceed. These proposals cover much of the state, but particularly are focused on coastal regions of the South East and Eyre Peninsula. The most advanced proposals to date are at Elliston on the Eyre Peninsula and at Lake Bonney near Millicent.
 - Progressing South Australia's commitments to national greenhouse strategy and the government's sustainable energy policy.
 - Awarding over \$1.4 million in grants to some 100 South Australian households to install photovoltaic solar cells as part of the Australian Greenhouse Office—SA government subsidy scheme to encourage renewable energy uptake in South Australia.
 - Administering the new solar hot water service rebate, which I was pleased to announce on 28 May 2001, to provide rebates of \$500 or \$700 depending upon the nature of the system installed.
 - Development of a government energy management action plan to assist agencies realise their energy savings targets.
 - The building greenhouse rating system, which I was also pleased to launch in February 2001.
 - Presentation of information on energy efficiency and energy safety to eight home buyers seminars with average audiences of 300 people.
 - Administering the commitment of over \$800 000 in grants since March 2001 to install renewable power generation

in regional and remote South Australia as part of an Australian Greenhouse Office program subsidy to provide support for up to 50 per cent of the capital cost required to replace or augment a new or existing diesel generator for off-grid electricity generation.

This is just a snapshot of the work undertaken within my portfolio, and I take this opportunity to place on record the government's appreciation for the continuing dedicated work undertaken by all employees of the Office of Energy Policy and Energy SA, in particular, and PIRSA as the departmental body, in particular the executive staff and support staff. I look forward to expanding on information I have provided to the committee when I answer questions about the operations of and expenditure by this section of government for which I have responsibility.

The CHAIRMAN: Does the Leader of the Opposition intend making an opening statement?

Ms HURLEY: No.

The CHAIRMAN: Are there any questions? The Deputy Leader of the Opposition.

Ms HURLEY: Thank you, sir. I refer to Budget Paper 3, page 4.1, regarding the Office of Sustainable Energy. This is listed as a major expenditure initiative at a cost of \$1.3 million in 2001-02 with ongoing costs of \$1 million per annum thereafter. In a press release issued by the minister the day before the budget, he announced that Energy SA (which replaces the Energy Information Centre) will be funded by an additional \$1.29 million. Part of Energy SA includes a Sustainable Energy SA Advisory Centre. We can assume that this Energy SA is the Office of Sustainable Energy mentioned in the budget statement. I take it that that is the case.

Given that the Sustainable Energy Bill, which would have established a South Australian Sustainable Energy Authority funded by the privatised electricity entities, was allowed by the government to lapse during 1999, does this mean that the Olsen government has finally abandoned plans to establish a sustainable energy authority?

The Hon. W.A. MATTHEW: Clearly, the government has given very close and deliberate consideration to whether or not we believed it was in the best interests of the state to establish a sustainable energy authority. As the deputy leader would be aware, there are a variety of models in operation in different states around the nation and beyond our shores. We have taken the opportunity to examine the models used in other states, as well as look beyond our shores. The concern that we had in establishing a regimented sustainable energy authority was that it would be an authority that may not be subject to government policy direction as the government of the day, regardless of which government it happened to be, would want. We saw that as having the potential to actually thwart rather than encourage the implementation of sustainable energy programs.

As a consequence, we determined that we would be able to facilitate a greater take-up of sustainable energy opportunities through the establishment of a focused office, both utilising existing resources within government then adding to those and that office focusing on developing expanded models for sustainable and renewable energy opportunities in the state. There has been significant change in the opportunities since that bill was before the parliament, and indeed if anyone had put to me, or certainly anyone in government, that we might be considering anywhere up to 27-plus projects for wind powered generation, we would have thought that not possible—but indeed that is the case today.

There is a very rapid take-up of this opportunity by the private sector and it was our concern that a sustainable energy authority might actually slow down that process. The resolve that was there when this was included in legislation remains unchanged. We just determined that, with the benefit of the wisdom of the changed scenario, this would be a better way of delivering the service to the community.

Ms HURLEY: Apart from the web site, what additional functions will Energy SA perform that were not undertaken by the Energy Information Centre?

The Hon. W.A. MATTHEW: I did outline a number of those during my address to the committee. Principally, many functions that were undertaken by the former Office of Energy Policy were in fact sustainable and renewable energy associated functions. That office also undertook the regulatory roles and the role of technical regulator. Those functions continue, but the office has a stronger focus on sustainable and renewable energy and that has been evidenced through the first announcement of the rebate for solar hot water services. Throughout the year there will be announcements of further initiatives as they are prepared for public involvement.

Ms HURLEY: Is any of the \$1.3 million additional budget for Energy SA provided from the commonwealth through schemes such as the Remote Renewable Power Generation grant and Cities for Climate Change?

The Hon. W.A. MATTHEW: The \$1.3 million is totally state funded; however, we will clearly be looking for the opportunity to expand that money by a greater amount by leveraging any opportunity that is available through commonwealth programs. We have certainly availed ourselves of those programs considerably over the last 12 months and we would like to get a bigger slice of that cake; and that is one of the focuses of the office to ensure we are able to achieve that.

Ms HURLEY: I refer now to 2.2, Licensing Services, regarding Port Parham. The opposition has been informed of an application to have a coastal reserve near Port Parham lifted. This application is the precursor to the pegging of mineral claims and the subsequent application for mining leases for the production of shell grit. According to the Mining Act 1971, the minister must, when determining the granting of a lease, give proper consideration to, amongst other things, the natural beauty of the locality, the potential for flora or fauna to be endangered or disturbed, and any other such factors as may be considered appropriate.

Objections by Port Parham residents to this application include: the coastal reserve area is a natural corridor for birds and animals; the biodiversity of the area would be threatened, that is, flora and fauna displaced or eradicated; the area contains native pines that are the last left in the area; the scrub area is used as a seed bank for the revegetation of adjacent areas; many rare and endangered species of samphire and coastal vegetation would be under threat; mining is already occurring in an area between Port Gawler and Port Wakefield; mining would increase local heavy freight in the area; mined land could not be rehabilitated; and tourism would be threatened, that is, the aesthetic value of the approach to the town would be destroyed.

Is the minister aware of the residents' concerns and also the council's concerns, and can he give a guarantee to the people of Port Parham that a full and thorough investigation of the potential environmental damage to the area will be carried out before any decision is made on this application;

and that there be full and genuine consultation with the people in the area?

The Hon. W.A. MATTHEW: I am aware of the concerns of some of the residents. I have received in my office, over the past couple of weeks, a number of items of correspondence following a public meeting that was held by concerned residents. I have also, as no doubt the honourable member has, read media reports in relation to this matter. What I can share with the committee at this stage is the extent of my knowledge at present on the issue; and that is that the application to lift the coastal reserve has been prompted by a proposal by Amcor Australasia to construct a new glass factory at Gawler. It is my understanding that Amcor has not yet announced who will be favoured with the contract to supply shell grit for its factory. I would expect that when it makes that decision that is likely to prompt an application from whoever is the successful supplier in relation to materials they may wish to obtain for it.

Should it be C&MS, it may wish to proceed with an application to lift the coastal reserve. It is my understanding as at this time that it has not actually submitted an application. If it has, my officers are not aware of it at this time. The office must invite comments from all relevant stakeholders. So, I can give the member that undertaking: the office is obliged to seek those comments and will do so. Clearly, all those comments will be appropriately taken into account before a recommendation is made. As the member has, in part, pointed out, in my capacity as Minister for Minerals and Energy, I may refuse the application based on comments received, or I may make a recommendation to the government through cabinet for the reserve to be lifted. Clearly, I am not in a position at this time to make any determination either way until such time as, firstly, an application to lift the coastal reserve has been received and, secondly, we have been through those processes.

Ms HURLEY: I will read to the minister a letter from his department to the Chief Executive Officer of the District Council of Mallala. It states:

Dear Sir/Madam, An application has been received from Laurie Fricker, Director, Clay & Mineral Sales Pty Ltd. . . to have two areas within the 800m coastal reserve lifted. Area one is located at Port Parham and area two is located at Port Prime; the land is freehold and crown land.

It goes on to provide information about it and seeks comments on the lifting of the 800 metre coastal reserve for the above purpose from the portions of land as described. The letter continues:

Please ensure any comments are submitted to me at GPO Box 1671, Adelaide 5000 or Level 5, 101 Grenfell Street, Adelaide on or before 21 June 2001.

The letter was received on 25 May and the residents are complaining about the lack of time that the council and the community have to respond—that is, by tomorrow. The letter is signed by Melissa Muller, the Acting Mining Registrar.

The Hon. W.A. MATTHEW: I have not seen the correspondence to which the members is referring. As she speaks, that correspondence will certainly be obtained and I will look at the dates that have been set within that correspondence for those limitations. I indicated to her the advice that I have received. That correspondence will be retrieved and I will report back before the committee's deliberations finish this afternoon.

Ms HURLEY: I refer to output class 2, relating to the Yumbarra Conservation Park. Twelve months ago, in relation to mining in the Yumbarra Conservation Park, the minister

told parliament that a detailed low-level aerial geophysical survey had been completed and that calcrete sampling was likely to be undertaken, followed by exploration drilling in the area. Can the minister say what stage of exploration activity has been reached within the exploration licence area of Yumbarra Conservation Park? Has the calcrete sampling been completed and has any exploratory drilling yet taken place?

The Hon. W.A. MATTHEW: Three phases of low impact exploration activity of calcrete surveys have occurred since the granting of the exploration licence in January 2000. During each phase of activity both the Department for Environment and Heritage and the Department for Primary Industries and Resources have ensured that exploration activity is carried out in accordance with the strict exploration licence conditions and the additional proclamation conditions.

Joint inspections have occurred during each stage of activity with representatives from the licensee, the Department for Environment and Heritage and the Department for Primary Industries and Resources. The baseline biological assessment survey and environment condition report (as required by the proclamation conditions) were made available to the community in January 2001. The environmental monitoring assessment report (as required by the exploration licence and proclamation conditions) was recently made available to the public on 5 May 2001.

An independent ministerial advisory committee has been established to review relevant documents and to advise both me and the Minister for Environment and Heritage on issues of concern in relation to the mineral exploration, as well as to review compliance and performance audits against conditions of the Governor's proclamation and the terms and conditions of the exploration licence. This committee has an independent chair and includes representation from the Conservation Council, local Aboriginal people, the local community and the South Australian Chamber of Mines and Energy. The first meeting of the committee was held in Ceduna on Tuesday 29 May 2001. As I indicated, the committee will report to both me and the Minister for Environment and Heritage.

Ms HURLEY: Is that the completion of the exploratory work, or are there further phases to go?

The Hon. W.A. MATTHEW: That sampling has not yet been completed. I do not, and nor do my officers, have a date when that work is likely to be completed, but we will take that component of the question on notice and endeavour to bring back a satisfactory answer after consulting the people involved.

Ms HURLEY: I refer to output class 2, relating to state resource regulation services. According to a report in yesterday's *Age*, Santos has suspended all production after the tragic explosion at their liquids pumping plant at Moomba at the weekend. The report states that the liquids pumping station, which transports crude oil and petroleum liquid from the Moomba plant to Point Bonython, was inoperable. What long-term impact will the explosion have on production from the plant and on royalties to the state? Is PIRSA involved in the investigation into this incident, and when will it be completed?

The Hon. W.A. MATTHEW: First, I put on the record my condolences to the family of the man who died in that incident. It is tragic when this sort of thing occurs. For a man to lose his life—and I understand that he was a family man and leaves behind a widow and three children—is indeed awful. Three other workers were also injured. While, thankfully, their injuries were not life threatening, it is a

dreadful thing to occur. I know from discussions we have had with Santos representatives that they are terribly aggrieved by what has occurred.

In relation to the effect on the plant, it is my understanding that the impact of this accident was felt only by the liquids plant to the extent that there has been no disruption to the natural gas supplies. As a consequence, there is a temporary and short-term effect, but the exact length of time is something that is obviously being monitored by Santos on a regular basis. We and they expect no long-term effects. In terms of any effect on government royalties, if there is an effect at all it will only be on the liquids and that it will probably be only short term rather than long term. Santos has contractual commitments that it needs to meet.

In relation to government monitoring of the accident, the matter is a workplace services matter and falls within the Department for Administrative and Information Services. I expect that Mr Lawson's staff are keeping him briefed in relation to that part of the matter.

Ms HURLEY: Still in reference to output class 2, on 23 October 2000 the minister announced that a review of the Santos Limited (Regulation of Shareholdings) Act 1989 would be undertaken. Mr Ian Kowalick, a former head of the Department of the Premier and Cabinet, was appointed to conduct the review. This review was expected to be finalised by 30 November 2000, with the results to be considered by the government. Can the minister advise if the report has been completed and, if so, what did it recommend and when will the report be released?

The Hon. W.A. MATTHEW: That report has been completed and considered by cabinet. As no change has been made since that event, there has been no change to announce.

Ms HURLEY: So, the government will not act at all on the report? Is that what you are saying—that no changes will arise as a result of that report?

The Hon. W.A. MATTHEW: 'No change' does not mean that the government has not acted on the report. I am simply indicating that there has been, and will be at this time, no change.

Ms HURLEY: And you are not going to release the report publicly?

The Hon. W.A. MATTHEW: I see no need to release the report—it was an advisory report to government and government has acted on that report—but I am happy to brief the deputy leader in relation to the content of the report outside of this chamber. One of the reasons for my reluctance is that these types of reports can cause share market fluctuations that neither she nor I would like to occur so I am happy to have her privately briefed, along with any officers or shadow ministers whom she might deem to be appropriate.

Mr HILL: Can I follow up the question asked by the deputy leader in relation to the ports of Parham and Prime? I asked the question of the Deputy Premier and he suggested I ask it of you. I quoted from a paper prepared by the district planner of the Mallala council and he made this comment, amongst many others. He stated:

It may be worthwhile to request that Primary Industries check the environmental management energy records of clay and mineral sales in relation to post-closure management and rehabilitation of mine sites. CNMS raised the ire of this council in the past following clearance of significant stands of native vegetation in the sandhills at Redbanks. I have also had reports that clay and mineral sales have caused significant damage to dunes in the Port Gawler area following mining activities. I am unaware of any attempts to reinstate the original vegetative cover at any of CNMS's disused mine sites.

My question is: will the minister do as the council suggests and look at the bona fides of this company, if it has applied to access that coastal reserve? Before he exercises his discretion, will he look at the bona fides of the company?

The Hon. W.A. MATTHEW: We certainly will look at the bona fides of the company involved, and I expect that council has furnished that information to government and that will be appropriately worked through.

Mr HILL: I also refer to another question asked by the deputy leader, which was to do with Yumburra. I think the minister said at one stage that Yumburra was going to be a test case for mining in national parks. Would you tell us how successfully that test case has been running? Has it proved to be an ideal model for mining in national parks?

The Hon. W.A. MATTHEW: I look at Yumburra as being a test case in a number of areas, not just in relation to the way in which mining is undertaken in national parks but also the way in which Aboriginal heritage issues are worked through with local communities. It is fair to say that this particular location brings both issues into the fray. It is to the credit of all people involved—departmental officers, the company concerned, Aboriginal communities and the district council—that Aboriginal heritage issues have been sensibly and methodically worked through. Having had the opportunity to meet with some of the Aboriginal elders involved, I was particularly impressed with their attitude towards the project and towards the people involved: equally, I was impressed with the attitude of the company to the rights of the Aboriginal people. In that respect, I think that the project already has provided a good base for others to follow. That is not to say that there have not been mistakes made along the way by both parties but, again, I think that is always part of the learning process.

In relation to mining in jointly proclaimed national parks, as I indicated in my response to the question from the deputy leader, the calcrete sampling that has occurred has involved necessary joint work between the Department for Environment and Heritage and my people from the Office of Minerals and Energy Resources in PIRSA. I believe that that way of working together is a productive way forward. Again, we are monitoring carefully the manner in which this work is undertaken to derive lessons from it. I expect that those lessons will be useful for other areas where such activity occurs in the future.

Mr HILL: In order to take less time, perhaps I can ask a three part question in relation to Coongie Lakes. First, what is the current status of exploration in that area? Secondly, can you rule out new exploration and mining in the control zone? Thirdly, can you guarantee that the integrity of the Coongie Lakes wetland values will be maintained under whatever circumstances the future might hold?

The Hon. W.A. MATTHEW: The member would be aware that a Coongie Lakes task force was formed which finalised the analysis of management options following public consultation. As a consequence, a report, including a series of recommendations, was forwarded to relevant ministers for consideration in December last year. Those documents are, at this time, still being considered, particularly by the Minister for Environment and Heritage. He and I had a discussion in relation to that as recently as last week. I can share with the committee that the Minister for Environment and Heritage is awaiting further feedback from the conservation council in relation to some work that it is undertaking with an exploration company, and when he is in

receipt of that information he will be in a position to further consider exactly what his stance is going to be in relation to the report. So, I cannot be more explicit than that at this time and I am not in a position to be able to conclusively, as a consequence, answer the member's other questions, but I am sure that he can see, from the length of time that this issue is being considered, that the government indeed takes the concerns of the various groups that have been put forward very seriously and we will not be making a decision until those concerns have been very carefully and deliberately worked through and satisfied.

Mr HILL: I turn to energy issues, particularly solar energy, and the announcement made prior to the budget regarding the rebate scheme for solar hot water systems which, I think, was in two levels of \$500 and \$750. Can the minister say how much has been committed in this budget to that scheme and how many households will be able to be connected as a result of that scheme?

The Hon. W.A. MATTHEW: The \$500 or \$700 funding for the rebates is dependent upon the nature of the system installed. Essentially, if it is a single panel system there will be a \$500 rebate; if it is a double panel system there will be a \$700 rebate. The focus of the scheme is on CO₂ emissions. As a consequence, the nature of the system that is installed is very much location dependent. A rebate is permitted for a solar hot water system that is electrically or gas boosted that replaces the use of an electric hot water system. It is permitted for a gas boosted solar hot water system that replaces a gas hot water system. So, as the member will see, we will not allow a rebate for an electric solar system to replace a gas system because we are not getting the CO₂ emission savings. Therefore, it is very much CO₂ emission focused. In the case of the solar hot water system with electric or gas booster that is installed in a new home which does not have access to reticulated gas, we are endeavouring to encourage new home owners who have access to reticulated gas to have a gas booster system—so, if gas mains go past the front of their property, they need to have it connected to their property to obtain the rebate.

Mr Lewis interjecting:

The Hon. W.A. MATTHEW: It needs to have the reticulated gas access. If it does not have reticulated gas access, the rebate will obviously be allowed for an electric solar system. This is specifically the solar hot water system rebate. So, systems are only eligible for rebate where an electric boosted solar hot water system replaces a gas one or an electric boosted solar hot water system is installed in a new home that has access to reticulated gas. We expect that some people will disagree with that decision, but our program is very much CO₂ emission focused.

Those who are genuinely environmentally committed—as I know the shadow minister is—will support that rigidity. It has been very difficult for government to fix the amount of money that has been allocated, because the companies that install these systems have been a little coy with their figures. Effectively, we have had to base our allocation against an installation figure of 1 500 systems, but we have allowed contingency through the larger department should we get 3 000 systems. The message I am giving the honourable member is that, if we get a far greater take-up than we expected, it is our intention to keep the scheme running, because of the environmental advantages that occur. We have been surprised by the amount of interest in the scheme. We are expecting that there will be a significant call on govern-

ment to fund this scheme, and we do not want to reduce the pace of that call.

Mr HILL: I can understand the difficulty you have, but there must be a figure in the budget put aside for the 1 500 or so projects you are anticipating. What is that figure?

The Hon. W.A. MATTHEW: A minimum \$700 000 has been allocated in the budget. However, as I have indicated, we are quite flexible about that amount.

Mr HILL: The commonwealth has a scheme which subsidises photovoltaic systems, and it is quite an expensive scheme. Those who get into it obviously rely on the fact that they can plug into the power grid and bring power into their homes when they need it, which is presumably most often at night, and then export power into the grid during the daytime. I understand it works reasonably well on that basis. I further understand that AGL is looking at changing the arrangement so that it will pay only a wholesale price for the power that is generated from the individual homes yet charge a retail price for the power that people draw off the grid. Is that true and, if that is the case, what implications does that have for the viability of the scheme?

The Hon. W.A. MATTHEW: This issue has also been raised on occasion by the Australian Democrats, so we are very conscious of it. Dr Cliff De Fong has been pursuing this matter on behalf of the government. As he has the latest information available, I ask the committee's indulgence for him to respond to the question.

Dr FONG: Just recently AGL announced on 1 May what the buy-back rate will be for electricity exported back to the grid, and that is 14.25¢ per kilowatt hour, which is the same cost at which you can buy electricity from the grid at present. The other issue is that some concerns have been raised about the type of meter required. Our understanding is that it needs a bidirectional import-export meter, which will probably cost \$200. We are not clear yet whether the older disc meters, which can run backwards, will be allowed or you will need to replace them with a bidirectional meter. It is pretty clear that AGL is playing the game. It has made clear what the buy-back rate and the requirements of the metering will be.

Mr LEWIS: I will run on from the queries being made by the member for Kaurana about the hot-water service incentive scheme rebates. How would this apply in the remote area situations such as on farms where no electricity or gas is available? Certainly, in the pastoral areas there are situations where the hot-water service at present either relies albeit inefficiently on electricity that is not generated in the main grid or on simply burning other fuels such as wood. Is there any incentive for those people to use solar energy heaters?

The Hon. W.A. MATTHEW: The member for Hammond would be aware of the federal government's solar photovoltaic scheme that was also mentioned by the member for Kaurana earlier. While being a federal scheme, that scheme is administered through the state government. That scheme provides substantial grants to people to enable the installation of a solar photovoltaic system to electrically power their household so that they are able to take advantage of the sun's energy for the major part of their household needs. However, the solar hot-water service grant is simply for a hot-water system for the heating of water. If I were the local member and it was my responsibility, I would refer people to that scheme. If the member would like some detailed information about that which he can provide to his constituents, I would

be happy to provide that to him outside this estimates committee hearing so that he has that information for them.

Mr LEWIS: I welcome that information in the context of the inquiry that I made; that is, it is hardly efficient use of capital resources to use photovoltaics to generate electricity to heat water, and then use bottled gas to augment the heating process if it is overcast for too long. It is better to use a straight-out solar hot-water service big enough on a cold day to produce the water in sufficient quantity and at sufficient temperature to meet most needs.

The Hon. W.A. MATTHEW: I assumed the honourable member was referring to more than just a hot-water service.

Mr LEWIS: I am happy to receive the information relevant to all things. I was following on from the member for Kaurua. I would be happy to receive that.

The Hon. W.A. MATTHEW: Dr Fong has indicated to me that he can provide some specific information in relation to the hot-water aspect.

Dr FONG: The solar hot-water heater rebate scheme does allow for the adjunct of the solar hot-water heater panels themselves. In other words, you can get the panels and add them to something like an existing wood stove or an existing LPG hot-water service. I believe the rebate for that is about \$500. You would get a significant rebate from the government of \$500, and you would also be entitled to the renewable energy credits (RECs) from the commonwealth government. That would answer the honourable member's question, as it is more efficient to use fuels such as wood and LPG for heating water. You would get the additional benefit of the solar heating component.

Mr LEWIS: What has happened with respect to the information to be found in the Portfolio Statements, Budget Paper 5, volume 1 (page 2.5), relevant to the aerial geophysical survey work that has been undertaken? On the one hand, we see the targets for 2001-02 and highlights from this year just about ended. Under 'Highlights for 2000-01', dot point 5 on page 2.5 says that we have completed the Northern Musgrave Block airborne surveys and the AGSO/Minerals and Energy Resources joint airborne electromagnetic trial surveys and made the data available. Under 'Targets for 2001-02' dot point 6 says:

Complete all targeted exploration initiative (TEISA) projects, including the Southern Musgrave Block airborne survey and Lake Harris aerial electromagnetic survey.

For the benefit of the committee (as other members may not know where it is), will the minister tell us where the Musgrave Block is in the north-west of the state and where Lake Harris is; and in this coming year what area it is proposed will be flown, and why that decision has been made to do the area in Lake Harris and the Southern Musgrave Block, as opposed to any other area? Can he also tell us whether AGSO will do any more airborne geophysicals?

The Hon. W.A. MATTHEW: Essentially, the targeting to which the member refers is being undertaken as part of the TEISA program, which I outlined in my opening remarks. This program has been focusing on areas of the state which are determined as being likely to be prospective but about which data of this nature has not previously been collected. Those two parameters have been the major ones that have been applied.

The member referred in his references to the Musgrave Block, which, as the member is aware, is in the top corner of the state—in fact, against the South Australian and Western Australian border. The area is likely to be prospective, and excitement about the region has intensified following some

rather promising finds just over the border into Western Australia.

Mr LEWIS: In particular, can the minister tell us about the native title problem that will flow automatically from anything that happens in the area because it is on the Aborigines' land, and then tell us about Lake Harris, too? It is no good finding this stuff if we are not going to be allowed to touch it.

The Hon. W.A. MATTHEW: Lake Harris is in the Gawler Craton, and that is a potentially prospective area for nickel. As the member indicates, as further work is deemed desirable by various prospective companies, a necessary native title process has to be worked through and, as the member would expect, just for us to undertake the surveys that have been undertaken to date, in many cases, it has required significant and extended negotiations with Aboriginal people to have that first part of the work undertaken. Clearly, where the work has been undertaken those negotiations have proven successful; and, where the results yield areas with a prospectivity that gets the attention of companies that want to prospect further, then, yes, it is necessary to work through native title issues and/or Aboriginal heritage issues, depending on the locality involved. Regrettably, the provision of the data does not mean the conclusion of those issues.

Mr LEWIS: I am seeking further clarification of this program; it is not another question altogether in any sense. The concern that has been expressed in the mining industry and amongst geologists at large which I have heard is, 'What is the point of our discovering the minerals if the people'—that is, the Aboriginal people in the Pitjantjatjara lands or the Maralinga lands, which I think it is in the case of Lake Harris—'will not let us have access to them?' I would have thought that, before the government sunk millions into that, it was sensible for the government to have concluded the background arrangements that would enable access and further exploration and development of whatever is discovered; otherwise, it seems to me to be an exercise in futility. If they will never let the ground be developed, there is no point in exploring it. We might as well ignore it until they decide (if ever) that they would like to see the mineral deposits so discovered, or any mineral deposits for that matter, developed for commercial purposes. Why sink taxpayers' money into a black hole—and no pun is intended?

The Hon. W.A. MATTHEW: The Chief Executive, Denis Mutton, as luck would have it, was in the Pitjantjatjara lands only last week, so with your indulgence, sir, I seek the opportunity for the Chief Executive to advise what he found and the attitude that he found to exist on that occasion.

Mr MUTTON: For instance, the clear message coming from the Anangu Pitjantjatjara people in the far north-west of the state, which has the Musgrave Block as part of that Aboriginal lands, is that they are genuinely looking to support sound mining on their lands. In fact, the majority of that area of the state, which is about 10 per cent, has exploration applications on that land, and there is very strong support from those companies that have applications in place for the aeromagnetic and related survey work to be done.

Over recent times, the involvement of the agency has been to work with the Aboriginal community to provide support and data to accelerate the process of consideration of those exploration applications. That is certainly a current issue and we as an organisation are confident that the relationship we have with the community and their support for sound mining on their lands, obviously in consideration of sites of significance, will allow that program to be accelerated and approval

given by both the government and the Aboriginal community (the Anangu Pitjantjatjara people) for those applications to be converted into exploration licences.

Ms HURLEY: Will the minister give details as to the budget for Energy SA, including staff numbers, salaries and wages, executive entitlements and assets and liabilities? Will the minister also comment on whether Energy SA would have, apart from its regulatory type roles, any forward planning functions in terms of energy supply and security?

The Hon. W.A. MATTHEW: I apologise for the delay. We are endeavouring to see how much of the answer we can provide at this time by separating out the figures about which the deputy leader asked. What I can advise is that for 2001-02 Energy SA has an expenditure budget of \$17 328 000 and a staffing contingent of 47, including three executive positions. The assets and liabilities component of the deputy leader's question I will need to take on notice, because they are obviously accrual accounting matters and it will take some time to separate the figures she is looking for. The figures that I quoted for the Energy SA expenditure budget, though, do not include PIRSA corporate. As the deputy leader would appreciate, the larger department has a corporate section that provides a whole range of financial accounting and human resources services. In the traditional days of the previously separated, smaller departments of government, that component would have been within those smaller sections. The deputy leader needs to take into account that that work is done outside of it and, therefore, is not included in that budget figure.

Ms HURLEY: I would like the same figures for the Office of Minerals and Energy Resources component of the section, please.

The Hon. W.A. MATTHEW: I am happy to do that, and I advise in the interim that its expenditure budget for this financial year is \$16 976 000 against a staffing level of 119 people, three of which are executive positions. The remainder of the question, as with the previous one, I will take on notice.

Mr LEWIS: Following the information provided to the committee by Mr Mutton, can I ask him to give me a simple definition of what he means by 'sound mining' and whether that in any way differs from what the act requires of mine operators anywhere? Secondly, have the sites of significance to which Mr Mutton referred been identified and excluded from the flyover so that we do not waste expenditure discovering things that will never be allowed to be examined in any greater detail, or are we simply saying that we will fly the lot and, too bad, we will sink the money that happens to be spent on sites that are out of bounds?

The Hon. W.A. MATTHEW: With each of the surveys that has been done there have occasionally been what, for want of a better expression, could be called no-go zones, and they are usually over settlements. Data has not been taken in the main over those, but in terms of sites of significance there are a number of issues. First, they are usually, although not always, small sites, and to interrupt the flight path for that sort of survey work just is not cost effective. Further to that, often the communities do not want to be that prescriptive about the location of those sites of significance and, for that reason, do not want to give an exact geographic location but, rather, a broad area. In the main, that data has been collected because we believe that it is a more cost effective way of doing it than interrupting flight paths.

Mr LEWIS: So, on the multiplication of the probabilities of success of finding something of significance that will be

made available to the industry, notwithstanding the assurances Mr Mutton has given us, may I respectfully put the opinion that in many instances I will bet we are spending money where it is less prospective when you multiply that out than it would be if you went to an area where there are no sacred sites as part of a set of sites of significance that would be excluded, and that until and unless we can identify them in company with the people concerned—and I mean no disrespect whatever to their beliefs—it is crazy even to talk about it.

It is like saying that an architect, an engineer and a quantity surveyor ought to go and do a building development plan where we have heritage buildings that will never be allowed to be demolished to make way for the building that is proposed to be put there but, when we have finished doing the architectural drawings and the site suitability for construction, and we have done the quantity surveying work, we decide not to proceed because we always knew there was a heritage site there that we could not interfere with. It is just bloody crazy to sink taxpayers' money into such areas.

Having made that point, may I ask for some better definition, if there is one, of what is sound mining, if it is not embraced in the Mining Act now, and whether it requires some higher threshold level of procedure in the mining operation that might be undertaken in the Musgrave block, in the Pitjantjatjara lands, or anywhere else, for that matter?

The Hon. W.A. MATTHEW: The question includes some pretty broad statements that I think the honourable member would wish me to address. In part, the member for Hammond touches on a dilemma that all governments around Australia have in relation to Aboriginal heritage clearances in the first instance. As the honourable member would be aware, there are some locales in the state which have had clearances on more than one occasion for different companies. I would agree with him that, where that knowledge is pre-existing, it is not a reasonable process to have to go through and clear an area again.

Mr LEWIS: It would be better to get the money for them to improve their health and education, rather than spending it discovering what is there, knowing that ultimately we will probably never be able to develop it.

The Hon. W.A. MATTHEW: To address the concerns the honourable member has raised, as a government we have been working through a process that will be yielding some very significant results, the ILUA (Indigenous Land Use Agreement) process. That process involved officers from my agency, from the Aboriginal Legal Rights Movement, from Crown Law and from industry working through a sensible process of agreed land use. Concurrent with that has been put in place the framework for a register that we are endeavouring to have published as a public document via the web, so that heritage cleared sites ultimately will need to be cleared only once, and that information will be publicly available.

That is the end towards which we are working. It has not been a simple and straightforward negotiating path, as the honourable member would expect, but we are endeavouring to get that result. I am highly optimistic that that is the result that will be achieved and that will assist in eliminating spending money in areas where, quite simply, there will not be any mining allowed. There is always the risk, until that information is known and is public, that moneys could be wasted, and there are many examples of that. I am sure that the honourable member is himself aware of companies that have spent money only to find that there was no likelihood of their undertaking a mining activity in that area.

It is our resolve to finish up with a system that eliminates that, but native title is a comparatively new area. I believe that in South Australia we are more advanced than any other state in our nation, particularly in relation to the Cooper Basin and negotiations that are occurring there, where we have had negotiations on the petroleum front involving multicompanies and multitribes. We have had significant progress in an extremely difficult area. So, the honourable member's frustrations are understood and appreciated.

He also referred to the chief executive's words of 'sound mining'. The chief executive assures me that it is not his intent through those words to deviate from anything in the act nor to indicate a special set of circumstances for the lands we are talking about different from those that would apply elsewhere.

Mr LEWIS: I asked a little earlier when I was referring to the 2.5 output, class 1, Information Services: are there any AGSO funds available this year in South Australia? For the benefit of other members of the committee, that is the Australian Geological Survey Organisation. It is a commonwealth source of money for the aerial geophysicals that are flown in different parts of Australia. It is my sincere opinion that South Australia remains probably the most prospective and underexplored state in Australia.

The Hon. W.A. MATTHEW: I can advise the member for Hammond that we have again been successful in getting Australian Government Scientific Organisation (AGSO) funds for further exploration work. I agree with his assessment that indeed South Australia is probably the largest remaining under-explored area in the country. We have been able to convince the federal government of that, and that is why in this past financial year we have seen a significant increase in the amount of AGSO funding coming into South Australia and, again, we will see significant funding for this financial year. I do not have all the details before me, but I am happy to take that component of the member's question on notice and bring back for him details as to the quantity of funding and in which locations the expenditure will be occurring.

Mr LEWIS: On this point of where we spend our taxpayers' aerial geophysical dollars for exploration purposes, I take from the minister's answer that he will let us know where AGSO's expenditure is proposed to be undertaken in the state. I make the point that we might do better to invite private exploration dollars to be put on the table for aerial geophysicals on a dollar for dollar subsidy basis or some other arrangement like that, rather than saying where we will spend the money, so that private companies that reckon there is a good prospect somewhere or other will meet half or some other portion of the costs of doing it, instead of the system we have at the moment of the work being done and then private companies taking it up if it is there; or, if they want it done (and I declare an interest in all this; it is well known in this chamber that I am involved in the mining industry), the greater intensity—that is, closer interval and lower altitude—flying can be undertaken. That option has always been there.

The Hon. W.A. MATTHEW: The option is there and in fact considerable private expenditure goes in, particularly to infill areas where companies wish to achieve higher resolution data. That occurs now, and indeed we encourage that to occur.

Mr LEWIS: If the program says this is where we will fly, it is pure serendipity.

The Hon. W.A. MATTHEW: The program is not simply determined by AGSO: it is one that AGSO undertakes after application and advice from our department in South Australia. The information that staff of our department have is not simply their own whimsy: it is information and requests that are collected from the industry and to deliberately encourage the prospecting of areas where that extra information is needed to encourage companies to come forward and spend money. So, wherever money is spent on obtaining scientific information, it is our endeavour to do that to make the information available and to then encourage private sector spending on the area. That is our endeavour on each occasion.

To date, that has proven to be extremely successful. I would not for one minute pretend to the honourable member that it has been successful on 100 per cent of occasions, but it has certainly been successful in a high percentage of cases. We endeavour to target areas that will encourage the private sector to spend further money in exploration and hopefully ultimately undertake production mining.

Mr LEWIS: I am still not sure, and I want to clarify this point. For argument's sake, if I were to come along with \$100 000 and say I wanted to undertake some aerial geophysical survey work in a given area of this state in the next six months, would the government be prepared to spend some of its money alongside that \$100 000?

The Hon. W.A. MATTHEW: Given that the honourable member has declared an interest in mining, I would rather—

Mr LEWIS: If a company comes along with \$100 000.

The Hon. W.A. MATTHEW: I would much prefer to answer that question. If a company were to approach the government with an interest in obtaining data for an area, we would be prepared to talk to that company. Certainly there is an open and transparent process whereby companies can submit proposals, and government will consider those proposals on their merit.

Mr LEWIS: As the minister and Chairman know, I would not seek anything that any other citizen would not be entitled to. What examination is there still of wind energy sites for prospective development? Has the minister seen the wind farm at Ravenshoe in Queensland, where there is a huge amount of power generated in excess of what was originally expected from that site? With rare earth magnets and so on in the generating hardware I am now more than ever convinced that wind energy for electricity generation is a really good option and is improving in its efficiency on an annual basis, if we have reasonable quantities of wind. I did not ever see Coober Pedy as being a very breezy place.

The Hon. W.A. MATTHEW: I was chuckling at the member's last quip about Coober Pedy not being a breezy place. I do not mind putting on the record that, if I had been the minister at the time when the wind turbine was proposed for Coober Pedy, no government money would have gone into it. It is fair to say that, if any government needed evidence that a turbine should not be placed in a very dusty area with very little wind, we now have that evidence. I felt that it was an unfortunate situation that resulted in the turbine being placed there but, having said that, I am told that there are occasions when it does generate electricity, and that is always gratefully received. In relation to the overall situation for wind power development in the state, an exciting amount of interest (and there is no better way of explaining it) has been shown by a variety of companies in being involved in wind power generation in South Australia.

We have proposals before us at the moment for wind farms totalling in excess of 2 000 megawatts. The Department

of Industry and Trade and Energy SA have been working together on these proposals. It is their joint expert view that some 1 000 megawatts is very likely to proceed. With the number of projects we do not expect them all to get up, but the fact that 1 000 megawatts is very likely to proceed is in itself very exciting. The proposals cover much of the state, and particularly in coastal regions of the South-East and Eyre Peninsula. The two most advanced proposals at this time are at Elliston on Eyre Peninsula and Lake Bonney near Milllicent. At Elliston, a company called Ausker Energy proposes a 50 megawatt farm, and that is undergoing environmental assessment and development approval licensing processes at this time. Its most recent estimate of commissioning is early 2002.

At Lake Bonney, a consortium of Babcock and Brown, National Power USA and Hutchison Wind Farms proposes a farm of initially 60 megawatts. I understand that it will be through about 55 turbines, so they will be reasonably large turbines. They also expect that to be commissioned in early 2002. That project is at the tender selection stage for its equipment, and indeed at the very advanced stages of that. Likewise, Ausker Energies has also been working through its suppliers recently, so both companies are very advanced in their proposals.

A number of other proposals have undergone public consultation and landowner negotiations and are at various stages of wind monitoring. The wind monitoring data that has been collected is in addition to information that the government is able to make available for them. The member for Hammond is probably aware that in 1984 the government commissioned a wind study to be undertaken. It is actually that data that has been the catalyst for a lot of the interest now. The data has sat not used greatly for a considerable number of years, but of course the new opportunities now available for wind power generation have focused a lot of attention on that data.

Clearly, we are conscious that a major cost of the wind farm development on this scale will be the cost of connection to the transmission system and possible augmentation of the system further up line, and we are working through those issues with the companies concerned.

Mr LEWIS: At page 2.18 we see that \$1.6 million is being sunk into the Brukunga mine rehabilitation. My question is not so much just about Brukunga but about the funds in the Mine Rehabilitation Fund. Can the minister assure this committee that no money has been taken from that fund for any other purpose than mine rehabilitation? If the Treasury and the Treasurer has nicked any of it, why did he nick it; what was it used for; and will any other mine rehabilitation work be undertaken from that fund besides the Brukunga mine rehabilitation work during this coming 12 months?

The Hon. W.A. MATTHEW: This fund is one about which I am as passionate as the member for Hammond—and indeed I know the Deputy Leader of the Opposition is also passionate about it. The three of us share a common problem in that mining activities have occurred in our electorates and they involve activities which, as being completed, need to draw on the fund. Certainly, during my time as minister there has been no draw on the fund for purposes other than rehabilitation work; there has been no grab by Treasury for those moneys, and I would have a lot to say if it endeavoured to do so. If the member for Hammond has information that might suggest otherwise, not only during my term as minister but also prior to that, I would gratefully receive such

information and would have it investigated forthwith. I have no reason at this time to believe that the fund is being used for anything else other than the purpose for which it was established. In relation to the funds for Brukunga, none of the moneys for that have come out of the fund concerned. They have been additionally budgeted funds for remediation that has occurred essentially—

Mr Lewis interjecting:

The Hon. W.A. MATTHEW: Yes; it is additional money because the moneys are being utilised in the first instance to overcome a pollution problem. The Brukunga site is an enormous dilemma for government and has been for quite some time.

Mr LEWIS: It makes a hell of a mess in the Nairne Creek.

The Hon. W.A. MATTHEW: Indeed, it does make a mess. The company is no longer in existence, the area is polluted, it needs to be rectified, and that cannot be done without considerable ongoing expenditure. That expenditure is in addition to the moneys for the fund. The fund continues to be used for remediation of areas that have previously had extractive industry occur in them or where that extractive industry is moving and is no longer using those portions anymore.

In the intervening period, I indicated to the deputy leader that I would have more information obtained for her in relation to Clay and Mineral Sales Pty Ltd and the shellgrit reserves issue. I can now confirm that the letters to which the deputy leader alluded are in existence and have been received by my department. I have before me now two letters that have come from Clay & Mineral Sales, each to Ms Helen Tirrios, the Acting Mining Registrar. Both letters are headed, 'New mineral claims for shellgrit'. The first letter dated 5 April was accompanied by a planned area showing two mineral claims that the company wished to peg. The company indicated that it understood there were a number of procedures it had to follow and asked for the process. The letter is handwritten and states:

Please begin the process of getting the two coastal reserves lifted.

That has gone into the department. A further letter dated 7 May 2001 commences:

In about 12 months time AMCOR Australasia are planning to start production of a new glass factory at Gawler to produce bottles for the wine industry. Our company has been discussing supply of shellgrit with AMCOR for some time.

As I indicated earlier, to my knowledge AMCOR has not made a decision in relation to supplier. The letter continues:

There are only two areas not already pegged. One area is at Port Prime and the other at Port Parham.

The letter indicates that the company wishes the opportunity to peg these areas and asks for assistance to obtain the required approvals. At this stage, I am not in receipt of any response by the department to those letters, other than some advice that they have sought comment and due date for comment is 'by 21 June'. They have indicated that the department process is that, when no response is received, telephone contact is made and, if necessary, the time to respond is extended. That has already occurred with one organisation.

I am advised that the process of telephoning is happening now. I advise the deputy leader that where people are concerned about the time involved for comment, if the honourable member directs those people to the Acting Mining Registrar, it would appear to be a fairly simple process to

extend that time line reasonably, so that they have the opportunity to submit their concerns and any other information that they might wish to submit. On 23 May a letter was written to the District Council of Mallala advising of the application to peg the area and requesting comment from it. Indeed, the council has responded to government already via its legal representation. That process through council is already in train. I believe that now satisfies the member's questioning.

The ACTING CHAIRMAN (Mr Meier): Are there any further questions?

Ms HURLEY: No.

The ACTING CHAIRMAN: There being no further questions, I declare the examination of the votes completed. I thank the minister who is now present and the Deputy Premier, and their advisers, for attending today, and I particularly thank the committee members for the way in which they conducted the examination.

ADJOURNMENT

At 6.20 p.m. the committee adjourned until Wednesday 21 June at 11 a.m.